As filed with the Securities and Exchange Commission on November 12, 2009

Registration No. 333-161718

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
to

Form S-1

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

AMERICAN AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**4512**	**13-1502798**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

4333 Amon Carter Blvd.
Fort Worth, Texas 76155
(817) 963-1234
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Gary F. Kennedy, Esq.
Senior Vice President, General Counsel
and Chief Compliance Officer
American Airlines, Inc.
4333 Amon Carter Blvd.
Fort Worth, Texas 76155
(817) 963-1234
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
John T. Curry, III, Esq.
Peter J. Loughran, Esq.
Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
(212) 909-6000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company o

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not complete this exchange offer or issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 12, 2009

PROSPECTUS

American Airlines, Inc.

Offer to Exchange

$276,400,000 Outstanding 13.0% 2009-2 Secured Notes due 2016 for $276,400,000 Registered 13.0% 2009-2 Secured Notes due 2016

American Airlines, Inc., is offering to exchange the Old Notes, as defined in this prospectus, for a like principal amount of New Notes, as defined in this prospectus.

The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the New Notes are registered under the Securities Act of 1933, as amended, and the transfer restrictions and registration rights relating to the Old Notes will not apply to the New Notes, and except for certain related differences described in this prospectus.

No public market currently exists for the Old Notes or the New Notes.

The exchange offer will expire at , New York City time, on , 2009 (the "*Expiration Date*") unless we extend the Expiration Date. You should read the section called "The Exchange Offer" for further information on how to exchange your Old Notes for New Notes.

See "Risk Factors" beginning on page 12 for a discussion of risk factors that you should consider prior to tendering your Old Notes in the exchange offer and risk factors related to ownership of the Notes.

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days after the Expiration Date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2009.

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This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any

of this information, please submit your request

to American Airlines, Inc., 4333 Amon Carter Boulevard, Mail Drop 5651, Fort Worth, Texas 76155, Attention: Investor Relations (Telephone: 817-967-2970).

In order to obtain timely delivery of any information that you request, you must submit your request no later than , 2009, which is five business days before the date the exchange offer is scheduled to expire.

You should rely only on the information contained in this prospectus and the documents incorporated by reference in this prospectus or to which we have referred you. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information contained in this prospectus or any document incorporated herein by reference is accurate as of any date other than the date of this prospectus or the date of such other document, as the case may be. Also, you should not assume that there has been no change in the affairs of American since the date of this prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference contain various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "*Securities Act*") and Section 21E of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), which represent American's expectations or beliefs concerning future events. When used in this prospectus and in documents incorporated by reference, the words "expects," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "outlook," "may," "will," "should," "seeks," "targets" and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe our objectives, plans or goals are forward-looking statements. Forward-looking statements include, without limitation, our expectations concerning operations and financial conditions, including changes in capacity, revenues, and costs; future financing plans and needs; the amounts of our unencumbered assets and other sources of liquidity; fleet plans; overall economic and industry conditions; plans and objectives for future operations; regulatory approvals and actions, including our application for antitrust immunity with other **one**world alliance members; and the impact on us of our results of operations in recent years and the sufficiency of our financial resources to absorb that impact. Other forward-looking statements include statements which do not relate solely to historical facts, such as, without limitation, statements which discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this prospectus and the documents incorporated by reference herein and therein are based upon information available to us on the date of this prospectus or such document. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. Guidance given in this prospectus and the documents incorporated by reference herein and therein regarding capacity, fuel consumption, fuel prices, fuel hedging and unit costs, and statements regarding expectations of regulatory approval of our application for antitrust immunity with other **one**world members, are forward-looking statements.

Forward-looking statements are subject to a number of factors that could cause our actual results to differ materially from our expectations. The following factors, in addition to those discussed under the caption "Risk Factors" in this prospectus and other possible factors not listed, could cause our actual results to differ materially from those expressed in forward-looking statements: our materially weakened financial condition, resulting from our significant losses in recent years; weaker demand for air travel and lower investment asset returns resulting from the severe global economic downturn; our need to raise substantial additional funds and our ability to do so on acceptable terms; our ability to generate additional revenues and reduce our costs; continued high and volatile fuel prices and further increases in the price of fuel, and the availability of fuel; our substantial indebtedness and other obligations; our ability to satisfy certain covenants and conditions in certain of our financing agreements; changes in economic and other conditions beyond our control, and the volatile results of our operations; the fiercely and increasingly competitive business environment we face; potential industry consolidation and alliance changes; competition with reorganized carriers; low fare levels by historical standards and our reduced pricing power; changes in our corporate or business strategy; government regulation of our business; conflicts overseas or terrorist attacks; uncertainties with respect to our international operations; outbreaks of a disease (such as SARS, avian flu or the H1N1 virus) that affects travel behavior; labor costs that are higher than those of our competitors; uncertainties with respect to our relationships with unionized and other employee work groups; increased insurance costs and potential reductions of available insurance coverage; our ability to retain key management personnel; potential failures or disruptions of our computer, communications or other technology systems; losses and adverse publicity resulting from any accident involving our aircraft; changes in the price of AMR's common stock; and our ability to reach acceptable agreements with third parties. Additional information concerning these and other factors is contained in our and AMR's filings with the Securities and Exchange Commission (the "*SEC*"), including but not limited to our and AMR's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009 and our and AMR's Annual Reports on Form 10-K for the year ended December 31, 2008 (and, in the case of AMR, as updated by AMR's Current Report on Form 8-K filed on April 21, 2009).

PROSPECTUS SUMMARY

This summary highlights basic information about us and this exchange offer. Because it is a summary, it does not contain all of the information that you should consider before tendering your Old Notes in the Exchange Offer. You should read this entire prospectus carefully, including the section entitled "Risk Factors" in this prospectus, as well as the materials filed with the SEC that are considered to be a part of this prospectus before making an investment decision. See "Where You Can Find More Information" in this prospectus. We have given certain capitalized terms specific meanings for purposes of this prospectus. The "Index of Terms" attached as Appendix I to this prospectus lists the page in this prospectus on which we have defined each such term. Unless otherwise indicated, "we," "us," "our" and similar terms, as well as references to "American" or the "Company," refer to American Airlines, Inc. The term "you" or the "Noteholders" refers to holders of the Notes.

American Airlines, Inc.

American, the principal subsidiary of AMR Corporation ("*AMR*"), was founded in 1934. All of American's common stock is owned by AMR. As of September 30, 2009, American provided scheduled jet service to approximately 150 destinations throughout North America, the Caribbean, Latin America, Europe and Asia.

As of September 30, 2009, American, AMR Eagle Holding Corporation ("*AMR Eagle*"), and the AmericanConnection® carrier served nearly 240 cities in 53 countries with, on average, nearly 3,400 daily flights. The combined network fleet numbers approximately 900 aircraft. American is also one of the largest scheduled air freight carriers in the world, providing a wide range of freight and mail services to shippers throughout its system onboard American's passenger fleet.

American is a founding member of the **one**world® alliance, which enables member airlines to offer their customers more services and benefits than any member airline can provide individually. These services include a broader route network, opportunities to earn and redeem frequent flyer miles across the combined **one**world network and more airport lounges. Together, **one**world members serve nearly 700 destinations in almost 150 countries, with more than 8,000 daily departures.

In addition, American has capacity purchase agreements with AMR Eagle and an independently owned regional airline, which does business as the "AmericanConnection" (the "*AmericanConnection® carrier*"). The AMR Eagle and AmericanConnection® carriers provide connecting service from ten of American's high-traffic cities to smaller markets throughout the United States, Canada, Mexico and the Caribbean.

The postal address for American's principal executive offices is 4333 Amon Carter Boulevard, Fort Worth, Texas 76155 (Telephone: 817-963-1234). American's Internet address is *http://www.aa.com*. Information on American's website is not incorporated into this prospectus and is not a part of this prospectus.

Summary of Terms of Notes

Principal amount	$276,400,000
Initial loan to Aircraft value ratio (cumulative)(1)(2)	65.0%
Expected maximum loan to Aircraft value ratio (cumulative)(2)	65.0%
Expected principal distribution window (in years from Issuance Date)	0.5-7.0
Initial average life (in years from Issuance Date)	4.3
Payment Dates	February 1 and August 1
Scheduled Maturity Date	August 1, 2016
Section 1110 protection	Yes

(1) This percentage is calculated as of November 15, 2009 (the "*Cut-Off Date*"). In calculating this percentage, we have assumed that the aggregate appraised value of the Aircraft is $425,233,333 as of such date. The appraisal value is only an estimate and reflects certain assumptions. See "Description of the Aircraft and the Appraisals — The Appraisals."

(2) See "Loan to Aircraft Value Ratios of Notes" in this prospectus summary for the method and assumptions we used in calculating the loan to Aircraft value ratios and a discussion of certain ways that such loan to Aircraft value ratios could change.

The Aircraft

The Notes are secured by the lien of the Aircraft Security Agreement dated as of October 19, 2009 (the "*Aircraft Security Agreement*") entered into among American, the Trustee and U.S. Bank Trust National Association, as security agent (the "*Security Agent*"), on each of 12 Boeing aircraft, consisting of nine Boeing 737-823 aircraft, one Boeing 767-323ER aircraft and two Boeing 777-223ER aircraft delivered new to American from May 1999 to September 1999 (each, an "*Aircraft*" and, collectively, the "*Aircraft*"). All of the Aircraft are being operated by American. See "Description of the Aircraft and the Appraisals" for a description of each Aircraft.

Set forth below is certain information about the Aircraft securing the Notes:

Aircraft Type	Registration Number	Manufacturer's Serial Number	Delivery Date	Allocable Portion of the Notes on the Cut-off Date(1)	Appraised Value(2)
Boeing 737-823	N909AN	29511	5/19/1999	$ 17,069,000	$ 26,260,000
Boeing 737-823	N910AN	29512	5/26/1999	17,069,000	26,260,000
Boeing 737-823	N912AN	29513	6/25/1999	17,153,000	26,390,000
Boeing 737-823	N914AN	29515	7/19/1999	17,238,000	26,520,000
Boeing 737-823	N915AN	29516	7/28/1999	17,238,000	26,520,000
Boeing 737-823	N916AN	29517	8/6/1999	17,316,000	26,640,000
Boeing 737-823	N917AN	29518	8/27/1999	17,316,000	26,640,000
Boeing 737-823	N918AN	29519	9/10/1999	17,400,000	26,770,000
Boeing 737-823	N919AN	29520	9/15/1999	17,400,000	26,770,000
Boeing 767-323ER	N399AN	29606	5/28/1999	26,097,000	40,150,000
Boeing 777-223ER	N778AN	29587	6/21/1999	47,552,000	73,156,667
Boeing 777-223ER	N779AN	29955	6/27/1999	47,552,000	73,156,667
Total				**$ 276,400,000**	**$ 425,233,333**

(1) The Allocable Portion of the Notes on the Cut-Off Date set forth above with respect to each Aircraft represents the portion of the principal amount of the Notes attributable to such Aircraft as of such date. The Allocable Portion of the Notes with respect to each Aircraft will not change from the amount set forth above during the period from the Issuance Date to the first Payment Date unless any Allocable Portion of the Notes is redeemed as set forth under "Description of the Notes — Redemption."

(2) The appraised value of each Aircraft set forth above is the lesser of the average and median appraised value of such Aircraft as appraised by three independent appraisal and consulting firms. Such appraisals indicate appraised current market value of such Aircraft at or around the time of such appraisals. The appraisers based their appraisals on varying assumptions (which may not reflect accurately current market conditions) and methodologies. See "Description of the Aircraft and the Appraisals — The Appraisals." An appraisal is only an estimate of value and you should not rely on any appraisal as a measure of realizable value. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Appraisals should not be relied upon as a measure of realizable value of the Aircraft."

Loan to Aircraft Value Ratios

The following table provides loan to Aircraft value ratios ("*LTVs*") for the Notes as of the Cut-Off Date and each Payment Date. The table is not a forecast or prediction of expected or likely LTVs, but simply a mathematical calculation based upon one set of assumptions. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Appraisals should not be relied upon as a measure of realizable value of the Aircraft."

We compiled the following table on an aggregate basis. The Notes are issued pursuant to the Indenture and Security Agreement dated as of July 31, 2009 (the "*Indenture*") between American and U.S. Bank Trust National Association, as trustee (the "*Trustee*"), and all of the Aircraft are subject to the lien of the Aircraft Security Agreement as security for American's obligations on the Notes issued under the Indenture. This means that all proceeds realized from the sale of any Aircraft or other exercise of default remedies will be available to cover any shortfalls on the Notes. The relevant LTVs in a default situation for the Notes would depend on various factors, including the extent to which the debtor or trustee in bankruptcy agrees to perform American's obligations under the Indenture and the Aircraft Security Agreement. Therefore, the following LTVs are presented for illustrative purpose only.

Date	Aggregate Assumed Aircraft Value(1)	Principal Balance(2)	LTV%(3)
Cut-Off Date	$425,233,333	$276,400,000	65.0%
February 1, 2010	416,121,190	257,994,870	62.0
August 1, 2010	407,009,048	240,135,070	59.0
February 1, 2011	397,896,905	222,821,999	56.0
August 1, 2011	388,784,762	206,055,656	53.0
February 1, 2012	379,672,619	189,836,042	50.0
August 1, 2012	370,560,476	174,163,156	47.0
February 1, 2013	361,448,333	159,036,999	44.0
August 1, 2013	352,336,190	144,457,570	41.0
February 1, 2014	343,224,048	130,424,870	38.0
August 1, 2014	334,111,905	116,938,898	35.0
February 1, 2015	321,962,381	103,027,693	32.0
August 1, 2015	309,812,857	89,845,460	29.0
February 1, 2016	297,663,333	77,392,198	26.0
August 1, 2016	285,513,810	—	0.0

(1) In calculating the aggregate Assumed Aircraft Value, we assumed that the appraised value of each Aircraft determined as described under "Description of the Aircraft and the Appraisals" declines in accordance with the Depreciation Assumption described under "Description of the Notes — Loan to Value Ratios of Notes." Other rates or methods of depreciation could result in materially different LTVs. We cannot assure you that the depreciation rate and method assumed for purposes of the above table are the ones most likely to occur or predict the actual future value of any Aircraft. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Appraisals should not be relied upon as a measure of realizable value of the Aircraft."

(2) The "principal balance" indicates, as of any date, after giving effect to any principal payments scheduled to be made on such date, the portion of the original principal amount of the Notes that has not been paid to the Noteholders.

(3) We obtained the LTVs for the Cut-Off Date and each Payment Date by dividing (*i*) the expected outstanding principal balance of the Notes after giving effect to any principal payment scheduled to be made on such date, by (*ii*) the aggregate Assumed Aircraft Value of the Aircraft on such date based on the assumptions described above. The outstanding principal balances and LTVs will change if any Allocable Portion of the Notes is redeemed as set forth under "Description of the Notes — Redemption" or if a default in payment of principal on the Notes occurs.

Summary of the Terms of the Exchange Offer

The Notes	On July 31, 2009 (the "*Issuance Date*"), we issued and privately placed $276,400,000 aggregate principal amount of 13% 2009-2 Secured Notes due 2016 pursuant to exemptions from the registration requirements of the Securities Act. The Initial Purchasers for the Old Notes were Morgan Stanley & Co. Incorporated and Stifel, Nicolaus & Company, Incorporated (the "*Initial Purchasers*"). When we use the term "*Old Notes*" in this prospectus, we mean the 13% 2009-2 Secured Notes due 2016 which were privately placed with the Initial Purchasers on July 31, 2009, and were not registered with the SEC. When we use the term "*New Notes*" in this prospectus, we mean the 13% 2009-2 Secured Notes due 2016 registered with the Commission and offered hereby in exchange for the Old Notes. When we use the term "*Notes*" in this prospectus, the related discussion applies to both the Old Notes and the New Notes. The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the New Notes are registered under the Securities Act and will not be subject to restrictions on transfer, will bear a different CUSIP and ISIN number than the Old Notes, will not entitle their holders to registration rights and will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes.
The Exchange Offer	You may exchange Old Notes for a like principal amount of New Notes. The consummation of the exchange offer is not conditioned upon any minimum or maximum aggregate principal amount of Old Notes being tendered for exchange.
Resale of New Notes	We believe the New Notes that will be issued in the exchange offer may be resold by most investors without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to certain conditions. You should read the discussion under the heading "The Exchange Offer" for further information regarding the exchange offer and resale of the New Notes.
Registration Rights Agreement	We have undertaken the exchange offer pursuant to the terms of the Registration Rights Agreement we entered into with the Initial Purchasers, dated July 31, 2009 (the "*Registration Rights Agreement*"). Pursuant to the Registration Rights Agreement, American agreed, at no cost to the Noteholders, (*a*) either to consummate an exchange offer for the Notes pursuant to an effective registration statement, or to cause resales of the Notes to be registered under the Securities Act (the "*Registration Condition*"), and (*b*) to obtain ratings for the Notes from each of Moody's and Standard & Poor's (the "*Rating Condition*"). The Registration Rights Agreement provides that if either the Registration Condition or the Rating Condition is not satisfied on or before December 31, 2009, the interest rate on the Notes will permanently increase by 1.00% starting on January 1, 2010. See "The Exchange Offer" and "Exchange Offer; Registration Rights; Ratings." The Notes have been rated B1 by Moody's Investors Service, Inc. ("*Moody's*"). We have applied for

	and expect to receive shortly a rating for the Notes from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("*Standard & Poor's*"). Moody's and Standard & Poor's are referred to in this prospectus as the "*Rating Agencies*."
Consequences of Failure to Exchange the Old Notes	You will continue to hold Old Notes that remain subject to their existing transfer restrictions if: • you do not tender your Old Notes; or • you tender your Old Notes and they are not accepted for exchange. We will have no obligation to register the Old Notes after we consummate the exchange offer. See "The Exchange Offer — Terms of the Exchange Offer; Period for Tendering Old Notes."
Expiration Date	The exchange offer will expire at , New York City time, on , 2009 (the "*Expiration Date*"), unless we extend it, in which case Expiration Date means the latest date and time to which the exchange offer is extended.
Conditions to the Exchange Offer	The exchange offer is subject to several customary conditions. We will not be required to accept for exchange, or to issue New Notes in exchange for, any Old Notes, and we may terminate or amend the exchange offer, if we determine in our reasonable judgment at any time before the Expiration Date that the exchange offer would violate applicable law or any applicable interpretation of the staff of the SEC. The foregoing conditions are for our sole benefit and may be waived by us at any time. In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for any such Old Notes, if at any time any stop order is threatened or in effect with respect to: • the registration statement of which this prospectus constitutes a part; or • the qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*"). See "The Exchange Offer — Conditions to the Exchange Offer." We reserve the right to terminate or amend the exchange offer at any time prior to the Expiration Date upon the occurrence of any of the foregoing events.
Procedures for Tendering Old Notes	If you wish to accept the exchange offer, you must tender your Old Notes and do the following on or prior to the Expiration Date, unless you follow the procedures described under "The Exchange Offer — Guaranteed Delivery Procedures:" • if Old Notes are tendered in accordance with the book-entry procedures described under "The Exchange Offer — Book-Entry Transfer," transmit an Agent's Message to the Exchange Agent through the Automated Tender Offer Program ("*ATOP*") of The Depositary Trust Company ("*DTC*"), or • transmit a properly completed and duly executed letter of transmittal, or a facsimile copy thereof, to the Exchange Agent,

	including all other documents required by the letter of transmittal. See "The Exchange Offer — Procedures for Tendering Old Notes."
Guaranteed Delivery Procedures	If you wish to tender your Old Notes, but cannot properly do so prior to the Expiration Date, you may tender your Old Notes according to the guaranteed delivery procedures set forth under "The Exchange Offer — Guaranteed Delivery Procedures."
Withdrawal Rights	Tenders of Old Notes may be withdrawn at any time prior to , New York City time, on the Expiration Date. To withdraw a tender of Old Notes, a notice of withdrawal must be actually received by the Exchange Agent at its address set forth in "The Exchange Offer — Exchange Agent" prior to , New York City time, on the Expiration Date. See "The Exchange Offer — Withdrawal Rights."
Acceptance of Old Notes and Delivery of New Notes	Except in some circumstances, any and all Old Notes that are validly tendered in the exchange offer prior to , New York City time, on the Expiration Date will be accepted for exchange. The New Notes issued pursuant to the exchange offer will be delivered promptly after such acceptance. See "The Exchange Offer — Acceptance of Old Notes for Exchange; Delivery of New Notes."
Certain U.S. Federal Tax Considerations	The exchange of the Old Notes for the New Notes will not constitute a taxable exchange for U.S. federal income tax purposes. See "Certain U.S. Federal Income Tax Considerations."
Exchange Agent	U.S. Bank National Association is serving as the Exchange Agent (the "*Exchange Agent*").

The Notes

The forms and terms of the New Notes are the same in all material respects as the form and terms of the Old Notes, except that the New Notes:

- are registered under the Securities Act and will not be subject to restrictions on transfer;
- will bear a different CUSIP and ISIN number than the Old Notes;
- will not entitle their holders to registration rights; and
- will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes.

Issuer	American Airlines, Inc.
The Notes	$276,400,000 principal amount of 13.0% 2009-2 Secured Notes due 2016
Trustee and Security Agent	U.S. Bank Trust National Association
Principal	Payments of principal on the Notes will be made on each Payment Date as follows:

Payment Date	Principal Payment Amount
February 1, 2010	$18,405,129.71
August 1, 2010	17,859,800.03
February 1, 2011	17,313,071.43
August 1, 2011	16,766,342.88
February 1, 2012	16,219,614.32
August 1, 2012	15,672,885.72
February 1, 2013	15,126,157.20
August 1, 2013	14,579,428.57
February 1, 2014	14,032,700.21
August 1, 2014	13,485,971.65
February 1, 2015	13,911,204.82
August 1, 2015	13,182,233.36
February 1, 2016	12,453,261.99
August 1, 2016	77,392,198.11

Scheduled Maturity Date	August 1, 2016
Interest	The Notes bear interest at the rate of 13.0% per annum. If either the Registration Condition or the Rating Condition is not satisfied on or before December 31, 2009, the interest rate on the Notes will permanently increase by 1.00% starting on January 1, 2010. See “Exchange Offer; Registration Rights; Ratings.” Interest on the Notes accrues from the most recent date to which interest has been paid or, if no interest has been paid, from the Issuance Date. Interest on the Notes is calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest is payable on the Notes on each Payment Date, commencing on February 1, 2010.
Payment Dates	February 1 and August 1, commencing on February 1, 2010.
Record Dates	The fifteenth day preceding the related Payment Date.

Collateral	The Notes are secured by a lien on each Aircraft under the Aircraft Security Agreement. The pool of Aircraft consists of 12 Boeing aircraft owned by American, consisting of nine Boeing 737-823 aircraft, one Boeing 767-323ER aircraft and two Boeing 777-223ER aircraft, each of which was delivered new to American during the period from May 1999 to September 1999. The lien on the Aircraft under the Aircraft Security Agreement may be released from time to time as set forth under "Description of the Notes — Redemption."
Redemption	*Mandatory Redemption*. If an Event of Loss occurs with respect to an Aircraft, American will either: • substitute for such Aircraft under the Aircraft Security Agreement an aircraft meeting certain requirements; or • redeem the Allocable Portion of the Notes attributable to such Aircraft. The redemption price in such case will be the Allocable Portion of the Notes attributable to such Aircraft, together with accrued and unpaid interest on such Allocable Portion, but without any premium. Following such partial redemption, the lien on such Aircraft under the Aircraft Security Agreement will be released and such Aircraft will no longer secure the amounts that may be owing under the Indenture. In addition, the obligation of American thereafter to make the scheduled interest and principal payments with respect to such Allocable Portion of the Notes will cease. See "Description of the Notes — Redemption — Mandatory Redemption" for further details. The Allocable Portion of the Notes with respect to each Aircraft on the Cut-Off Date and each Payment Date is set forth in Appendix III. For any date before the first Payment Date, the Allocable Portion of the Notes with respect to each Aircraft will be the amount specified in Appendix III for the Cut-Off Date. For any date after the first Payment Date, other than a Payment Date, the Allocable Portion of the Notes with respect to each Aircraft will be the amount specified in Appendix III for the Payment Date that immediately precedes such date. *Optional Redemption*. American may elect to redeem all, but not less than all, of the Notes at any time prior to the Scheduled Maturity Date. The redemption price will be the unpaid principal amount of the Notes, together with accrued and unpaid interest thereon, plus the Make-Whole Amount (if any). Following such redemption, the lien on the Aircraft under the Aircraft Security Agreement will be released. See "Description of the Equipment Notes — Redemption — Optional Redemption."
Section 1110 Protection	As a condition to the subjection of each Aircraft to the lien of the Aircraft Security Agreement, American's General Counsel provided an opinion to the Trustee and the Security Agent that the benefits of Section 1110 ("*Section 1110*") of the U.S. Bankruptcy Code ("*Bankruptcy Code*") will be available with respect to such Aircraft. Any cash held as collateral as a result of the exercise of

	remedies under the Aircraft Security Agreement will not be entitled to the benefits of Section 1110. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Payment on the Notes and the ability to exercise remedies with respect to certain collateral may be restricted in the case of a bankruptcy of American."
Ratings	Pursuant to the Registration Rights Agreement, American agreed, at no cost to the Noteholders, to obtain ratings for the Notes from each of Moody's and Standard & Poor's. If the Rating Condition is not satisfied on or before December 31, 2009, the interest rate on the Notes will permanently increase by 1.00% starting on January 1, 2010. See "Exchange Offer; Registration Rights; Ratings." The Notes have been rated B1 by Moody's. We have applied for and expect to receive shortly a rating for the Notes from Standard & Poor's.
Certain ERISA Considerations	Each person who acquires a Note or any interest therein will be deemed to have represented that either: • no assets of (*a*) an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended, (*b*) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended, (*c*) an entity whose underlying assets are deemed to include assets of any such employee benefit plan or plan, or (*d*) a foreign governmental or church plan that is subject to any U.S. federal, state, local or foreign law or regulation that is substantially similar to Section 406 of ERISA or Section 4975 of the Code have been used to purchase such Note or interest therein; or • the purchase and holding of such Note or interest therein by such person are exempt from the prohibited transaction restrictions of ERISA, the Code or any similar provision of Similar Law, as applicable, pursuant to one or more prohibited transaction statutory or administrative exemptions. See "Certain ERISA Considerations."
Governing Law	The Notes are governed by the laws of the State of New York.

Ratio of Earnings to Fixed Charges

	Nine Months Ended September 30,		Year Ended December 31,				
	2009	2008	2008	2007	2006	2005	2004
Ratio of earnings to fixed charges(1)	—	—	—	1.20	1.08	—	—

(1) As of September 30, 2009, American has guaranteed approximately $887 million of unsecured debt of its parent, AMR Corporation and approximately $262 million of secured debt of AMR Eagle. The impact of these unconditional guarantees is not included in the above computation. Earnings were inadequate to cover fixed charges by $2,564 million, $956 million, $898 million, $1,163 million and $2,226 million for the years ended December 31, 2008, December 31, 2005, December 31, 2004, the nine months ended September 30, 2009 and the nine months ended September 30, 2008, respectively.

RISK FACTORS

You should carefully consider all of the information contained in or incorporated by reference in this prospectus, including but not limited to, our and AMR's Annual Reports on Form 10-K for the year ended December 31, 2008 (and, in the case of AMR, as updated by AMR's Current Report on Form 8-K filed on April 21, 2009), our and AMR's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009. In addition, you should carefully consider the risk factors described below, along with any risk factors that may be included in our future reports to the SEC.

Risk Factors Relating to the Company

Our ability to become profitable and our ability to continue to fund our obligations on an ongoing basis will depend on a number of risk factors, many of which are largely beyond our control. Some of the factors that may have a negative impact on us are described below:

As a result of significant losses in recent years, our financial condition has been materially weakened.

We incurred significant losses in 2001-2005, which materially weakened our financial condition. We lost $892 million in 2005, $821 million in 2004, $1.3 billion in 2003, $3.5 billion in 2002 and $1.6 billion in 2001. Although we earned a profit of $356 million in 2007 and $164 million in 2006, we lost $2.5 billion in 2008 (which included a $1.0 billion impairment charge), and $1.1 billion in the nine months ended September 30, 2009. Because of our weakened financial condition, we are vulnerable both to the impact of unexpected events (such as terrorist attacks or spikes in jet fuel prices) and to deterioration of the operating environment (such as a deepening of the current global recession or significant increased competition).

The severe global economic downturn has resulted in weaker demand for air travel and lower investment asset returns, which may have a significant negative impact on us.

We are experiencing significantly weaker demand for air travel driven by the severe downturn in the global economy. Many of the countries we serve are experiencing economic slowdowns or recessions. We began to experience weakening demand late in 2008, and this weakness has continued in 2009. We reduced capacity in 2008, and in 2009 we have announced additional reductions to our capacity plan for this year. If the global economic downturn persists or worsens, demand for air travel may continue to weaken. No assurance can be given that capacity reductions or other steps we may take will be adequate to offset the effects of reduced demand.

The economic downturn has resulted in broadly lower investment asset returns and values, and our pension assets suffered a material decrease in value in 2008 related to broader stock market declines, which will result in higher pension expense in 2009 and future years and higher required contributions in future years. In addition, under these unfavorable economic conditions, the amount of the cash reserves we are required to maintain under our credit card processing agreements may increase substantially. These issues individually or collectively may have a material adverse impact on our liquidity. Also, disruptions in the capital markets and other sources of funding may make it impossible for us to obtain necessary additional funding or make the cost of that funding prohibitive.

We face numerous challenges as we seek to maintain sufficient liquidity, and we will need to raise substantial additional funds. We may not be able to raise those funds, or to do so on acceptable terms.

We have significant debt, lease and other obligations in the next several years, including significant pension funding obligations. As of September 30, 2009, we were contractually committed to make approximately $1.4 billion of principal payments on long-term debt and payments on capital leases during the fourth quarter of 2009 and during 2010, and during that period we expect to make substantial capital expenditures. In addition, in 2010, we expect to be required to contribute approximately $525 million to our defined benefit pension plans. Moreover, the global economic downturn, potential increases in the amount of required reserves under credit card processing agreements, and the obligation to post cash collateral on fuel hedging contracts have negatively impacted, and may in the future negatively impact, our liquidity. To meet our commitments

and to maintain sufficient liquidity as we continue to implement our restructuring and cost reduction initiatives, we will need continued access to substantial additional funding. Moreover, while we have arranged financings that, subject to certain terms and conditions (including, in the case of financing arrangements covering a significant number of aircraft, a condition that, at the time of borrowing, we have a certain amount of unrestricted cash and short term investments), cover all of our aircraft delivery commitments through 2011, we will continue to need to raise substantial additional funds to meet our commitments to purchase aircraft and execute our fleet replacement plan.

Our ability to obtain future financing is limited by the value of our unencumbered assets. A very large majority of our aircraft assets (including most of our aircraft eligible for the benefits of Section 1110) are encumbered. Also, the market value of our aircraft assets has declined in recent years, and may continue to decline.

Since the terrorist attacks of September 2001 (the "*Terrorist Attacks*"), our credit ratings have been lowered to significantly below investment grade. These reductions have increased our borrowing costs and otherwise adversely affected borrowing terms, and limited borrowing options. Additional reductions in our credit ratings might have other effects on us, such as further increasing borrowing or other costs or further restricting our ability to raise funds.

A number of other factors, including our financial results in recent years, our substantial indebtedness, the difficult revenue environment we face, our reduced credit ratings, recent historically high fuel prices, and the financial difficulties experienced in the airline industry, adversely affect the availability and terms of funding for us. In addition, the global economic downturn and recent severe disruptions in the capital markets and other sources of funding have resulted in greater volatility, less liquidity, widening of credit spreads, and substantially more limited availability of funding. As a result of these and other factors, although we believe we have sufficient liquidity to fund our operations and obligations, there can be no assurances to that effect. An inability to obtain necessary additional funding on acceptable terms would have a material adverse impact on us and on our ability to sustain our operations.

The amount of the reserves we are required to maintain under our credit card processing agreements could increase substantially, which would materially adversely impact our liquidity.

American has agreements with a number of credit card companies and processors to accept credit cards for the sale of air travel and other services. Under certain of American's current credit card processing agreements, the related credit card company or processor may hold back, under certain circumstances, a reserve from American's credit card receivables.

Under one such agreement, the amount of the reserve that may be required generally is based on the amount of unrestricted cash (not including undrawn credit facilities) held by the Company and the processor's exposure to the Company under the agreement. On September 29, 2009, the full amount of the reserve under such agreement, which at that time was approximately $200 million, was released to the Company, and based on its current forecasts, the Company does not currently expect to be required to maintain any reserve for the near term. However, the factors underlying such forecasts are volatile and uncertain. If circumstances were to occur that would allow the credit card processor to require the Company to maintain a reserve, the Company's liquidity could be negatively impacted.

Our initiatives to generate additional revenues and to reduce our costs may not be adequate or successful.

As we seek to improve our financial condition, we must continue to take steps to generate additional revenues and to reduce our costs. Although we have a number of initiatives underway to address our cost and revenue challenges, some of these initiatives involve changes to our business which we may be unable to implement. In addition, we expect that, as time goes on, it will be progressively more difficult to identify and implement significant revenue enhancement and cost savings initiatives. The adequacy and ultimate success of our initiatives to generate additional revenues and reduce our costs are not known at this time and cannot be assured. Moreover, whether our initiatives will be adequate or successful depends in large measure on factors

beyond our control, notably the overall industry environment, including passenger demand, yield and industry capacity growth, and fuel prices. It will be very difficult for us to continue to fund our obligations on an ongoing basis, and to return to profitability, if the overall industry revenue environment does not improve substantially or if fuel prices were to increase and persist for an extended period at high levels.

We may be adversely affected by increases in fuel prices, and we would be adversely affected by disruptions in the supply of fuel.

Our results are very significantly affected by the volatile price and the availability of jet fuel, which are in turn affected by a number of factors beyond our control. Fuel prices have only recently declined from historic high levels.

Due to the competitive nature of the airline industry, we may not be able to pass on increased fuel prices to customers by increasing fares. Although we had some success in raising fares and imposing fuel surcharges in reaction to recent high fuel prices, these fare increases and surcharges did not keep pace with the extraordinary increases in the price of fuel that occurred in 2007 and 2008. Furthermore, even though fuel prices have declined from their recent historically high levels, reduced demand or increased fare competition, or both, and resulting lower revenues may offset any potential benefit of these lower fuel prices.

While we do not currently anticipate a significant reduction in fuel availability, dependence on foreign imports of crude oil, limited refining capacity and the possibility of changes in government policy on jet fuel production, transportation and marketing make it impossible to predict the future availability of jet fuel. If there are additional outbreaks of hostilities or other conflicts in oil producing areas or elsewhere, or a reduction in refining capacity (due to weather events, for example), or governmental limits on the production or sale of jet fuel, there could be a reduction in the supply of jet fuel and significant increases in the cost of jet fuel. Major reductions in the availability of jet fuel or significant increases in its cost would have a material adverse impact on us.

We have a large number of older aircraft in our fleet, and these aircraft are not as fuel efficient as more recent models of aircraft. We believe it is imperative that we continue to execute our fleet renewal plans. However, there will be significant delays in the deliveries of the Boeing 787-9 aircraft we currently have on order.

While we seek to manage the risk of fuel price increases by using derivative contracts, there can be no assurance that, at any given time, we will have derivatives in place to provide any particular level of protection against increased fuel costs. In addition, a deterioration of our financial position could negatively affect our ability to enter into derivative contracts in the future. Moreover, declines in fuel prices below the levels established in derivative contracts may require us to post cash collateral to secure the loss positions on such contracts, and if such contracts close when fuel prices are below the applicable levels, we would be required to make payments to close such contracts; these payments would be treated as additional fuel expense.

Our indebtedness and other obligations are substantial and could adversely affect our business and liquidity.

We have and will continue to have significant amounts of indebtedness, obligations to make future payments on aircraft equipment and property leases, and obligations under aircraft purchase agreements, as well as a high proportion of debt to equity capital. As of September 30, 2009, we were contractually committed to make approximately $1.4 billion of principal payments on long-term debt and payments on capital leases during the fourth quarter of 2009 and during 2010. We expect to incur substantial additional debt (including secured debt) and lease obligations in the future. We also have substantial pension funding obligations. Our substantial indebtedness and other obligations have important consequences. For example, they:

- limit our ability to obtain additional funding for working capital, capital expenditures, acquisitions and general corporate purposes, and adversely affect the terms on which such funding can be obtained;

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness and other obligations, thereby reducing the funds available for other purposes;
- make us more vulnerable to economic downturns; and
- limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business and economic conditions.

Our business is affected by many changing economic and other conditions beyond our control, and our results of operations tend to be volatile and fluctuate due to seasonality.

Our business and our results of operations are affected by many changing economic and other conditions beyond our control, including, among others:

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

As a result, our results of operations tend to be volatile and subject to rapid and unexpected change. In addition, due to generally greater demand for air travel during the summer, our revenues in the second and third quarters of the year tend to be stronger than revenues in the first and fourth quarters of the year.

The airline industry is fiercely competitive and may undergo further consolidation or changes in industry alliances, and we are subject to increasing competition.

Service over almost all of our routes is highly competitive and fares remain at low levels by historical standards. We face vigorous, and, in some cases, increasing, competition from major domestic airlines, national, regional, all-cargo and charter carriers, foreign air carriers, low-cost carriers and, particularly on shorter segments, ground and rail transportation. We also face increasing and significant competition from marketing/operational alliances formed by our competitors. The percentage of routes on which we compete with carriers having substantially lower operating costs than ours has grown significantly over the past decade, and we now compete with low-cost carriers on a large majority of our domestic non-stop mainline network routes.

Certain airline alliances have been granted immunity from antitrust regulations by governmental authorities for specific areas of cooperation, such as joint pricing decisions. To the extent alliances formed by our competitors can undertake activities that are not available to us, our ability to effectively compete may be hindered.

Pricing decisions are significantly affected by competition from other airlines. Fare discounting by competitors historically has had a negative effect on our financial results because we must generally match competitors' fares, since failing to match would result in even less revenue. We have faced increased competition from carriers with simplified fare structures, which are generally preferred by travelers. Any fare reduction or fare simplification initiative may not be offset by increases in passenger traffic, reduction in cost or changes in the mix of traffic that would improve yields. Moreover, decisions by our competitors that increase or reduce overall industry capacity, or capacity dedicated to a particular domestic or foreign region, market or route, can have a material impact on related fare levels.

There have been numerous mergers and acquisitions within the airline industry and numerous changes in industry alliances. Recently, two of our largest competitors, Delta Air Lines, Inc. and Northwest Airlines Corporation, merged, and the combined entity became the largest scheduled passenger airline in the world in terms of available seat miles and revenue passenger miles. In addition, another two of our largest competitors, United Air Lines, Inc. and Continental Airlines, Inc., recently announced that they had entered into a framework agreement to cooperate extensively and under which Continental would join the global alliance of which United, Lufthansa and certain other airlines are members.

In the future, there may be additional mergers and acquisitions, and changes in airline alliances, including those that may be undertaken in response to the merger of Delta and Northwest or other developments in the airline industry. Any airline industry consolidation or changes in airline alliances, including **one**world, could substantially alter the competitive landscape and result in changes in our corporate or business strategy. We regularly assess and explore the potential for consolidation in our industry and changes in airline alliances, our strategic position and ways to enhance our competitiveness, including the possibilities for our participation in merger activity. Consolidation involving other participants in our industry could result in the formation of one or more airlines with greater financial resources, more extensive networks, and/or lower cost structures than exist currently, which could have a material adverse effect on us. For similar reasons, changes in airline alliances could also adversely affect our competitive position.

In 2008, we entered into a joint business agreement and related marketing arrangements with British Airways and Iberia, providing for commercial cooperation on flights between North America and most countries in Europe, pooling and sharing of certain revenues and costs, expanded codesharing, enhanced frequent flyer program reciprocity, and cooperation in other areas. Along with these carriers and certain other carriers, we have applied to the U.S. Department of Transportation ("*DOT*") for antitrust immunity for this planned cooperation. The carriers are also seeking to address issues raised by a Statement of Objection issued by the European Union ("*EU*") which asserts that certain aspects of the joint business agreement would infringe EU competition law. Implementation of this agreement and the related arrangements is subject to conditions, including various U.S. and foreign regulatory approvals, successful negotiation of certain detailed financial and commercial arrangements, and other approvals. Governmental entities from which such approvals must be obtained, including DOT and the EU, may impose requirements or limitations as a condition of granting any such approvals, such as requiring divestiture of routes, gates, slots or other assets. No assurances can be given as to any arrangements that may ultimately be implemented or any benefits that we may derive from such arrangements.

We compete with reorganized carriers, which results in competitive disadvantages for us.

We must compete with air carriers that have reorganized under the protection of Chapter 11 of the Bankruptcy Code in recent years, including United, Delta, Northwest and U.S. Airways. It is possible that other significant competitors may seek to reorganize in or out of Chapter 11.

Successful reorganizations by other carriers present us with competitors with significantly lower operating costs and stronger financial positions derived from renegotiated labor, supply, and financing contracts. These competitive pressures may limit our ability to adequately price our services, may require us to further reduce our operating costs, and could have a material adverse impact on us.

Fares are at low levels and our reduced pricing power adversely affects our ability to achieve adequate pricing, especially with respect to business travel.

Our passenger yield remains very low by historical standards. We believe that this is due in large part to a corresponding decline in our pricing power. Our reduced pricing power is the product of several factors including: greater cost sensitivity on the part of travelers (particularly business travelers); pricing transparency resulting from the use of the Internet; greater competition from low-cost carriers and from carriers that have recently reorganized under the protection of Chapter 11; other carriers being well hedged against rising fuel costs and able to better absorb high jet fuel prices; and fare simplification efforts by certain carriers. We believe that our reduced pricing power could persist indefinitely.

Our corporate or business strategy may change.

In light of the rapid changes in the airline industry, we evaluate our assets on an ongoing basis with a view to maximizing their value to us and determining which are core to our operations. We also regularly evaluate our corporate and business strategies, and they are influenced by factors beyond our control, including changes in the competitive landscape we face. Our corporate and business strategies are, therefore, subject to change.

In the future, AMR may consider and engage in discussions with third parties regarding the divestiture of AMR Eagle and other separation transactions, and may decide to proceed with one or more such transactions. There can be no assurance that AMR will complete any separation transactions or that any announced plans or transactions will be consummated, and no prediction can be made as to the impact of any such transactions on stockholder value or on us.

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

Airlines are subject to extensive domestic and international regulatory requirements. Many of these requirements result in significant costs. For example, the Federal Aviation Administration ("*FAA*") from time to time issues directives and other regulations relating to the maintenance and operation of aircraft. Compliance with those requirements drives significant expenditures and has in the past, and may in the future, cause disruptions to our operations. In addition, the ability of U.S. carriers to operate international routes is subject to change because the applicable arrangements between the United States and foreign governments may be amended from time to time, or because appropriate slots or facilities are not made available.

Moreover, additional laws, regulations, taxes and airport rates and charges have been enacted from time to time that have significantly increased the costs of airline operations, reduced the demand for air travel or restricted the way we can conduct our business. For example, the Aviation and Transportation Security Act, which became law in 2001, mandated the federalization of certain airport security procedures and resulted in the imposition of additional security requirements on airlines. In addition, many aspects of our operations are subject to increasingly stringent environmental regulations, and concerns about climate change, in particular, may result in the imposition of additional regulation. For example, the U.S. Congress is considering climate change legislation, and the EU has approved a proposal that will put a cap on carbon dioxide emissions for all flights into and out of the EU effective in 2012. Laws or regulations similar to those described above or other U.S. or foreign governmental actions in the future may adversely affect our business and financial results.

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

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

In addition, the air traffic control ("*ATC*") system, which is operated by the FAA, is not successfully managing the growing demand for U.S. air travel. U.S. airlines carry about 757 million passengers a year and

are forecast to accommodate a billion passengers annually by 2021. Air-traffic controllers rely on outdated technologies that routinely overwhelm the system and compel airlines to fly inefficient, indirect routes. We support a common-sense approach to ATC modernization that would allocate costs to all ATC system users in proportion to the services they consume. Reauthorization of legislation that funds the FAA, which includes proposals regarding upgrades to the ATC system, has been passed by the House of Representatives. It is uncertain when the Senate will act and when such legislation will become law. In the meantime, FAA funding continues under temporary periodic extensions.

We could be adversely affected by conflicts overseas or terrorist attacks.

Actual or threatened U.S. military involvement in overseas operations has, on occasion, had an adverse impact on our business, financial position (including access to capital markets) and results of operations, and on the airline industry in general. The continuing conflicts in Iraq and Afghanistan, or other conflicts or events in the Middle East or elsewhere, may result in similar adverse impacts.

The Terrorist Attacks had a material adverse impact on us. The occurrence of another terrorist attack (whether domestic or international and whether against us or another entity) could again have a material adverse impact on us.

Our international operations could be adversely affected by numerous events, circumstances or government actions beyond our control.

Our current international activities and prospects could be adversely affected by factors such as reversals or delays in the opening of foreign markets, exchange controls, currency and political risks, environmental regulation, taxation and changes in international government regulation of our operations, including the inability to obtain or retain needed route authorities and/or slots.

For example, the “open skies” air services agreement between the United States and the EU which took effect in March 2008 provides airlines from the United States and EU member states open access to each other’s markets, with freedom of pricing and unlimited rights to fly beyond the United States and any airport in the EU including London’s Heathrow Airport. The agreement has resulted in American facing increased competition in these markets, including Heathrow, where we have lost market share. In addition, the United States and Japan are in negotiations that could result in an “open skies” air services agreement between the two countries.

We could be adversely affected by an outbreak of a disease that affects travel behavior.

In the second quarter of 2009, there was an outbreak of the H1N1 virus which had an adverse impact throughout our network but primarily on our operations to and from Mexico. In 2003, there was an outbreak of Severe Acute Respiratory Syndrome (“*SARS*”), which had an adverse impact primarily on our Asia operations. In addition, in the past there have been concerns about outbreaks or potential outbreaks of other diseases, such as avian flu. Any outbreak of a disease (including a worsening of the outbreak of the H1N1 virus) that affects travel behavior could have a material adverse impact on us. In addition, outbreaks of disease could result in quarantines of our personnel or an inability to access facilities or our aircraft, which could adversely affect our operations.

Our labor costs are higher than those of our competitors.

Wages, salaries and benefits constitute a significant percentage of our total operating expenses. In 2008, they constituted approximately 23 percent of our total operating expenses. All of the major hub-and-spoke carriers with whom American competes have achieved significant labor cost savings through or outside of bankruptcy proceedings. We believe American’s labor costs are higher than those of its primary competitors, and it is unclear how long this labor cost disadvantage may persist.

We could be adversely affected if we are unable to have satisfactory relations with any unionized or other employee work group.

Our operations could be adversely affected if we fail to have satisfactory relations with any labor union representing our employees. In addition, any significant dispute we have with, or any disruption by, an employee work group could adversely impact us. Moreover, one of the fundamental tenets of our strategic Turnaround Plan is increased union and employee involvement in our operations. To the extent that we are unable to have satisfactory relations with any unionized or other employee work group, our ability to execute our strategic plans could be adversely affected.

American is currently in mediated negotiations with each of its three major unions regarding amendments to their respective labor agreements. The negotiations process in the airline industry typically is slow and sometimes contentious. The union that represents American's pilots has filed a number of grievances, lawsuits and complaints, most of which American believes are part of a corporate campaign related to the union's labor agreement negotiations with American. While American is vigorously defending these claims, unfavorable outcomes of one or more of them could require American to incur additional costs, change the way it conducts some parts of its business, or otherwise adversely affect us.

Our insurance costs have increased substantially and further increases in insurance costs or reductions in coverage could have an adverse impact on us.

We carry insurance for public liability, passenger liability, property damage and all-risk coverage for damage to our aircraft. As a result of the Terrorist Attacks, aviation insurers significantly reduced the amount of insurance coverage available to commercial air carriers for liability to persons other than employees or passengers for claims resulting from acts of terrorism, war or similar events (war-risk coverage). At the same time, these insurers significantly increased the premiums for aviation insurance in general.

The U.S. government has agreed to provide commercial war-risk insurance for U.S. based airlines through August 31, 2010, covering losses to employees, passengers, third parties and aircraft. If the U.S. government does not provide such insurance at any time beyond that date, or reduces the coverage provided by such insurance, we will attempt to purchase similar coverage with narrower scope from commercial insurers at an additional cost. To the extent this coverage is not available at commercially reasonable rates, we would be adversely affected.

While the price of commercial insurance had declined since the period immediately after the Terrorist Attacks, in the event commercial insurance carriers further reduce the amount of insurance coverage available to us, or significantly increase its cost, we would be adversely affected.

We may be unable to retain key management personnel.

Since the Terrorist Attacks, a number of our key management employees have elected to retire early or leave for more financially favorable opportunities at other companies, both within and outside of the airline industry. There can be no assurance that we will be able to retain our key management employees. Any inability to retain our key management employees, or attract and retain additional qualified management employees, could have a negative impact on us.

We could be adversely affected by a failure or disruption of our computer, communications or other technology systems.

We are heavily and increasingly dependent on technology to operate our business. The computer and communications systems on which we rely could be disrupted due to various events, some of which are beyond our control, including natural disasters, power failures, terrorist attacks, equipment failures, software failures and computer viruses and hackers. We have taken certain steps to help reduce the risk of some (but not all) of these potential disruptions. There can be no assurance, however, that the measures we have taken are adequate to prevent or remedy disruptions or failures of these systems. Any substantial or repeated failure of these systems could impact our operations and customer service, result in the loss of important data, loss of

revenues, and increased costs, and generally harm our business. Moreover, a failure of certain of our vital systems could limit our ability to operate our flights for an extended period of time, which would have a material adverse impact on our operations and our business.

We are at risk of losses and adverse publicity which might result from an accident involving any of our aircraft.

If one of our aircraft were to be involved in an accident, we could be exposed to significant tort liability. The insurance we carry to cover damages arising from any future accidents may be inadequate. In the event that our insurance is not adequate, we may be forced to bear substantial losses from an accident. In addition, any accident involving an aircraft operated by us could adversely affect the public's perception of us.

Risk Factors Relating to the Notes and the Exchange Offer

Noteholders may not be able to resell the Notes easily or at a favorable price.

The New Notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the Notes on any securities exchange or otherwise. The Initial Purchasers are not obligated to make a market in the Notes, and any such market-making may be discontinued at any time, at the sole discretion of the Initial Purchasers. In addition, such market-making activities may be limited by the Securities Act and the Exchange Act during the pendency of the exchange offer or the effectiveness of a shelf registration in lieu thereof. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the New Notes or in the case of non-exchanging holders of Old Notes, the trading market for the Old Notes following the exchange offer.

The liquidity of, and trading market for, the Old Notes or the New Notes also may be adversely affected by general declines in the markets or by declines in the market for similar securities. Such declines may adversely affect such liquidity and trading markets independent of our financial performance and prospects.

You may have difficulty selling the Old Notes that you do not exchange.

If you do not exchange your Old Notes for New Notes in the exchange offer, your Old Notes will continue to be subject to significant restrictions on transfer. Those transfer restrictions are described in the Indenture and arose because we originally issued the Old Notes under exemptions from the registration requirements of the Securities Act. The Old Notes may not be offered, sold or otherwise transferred, except in compliance with the registration requirements of the Securities Act, pursuant to an exemption from registration under the Securities Act or in a transaction not subject to the registration requirements of the Securities Act, and in compliance with applicable state securities laws. We did not register the Old Notes under the Securities Act, and we do not intend to do so. If you do not exchange your Old Notes, your ability to sell the Old Notes may be significantly limited. If a large number of outstanding Old Notes are exchanged for New Notes issued in the exchange offer, it may be more difficult for you to sell your unexchanged Old Notes due to the limited amounts of Old Notes that would remain outstanding following the exchange offer.

Holders of Old Notes who do not tender their Old Notes will have no further registration rights.

Holders of Old Notes who do not tender their Old Notes will not have any further registration rights under the Registration Rights Agreement or otherwise and will no longer have the right to receive additional interest under the Registration Rights Agreement unless we fail to obtain ratings for the Notes as described under "Exchange Offer; Registration Rights; Ratings."

Your Old Notes may not be accepted for exchange if you fail to follow the exchange offer procedures, and, as a result, your Old Notes could continue to be subject to existing transfer restrictions.

We are not required to accept your Old Notes for exchange if you do not follow the exchange offer procedures. We will issue New Notes as part of the exchange offer only after a timely receipt of your Old Notes, a properly completed and duly executed letter of transmittal or Agent's Message and all other required

documents, or waiver of any such requirements, in accordance with the procedures described under "The Exchange Offer." If we do not receive your Old Notes, confirmation of a book-entry transfer of your Old Notes, letter of transmittal or Agent's Message and other required documents by the Expiration Date, we may not accept your Old Notes for exchange. We are under no duty to notify you of defects or irregularities with respect to your tender of Old Notes for exchange. If there are defects or irregularities with respect to your tender of Old Notes, we may not accept your Old Notes for exchange. See "The Exchange Offer."

Appraisals should not be relied upon as a measure of realizable value of the Aircraft.

Three independent appraisal and consulting firms have prepared appraisals of the Aircraft. The appraisal letters provided by these firms are annexed to this prospectus as Appendix II. We have not undertaken to update the appraisals in connection with the exchange offer. Such appraisals of the Aircraft are subject to a number of significant assumptions and methodologies (which differ among the appraisers) and were prepared without a physical inspection of the Aircraft. The appraisals may not accurately reflect the current market value of the Aircraft. Appraisals that are based on other assumptions and methodologies (or a physical inspection of the Aircraft) may result in valuations that are materially different from those contained in such appraisals. See "Description of the Aircraft and the Appraisals — The Appraisals."

An appraisal is only an estimate of value. It does not necessarily indicate the price at which an aircraft may be purchased or sold in the market. In particular, the appraisals of the Aircraft are estimates of the values of the Aircraft assuming the Aircraft are in a certain condition, which may not have been the case when the Aircraft were subjected to the lien of the Aircraft Security Agreement. An appraisal should not be relied upon as a measure of realizable value. The proceeds realized upon the exercise of remedies with respect to any Aircraft, including a sale of such Aircraft, may be less than its appraised value. The value of an Aircraft if remedies are exercised under the Aircraft Security Agreement will depend on various factors, including market, economic and airline industry conditions; the supply of similar aircraft; the availability of buyers; the condition of such Aircraft; the time period in which such Aircraft is sought to be sold; and whether such Aircraft is sold separately or as part of a block.

Since the Terrorist Attacks, the airline industry has suffered substantial losses. In response to adverse market conditions, we and many other U.S. air carriers have reduced the number of aircraft in operation, and there may be further reductions, particularly by air carriers in bankruptcy or liquidation. Any such reduction of aircraft of the same models as the Aircraft could adversely affect the value of the Aircraft.

Accordingly, we cannot assure you that the proceeds realized upon any exercise of remedies with respect to the Aircraft would be sufficient to satisfy in full payments due on the Notes.

If we fail to perform maintenance responsibilities, the value of the Aircraft may deteriorate.

To the extent described in the Aircraft Security Agreement, we are responsible for the maintenance, service, repair and overhaul of the Aircraft. If we fail to perform these responsibilities adequately, the value of the Aircraft may be reduced. In addition, the value of the Aircraft may deteriorate even if we fulfill our maintenance responsibilities. As a result, it is possible that upon a liquidation, there will be less proceeds than anticipated to repay Noteholders. See "Description of the Notes — Certain Provisions of the Aircraft Security Agreement — Maintenance and Operation."

Inadequate levels of insurance may result in insufficient proceeds to repay Noteholders.

To the extent described in the Aircraft Security Agreement, we must maintain all-risk aircraft hull insurance on the Aircraft. If we fail to maintain adequate levels of insurance, the proceeds which could be obtained upon an Event of Loss of an Aircraft may be insufficient to repay the Allocable Portion of the Notes with respect to such Aircraft. See "Description of the Notes — Certain Provisions of the Aircraft Security Agreement — Insurance."

Repossession of Aircraft may be difficult, time-consuming and expensive.

There are no general geographic restrictions on our ability to operate the Aircraft. Although we do not currently intend to do so, we are permitted to register the Aircraft in certain foreign jurisdictions and to lease the Aircraft, and to enter into interchange or pooling arrangements with respect to the Aircraft, with unrelated third parties. It may be difficult, time-consuming and expensive for the Security Agent to exercise its repossession rights, particularly if an Aircraft is located outside the United States, is registered in a foreign jurisdiction or is leased to or in the possession of a foreign or domestic operator. Additional difficulties may exist if such a lessee or other operator is the subject of a bankruptcy, insolvency or similar event. See "Description of the Notes — Certain Provisions of the Aircraft Security Agreement — Registration, Leasing and Possession."

In addition, some jurisdictions may allow for other liens or other third party rights to have priority over the Security Agent's security interest in an Aircraft. As a result, the benefits of the Security Agent's security interest in an Aircraft may be less than they would be if the Aircraft were located or registered in the United States.

Upon repossession of an Aircraft, the Aircraft may need to be stored and insured. The costs of storage and insurance can be significant and the incurrence of such costs could reduce the proceeds available to repay the Noteholders. In addition, at the time of foreclosing on the lien on the Aircraft under the Aircraft Security Agreement, an Airframe subject to the lien of the Aircraft Security Agreement might not be equipped with the Engines associated with that Airframe. If American fails to obtain title to engines not owned by American that are attached to repossessed Aircraft, it could be difficult, expensive and time-consuming to assemble an Aircraft consisting of an Airframe and the associated Engines subject to the lien of the Aircraft Security Agreement.

The proceeds from the disposition of any Aircraft may not be sufficient to pay all amounts distributable to the Noteholders.

During the continuation of any Event of Default under the Indenture, the Aircraft may be sold in the exercise of remedies. The market for Aircraft during the continuation of any Event of Default may be very limited, and there can be no assurance as to whether they could be sold or the price at which they could be sold.

As a Noteholder, you will have no protection against our entry into extraordinary transactions, including acquisitions and other business combinations, and there are no financial or other covenants in the Notes or the underlying agreements that impose restrictions on our financial and business operations or our ability to execute any such transaction.

The Notes and the other Operative Documents will not contain any financial or other covenants or "event risk" provisions protecting the Noteholders in the event of a highly leveraged or other extraordinary transaction, including an acquisition or other business combination, affecting American or its affiliates. We do from time to time analyze opportunities presented by various types of transactions, and we may conduct our business in a manner that could cause the market price or liquidity of the Notes to decline, could have a material adverse effect on our financial condition or otherwise could restrict or impair our ability to pay amounts due under the Notes and/or the related agreements, including by entering into a highly leveraged or other extraordinary transaction.

Payments on the Notes and the ability to exercise remedies with respect to certain collateral may be restricted in the case of a bankruptcy of American.

Section 1110, which provides certain special rights to secured parties with a security interest in aircraft equipment such as the Aircraft (see "Description of the Notes — Remedies"), does not apply to any cash collateral held by the Security Agent. If we become the subject of a case under the Bankruptcy Code, the ability of the Noteholders to enforce their security interest in such cash collateral would be subject to the automatic stay under Section 362 of the Bankruptcy Code. Any resulting delay in the enforcement of the

security interest could be for a substantial period of time. Moreover, the Bankruptcy Code permits a debtor, with the approval of the bankruptcy court, to use cash collateral even though the debtor is in default under the applicable debt instrument, provided that the secured creditor is given "adequate protection." What constitutes "adequate protection" varies under the circumstances, and it is not possible to predict in advance what a bankruptcy court might judge to be "adequate protection" in a particular instance.

In addition, the substitution of the Aircraft for the Cash Collateral could be subject to partial avoidance as a "preference" under Section 547 of the Bankruptcy Code if (1) it occurred within 90 days before a bankruptcy filing by us (or one year in the case of Notes held by an "insider" of American within the meaning of the U.S. Bankruptcy Code) and (2) it enabled the Noteholders to receive more than they would receive if we were liquidated under Chapter 7 of the Bankruptcy Code and the substitution had not occurred which would likely be the case.

Ratings of the Notes may be lowered or withdrawn in the future.

The Notes have been rated B1 by Moody's. We have applied for and expect to receive shortly a rating for the Notes from Standard & Poor's. Ratings are not a recommendation to purchase, hold or sell the Notes, because ratings do not address market price or suitability for a particular investor. Ratings may change during any given period of time and may be lowered or withdrawn entirely by a Rating Agency if in its judgment circumstances in the future (including the downgrading of American) so warrant. Moreover, any change in a Rating Agency's assessment of the risks of aircraft-backed debt (and similar securities such as the Notes) could adversely affect any rating issued by such Rating Agency with respect to the Notes. The failure of American to satisfy the Rating Condition will result in an adjustment to the interest rate for the Notes (see "Exchange Offer; Registration Rights; Ratings"). Such failure or the reduction, suspension or withdrawal of any ratings of the Notes will not, by itself, constitute an Event of Default.

THE EXCHANGE OFFER

Pursuant to the Registration Rights Agreement, we agreed to prepare and file with the SEC a registration statement on an appropriate form under the Securities Act with respect to a proposed offer to the holders of the Old Notes to issue and deliver to such holders of Old Notes, in exchange for their Old Notes, a like aggregate principal amount of New Notes that are identical in all material respects to the Old Notes, except for provisions relating to registration rights and the transfer restrictions relating to the Old Notes, and except for certain related differences described below. See "Exchange Offer; Registration Rights; Ratings."

Terms of the Exchange Offer; Period for Tendering Old Notes

This prospectus and the accompanying letter of transmittal contain the terms and conditions of the exchange offer. Upon the terms and subject to the conditions included in this prospectus and in the accompanying letter of transmittal, which together constitute the exchange offer, we will accept for exchange Old Notes which are properly tendered on or prior to the Expiration Date, unless you have previously withdrawn them.

When you tender Old Notes as provided below, our acceptance of the Old Notes will constitute a binding agreement between you and American upon the terms and subject to the conditions in this prospectus and in the accompanying letter of transmittal. In tendering Old Notes, you should also note the following important information:

- You may only tender Old Notes in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.
- We will keep the exchange offer open for not less than 20 business days, or longer if required by applicable law, after the date on which notice of the exchange offer is mailed to holders of the Old Notes. We are sending this prospectus, together with the letter of transmittal, on or about the date of this prospectus, to all of the registered holders of Old Notes at their addresses listed in the Trustee's security register with respect to the Old Notes.
- The exchange offer expires at , New York City time, on , 2009; provided, however, that we, in our sole discretion, may extend the period of time for which the exchange offer is open.
- As of the date of this prospectus, $276,400,000 aggregate principal amount of Old Notes was outstanding. The exchange offer is not conditioned upon any minimum principal amount of Old Notes being tendered.
- Our obligation to accept Old Notes for exchange in the exchange offer is subject to the conditions described under "— Conditions to the Exchange Offer."
- We expressly reserve the right, at any time, to extend the period of time during which the exchange offer is open, and thereby delay acceptance of any Old Notes, by giving oral or written notice of an extension to the Exchange Agent and notice of that extension to the Noteholders as described below. During any extension, all Old Notes previously tendered will remain subject to the exchange offer unless withdrawal rights are exercised as described under "— Withdrawal Rights." Any Old Notes not accepted for exchange for any reason will be returned without expense to the tendering Noteholder as promptly as practicable after the expiration or termination of the exchange offer.
- We expressly reserve the right to amend or terminate the exchange offer, and not to accept for exchange any Old Notes that we have not yet accepted for exchange, at any time prior to the Expiration Date.
- We will give oral or written notice of any extension, amendment, termination or non-acceptance described above to holders of the Old Notes as promptly as practicable. If we extend the Expiration Date, we will give notice by means of a press release or other public announcement no later than 9:00 a.m., New York City time, on the business day after the previously scheduled Expiration Date. Without limiting the manner in which we may choose to make any public announcement and subject to applicable law, we will have no obligation to publish, advertise or otherwise communicate any public

announcement other than by issuing a release to an appropriate news agency. Such announcement may state that we are extending the exchange offer for a specified period of time.

- Holders of Old Notes do not have any appraisal or dissenters' rights in connection with the exchange offer.
- Old Notes which are not tendered for exchange, or are tendered but not accepted, in connection with the exchange offer will remain outstanding and be entitled to the benefits of the Indenture, but will not be entitled to any further registration rights under the Registration Rights Agreement.
- We intend to conduct the exchange offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC thereunder.
- By executing, or otherwise becoming bound by, the letter of transmittal, you will be making to us the representations described under "— Resale of the New Notes."

Important rules concerning the exchange offer

You should note the following important rules concerning the exchange offer:

- All questions as to the validity, form, eligibility, time of receipt and acceptance of Old Notes tendered for exchange will be determined by us in our sole discretion, which determination shall be final and binding.
- We reserve the absolute right to reject any and all tenders of any particular Old Notes not properly tendered or to not accept any particular Old Notes if such acceptance might, in our judgment or the judgment of our counsel, be unlawful.
- We also reserve the absolute right to waive any defects or irregularities or conditions of the exchange offer as to any particular Old Notes either before or after the Expiration Date, including the right to waive the ineligibility of any holder who seeks to tender Old Notes in the exchange offer. Unless we agree to waive any defect or irregularity in connection with the tender of Old Notes for exchange, you must cure any defect or irregularity within any reasonable period of time as we shall determine.
- Our interpretation of the terms and conditions of the exchange offer as to any particular Old Notes either before or after the Expiration Date shall be final and binding on all parties. Neither American, the Exchange Agent nor any other person shall be under any duty to notify you of any defect or irregularity with respect to any tender of Old Notes for exchange, nor shall any of them incur any liability for failing to so notify you.

Procedures for Tendering Old Notes

What to submit and how

If you, as a holder of any Old Notes, wish to tender your Old Notes for exchange in the exchange offer, you must, except as described under "— Guaranteed Delivery Procedures," transmit the following on or prior to the Expiration Date to the Exchange Agent:

(1) if Old Notes are tendered in accordance with the book-entry procedures described under "— Book-Entry Transfer," an Agent's Message, as defined below, transmitted through DTC's ATOP, or

(2) a properly completed and duly executed letter of transmittal, or a facsimile copy thereof, to the Exchange Agent at the address set forth below under "— Exchange Agent," including all other documents required by the letter of transmittal.

In addition,

(1) a timely confirmation of a book-entry transfer of Old Notes into the Exchange Agent's account at DTC using the procedure for book-entry transfer described under "— Book-Entry Transfer" (a "*Book-*

Entry Confirmation"), along with an Agent's Message, must be actually received by the Exchange Agent prior to the Expiration Date, or

(2) certificates for Old Notes must be actually received by the Exchange Agent along with the letter of transmittal on or prior to the Expiration Date, or

(3) you must comply with the guaranteed delivery procedures described below.

The term "*Agent's Message*" means a message, transmitted through ATOP by DTC to, and received by, the Exchange Agent and forming a part of a Book-Entry Confirmation, that states that DTC has received an express acknowledgement that the tendering holder has received and agrees to be bound by the letter of transmittal or, in the case of an Agent's Message relating to guaranteed delivery, that such holder has received and further agrees to be bound by the notice of guaranteed delivery, and that we may enforce the letter of transmittal, and the notice of guaranteed delivery, as the case may be, against such holder.

The method of delivery of Old Notes, letters of transmittal, notices of guaranteed delivery and all other required documentation, including delivery of Old Notes through DTC and transmission of Agent's Messages through DTC's ATOP, is at your election and risk. Delivery will be deemed made only when all required documentation is actually received by the Exchange Agent. Delivery of documents or instructions to DTC does not constitute delivery to the Exchange Agent. If delivery is by mail, we recommend that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery to the Exchange Agent. Holders tendering Old Notes or transmitting Agent's Messages through DTC's ATOP must allow sufficient time for completion of ATOP procedures during DTC's normal business hours. No Old Notes, Agent's Messages, letters of transmittal, notices of guaranteed delivery or any other required documentation should be sent to American.

How to sign your letter of transmittal and other documents

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed unless the Old Notes being surrendered for exchange are tendered:

(1) by a registered holder of the Old Notes who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal, or

(2) for the account of an "eligible guarantor" institution within the meaning of Rule 17Ad-15 under the Exchange Act, or a commercial bank or trust company having an office or correspondent in the United States that is a member in good standing of a medallion program recognized by the Securities Transfer Association Inc., including the Securities Transfer Agents Medallion Program ("*STAMP*"), the Stock Exchanges Medallion Program ("*SEMP*") and the New York Stock Exchange Medallion Signature Program ("*MSP*") (each, an "*Eligible Institution*").

If signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, the guarantees must be by an Eligible Institution.

If the letter of transmittal is signed by a person or persons other than the registered holder or holders of Old Notes, the Old Notes must be endorsed or accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the registered holder or holders appear on the Old Notes and with the signatures guaranteed.

If the letter of transmittal or any Old Notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers or corporations or others acting in a fiduciary or representative capacity, the person should so indicate when signing and, unless waived by us, proper evidence satisfactory to us of such person's authority to so act must be submitted.

Acceptance of Old Notes for Exchange; Delivery of New Notes

Once all of the conditions to the exchange offer are satisfied or waived, we will accept, promptly after the Expiration Date, all Old Notes properly tendered and not properly withdrawn, and will issue the New

Notes of the same series promptly after such acceptance. See "— Conditions to the Exchange Offer" below. For purposes of the exchange offer, our giving of oral or written notice of acceptance to the Exchange Agent will be considered our acceptance of the tendered Old Notes.

In all cases, we will issue New Notes in exchange for Old Notes of the same series that are accepted for exchange only after timely receipt by the Exchange Agent of:

- a Book-Entry Confirmation or Old Notes in proper form for transfer,
- a properly transmitted Agent's Message or a properly completed and duly executed letter of transmittal, and
- all other required documentation.

If we do not accept any tendered Old Notes for any reason included in the terms and conditions of the exchange offer, if you submit certificates representing Old Notes in a greater principal amount than you wish to exchange or if you properly withdraw tendered Old Notes in accordance with the procedures described under "— Withdrawal Rights," we will return any unaccepted, non-exchanged or properly withdrawn Old Notes, as the case may be, without expense to the tendering holder. In the case of Old Notes tendered by book-entry transfer into the Exchange Agent's account at DTC using the book-entry transfer procedures described below, unaccepted, non-exchanged or properly withdrawn Old Notes will be credited to an account maintained with DTC. We will return the Old Notes or have them credited to the DTC account, as applicable, as promptly as practicable after the expiration or termination of the exchange offer.

Book-Entry Transfer

The Exchange Agent will make a request to establish an account with respect to the Old Notes at DTC for purposes of the exchange offer promptly after the date of this prospectus. Any financial institution that is a participant in DTC's systems, including Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("*Euroclear*"), or Clearstream Banking, société anonyme ("*Clearstream*") may make book-entry delivery of Old Notes by causing DTC to transfer Old Notes into the Exchange Agent's account at DTC in accordance with DTC's ATOP procedures for transfer. However, the exchange for the Old Notes so tendered will only be made after timely confirmation of book-entry transfer of Old Notes into the Exchange Agent's account, and timely receipt by the Exchange Agent of an Agent's Message and all other documents required by the letter of transmittal. Only participants in DTC may deliver Old Notes by book-entry transfer.

Although delivery of Old Notes may be effected through book-entry transfer into the Exchange Agent's account at DTC, the letter of transmittal, or a facsimile copy thereof, properly completed and duly executed, with any required signature guarantees, or an Agent's Message, with all other required documentation, must in any case be transmitted to and received by the Exchange Agent at its address listed under "— Exchange Agent" on or prior to the Expiration Date, or you must comply with the guaranteed delivery procedures described below under "— Guaranteed Delivery Procedures."

If your Old Notes are held through DTC, you must complete the accompanying form called "Instructions to Registered Holder and/or Book-Entry Participant," which will instruct the DTC participant through whom you hold your Old Notes of your intention to tender your Old Notes or not tender your Old Notes. Please note that delivery of documents or instructions to DTC does not constitute delivery to the Exchange Agent and we will not be able to accept your tender of Old Notes until the Exchange Agent actually receives from DTC the information and documentation described under "— Acceptance of Old Notes for Exchange; Delivery of Old Notes."

Guaranteed Delivery Procedures

If you are a registered holder of Old Notes and you want to tender your Old Notes but the procedure for book-entry transfer cannot be completed prior to the Expiration Date, your Old Notes are not immediately

available or time will not permit your Old Notes to reach the Exchange Agent before the Expiration Date, a tender may be effected if:

- the tender is made through an Eligible Institution, as defined above,
- prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution, by facsimile transmission, mail or hand delivery, a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by us, or an Agent's Message with respect to guaranteed delivery in lieu thereof, in either case stating:
  - the name and address of the holder of Old Notes,
  - the amount of Old Notes tendered,
  - that the tender is being made by delivering such notice and guaranteeing that, within three New York Stock Exchange trading days after the Expiration Date, a Book-Entry Confirmation or the certificates for all physically tendered Old Notes, in proper form for transfer, together with either an appropriate Agent's Message or a properly completed and duly executed letter of transmittal in lieu therof, and all other required documentation, will be deposited by that Eligible Institution with the Exchange Agent, and
- a Book-Entry Confirmation or the certificates for all physically tendered Old Notes, in proper form for transfer, together with either an appropriate Agent's Message or a properly completed and duly executed letter of transmittal in lieu therof, and all other required documentation, are received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date.

Withdrawal Rights

You can withdraw your tender of Old Notes at any time on or prior to , New York City time, on the Expiration Date.

For a withdrawal to be effective, a written notice of withdrawal must be actually received by the Exchange Agent prior to such time, properly transmitted either through DTC's ATOP or to the Exchange Agent at the address listed below under "— Exchange Agent." Any notice of withdrawal must:

- specify the name of the person having tendered the Old Notes to be withdrawn;
- identify the Old Notes to be withdrawn;
- specify the principal amount of the Old Notes to be withdrawn;
- contain a statement that the tendering holder is withdrawing its election to have such Notes exchanged for New Notes;
- except in the case of a notice of withdrawal transmitted through DTC's ATOP system, be signed by the holder in the same manner as the original signature on the letter of transmittal by which the Old Notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the Old Notes register the transfer of the Old Notes in the name of the person withdrawing the tender;
- if certificates for Old Notes have been delivered to the Exchange Agent, specify the name in which the Old Notes are registered, if different from that of the withdrawing holder;
- if certificates for Old Notes have been delivered or otherwise identified to the Exchange Agent, then, prior to the release of those certificates, specify the serial numbers of the particular certificates to be withdrawn, and, except in the case of a notice of withdrawal transmitted through DTC's ATOP system, include a notice of withdrawal signed in the same manner as the letter of transmittal by which the Old Notes were tendered, including any required signature guarantees; and
- if Old Notes have been tendered using the procedure for book-entry transfer described above, specify the name and number of the account at DTC from which the Old Notes were tendered and the name

and number of the account at DTC to be credited with the withdrawn Old Notes, and otherwise comply with the procedures of DTC.

Please note that all questions as to the validity, form, eligibility and time of receipt of notices of withdrawal will be determined by us, and our determination shall be final and binding on all parties. Any Old Notes so withdrawn will be considered not to have been validly tendered for exchange for purposes of the exchange offer. New Notes will not be issued in exchange for such withdrawn Old Notes unless the Old Notes so withdrawn are validly re-tendered.

If you have properly withdrawn Old Notes and wish to re-tender them, you may do so by following one of the procedures described under "— Procedures for Tendering Old Notes" above at any time on or prior to the Expiration Date.

Conditions to the Exchange Offer

Notwithstanding any other provisions of the exchange offer, we will not be required to accept for exchange, or to issue New Notes in exchange for, any Old Notes and may terminate or amend the exchange offer, if we determine in our reasonable judgment at any time before the Expiration Date that the exchange offer would violate applicable law or any applicable interpretation of the staff of the SEC.

The foregoing conditions are for our sole benefit and may be waived by us regardless of the circumstances giving rise to that condition. Our failure at any time to exercise the foregoing rights shall not be considered a waiver by us of that right. The rights described in the prior paragraph are ongoing rights which we may assert at any time and from time to time.

In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for any such Old Notes, if at any time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the Indenture under the Trust Indenture Act.

We reserve the right to terminate or amend the exchange offer at any time prior to the Expiration Date upon the occurrence of any of the foregoing events.

Exchange Agent

U.S. Bank National Association has been appointed as the Exchange Agent for the exchange offer. All executed letters of transmittal, notices of guaranteed delivery, notices of withdrawal and any other required documentation should be directed to the Exchange Agent at the address set forth below. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery should be directed to the Exchange Agent, addressed as follows:

	Deliver To:	
By registered or certified mail, hand delivery or overnight courier:	*By facsimile:*	*For information call:*
U.S. Bank Corporate Trust Attn: Lori Buckles — Specialized Finance 60 Livingston Avenue 2nd Floor St. Paul, MN 55107	(651) 495-8158	(651) 495-3520

Delivery to an address other than the address of the Exchange Agent as listed above or transmission of instructions via facsimile other than as listed above does not constitute a valid delivery.

Fees and Expenses

The principal solicitation is being made by mail; however, additional solicitation may be made by telephone or in person by our officers, regular employees and affiliates. We will not pay any additional compensation to any of our officers and employees who engage in soliciting tenders. We will not make any payment to brokers, dealers or others soliciting acceptances of the exchange offer. However, we will pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection with the exchange offer.

The estimated cash expenses to be incurred in connection with the exchange offer, including legal, accounting, SEC filing, printing and Exchange Agent expenses, will be paid by us and are estimated in the aggregate to be $305,000.

Transfer Taxes

Holders who tender their Old Notes for exchange will not be obligated to pay any transfer taxes in connection therewith, except that holders who instruct us to register New Notes in the name of, or request that Old Notes not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer tax.

Resale of the New Notes

Under existing interpretations of the staff of the SEC contained in several no-action letters to third parties, the New Notes would in general be freely transferable by holders thereof (other than affiliates of us) after the exchange offer without further registration under the Securities Act (subject to certain representations required to be made by each holder of Old Notes participating in the exchange offer, as set forth below). The relevant no-action letters include the Exxon Capital Holdings Corporation letter, which was made available by the SEC on May 13, 1988, the Morgan Stanley & Co. Incorporated letter, which was made available by the SEC on June 5, 1991, the K-111 Communications Corporation letter, which was made available by the SEC on May 14, 1993, and the Shearman & Sterling letter, which was made available by the SEC on July 2, 1993.

However, any purchaser of Old Notes who is an “affiliate” of ours or who intends to participate in the exchange offer for the purpose of distributing the New Notes:

- will not be able to rely on such SEC interpretation;
- will not be able to tender its Old Notes in the exchange offer; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of Old Notes unless such sale or transfer is made pursuant to an exemption from those requirements.

By executing, or otherwise becoming bound by, the letter of transmittal, each holder of the Old Notes will represent that:

- any New Notes to be received by such holder will be acquired in the ordinary course of its business;
- it has no arrangements or understandings with any person to participate in the distribution of the Notes within the meaning of the Securities Act; and
- it is not an “affiliate” of us or, if it is such an affiliate, such holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

We have not sought, and do not intend to seek, a no-action letter from the SEC with respect to the effects of the exchange offer, and there can be no assurance that the SEC staff would make a similar determination with respect to the New Notes as it has made in previous no-action letters.

In addition, in connection with any resales of those Old Notes, each exchanging dealer, as defined below, receiving New Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such exchanging dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes. See “Plan of Distribution.”

The SEC has taken the position in the Shearman & Sterling no-action letter, which it made available on July 2, 1993, that exchanging dealers may fulfill their prospectus delivery requirements with respect to the New Notes, other than a resale of an unsold allotment from the original sale of the Old Notes, by delivery of the prospectus contained in the exchange offer registration statement.

USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the Registration Rights Agreements we entered into in connection with the private offering of the Old Notes. We will not receive any cash proceeds from the issuance of the New Notes under the exchange offer. In consideration for issuing the New Notes as contemplated by this prospectus, we will receive Old Notes in like principal amounts, the terms of which are identical in all material respects to the New Notes, subject to limited exceptions. Old Notes surrendered in exchange for New Notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the New Notes will not result in any increase in our indebtedness.

American deposited the entire proceeds from the sale of the Old Notes with the Trustee under the Indenture to be held by the Trustee as cash collateral for American's obligations under the Notes. Upon the subjection of the Aircraft to the lien of the Aircraft Security Agreement, an amount of the Cash Collateral equal to the Allocable Portion of the Notes attributable to each such Aircraft was released to American. American used the Cash Collateral and investment earnings thereon released to it to reimburse itself in part for the repayment of the equipment notes issued under the 1999-1 EETC. Final distributions on those equipment notes were made on October 15, 2009. See "Description of the Notes — Collateral."

DESCRIPTION OF THE NOTES

The following summary describes certain material terms of the Notes. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Notes, the Indenture and the Aircraft Security Agreement (collectively, the "*Operative Documents*"). We urge you to read each of the Operative Documents for additional detail and further information because they, and not this description, define your rights. Each of the Operative Documents and specimen copies of the Notes have been filed as exhibits to the registration statement of which this prospectus constitutes a part. Copies are available as set forth under "Where You Can Find More Information." The references to Sections in parentheses in the following summary are to the relevant Sections of the applicable Operative Document.

General

The American Airlines, Inc. 13.0% 2009-2 Secured Notes due 2016 (the "*Old Notes*") were issued on July 31, 2009 (the "*Issuance Date*") under an Indenture (the "*Indenture*") between American and U.S. Bank Trust National Association, as trustee (the "*Trustee*").

The New Notes will be issued pursuant to the Indenture. The forms and terms of the New Notes are the same in all material respects as the form and terms of the Old Notes, except that the New Notes:

- are registered under the Securities Act and will not be subject to restrictions on transfer;
- will bear a different CUSIP and ISIN number than the Old Notes;
- will not entitle their holders to registration rights; and
- will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes.

The New Notes will be issued only in fully registered form, without coupons, in minimum denominations of $2,000 or integral multiples of $1,000 in excess thereof, except that one Note may be issued in a different denomination. (Indenture, Section 2.01(b)) The Notes are secured by a lien on the collateral and are full recourse obligations of American. See "— Collateral." The New Notes will be subject to the provisions described below under "— Book-Entry, Delivery and Form."

Although separate Notes are not issued with respect to each Aircraft, the Indenture specifies that a certain portion of the outstanding principal amount of the Notes is allocable to each Aircraft (the "*Allocable Portion*"). The Allocable Portion of the Notes with respect to each Aircraft on the Cut-Off Date and each Payment Date is specified in Appendix III. For any date before the first Payment Date, the Allocable Portion of the Notes with respect to each Aircraft will be the amount specified in Appendix III for the Cut-Off Date. For any date after the first Payment Date, other than a Payment Date, the Allocable Portion of the Notes with respect to each Aircraft will be the amount specified in Appendix III for the Payment Date that immediately precedes such date.

Payments of Principal and Interest

The Notes are limited to $276,400,000 of principal in the aggregate. Subject to the provisions of the Indenture, payments of principal on the Notes are scheduled to be paid on each February 1 and August 1, commencing February 1, 2010 (each February 1 and August 1, a "*Payment Date*"), until August 1, 2016 (the "*Scheduled Maturity Date*") as set forth below.

Payment Date	Principal Payment Amount
February 1, 2010	$18,405,129.71
August 1, 2010	17,859,800.03
February 1, 2011	17,313,071.43
August 1, 2011	16,766,342.88
February 1, 2012	16,219,614.32
August 1, 2012	15,672,885.72
February 1, 2013	15,126,157.20
August 1, 2013	14,579,428.57
February 1, 2014	14,032,700.21
August 1, 2014	13,485,971.65
February 1, 2015	13,911,204.82
August 1, 2015	13,182,233.36
February 1, 2016	12,453,261.99
August 1, 2016	77,392,198.11

Interest accrues on the unpaid principal amount of each Note at the fixed rate per annum set forth on the cover page of this prospectus, subject to a potential increase if we fail to obtain ratings for the Notes as described in "Exchange Offer; Registration Rights; Ratings" (the "*Stated Interest Rate*"). Interest on the Notes is payable on each Payment Date. Interest on the Notes accrues from the most recent date to which interest has been paid or, if no interest has been paid, from the Issuance Date. Interest on the Notes is calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal and interest are made to holders of record of the Notes on the 15th day preceding the applicable Payment Date, whether or not such record date is a Business Day. If any date scheduled for a payment of principal, interest or Make-Whole Amount, if any, is not a Business Day, such payment will be made on the next succeeding Business Day without additional interest. (Indenture, Section 2.07(d))

If the money for purposes of any payment of principal or interest on the Notes has not been deposited, in whole or in part, with the Trustee by American on any Payment Date, the Trustee will make such payment on the next Business Day on which some or all of the money has been deposited with the Trustee. However, if some or all of the money has not been deposited with the Trustee for purposes of making a payment of principal or interest on the Notes within five days after the Payment Date for such payment, American will be required to fix a special payment date and special record date for such payment and to give written notice to the Noteholders of such special dates and the amount of defaulted principal or interest to be paid.

"*Business Day*" means any day other than: a Saturday, a Sunday, or other day on which commercial banks are authorized or required by law to close in New York, New York, Fort Worth, Texas, or the city and state in which the Trustee is located.

Redemption

Mandatory Redemption

If an Event of Loss occurs with respect to an Aircraft and such Aircraft is not replaced by American under the Aircraft Security Agreement as set forth under "— Certain Provisions of the Aircraft Security Agreement — Event of Loss," American will be required to redeem the Allocable Portion of the Notes with respect to such Aircraft. The redemption price in such case will be the Allocable Portion of the Notes with respect to such Aircraft, together with all accrued and unpaid interest on such Allocable Portion to (but excluding) the date of redemption, but without any premium, and all other obligations with respect to such Aircraft owed or then due and payable to the Noteholders. (Indenture, Section 2.19(c)) Following such partial redemption, the lien on such Aircraft under the Aircraft Security Agreement will be released and such Aircraft will no longer secure the amounts that may be owing under the Indenture or the Aircraft Security Agreement.

(Aircraft Security Agreement, Section 7.05) In addition, the obligation of American thereafter to make the scheduled interest and principal payments with respect to such Allocable Portion of the Notes will cease.

Optional Redemption

All, but not less than all, of the Notes may be redeemed prior to maturity at any time, at the option of American. The redemption price in such case will be equal to 100% of the unpaid principal thereof, together with all accrued and unpaid interest thereon to (but excluding) the date of redemption, plus the Make-Whole Amount (if any), and all other obligations owed or then due and payable to Noteholders under the Indenture. (Indenture, Section 2.20)

General

With respect to any redemption, the Trustee will send to each Noteholder a notice of redemption at least 15 days but not more than 60 days before any redemption date. If applicable, such notice shall identify the Allocable Portion of the Notes to be redeemed. If less than all of the Notes are to be redeemed, the Notes will be redeemed on a pro rata basis. On the redemption date, interest will cease to accrue on the Notes or the Allocable Portion thereof called for redemption, unless American fails to make the redemption payment for such Notes. (Indenture, Section 2.24)

"*Make-Whole Amount*" means, with respect to the Notes or any Allocable Portion of the Notes, the amount (as determined by an independent investment banker selected by American (and, following the occurrence and during the continuance of an Event of Default, reasonably acceptable to the Trustee)), if any, by which (i) the present value of the remaining scheduled payments of principal and interest (or in the case of any Allocable Portion of the Notes, the remaining amounts listed in Appendix III under "Scheduled Principal Payment" for the relevant Aircraft plus scheduled payments of interest thereon) from the redemption date to, and including, the Scheduled Maturity Date 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 plus 0.75% (such percentage, the "*Make-Whole Spread*"), exceeds (ii) the outstanding aggregate principal amount of the Notes or such Allocable Portion plus accrued but unpaid interest thereon to the date of redemption. (Indenture, Annex A)

For purposes of determining the Make-Whole Amount, "*Treasury Yield*" means, at the date of determination, the interest rate (expressed as a semiannual equivalent and as a decimal rounded to the number of decimal places as appears in the interest rate applicable to the Notes 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 semiannual 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 constant maturity, non-inflation-indexed series 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 reported in the most recent H.15(519) or, if a weekly average constant maturity, non-inflation-indexed series yield to maturity for United States Treasury securities maturing on the Average Life Date is reported in the most recent H.15(519), such weekly average yield to maturity as reported 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 latest H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. (Indenture, Annex A)

"*Average Life Date*" for the Notes or each Allocable Portion of the Notes to be redeemed shall be the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of the Notes or such Allocable Portion. "*Remaining Weighted Average Life*" of the Notes or any Allocable Portion of the Notes, at the redemption date of the Notes or such Allocable Portion, shall be 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 Scheduled Maturity Date (or in the case of any Allocable Portion of the Notes, each remaining amount listed in Appendix III under "Scheduled Principal Payment" for the relevant Aircraft to, and including, the Scheduled Maturity Date), by (B) the number of days from and including the redemption date to but excluding the scheduled payment date of such principal installment (or in the case of the any Allocable Portion of the Notes, the scheduled payment date for such amount so listed in Appendix III) by (ii) the then unpaid principal amount of the Notes or such Allocable Portion. (Indenture, Annex A)

Collateral

On the Issuance Date American deposited the entire proceeds from the sale of the Old Notes with the Trustee under the Indenture to be held by the Trustee as cash collateral (the "*Cash Collateral*") for American's obligations under the Notes. The Trustee invested the Cash Collateral in certain permitted investments and the interest that accrued on the Cash Collateral was for American's account. The investment earnings on the Cash Collateral were paid over to American on October 19, 2009, the last day on which any Cash Collateral with respect to the Allocable Portion of the Notes attributable to any Aircraft was released to American.

The Aircraft were subject to the liens of separate indentures (the "*1999-1 Indentures*") as part of an enhanced equipment trust certificate transaction entered into by American in 1999 (the "*1999-1 EETC*"). Final distributions on the equipment notes in the 1999-1 EETC were made on October 15, 2009 (the "*1999-1 Maturity Date*"), and the aggregate amount of principal under the 1999-1 EETC on the 1999-1 Maturity Date was $401,494,000, of which $313,130,404.20 related to the Aircraft. On October 19, 2009, American subjected the Aircraft to the lien of the Aircraft Security Agreement. This included an assignment for security purposes to the Security Agent of certain of American's warranty rights with respect to such Aircraft under its purchase agreements with Boeing. (Aircraft Security Agreement, Granting Clause) The subjection of each Aircraft to the lien of the Aircraft Security Agreement was subject to a number of terms and conditions, including that no Event of Default (or an event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both) under the Indenture had occurred and was continuing; that no event that would constitute an "Event of Loss" under the applicable 1999-1 Indenture (or an event that would constitute an "Event of Loss" under any such 1999-1 Indenture but for the requirement that notice be given or time elapse or both) with respect to such Aircraft had occurred and was continuing; that there were no liens on such Aircraft (including the liens created under the applicable 1999-1 Indenture), other than certain "permitted liens" as defined in the Indenture; that there was an assignment for security purposes of certain of American's rights under its purchase agreement with the manufacturer of such Aircraft; and that American's General Counsel provided an opinion that the benefit of Section 1110 will be available with respect to such Aircraft.

Release of Cash Collateral

On and subject to the terms of the Indenture, once an Aircraft was subjected to the lien of the Aircraft Security Agreement, and provided that no Event of Default had occurred and was continuing, the Trustee released an amount of Cash Collateral equal to the Allocable Portion of the Notes attributable to such Aircraft to American. The investment earnings on all such Cash Collateral were paid over to American on the last day on which any Cash Collateral with respect to the Allocable Portion of the Notes attributable to any Aircraft is released to American.

Cash

Cash, including funds held as the result of an occurrence of Event of Loss with respect to an Aircraft, held from time to time by the Trustee or the Security Agent, as the case may be, is invested and reinvested by the Trustee or the Security Agent, as the case may be, at the direction of American, in investments described in the Indenture or the Aircraft Security Agreement, as the case may be. (Indenture, Section 5.06; Aircraft Security Agreement, Section 5.06) Such investments are not entitled to the benefits of Section 1110. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Payment on the Notes and the ability to exercise remedies with respect to certain collateral may be restricted in the case of a bankruptcy of American."

Loan to Value Ratios of Notes

The tables in Appendix III to this prospectus set forth LTVs for the Allocable Portion of the Notes with respect to each Aircraft as of the Cut-Off Date and each Payment Date. For any date before the first Payment Date, the Allocable Portion of the Notes with respect to each Aircraft will be the amount specified in Appendix III for the Cut-Off Date. For any date after the first Payment Date, other than a Payment Date, the Allocable Portion of the Notes with respect to each Aircraft will be the amount specified in Appendix III for the Payment Date that immediately precedes such date.

The LTVs for the Cut-Off Date and each Payment Date listed in the tables in Appendix III were obtained by dividing (*i*) the Allocable Portion of the Notes with respect to each Aircraft (assuming that no Payment Default or redemption has occurred) determined immediately after giving effect to any principal payments scheduled to be made on each such date by (*ii*) the assumed aircraft value (the "*Assumed Aircraft Value*") on such date, calculated based on the Depreciation Assumption, of such Aircraft.

The tables in Appendix III are based on the assumption (the "*Depreciation Assumption*") that the Assumed Aircraft Value of each Aircraft depreciates annually by approximately 3% of the value at delivery per year for the first 15 years after delivery of such Aircraft by the manufacturer, by approximately 4% per year thereafter for the next five years and by approximately 5% each year after that. The appraised value of each Aircraft is the theoretical value that, when depreciated from the initial delivery of such Aircraft by the manufacturer in accordance with the Depreciation Assumption, results in the appraised value of such Aircraft specified under "Prospectus Summary — The Aircraft" and "Description of the Aircraft and the Appraisals — The Appraisals."

Other rates or methods of depreciation could result in materially different LTVs, and no assurance can be given (*i*) that the depreciation rate and method assumed for the purposes of the tables are the ones most likely to occur or (*ii*) as to the actual future value of any Aircraft. Thus, the tables should not be considered a forecast or prediction of expected or likely LTVs, but simply a mathematical calculation based on one set of assumptions. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Appraisals should not be relied upon as a measure of realizable value of the Aircraft."

Events of Default

Each of the following constitutes an "*Event of Default*" with respect to the Notes:

- the failure by American to pay any interest, principal or Make-Whole Amount (if any) within 15 days after the same has become due on any Note (such failure, without giving effect to any such notice or grace period, a "*Payment Default*");
- the failure by American to pay any amount (other than interest, principal or Make-Whole Amount (if any)) when due under the Indenture or any Note for more than 30 days after American receives written notice from the Trustee or the holders of at least 25% of the principal amount of the outstanding Notes;
- the failure by American to perform or observe in any material respect any other covenant, condition or agreement to be performed or observed by it under the Indenture that continues for a period of 60 days after American receives written notice from the Trustee or the holders of at least 25% of the principal amount of the outstanding Notes; *provided* that, if such failure is capable of being remedied, no such failure will constitute an Event of Default for a period of one year after such notice is received by American so long as American is diligently proceeding to remedy such failure;
- any representation or warranty made by American in the Indenture or in any Note proves to have been incorrect in any material respect when made, and such incorrectness continues to be material to the transactions contemplated by the Indenture and remains unremedied for a period of 60 days after American receives written notice from the Trustee or the holders of at least 25% of the principal amount of the outstanding Notes; *provided* that, if such incorrectness is capable of being remedied, no such incorrectness will constitute an Event of Default for a period of one year after such notice is received by American so long as American is diligently proceeding to remedy such incorrectness;

- the occurrence of certain events of bankruptcy, reorganization or insolvency of American (each, an "*American Bankruptcy Event*"); or
- after the Aircraft Security Agreement is entered into, the occurrence of an Aircraft Security Event of Default. (Indenture, Section 4.01)

Each of the following constitutes an "*Aircraft Security Event of Default*" with respect to the Notes:

- the failure by American to pay to the Security Agent any amount when due under the Aircraft Security Agreement for more than 30 days after American receives written notice from the Security Agent or the Trustee;
- the failure by American to carry and maintain (or cause to be maintained) insurance or indemnity on or with respect to any Aircraft in accordance with the provisions of the Aircraft Security Agreement; *provided* that no such failure to carry and maintain insurance will constitute an Aircraft Security Event of Default until the earlier of (*i*) the date such failure has continued unremedied for a period of 30 days after the Security Agent receives notice of the cancellation or lapse of such insurance or (*ii*) the date such insurance is not in effect as to the Security Agent;
- the failure by American to perform or observe (or cause to be performed or observed) in any material respect any other covenant, condition or agreement to be performed or observed by it under the Aircraft Security Agreement that continues for a period of 60 days after American receives written notice from the Security Agent or the Trustee; *provided* that, if such failure is capable of being remedied, no such failure will constitute an Aircraft Security Event of Default for a period of one year after such notice is received by American so long as American is diligently proceeding to remedy such failure; or
- any representation or warranty made by American in the Aircraft Security Agreement proves to have been incorrect in any material respect when made, and such incorrectness continues to be material to the transactions contemplated by the Aircraft Security Agreement and remains unremedied for a period of 60 days after American receives written notice from the Security Agent or the Trustee; *provided* that, if such incorrectness is capable of being remedied, no such incorrectness will constitute an Aircraft Security Event of Default for a period of one year after such notice is received by American so long as American is diligently proceeding to remedy such incorrectness;

provided that notwithstanding anything to the contrary contained in the foregoing, any failure by American to perform or observe any covenant, condition or agreement shall not constitute an Aircraft Security Event of Default if such failure arises by reason of an event referred to in the definition of "Event of Loss" so long as American is continuing to comply with all of the terms described under "— Certain Provisions of the Aircraft Security Agreement — Event of Loss." (Aircraft Security Agreement, Section 4.01)

If an event occurs and is continuing which is, or after notice or passage of time, or both, would be an Event of Default (a "*Default*") and if such Default is known to the Trustee, the Trustee shall mail to American, the Security Agent and each Noteholder notice of such Default within 90 days after the occurrence thereof except as otherwise permitted by the Trust Indenture Act. Except in the case of a Payment Default, the Trustee may withhold the notice if and so long as it, in good faith, determines that withholding the notice is in the interests of the Noteholders. (Indenture, Section 5.05)

Remedies

If an Event of Default (other than an American Bankruptcy Event) occurs and is continuing, the Trustee may, and upon receipt of written instruction of the holders of a majority of the principal amount of the outstanding Notes, the Trustee shall, declare by notice to American, all unpaid principal of, and accrued but unpaid interest on, the outstanding Notes and other amounts otherwise payable under the Indenture, if any, to be due and payable immediately (without premium). If an American Bankruptcy Event occurs, such amounts shall be due and payable without any declaration or other act on the part of the Trustee or any Noteholder. The holders of a majority of the principal amount of the outstanding Notes by notice to the Trustee may

rescind an acceleration and its consequences if (*i*) there has been paid to or deposited with the Trustee an amount sufficient to pay all overdue installments of principal and interest on the 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 Notes that have become due solely because of such acceleration, have been cured or waived*; provided* that no such rescission or annulment will extend to or affect any subsequent Default or Event of Default or impair any right consequent thereon. (Indenture, Section 4.02(d))

The holders of a majority of the principal amount of the outstanding Notes by notice to the Trustee may authorize the Trustee to waive an existing Default or Event of Default and its consequences, except a Default or Event of Default (*i*) in the payment of principal of, interest on, or Make-Whole Amount, if any, with respect to, any Note (other than with the consent of the holder thereof) or (*ii*) in respect of a covenant or provision of the Indenture or the Aircraft Security Agreement that cannot be amended or supplemented without the consent of each Noteholder affected thereby. See "— Modifications and Waiver of the Indenture and Certain Other Operative Documents." When a Default or Event of Default is waived, it is cured and ceases, and American, the Noteholders, the Trustee and the Security Agent shall be restored to their former positions and rights hereunder respectively; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. (Indenture, Section 4.05)

No Noteholder may institute any remedy with respect to the Indenture, the Aircraft Security Agreement or the Notes unless such Noteholder has previously given to the Trustee written notice of a continuing Event of Default, the holders of at least 25% of the principal amount of the outstanding Notes have requested in writing that the Trustee pursue the remedy, such holder has offered the Trustee indemnity against any loss, liability and expense satisfactory to the Trustee, the Trustee has failed so to act for 60 days after receipt of the same and during such 60 day period, the holders of a majority of the principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with the request. (Indenture, Section 4.06) Notwithstanding the foregoing, the right of any Noteholder to receive payment when due of principal, interest and Make-Whole Amount, if any, or to bring suit for the enforcement of any such payment, shall not be impaired or affected without the consent of such Noteholder. (Indenture, Section 4.09)

The holders of a majority of the principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee (subject, in the case of any actions based on the status of the Trustee as trustee, to any limitations otherwise expressly provided for in the Operative Documents) or exercising any trust or power conferred on it; *provided* that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction. The Trustee may refuse to follow any direction or authorization if the Trustee has been advised by counsel that such action requested is contrary to the Indenture or is otherwise contrary to law. The Trustee shall have no obligation to take any action requested by the Noteholders unless it receives a satisfactory indemnification from them for following any actions or omissions to act which are in accordance with any such direction or authorization. (Indenture, Sections 4.02(b) and 5.01(d))

The Indenture and the Aircraft Security Agreement provide that, if an Event of Default has occurred and is continuing, the Trustee or the Security Agent, as the case may be, may exercise certain rights or remedies available to it under the Indenture and the Aircraft Security Agreement or under applicable law. Such remedies include the right to take possession of any Aircraft subject to the Aircraft Security Agreement and to sell all or any part of the Airframe or any Engine comprising such Aircraft. (Indenture, Section 4.02(a); Aircraft Security Agreement, Section 4.02(a))

If an Event of Default occurs and is continuing, any sums held or received by the Trustee may be applied to reimburse the Trustee and the Security Agent for any tax, expense or other loss incurred by it and to pay any other amounts due to the Trustee or the Security Agent prior to any payments to Noteholders. (Indenture, Section 3.03)

In the case of Chapter 11 bankruptcy proceedings in which an air carrier is a debtor, Section 1110 provides special rights to holders of security interests with respect to "equipment" (as defined in Section 1110). Section 1110 provides that, subject to the limitations specified therein, the right of a secured party with a

security interest in "equipment" to take possession of such equipment in compliance with the provisions of a security agreement and to enforce any of its rights or remedies thereunder is not affected after 60 days after the date of the order for relief in a case under Chapter 11 of the Bankruptcy Code by any provision of the Bankruptcy Code. Section 1110, however, provides that the right to take possession of an aircraft and enforce other remedies may not be exercised for 60 days following the date of the order for relief (or such longer period consented to by the holder of a security interest and approved by the court) and may not be exercised at all after such period if the trustee in reorganization agrees, subject to the approval of the court, to perform the debtor's obligations under the security agreement and cures all defaults (other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code, such as a default that is a breach of a provision relating to the financial condition, bankruptcy or insolvency of the debtor).

"*Equipment*" is defined in Section 1110, in part, as "an aircraft, aircraft engine, propeller, appliance, or spare part (as defined in section 40102 of title 49 of the United States Code) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued 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."

As a condition to the subjection of an Aircraft to the lien of the Aircraft Security Agreement, American's General Counsel provided an opinion to the Trustee and the Security Agent that, if American were to become a debtor under Chapter 11 of the Bankruptcy Code, the Trustee would be entitled to the benefits of Section 1110 with respect to the Airframe and Engines comprising such Aircraft. This opinion was subject to certain qualifications and assumptions.

The opinion of American's General Counsel did not address the possible replacement of an Aircraft after an Event of Loss in the future, the consummation of which is conditioned upon the contemporaneous delivery of an opinion of counsel to the effect that the Security Agent will be entitled to Section 1110 benefits with respect to the replacement Airframe unless there is a change in law or court interpretation that results in Section 1110 not being available. See "— Certain Provisions of the Aircraft Security Agreement — Events of Loss." The opinion of American's General Counsel also did not address the availability of Section 1110 with respect to the bankruptcy proceedings of any possible lessee of an Aircraft if it is leased by American.

Post Default Appraisals

Upon the occurrence and continuation of an Event of Default, the Trustee will be required to obtain three desktop appraisals from the Appraisers or other appraisers selected by the holders of a majority of the principal amount of the outstanding Notes setting forth the appraised current market value, current lease rate and distressed value (in each case, as defined by the International Society of Transport Aircraft Trading or any successor organization) of the Aircraft subject to the lien of the Aircraft Security Agreement (each such appraisal, an "*Appraisal*"). For so long as any Event of Default shall be continuing, the Trustee will be required to obtain additional Appraisals on the date that is 364 days from the date of the most recent Appraisal or if an American Bankruptcy Event shall have occurred and is continuing, on the date that is 180 days from the date of the most recent Appraisal and shall post such Appraisals on the DTC's Internet bulletin board or make such other commercially reasonable efforts as the holders of a majority of the principal amount of the outstanding Notes may deem appropriate to make such Appraisals available to all Noteholders. (Indenture, Section 4.02(e))

Priority of Distributions

During the existence of an Event of Default, if the Notes have become due and payable in full as described in "— Remedies," all amounts received by the Trustee in respect of the Notes will be promptly paid in the following order:

- to the Trustee or the Security Agent, to the extent required to pay, reimburse or indemnify for any tax, expense or loss actually incurred by the Trustee or the Security Agent and to pay certain out-of-pocket costs and expenses actually incurred by the Trustee or the Security Agent;

- to reimburse any Noteholder in respect of indemnification payments made to the Trustee or the Security Agent in connection with actions taken by the Trustee or the Security Agent at the direction of the Noteholders (including actions taken in connection with the exercise of remedies), in each case, pro rata;
- to the Noteholders, to the extent required to pay in full amounts due on the Notes; and
- to the Company. (Indenture, Section 3.03)

Reports

Promptly after the occurrence of an American Bankruptcy Event or an Event of Default resulting from the failure of American to make payments on any Note and on every Payment Date while the American Bankruptcy Event or such Event of Default shall be continuing, the Trustee will provide to the Noteholders and American a statement setting forth the following information:

- after an American Bankruptcy Event, with respect to each Aircraft subject to the lien of the Aircraft Security Agreement, whether such Aircraft is (*i*) subject to the 60-day period of Section 1110, (*ii*) subject to an election by American under Section 1110(a) of the Bankruptcy Code, (*iii*) covered by an agreement contemplated by Section 1110(b) of the Bankruptcy Code or (*iv*) not subject to any of (*i*), (*ii*) or (*iii*);
- to the best of the Trustee's knowledge, after requesting such information from American, (*i*) whether each such Aircraft is currently in service or parked in storage, (*ii*) the maintenance status of such Aircraft and (*iii*) location of the Engines associated with such Aircraft. American has agreed to provide such information upon request of the Trustee, but no more frequently than every three months with respect to each Aircraft so long as it is subject to the lien of the Aircraft Security Agreement;
- the current aggregate outstanding principal amount of the Notes and the Allocable Portion of the Notes for each such Aircraft as of the next Payment Date;
- the expected amount of interest which will have accrued on the Notes as of the next Payment Date;
- other amounts expected to be paid to each person on the next Payment Date pursuant to the Indenture;
- details of the amounts expected to be paid on the next Payment Date identified by reference to the relevant provision of the Indenture; and
- after an American Bankruptcy Event, any operational reports filed by American with the bankruptcy court which are available to the Trustee on a non-confidential basis. (Indenture, Section 6.01)

In addition, American shall furnish to the Trustee within 120 days after the end of each calendar year a certificate signed by a principal executive officer, principal financial officer or principal accounting officer of American stating that to his or her knowledge during such preceding calendar year no Default or Event of Default has occurred (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge). (Indenture, Section 10.03(c))

Modifications and Waiver of the Indenture and Certain Other Operative Documents

American and the Trustee may amend or supplement the Indenture, the Notes, the Aircraft Security Agreement and any related document, in each case without notice to or the consent of the Noteholders:

- to evidence the succession of another entity to American and provide for the assumption by such entity of American's obligations under the Indenture, the Notes, the Aircraft Security Agreement and any related document in the case of a merger, consolidation or transfer of all or substantially all of the assets of American;
- to add to the covenants of American for the benefit of Noteholders, or surrender any right or power conferred upon American in the Indenture, the Notes, the Aircraft Security Agreement or any related document;

- to comply with requirements of the SEC or otherwise to the extent necessary in connection with, or to continue, the qualification of the Indenture or any other agreement under the Trust Indenture Act or under any similar U.S. federal statute or to add provisions permitted by the Trust Indenture Act;
- to add or change any of the provisions of the Indenture or the other Operative Documents as necessary or advisable to obtain credit ratings on the Notes; *provided* that no such addition or change shall materially adversely affect the interest of any Noteholder, as evidenced solely by the delivery of the certificate of an officer of American;
- to comply with any requirement of the SEC or of any other regulatory body or to comply with any applicable law, rules, or regulations of or relating to any exchange or quotation system on which any Notes are listed (or to facilitate any listing of any Notes on any exchange or quotation system);
- to comply with any requirement of DTC, Euroclear, Clearstream or like depositary, or of the Trustee, in respect of the provisions of the Indenture, the Notes, the Aircraft Security Agreement or any related document, relating to transfers and exchanges of the Notes or beneficial interests therein, or to include on the Notes any legend as may be required by law or as may otherwise be necessary or advisable;
- to provide for any successor or additional Trustee or Security Agent with respect to the Notes or to add to or change any of the provisions of the Indenture or the Aircraft Security Agreement as shall be necessary or advisable to provide for or facilitate the administration of the trusts under the Indenture or the Aircraft Security Agreement by more than one Trustee or Security Agent, respectively;
- to provide for the delivery of Notes or any supplement to the Indenture, the Notes, the Aircraft Security Agreement or any other related document in or by means of any computerized, electronic, or other medium, including computer diskette;
- to provide for the guarantee by AMR Corporation or another entity of the Indenture, the Notes, the Aircraft Security Agreement or any other related document, and to make appropriate provisions in respect of such guarantor;
- to correct, supplement or amplify the description of the collateral, or convey, transfer, assign, mortgage or pledge any property to or with the Trustee or Security Agent;
- to cure any ambiguity or correct any mistake, defect or inconsistency;
- to make any other change not inconsistent with the Indenture or the Aircraft Security Agreement; *provided* that such action does not materially adversely affect the interests of any Noteholder. (Indenture, Section 12.01)

In addition, subject to certain limited exceptions described below, American and the Trustee may otherwise amend or supplement the Indenture, the Notes, the Aircraft Security Agreement and any other related documents, with the consent of the holders a majority of the principal amount of the outstanding Notes.

Whether before or after the occurrence of an Event of Default, the holders a majority of the principal amount of the outstanding Notes may authorize the Trustee to, and the Trustee upon such authorization shall, waive compliance by American with any provision of the Indenture, the Notes, the Aircraft Security Agreement or any related document (other than certain provisions in the Indenture and the Aircraft Security Agreement as described below). However, no amendment, supplement or waiver of any provision in the Indenture, any Note, the Aircraft Security Agreement or any related document may, without the consent of each Noteholder affected:

- reduce the amount of Notes whose holders must consent to an amendment, supplement or waiver;
- reduce the rate or change the time for payment of interest on any Note;
- reduce the amount or change the time for payment of principal of, redemption price of, or Make-Whole Amount, if any, with respect to (in each case, whether on redemption or otherwise), any Note;

- change the place of payment where, or the coin or currency in which any Note (or the redemption price thereof), interest thereon or Make-Whole Amount, if any, with respect thereto, is payable;
- change the priority of distributions and application of payments specified in the Indenture in a manner materially adverse to the Noteholders;
- impair the right of any Noteholder to institute suit for the enforcement of any amount of principal or interest payable on any Note when due;
- waive a Payment Default with respect to any Note; or
- create any lien with respect to any part of the collateral, including any Aircraft, that is prior to or *pari passu* with the lien thereon pursuant to the Indenture or the Aircraft Security Agreement, as applicable, except as permitted by the Indenture or the Aircraft Security Agreement, or deprive the Trustee or the Security Agent of the benefit of the lien on the collateral, including any such Aircraft, created by the Indenture or the Aircraft Security Agreement, except as permitted by the Indenture or the Aircraft Security Agreement. (Indenture, Section 12.02)

American or any affiliate of American may, to the extent permitted by applicable law, at any time purchase or otherwise acquire any or all of the Notes, including in the open market or by tender at any price or by private agreement. In determining whether the holders of the required principal amount of the Notes have consented to an amendment, modification or waiver, any such Notes owned by American or any affiliate of American will be disregarded and deemed not outstanding. (Indenture, Section 2.13)

Merger, Consolidation and Transfer of Assets

American is prohibited from consolidating with or merging into any other entity where American is not the surviving entity or conveying, transferring, or leasing substantially all of its assets as an entirety to any other entity unless:

- the successor or transferee entity is organized and validly existing under the laws of the United States or any state thereof or the District of Columbia;
- the successor or transferee entity is, if and to the extent required under Section 1110 in order that the Trustee continues to be entitled to any benefits of Section 1110 with respect to an Aircraft, a "*citizen of the United States*" (as defined in Title 49 of the United States Code relating to aviation (the "*Transportation Code*")) holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of the Transportation Code;
- the successor or transferee entity expressly assumes all of the obligations of American contained in the Notes, the Indenture and the Aircraft Security Agreement;
- if the Aircraft are, at the time, registered with the FAA or such person is located in a "Contracting State" (as such term is used in the Cape Town Treaty), the transferor or successor entity makes such filings and recordings with the FAA pursuant to the Transportation Code and registrations under the Cape Town Treaty, or, if the Aircraft are, at the time, not registered with the FAA, the transferor or successor entity makes such filings and recordings with the applicable aviation authority, as are necessary to evidence such consolidation, merger or transfer; and
- American has delivered a certificate and an opinion or opinions of counsel indicating that such transaction, in effect, complies with such conditions.

In addition, after giving effect to such transaction, no Event of Default shall have occurred and be continuing. (Indenture, Section 10.02(e))

None of the Notes or any of the other Operative Documents contain any covenants or provisions which may afford the Trustee, the Security Agent or Noteholders protection in the event of a highly leveraged transaction, including transactions effected by management or affiliates, which may or may not result in a change in control of American.

Book-Entry, Delivery and Form

The New Notes will be issued in book-entry form only, which means that the New Notes will be represented by one or more permanent global certificates ("*Global Notes*") registered in the name of DTC or its nominee. You may hold interests in the Notes directly through DTC, Euroclear or Clearstream if you are a participant in any of these clearing systems, or indirectly through organizations which are participants in those systems. Links have been established among DTC, Clearstream and Euroclear to facilitate the issuance of the Notes and cross-market transfers of the Notes associated with secondary market trading. DTC is linked indirectly to Clearstream and Euroclear through the depositary accounts of their respective U.S. depositaries. Notes in book-entry form can be exchanged for definitive Notes under the circumstances described under "— The Notes."

The Notes

Book-Entry Procedures for the Global Notes

All interests in the Global Notes, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of their systems. The descriptions of the operations and procedures of DTC, Euroclear and Clearstream described below are provided solely as a matter of convenience. These operations and procedures are solely within the control of these settlement systems and are subject to change by them from time to time. Neither we nor any paying agent, if applicable, takes any responsibility for these operations or procedures, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

The clearing systems have advised us as follows:

DTC

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the U.S. Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under Section 17A of the Exchange Act. DTC holds securities that its participants, known as DTC participants, deposit with DTC. DTC also facilitates the settlement among DTC participants of securities transactions, such as transfers and pledges, in deposited securities through computerized records for DTC participants' accounts. This eliminates the need to exchange certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC's book-entry system is also used by other organizations such as securities brokers and dealers, banks and trust companies that work through a DTC participant. The rules that apply to DTC and its participants are on file with the SEC.

We expect that pursuant to procedures established by DTC:

- upon deposit of each Global Note, DTC will credit the accounts of participants in DTC with an interest in the Global Note; and
- ownership of the Notes will be shown on, and the transfer of ownership of the Notes will be effected only through, records maintained by DTC, with respect to the interests of participants in DTC, and the records of participants and indirect participants, with respect to the interests of persons other than participants in DTC.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of the securities in definitive form. Accordingly, the ability to transfer interests in the Notes represented by a Global Note to these persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in Notes represented by a Global Note to pledge or transfer that interest to persons

or entities that do not participate in DTC's system, or to otherwise take actions in respect of that interest, may be affected by the lack of a physical definitive security in respect of the interest.

So long as DTC or its nominee is the registered owner of a Global Note, DTC or the nominee, as the case may be, will be considered the sole owner or Noteholder represented by the Global Note for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a Global Note:

- will not be entitled to have Notes represented by the Global Note registered in their names;
- will not receive or be entitled to receive physical delivery of certificated Notes; and
- will not be considered the owners or Noteholders under the Indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the Trustee under the Indenture.

Accordingly, each holder owning a beneficial interest in a Global Note must rely on the procedures of DTC and, if the holder is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the holder owns its interest, to exercise any rights of a Noteholder under the Indenture or the Global Note. We understand that under existing industry practice, if we request any action of Noteholder, or a holder that is an owner of a beneficial interest in a Global Note desires to take any action that DTC, as the holder of the Global Note, is entitled to take, then DTC would authorize its participants to take the action and the participants would authorize holders owning through participants to take the action or would otherwise act upon the instruction of such holders. Neither we, the Trustee nor any paying agent, if applicable will have any responsibility or liability for any aspect of the records relating to or payments made on account of Notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to the Notes.

Payments with respect to the principal of, Make-Whole Amount, if any, and interest on, any Notes represented by a Global Note registered in the name of DTC or its nominee on the applicable record date will be payable by the Trustee or any paying agent, if applicable, to or at the direction of DTC or its nominee in its capacity as the registered holder of the Global Note representing those Notes under the Indenture. Under the terms of the Indenture, we, the Trustee and any paying agent, if applicable may treat the persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payment on the Notes and for any and all other purposes whatsoever. Accordingly, neither we, the Trustee nor any paying agent, if applicable, has or will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, including principal, premium, if any, additional interest, if any, and interest. Payments by the participants and the indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of the participants or the indirect participants and DTC. Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Upon receipt of any payment of principal or interest, DTC will credit DTC participants' accounts on the payment date according to such participants' respective holdings of beneficial interests in the Global Notes as shown on DTC's records. In addition, it is DTC's current practice to assign any consenting or voting rights to DTC participants whose accounts are credited with securities on a record date by using an omnibus proxy. Payments by DTC participants to owners of beneficial interests in the Global Notes, and voting by DTC participants, will be governed by the customary practices between the DTC participants and owners of beneficial interests, as is the case with securities held for the accounts of customers registered in street name. However, these payments will be the responsibility of the DTC participants and not of DTC, the Trustee, any paying agent, if applicable, or us.

Clearstream

Clearstream is incorporated under the laws of Luxembourg as a professional depositary. Clearstream holds securities for its participating organizations, known as Clearstream participants, and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry

changes in accounts of Clearstream participants, eliminating the need for physical movement of certificates. Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depositary, Clearstream is subject to regulation by the Luxembourg Monetary Institute. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant either directly or indirectly.

Distributions with respect to Global Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures, to the extent received by the U.S. depositary for Clearstream.

Euroclear

Euroclear was created in 1968 to hold securities for its participants, known as Euroclear participants, and to clear and settle transactions between Euroclear participants and between Euroclear participants and participants of certain other securities intermediaries through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear is owned by Euroclear Clearance System Public Limited Company and operated through a license agreement by Euroclear Bank, S.A./N.V., known as the Euroclear operator. The Euroclear operator provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing and related services. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries.

Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear operator is regulated and examined by the Belgian Banking and Finance Commission. Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, collectively referred to as the terms and conditions. The terms and conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the terms and conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to Global Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the terms and conditions, to the extent received by the U.S. depositary for Euroclear.

Global Clearance and Settlement Procedures

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in same-day funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream participants and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional eurobonds in same-day funds.

Cross-market transfers between persons holding directly or indirectly through DTC participants, on the one hand, and directly or indirectly through Clearstream or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the European international clearing system by its U.S. depositary; however, these cross-market transactions will require delivery of instructions to the European

international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The European international clearing system will, if a transaction meets its settlement requirements, deliver instructions to its U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Notes in DTC, and making or receiving payment in accordance with normal procedures for settlement in DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to their respective U.S. depositary.

Because of time-zone differences, credits of Global Notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. The credits or any transactions in the Global Notes settled during this processing will be reported to the Clearstream or Euroclear participants on the same business day. Cash received in Clearstream or Euroclear as a result of sales of the Global Notes by or through a Clearstream participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear are expected to follow these procedures in order to facilitate transfers of interests in the Global Notes among participants of DTC, Clearstream and Euroclear, they will be under no obligation to perform or continue to perform these procedures and these procedures may be changed or discontinued at any time. Neither we, the Trustee nor any paying agent, if applicable, will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchanges of Book-Entry Notes for Certificated Notes

You may not exchange your beneficial interest in a Global Note for a Note in certificated form unless:

(1) DTC (*a*) notifies us that it is unwilling or unable to continue as depository for the Global Note or (*b*) has ceased to be a clearing agency registered under the Exchange Act, and in either case we thereupon fail to appoint a successor depository;

(2) we, at our option, notify the Trustee in writing that we are electing to issue the Notes in certificated form; or

(3) an Event of Default shall have occurred and be continuing with respect to the Notes and the Trustee has received a written request from DTC to issue Notes in certificated form.

In all cases, certificated Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures). Any such exchange will be effected through the DTC Deposit/Withdraw at Custodian system and an appropriate adjustment will be made in the records of the security registrar to reflect a decrease in the principal amount of the relevant Global Note.

Indemnification

American has agreed to indemnify the Trustee and the Security Agent, but not the Noteholders, for certain losses, claims and other matters. (Indenture, Section 8.02) Neither the Trustee nor the Security Agent will be indemnified, however, for actions arising from its negligence or willful misconduct, or for the inaccuracy of any representation or warranty made in its individual capacity under the Indenture or the Aircraft Security Agreement.

Neither the Trustee nor the Security Agent will be required to take any action or refrain from taking any action (other than notifying the Noteholders if it knows of an Event of Default as described under "— Events of Default") unless it has received indemnification satisfactory to it against any risks incurred in connection therewith. (Indenture, Section 5.01(d); Aircraft Security Agreement, Section 5.01(d))

Certain Provisions of the Aircraft Security Agreement

The following describes the terms of the Aircraft Security Agreement that apply to each Aircraft.

Maintenance and Operation

Under the terms of the Aircraft Security Agreement, American is obligated, among other things and at its expense, to keep each Aircraft duly registered, and to maintain, service, repair, and overhaul such Aircraft (or cause the same to be done) so as to keep it in such condition as necessary to maintain the airworthiness certificate for such Aircraft in good standing at all times (other than during temporary periods of storage, maintenance, testing or modification or during periods of grounding by applicable governmental authorities). (Aircraft Security Agreement, Sections 7.02(a), (c) and (e))

American will not maintain, use, service, repair, overhaul or operate any Aircraft in violation of any law, rule or regulation of any government having jurisdiction over such Aircraft, or in violation of any airworthiness certificate, license or registration relating to such Aircraft issued by such government, except to the extent American (or any lessee) is contesting in good faith the validity or application of any such law, rule or regulation or airworthiness certificate, license or registration in any manner that does not involve any material risk of sale, forfeiture or loss of such Aircraft or impair the lien of the Aircraft Security Agreement with respect to such Aircraft. (Aircraft Security Agreement, Section 7.02(b))

American must make all alterations, modifications, and additions to each Airframe and Engine necessary to meet the applicable requirements of the Federal Aviation Administration (the "*FAA*") or any other applicable governmental authority of another jurisdiction in which the related Aircraft may then be registered; provided that American (or any lessee) may in good faith contest the validity or application of any such requirement in any manner that does not involve, among other things, a material risk of sale, forfeiture or loss of such Aircraft and does not adversely affect the Security Agent's interest in such Aircraft under (and as defined in) the Aircraft Security Agreement. American (or any lessee) may add further parts and make other alterations, modifications, and additions to any Airframe or any Engine as American (or any such lessee) may deem desirable in the proper conduct of its business, including removal (without replacement) of parts, so long as such alterations, modifications, additions, or removals do not materially diminish the value or utility of such Airframe or Engine below its value or utility immediately prior to such alteration, modification, addition, or removal (assuming such Airframe or Engine was maintained in accordance with the Aircraft Security Agreement), except that the value (but not the utility) of any Airframe or Engine may be reduced from time to time by the value of any such parts which have been removed that American deems obsolete or no longer suitable or appropriate for use on such Airframe or Engine. All parts (with certain exceptions) incorporated or installed in or added to such Airframe or Engine as a result of such alterations, modifications or additions will be subject to the lien of the Aircraft Security Agreement. American (or any lessee) is permitted to remove (without replacement) parts that are in addition to, and not in replacement of or substitution for, any part originally incorporated or installed in or attached to an Airframe or Engine at the time of delivery thereof to American, as well as any part that is not required to be incorporated or installed in or attached to such Airframe or Engine pursuant to applicable requirements of the FAA or other jurisdiction in which the related Aircraft may then be registered, or any part that can be removed without materially diminishing the requisite value or utility of such Aircraft. (Aircraft Security Agreement, Section 7.04(c))

Except as set forth above, American will be obligated to replace or cause to be replaced all parts that are incorporated or installed in or attached to any Airframe or any Engine and become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use. Any such replacement parts will become subject to the lien of the Aircraft Security Agreement in lieu of the part replaced. (Aircraft Security Agreement, Section 7.04(a))

Registration, Leasing and Possession

Although American has certain re-registration rights, as described below, American generally is required to keep each Aircraft duly registered under the Transportation Code with the FAA and to record the Aircraft Security Agreement under the Federal Aviation Act. (Aircraft Security Agreement, Section 7.02(e)) In

addition, American registered the "international interests" created pursuant to the Aircraft Security Agreement under the Cape Town Convention on International Interests in Mobile Equipment and the related Aircraft Equipment Protocol (the "*Cape Town Treaty*"). (Aircraft Security Agreement, Section 7.02(e)) Although American has no current intention to do so, American is permitted to register an Aircraft in certain jurisdictions outside the United States, subject to certain conditions specified in the Aircraft Security Agreement. These conditions include a requirement that the laws of the new jurisdiction of registration will give effect to the lien of and the security interest created by the Aircraft Security Agreement in the applicable Aircraft. (Aircraft Security Agreement, Section 7.02(e)) American is also permitted, subject to certain limitations, to lease any Aircraft to any United States certificated air carrier, to certain foreign air carriers or to certain manufacturers of airframes or engines (or their affiliates acting under an unconditional guarantee of such manufacturer). In addition, subject to certain limitations, American is permitted to transfer possession of any Airframe or any Engine other than by lease, including transfers of possession by American or any lessee in connection with certain interchange and pooling arrangements, "wet leases," and transfers in connection with maintenance or modifications and transfers to the government of the United States, Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland and the United Kingdom or any instrumentality or agency thereof. (Aircraft Security Agreement, Section 7.02(a)) There are no general geographical restrictions on American's (or any lessee's) ability to operate any Aircraft. The extent to which the Security Agent's lien would be recognized in an Aircraft if such Aircraft were located in certain countries is uncertain. Permitted foreign air carrier lessees are not limited to those based in a country that is a party to the Convention on the International Recognition of Rights in Aircraft (Geneva 1948) (the "*Mortgage Convention*") or a party to the Cape Town Treaty. It is uncertain to what extent the Security Agent's security interest would be recognized if an Aircraft is registered or located in a jurisdiction not a party to the Mortgage Convention or the Cape Town Treaty. The Cape Town Treaty provides, that, subject to certain exceptions, a registered "international interest" has priority over a subsequently registered interest and over an unregistered interest for purposes of the law of those jurisdictions that have ratified the Cape Town Treaty. There are many jurisdictions in the world that have not ratified the Cape Town Treaty, and an Aircraft may be located in any such jurisdiction from time to time. There is no legal precedent with respect to the application of the Cape Town Treaty in any jurisdiction and therefore it is unclear how the Cape Town Treaty will be applied.

In addition, any exercise of the right to repossess an Aircraft may be difficult, expensive and time-consuming, particularly when such Aircraft is located outside the United States or has been registered in a foreign jurisdiction or leased to or in possession of a foreign or domestic operator. Any such exercise would be subject to the limitations and requirements of applicable law, including the need to obtain consents or approvals for deregistration or re-export of such Aircraft, which may be subject to delays and political risk. When a defaulting lessee or other permitted transferee is the subject of a bankruptcy, insolvency, or similar event such as protective administration, additional limitations may apply. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Repossession of Aircraft may be difficult, time-consuming and expensive."

In addition, some jurisdictions may allow for other liens or other third party rights to have priority over the Security Agent's security interest in an Aircraft. As a result, the benefits of the Security Agent's security interest in an Aircraft may be less than they would be if such Aircraft were located or registered in the United States.

Upon repossession of such Aircraft, the Aircraft may need to be stored and insured. The costs of storage and insurance can be significant, and the incurrence of such costs could reduce the proceeds available to repay the Noteholders. In addition, at the time of foreclosing on the lien on an Aircraft under the Aircraft Security Agreement, the Airframe relating thereto subject to the Aircraft Security Agreement might not be the equipped with the Engines associated with such Aircraft and under the Aircraft Security Agreement. If American fails to transfer title to engines not owned by American that are attached to repossessed Aircraft, it could be difficult, expensive and time-consuming to assemble an Aircraft consisting of an Airframe and Engines subject to the Aircraft Security Agreement.

Liens

American is required to maintain each Aircraft free of any liens, other than the lien of the Aircraft Security Agreement, any other rights existing pursuant to the other Operative Documents related thereto, the rights of others in possession of such Aircraft in accordance with the terms of the Aircraft Security Agreement and liens attributable to other parties to the Operative Documents related thereto and other than certain other specified liens, including but not limited to (*i*) liens for taxes either not yet overdue 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 the Engine related to such Aircraft or the Security Agent's interest therein or impair the lien of the Aircraft Security Agreement; (*ii*) materialmen's, mechanics', workers', landlord's, repairmen's, employees' or other similar liens arising in the ordinary course of business and securing obligations that either are not yet overdue for 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 the Engine related to such Aircraft or the Security Agent's interest therein or impair the lien of the Aircraft Security Agreement; (*iii*) judgment liens so long as such judgment is discharged or vacated within 60 days or the execution of such judgment is stayed pending appeal or such judgment is discharged, vacated or reversed within 60 days after expiration of such stay and so long as during any such 60 day period there is not, or any such judgment or award does not involve, any material risk of the sale, forfeiture or loss of any Aircraft, any Airframe or any Engine or the interest of the Security Agent therein or impair the lien of the Aircraft Security Agreement; (*iv*) salvage or similar rights of insurers under insurance policies maintained by American; (*v*) any other lien as to which American has provided a bond, cash collateral or other security adequate in the reasonable opinion of the Security Agent; and (*vi*) Liens approved in writing by the Security Agent with the consent of the Trustee. (Aircraft Security Agreement, Section 7.01)

Insurance

Subject to certain exceptions, American is required to maintain, at its expense (or at the expense of a lessee), all-risk aircraft hull insurance covering each Aircraft (including, without limitation, war risk and allied perils insurance if and to the extent the same is maintained by American (or any permitted lessee) with respect to other aircraft operated by American (or any permitted lessee) on same or similar routes), at all times in an amount not less than 110% of the Allocable Portion of the Notes relating to such Aircraft. However, after giving effect to self-insurance permitted as described below, the amount payable under such insurance may be less than such amounts payable with respect to such Allocable Portion. If an Aircraft suffers an Event of Loss, insurance proceeds up to an amount equal to the Allocable Portion of the Notes relating to such Aircraft, together with accrued but unpaid interest thereon, plus an amount equal to the interest that will accrue on such Allocable Portion of the Notes during the period commencing on the day following the date of payment of such insurance proceeds to the Security Agent and ending on the loss payment date (the sum of those amounts being, the "*Loan Amount*" for such Aircraft) will be paid to the Security Agent. If an Aircraft or Engine suffers loss or damage not constituting an Event of Loss but involving insurance proceeds in excess of $12,000,000 (in the case of a Boeing 777-223ER), $8,000,000 (in the case of a Boeing 767-323ER) or $6,000,000 (in the case of a Boeing 737-823), proceeds in excess of such specified amounts up to the applicable Loan Amount will be payable to the Security Agent, and the proceeds up to such specified amounts and proceeds in excess of the applicable Loan Amount will be payable directly to American unless there is a continuing Event of Default or Payment Default, in which event all insurance proceeds will be payable to the Security Agent. So long as the loss does not constitute an Event of Loss, insurance proceeds will be applied to repair or replace the equipment. (Aircraft Security Agreement, Sections 7.06(b) and 7.06(d))

In addition, American is obligated to maintain or cause to be maintained aircraft liability insurance at its expense (or at the expense of a lessee), including, without limitation, bodily injury, personal injury and property damage liability insurance (exclusive of manufacturer's product liability insurance), and contractual liability insurance with respect to each Aircraft. Such liability insurance must be underwritten by insurers of recognized responsibility. The amount of such liability insurance coverage may not be less than the amount of aircraft liability insurance from time to time applicable to similar aircraft in American's fleet on which

American carries insurance and operated by American on the same or similar routes on which the Aircraft is operated. (Aircraft Security Agreement, Section 7.06(a))

American may self-insure under a program applicable to all aircraft in its fleet, but the amount of such self-insurance in the aggregate may not exceed for any 12-month policy year 1% of the average aggregate insurable value (during the preceding policy year) of all aircraft on which American carries insurance, unless an insurance broker of national standing certifies that the standard among all other major U.S. airlines is a higher level of self-insurance, in which case American may self-insure the Aircraft to such higher level. In addition, American may self-insure to the extent of (*i*) any applicable deductible per occurrence that is not in excess of the amount customarily allowed as a deductible in the industry or is required to facilitate claims handling, or (*ii*) any applicable mandatory minimum per aircraft (or, if applicable, per annum or other period) liability insurance or hull insurance deductibles imposed by the aircraft liability or hull insurers. (Aircraft Security Agreement, Section 7.06(c))

In respect of each Aircraft, American is required to name the Security Agent as an additional insured party under the liability insurance policy required with respect to such Aircraft. In addition, the hull and liability insurance policies will be required to provide that, in respect of the interests of such additional insured party, the insurance shall not be invalidated or impaired by any action or inaction of American. (Aircraft Security Agreement, Sections 7.06(a) and 7.06(b))

Events of Loss

If an Event of Loss occurs with respect to an Airframe or the Airframe and one or more Engines of an Aircraft, American must elect within 90 days after such occurrence (*i*) to replace such Airframe and any such Engines or (*ii*) to pay the Security Agent the Allocable Portion of the Notes relating to such Aircraft together with interest accrued thereon. Depending upon American's election, not later than the first Business Day after the 120th day following the date of occurrence of such Event of Loss, American will (*i*) redeem the Notes in part under the Indenture by paying to the Trustee the Allocable Portion of the Notes relating to such Aircraft, together with accrued interest thereon, but without any premium or (*ii*) substitute an airframe (or airframe and one or more engines, as the case may be) for the Airframe, or Airframe and Engine(s), that suffered such Event of Loss. If American elects to replace an Airframe (or Airframe and one or more Engines, as the case may be) that suffered such Event of Loss, it will do so with an airframe or airframe and engines of the same model as the Airframe or Airframe and Engines to be replaced or a comparable or improved model, and with a value and utility (without regard to hours or cycles) at least equal to the Airframe or Airframe and Engines to be replaced, assuming that such Airframe and such Engines were in the condition and repair required by the Aircraft Security Agreement. American is also required to provide to the Security Agent opinions of counsel (*i*) to the effect that Security Agent will be entitled to the benefits of Section 1110 with respect to the replacement airframe (unless, as a result of a change in law or governmental or judicial interpretation, such benefits were not available with respect to the Aircraft that suffered the Event of Loss immediately prior to such replacement), and (*ii*) as to the due registration of the replacement aircraft, the due recordation of a supplement to the Aircraft Security Agreement relating to such replacement aircraft, the registration of such replacement airframe with the International Registry under the Cape Town Treaty, if applicable, and the validity and perfection of the security interest granted to the Security Agent in the replacement aircraft. If American elects not to replace such Airframe, or Airframe and Engine(s), then upon payment of the Allocable Portion of the Notes issued with respect to the related Aircraft, together with accrued but unpaid interest thereon (but without any premium), the lien of the Aircraft Security Agreement will terminate with respect to such Aircraft, and the obligation of American thereafter to make the scheduled interest and principal payments with respect to such Allocable Portion of the Notes will cease. The payments made under the Aircraft Security Agreement by American will be deposited with the Security Agent. Amounts in excess of the amounts due and owing under the Allocable Portion of the Notes issued with respect to such Aircraft will be distributed by the Security Agent to American. (Indenture, Sections 2.19(c) and 3.02; Aircraft Security Agreement, Sections 7.05(a) and 7.05(c))

If an Event of Loss occurs with respect to an Engine alone, American will be required to replace such Engine within 120 days after the occurrence of such Event of Loss with another engine, free and clear of all

liens (other than certain permitted liens). Such replacement engine will be the same model as the Engine to be replaced, or a comparable or improved model of the same or another manufacturer, suitable for installation and use on the related Airframe, and will have a value and utility (without regard to hours or cycles) at least equal to the Engine to be replaced, assuming that such Engine was in the condition and repair required by the terms of the Aircraft Security Agreement. (Aircraft Security Agreement, Section 7.05(b))

An "*Event of Loss*" with respect to any Aircraft, any Airframe or any Engine means any of the following events with respect to such property:

- the loss of such property or of the use thereof due to destruction, damage to such property beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;
- any damage to such property that results in an insurance settlement with respect to such property on the basis of a total loss or a compromised or constructive total loss;
- the theft, hijacking or disappearance of such property for a period exceeding 180 consecutive days;
- the requisition for use of such property by any government (other than a requisition for use by the government of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States or the government of the country of registry of the related Aircraft) that results in the loss of possession of such property by American (or any lessee) for a period exceeding 12 consecutive months;
- the operation or location of such Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to such Aircraft required by the terms of the Aircraft Security Agreement, unless American has obtained indemnity or insurance in lieu thereof from such government;
- any requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention (excluding requisition for use not involving a requisition of title) for any reason of such Aircraft, Airframe, or Engine by any government that results in the loss of title or use of such Aircraft, Airframe or Engine by American (or a permitted lessee) for a period in excess of 180 consecutive days;
- 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 such Aircraft or Airframe in the normal business of air transportation is prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless American is diligently carrying forward all steps that are necessary or desirable to permit the normal use of such Aircraft or Airframe or, in any event, if such use is prohibited for a period of three consecutive years; and
- with respect to an Engine only, any divestiture of title to or interest in such Engine or, in certain circumstances, the installation of such Engine on an airframe that is subject to a conditional sale or other security agreement or the requisition for use of by any government of such Engine not then installed on an Airframe.

An Event of Loss with respect to an Aircraft is deemed to have occurred if an Event of Loss occurs with respect to the Airframe that is a part of such Aircraft unless American elects to substitute a replacement Airframe pursuant to the Aircraft Security Agreement. (Aircraft Security Agreement, Annex A)

If, at any time before the Scheduled Maturity Date, the Allocable Portion of the Notes with respect to an Aircraft are repaid in full in the case of an Event of Loss with respect to such Aircraft, the lien on such Aircraft under the Aircraft Security Agreement will be released, and such Aircraft will not thereafter secure any Notes.

Governing Law

The Indenture, the Notes and the Aircraft Security Agreement are governed by the laws of the State of New York. (Indenture, Section 13.17; Aircraft Security Agreement, Section 10.15)

The Trustee and Security Agent

U.S. Bank Trust National Association is the Trustee and the Security Agent. Except as otherwise provided in the Indenture and the Aircraft Security Agreement, neither the Trustee nor the Security Agent, in its individual capacity, is or will be answerable or accountable under the Indenture, the Aircraft Security Agreement or the Notes under any circumstances except, among other things, for its own willful misconduct or negligence. American and its affiliates have in the past, and may from time to time in the future enter into, banking and trustee relationships with the Trustee, the Security Agent and their respective affiliates. The address for the Trustee and the Security Agent is U.S. Bank Trust National Association, One Federal Street, 3rd Floor, Mail Code EX-FED-MA, Boston, Massachusetts 02110, Attention: Corporate Trust Services.

The Trustee may resign at any time, and may be removed by American under certain circumstances. In such cases, a successor Trustee will be appointed by American as provided in the Indenture. The Security Agent may resign at any time, and may be removed by American under certain circumstances. In such cases, a successor Security Agent will be appointed by American as provided in the Aircraft Security Agreement. The holders of a majority of the principal amount of the outstanding Notes may at any time remove the Trustee or cause the Trustee to remove the Security Agent as provided in the Indenture or the Aircraft Security Agreement, respectively, in which event a successor Trustee or Security Agent may be appointed by such holders with the consent of American as provided in the Indenture or the Aircraft Security Agreement, respectively. Any resignation or removal of the Trustee or the Security Agent and appointment of a successor Trustee or Security Agent does not become effective until acceptance of the appointment by such successor Trustee or Security Agent. (Indenture, Section 5.09; Aircraft Security Agreement, Section 8.01)

DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS

The Aircraft

On October 19, 2009, American subjected the Aircraft to the lien of the Aircraft Security Agreement. The pool of Aircraft consists of nine Boeing 737-823 aircraft, one Boeing 767-323ER aircraft and two Boeing 777-223ER aircraft, each of which was delivered new to American during the period from May 1999 to September 1999. The airframe constituting part of an Aircraft is referred to herein as an "*Airframe*," and each engine constituting part of an Aircraft is referred to herein as an "*Engine*." Each Aircraft is being operated by American. The Aircraft have been designed to comply with Stage 3 noise level standards, which are the most restrictive regulatory standards currently in effect in the United States with respect to the Aircraft for aircraft noise abatement. The "ER" designation is provided by the manufacturer and is not recognized by the FAA.

The Boeing 737-823 is a narrow-body commercial jet aircraft. Seating capacity in American's two-class configuration for the Boeing 737-823 aircraft that are subject to the lien of the Aircraft Security Agreement is 148 seats. The Boeing 737-823 is powered by two CFM56-7B26 model commercial jet engines manufactured by CFM International, Inc.

The Boeing 767-323ER and the Boeing 777-223ER are both wide-body commercial jet aircraft. Seating capacity in American's two-class configuration for the Boeing 767-323ER is 225 seats and American's three-class configuration for the Boeing 777-223ER is 247 seats. The Boeing 767-323ER is powered by two CF6-80C2B6 model commercial jet engines manufactured by The General Electric Company. The Boeing 777-223ER is powered by two RB211-TRENT-892 model commercial jet engines manufactured by Rolls-Royce plc.

The Appraisals

The table below sets forth the appraised values of the Aircraft that were financed with the proceeds from the sale of the Old Notes, as determined by Aircraft Information Services, Inc. ("*AISI*"), BK Associates, Inc. ("*BK*") and Morten Beyer & Agnew, Inc. ("*MBA*," and together with AISI and BK, the "*Appraisers*"), independent aircraft appraisal and consulting firms, and certain additional information regarding such Aircraft. The references to AISI, BK and MBA, and to their respective appraisal reports, are included herein in reliance upon the authority of each such firm as an expert with respect to the matters contained in its appraisal report.

Aircraft Type	Registration Number	Manufacturer's Serial Number	Delivery Date	Appraiser's Valuations			Appraised Value(1)
				AISI	BK	MBA	
Boeing 737-823	N909AN	29511	5/19/1999	$ 25,640,000	$ 27,600,000	$ 26,260,000	$ 26,260,000
Boeing 737-823	N910AN	29512	5/26/1999	25,640,000	27,600,000	26,260,000	26,260,000
Boeing 737-823	N912AN	29513	6/25/1999	25,640,000	27,600,000	26,390,000	26,390,000
Boeing 737-823	N914AN	29515	7/19/1999	25,640,000	27,600,000	26,520,000	26,520,000
Boeing 737-823	N915AN	29516	7/28/1999	25,640,000	27,600,000	26,520,000	26,520,000
Boeing 737-823	N916AN	29517	8/6/1999	25,640,000	28,200,000	26,640,000	26,640,000
Boeing 737-823	N917AN	29518	8/27/1999	25,640,000	28,200,000	26,640,000	26,640,000
Boeing 737-823	N918AN	29519	9/10/1999	25,640,000	28,200,000	26,770,000	26,770,000
Boeing 737-823	N919AN	29520	9/15/1999	25,640,000	28,200,000	26,770,000	26,770,000
Boeing 767-323ER	N399AN	29606	5/28/1999	36,570,000	41,800,000	42,080,000	40,150,000
Boeing 777-223ER	N778AN	29587	6/21/1999	73,460,000	76,200,000	69,810,000	73,156,667
Boeing 777-223ER	N779AN	29955	6/27/1999	73,460,000	76,200,000	69,810,000	73,156,667
Total				$ 414,250,000	$ 445,000,000	$ 420,470,000	$ 425,233,333

(1) The appraised value of each Aircraft set forth above is the lesser of the average and median appraised value of each such Aircraft. Such appraisals indicate current market value of such Aircraft as appraised by the Appraisers at or around the time of such appraisals.

According to the International Society of Transport Aircraft Trading, appraised "current market value" is defined as each Appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. The current market value assumes that the aircraft is valued for its highest, best use, that the parties to the sale transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arms'-length basis for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

In connection with the offering of the Old Notes, each Appraiser was asked to provide, and each Appraiser furnished, its opinion as to the appraised value of each Aircraft based on appraised current market value of such Aircraft at or about the time of the appraisal. As part of this process, all three Appraisers performed "desk-top" appraisals without any physical inspection of the Aircraft. The appraisals are based on various significant assumptions and methodologies which vary among the appraisals. The appraisals may not reflect accurately the current market value of the Aircraft. Appraisals that are based on different assumptions and methodologies (or a physical inspection of the Aircraft) may result in valuations that are materially different from those contained in the appraisals. The appraisals have not been updated in connection with this exchange offer, and the results of the appraisals if conducted immediately prior to the date hereof could differ from the appraisals delivered in connection with the offering of the Old Notes.

The Appraisers have delivered letters setting forth their respective appraisals in connection with the offering of the Old Notes, copies of which are annexed to this prospectus as Appendix II. For a discussion of the assumptions and methodologies used in each of the appraisals, please refer to such letters.

An appraisal is only an estimate of value. It does not necessarily indicate the price at which an aircraft may be purchased or sold in the market. In particular, the appraisals of the Aircraft are estimates of the values of the Aircraft assuming the Aircraft are in a certain condition, which may not be the case. An appraisal should not be relied upon as a measure of realizable value. The proceeds realized upon the exercise of remedies with respect to any Aircraft, including a sale of such Aircraft, may be less than its appraised value. The value of an Aircraft if remedies are exercised under the Indenture will depend on various factors, including market, economic and airline industry conditions; the supply of similar aircraft; the availability of buyers; the condition of such Aircraft; the time period in which such Aircraft is sought to be sold; and whether such Aircraft is sold separately or as part of a block.

Since the Terrorist Attacks, the airline industry has suffered substantial losses. In response to adverse market conditions, we and many other U.S. air carriers have reduced the number of aircraft in operation, and there may be further reductions, particularly by air carriers in bankruptcy or liquidation. Any such reduction of aircraft of the same models as the Aircraft could adversely affect the value of the Aircraft.

Accordingly, we cannot assure you that the proceeds realized upon any exercise of remedies with respect to the Aircraft would be sufficient to satisfy in full payments due on the Notes. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Appraisals should not be relied upon as a measure of realizable value of the Aircraft."

EXCHANGE OFFER; REGISTRATION RIGHTS; RATINGS

The following summary describes certain material terms of the Registration Rights Agreement. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Registration Rights Agreement, a copy of which is filed as an exhibit to the registration statement of which this prospectus constitutes a part.

American has undertaken the exchange offer pursuant to the terms of the Registration Rights Agreement. The consummation of the exchange offer is not conditioned upon any minimum or maximum aggregate principal amount of Old Notes being tendered for exchange. American entered into the Registration Rights Agreement with the Initial Purchasers concurrently with the issuance of the Old Notes, pursuant to which American has agreed, for the benefit of and at no cost to the Noteholders, to use its reasonable best efforts to: (i) file with the SEC a registration statement with respect to the offer to exchange the Old Notes for the New Notes, which will have terms identical in all material respects to the Old Notes, to the holders of such Old Notes entitled to make such exchange, except that the New Notes:

- are registered under the Securities Act and will not be subject to restrictions on transfer;
- will bear a different CUSIP and ISIN number than the Old Notes;
- will not entitle their holders to registration rights; and
- will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes,

(ii) cause the registration statement to be declared effective under the Securities Act, (iii) offer the New Notes in exchange for surrender of the Old Notes and (iv) consummate the exchange offer on or before December 31, 2009. American will keep the exchange offer open for not less than 20 business days after the date notice of the exchange offer is mailed to the Noteholders. For each Old Note validly tendered to the Trustee pursuant to the exchange offer and not withdrawn by the holder thereof, the holder of such Old Note will receive a New Note having a principal amount equal to that of such tendered Old Note. Interest on each New Note will accrue from the last Payment Date on which interest was paid on the tendered Old Note in exchange thereof or, if no interest has been paid on such Old Notes, from the Issuance Date. As part of the terms of the exchange offer, Old Notes accepted for exchange will not accrue interest for any period from and after the last interest payment date on which interest was paid or duly provided for on such Old Notes prior to the Issuance Date of the New Notes or, if no such interest has been paid or duly provided for on such Old Notes, will not accrue any interest.

Holders of Old Notes who do not tender their Old Notes in the exchange offer will not have any further registration rights under the Registration Rights Agreement.

Under existing interpretations of the staff of the SEC contained in several no action letters to third parties, the New Notes will in general be freely transferable by holders thereof (other than affiliates of American) after the exchange offer without further registration under the Securities Act (subject to certain representations required to be made by each holder of Old Notes participating in the exchange offer, as set forth below). However, any purchaser of Old Notes who is an “affiliate” of American or who intends to participate in the exchange offer for the purpose of distributing the New Notes (1) will not be able to rely on such SEC interpretations, (2) will not be able to tender its Old Notes in the exchange offer and (3) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of Old Notes unless such sale or transfer is made pursuant to an exemption from such requirements. In addition, in connection with any resales of New Notes, an exchanging dealer receiving New Notes in the exchange offer will be subject to a prospectus delivery requirement with respect to resales of those New Notes. The SEC has taken the position that exchanging dealers may fulfill their prospectus delivery requirements with respect to the New Notes (other than a resale of an unsold allotment from the original sale of the Old Notes) by delivery of the prospectus contained in the registration statement of which this prospectus constitutes a part. Under the Registration Rights Agreement, we are required to allow exchanging dealers to use the

prospectus contained in the exchange offer registration statement in connection with the resale of such New Notes for a period of 90 days after the consummation of the exchange offer.

If any changes in law or the applicable interpretations of the staff of the SEC do not permit American to effect the exchange offer, American will, in lieu of effecting the registration of the New Notes pursuant to the registration statement and at no cost to the Noteholders, (a) as promptly as practicable, file with the SEC a shelf registration statement covering resales of the Notes (the "*Shelf Registration Statement*"), (b) use its reasonable best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act on or before December 31, 2009 and (c) use its reasonable best efforts to keep effective the Shelf Registration Statement for a period of one year after its effective date (or for such shorter period as shall end when all of the Notes covered by the Shelf Registration Statement have been sold pursuant thereto). American will, in the event of the filing of a Shelf Registration Statement, provide to each registered holder of the Notes copies of the prospectus which is a part of the Shelf Registration Statement, notify each such registered holder when the Shelf Registration Statement for the Notes has become effective and take certain other actions as are required to permit unrestricted resales of the Notes. A Noteholder who sells Notes pursuant to the Shelf Registration Statement generally will be required to be named as a selling securityholder in the related prospectus and to deliver the prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the Registration Rights Agreement which are applicable to such a Noteholder (including certain indemnification obligations). In addition, each Noteholder will be required to deliver information to be used in connection with the Shelf Registration Statement.

In addition, pursuant to the Registration Rights Agreement, American agreed, for the benefit of and at no cost to the Noteholders, to use its reasonable best efforts to obtain ratings for the Notes from each of Moody's and Standard & Poor's on or before December 31, 2009. The Notes have been rated B1 by Moody's. American has applied for and expects to receive shortly a rating for the Notes from Standard & Poor's. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Ratings of the Notes may be lowered or withdrawn in the future."

The Registration Rights Agreement provides that if (a) neither the consummation of the exchange offer nor the declaration by the SEC of a Shelf Registration Statement to be effective with respect to the Notes occurs on or before December 31, 2009, or (b) the Notes are not rated by Moody's and Standard & Poor's on or before December 31, 2009, then the interest rate per annum borne by the Notes shall be increased permanently by 1.00% from and including January 1, 2010. If a Shelf Registration Statement, if filed and declared effective on or before December 31, 2009, ceases to be effective at any time during the one year period specified by the Registration Rights Agreement for more than 60 days, whether or not consecutive, the interest rate per annum borne by the Notes shall be increased by 1.00% from the 61st day until such time as the Shelf Registration Statement again becomes effective.

The maximum possible increase in the interest rate per annum borne by the Notes and the Exchange Notes in connection with the circumstances set forth in the preceding paragraph is 1.00%.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax considerations relating to the exchange of Old Notes for New Notes pursuant to the exchange offer and the ownership and disposition of New Notes by Holders (as defined below) that receive New Notes pursuant to the exchange offer and hold such Notes as capital assets. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "*Code*"), U.S. Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to specific Holders in light of their particular circumstances or to Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, dealers in securities or other persons that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, certain former citizens or residents of the United States, persons who hold the Notes as part of a straddle, hedge, conversion or other integrated transaction or U.S. Holders (as defined below) that have a "functional currency" other than the U.S. dollar). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift or alternative minimum tax considerations.

As used in this discussion:

- "*U.S. Holder*" means a beneficial owner of a Note that is, for U.S. federal income tax purposes, (*i*) an individual who is a citizen or resident of the United States, (*ii*) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (*iii*) an estate the income of which is subject to U.S. federal income tax regardless of its source or (*iv*) a trust (*x*) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or (*y*) that has in effect a valid election under applicable U.S. Treasury regulations to be treated as a United States person;
- "*Non-U.S. Holder*" means a beneficial owner of a Note that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes; and
- "*Holder*" means a U.S. Holder or a Non-U.S. Holder.

If an entity treated as a partnership for U.S. federal income tax purposes holds a Note, the U.S. federal income tax treatment of the entity and its partners generally will depend upon the status and activities of the entity and its partners. An investor that is treated as a partnership for U.S. federal income tax purposes should consult its own tax advisor regarding the U.S. federal income tax considerations relating to the Notes.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE AND LOCAL, AND NON-U.S., INCOME, ESTATE AND OTHER TAX CONSIDERATIONS RELATING TO THE EXCHANGE OF OLD NOTES FOR NEW NOTES PURSUANT TO THE EXCHANGE OFFER AND THE OWNERSHIP AND DISPOSITION OF NEW NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Exchange of Old Notes for New Notes

The exchange of Old Notes for New Notes pursuant to the exchange offer will not be treated as a taxable event for U.S. federal income tax purposes. New Notes received in the exchange offer will be treated for U.S. federal income tax purposes as a continuation of the original investment of the Holder in the Old Notes exchanged therefor. In particular, no gain or loss will be recognized by Holders as a result of the exchange offer and, for purposes of determining gain or loss on a subsequent sale of New Notes, a Holder's tax basis and holding period for the New Notes will be the same as the tax basis and holding period for the Old Notes exchanged therefor. Similarly, there would be no U.S. federal income tax consequences to a Holder that does not participate in the exchange offer.

Certain Additional Payments

The Notes provide for the payment of additional interest by American in certain circumstances in the event of a failure to meet certain targets regarding registration of the Notes or to obtain ratings for the Notes, as described above under the heading "Exchange Offer; Registration Rights; Ratings".

U.S. Treasury regulations provide special rules for contingent payment debt instruments which, if applicable, could cause the timing, amount and character of a Holder's income, gain or loss with respect to the Notes to be different from the consequences discussed below. For purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies are ignored. American intends to treat the possibility of its making any such payment of additional interest on the Notes as remote or to treat such payments as incidental. Accordingly, American does not intend to treat the Notes as contingent payment debt instruments. American's treatment will be binding on all Holders, except a Holder that discloses its differing treatment in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which the Note was acquired. However, American's treatment is not binding on the U.S. Internal Revenue Service (the "*IRS*"). If the IRS were to challenge American's treatment, Holders might be required to accrue interest income on the Notes, in excess of stated interest, and to treat as interest income, rather than capital gain, any gain recognized on the disposition of the Notes before the resolution of the contingencies. In any event, if American actually makes any payment of additional interest described above, the timing and amount (and possibly character) of a Holder's income, gain or loss with respect to the Notes may be affected. The remainder of this discussion assumes that the Notes have not been and will not be contingent payment debt instruments.

U.S. Holders

Interest

In general, interest payable on the Notes will be taxable to a U.S. Holder as ordinary interest income when it is received or accrued, in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes.

Bond Premium

In general, if a U.S. Holder's tax basis (generally, a U.S. Holder's cost) in a Note exceeded the sum of all amounts then payable on such Note through the maturity date (other than payments of stated interest), such U.S. Holder is deemed to have acquired such Note with "bond premium" in the amount of such excess. In such event, the U.S. Holder generally may elect to amortize the "bond premium" as an offset to any stated interest over the period from the U.S. Holder's acquisition date to such Note's maturity date. A U.S. Holder that elects to amortize "bond premium" must reduce its tax basis in the related Note by the amount of the "bond premium" used to offset interest income. Any election to amortize "bond premium" applies to all debt instruments (other than debt instruments the interest on which is excludible from gross income) held by the U.S. Holder during the first taxable year to which the election applies or thereafter acquired by the U.S. Holder. The election may not be revoked without the consent of the IRS. It is unclear how these rules apply when there is more than one possible call date and the amount of any redemption premium is uncertain. U.S. Holders should consult their own tax advisors regarding the election to amortize bond premium.

Market Discount

If a U.S. Holder acquired a Note for an amount less than the sum of all amounts payable on such Note after the acquisition date (other than payments of stated interest), then the difference constitutes "market discount" for U.S. federal income tax purposes, unless such difference is less than a statutorily defined *de minimis* amount. Under the "market discount" rules, a U.S. Holder is generally required to treat as ordinary income any principal payment on, or any gain on the sale, redemption, retirement or other disposition of, a Note to the extent of any accrued market discount. In addition, the U.S. Holder may be required to defer, until the maturity of a Note or its earlier disposition, the deduction of all or a portion of the interest expense on any indebtedness incurred or continued to purchase or carry such Note. Market discount accrues ratably during the

period from the date of acquisition to the maturity of a Note, unless the U.S. Holder elects to accrue it under the constant yield method.

A U.S. Holder may elect to include market discount in income currently as it accrues (either ratably or under the constant yield method), in which case the rules described above will not apply to the Note. The election to include market discount currently applies to all market discount obligations acquired during or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS.

Sale, Retirement or Other Taxable Disposition of the Notes

Upon the sale, retirement or other taxable disposition of a Note, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference between the amount realized on such sale, retirement or disposition (other than any amount attributable to accrued interest not previously included in such U.S. Holder's income, which will be taxable as ordinary income to such U.S. Holder) and such U.S. Holder's adjusted tax basis in such Note. A U.S. Holder's adjusted tax basis in a Note generally will be its cost for such Note, increased by any market discount previously included in income by such U.S. Holder and reduced by any prior cash payments (other than payments of stated interest) on such Note made to such U.S. Holder and by any bond premium that has been used to offset interest income. Subject to the "market discount" rules described above, any gain or loss so recognized generally will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder has held the Note for more than one year at the time of such sale, retirement or disposition. Net long-term capital gain of certain non-corporate U.S. Holders is generally subject to preferential rates of tax. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

Information reporting generally will apply to a U.S. Holder with respect to payments of interest on, or proceeds from the sale, retirement or other disposition of, a Note, unless such U.S. Holder is a corporation or other entity that is exempt from information reporting and, when required, demonstrates this fact. Any such payments or proceeds to a U.S. Holder that are subject to information reporting generally will also be subject to backup withholding, unless such U.S. Holder provides the appropriate documentation (generally, IRS Form W-9) to the applicable withholding agent certifying that, among other things, its taxpayer identification number is correct and it is a United States person, or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, *provided* that the required information is furnished by the U.S. Holder on a timely basis to the IRS.

Non-U.S. Holders

Subject to the discussion below concerning backup withholding:

(*a*) payments of principal, interest and premium with respect to a Note owned by a Non-U.S. Holder generally will not be subject to U.S. federal withholding tax; *provided* that, in the case of payments treated as interest, (*i*) such payments are not effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder; (*ii*) such Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote; (*iii*) such Non-U.S. Holder is not a controlled foreign corporation described in section 957(a) of the Code that is related to us through stock ownership; (*iv*) such Non-U.S. Holder is not a bank whose receipt of interest on the Note is described in section 881(c)(3)(A) of the Code; and (*v*) the certification requirements described below are satisfied; and

(*b*) a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain realized on the sale, retirement or other disposition of a Note (other than amounts treated as interest), unless (*i*) such gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder or (*ii*) such Non-U.S. Holder is an individual who is present in

the United States for 183 days or more in the taxable year of such sale, retirement or disposition and certain other conditions are met (in each case, subject to the provisions of an applicable tax treaty).

The certification requirements referred to in clause (*a*)(*v*) above generally will be satisfied if the Non-U.S. Holder provides the applicable withholding agent with a statement on IRS Form W-8BEN (or suitable substitute form), signed under penalties of perjury, stating, among other things, that such Non-U.S. Holder is not a United States person. U.S. Treasury regulations provide additional rules for a Note held through one or more intermediaries or pass-through entities. President Obama has recently proposed changes to these certification requirements.

If the requirements set forth in clause (*a*) above are not satisfied with respect to a Non-U.S. Holder, payments on the Notes treated as interest generally will be subject to U.S. federal withholding tax at a rate of 30%, unless another exemption is applicable. For example, an applicable tax treaty may reduce or eliminate such withholding tax, *provided* that such Non-U.S. Holder has provided the appropriate documentation (generally, IRS Form W-8BEN) to the applicable withholding agent.

If a Non-U.S. Holder is engaged in the conduct of a trade or business in the United States, and if amounts treated as interest on the Notes or as gain realized on the sale, retirement or other disposition of the Notes are effectively connected with such trade or business, such Non-U.S. Holder generally will not be subject to U.S. federal withholding tax on such amounts, *provided* that, in the case of amounts treated as interest, such Non-U.S. Holder has provided the appropriate documentation (generally, IRS Form W-8ECI) to the applicable withholding agent. Instead, such Non-U.S. Holder generally will be subject to U.S. federal income tax in substantially the same manner as a U.S. Holder (except as provided by an applicable tax treaty). In addition, a Non-U.S. Holder that is a corporation may be subject to a branch profits tax equal to 30% of its effectively connected income for the taxable year, subject to certain adjustments (or a lower rate if provided by an applicable tax treaty).

Information Reporting and Backup Withholding

Generally, payments of amounts treated as interest on a Note to a Non-U.S. Holder, and the amount of any tax withheld from such payments, must be reported annually to the IRS and to such Non-U.S. Holder. The IRS may make this information available to the tax authorities of the country in which such Non-U.S. Holder is a resident under the provisions of an applicable tax treaty or agreement.

The information reporting and backup withholding rules that apply to payments of interest to a U.S. Holder generally will not apply to payments of interest on a Note to a Non-U.S. Holder if such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption.

Proceeds from the sale, retirement or other disposition of a Note by a Non-U.S. Holder effected through a non-U.S. office of a U.S. broker or of a non-U.S. broker with certain specified U.S. connections generally will be subject to information reporting, but not backup withholding, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption. Proceeds from the sale, retirement or other disposition of a Note by a Non-U.S. Holder effected through a U.S. office of a broker generally will be subject to information reporting and backup withholding, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a Non-U.S. Holder’s U.S. federal income tax liability, *provided* that the required information is furnished by such Non-U.S. Holder on a timely basis to the IRS.

CERTAIN ERISA CONSIDERATIONS

General

The Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), imposes certain requirements on employee benefit plans subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans ("*ERISA Plans*"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the Plan.

Section 406 of ERISA and Section 4975 of the Code, prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts, or entities that are deemed to hold the assets of such plans or accounts (together with ERISA Plans, "*Plans*")) and certain persons (referred to as "*parties in interest*" or "*disqualified persons*") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

Any Plan fiduciary which proposes to cause a Plan to exchange the Old Notes for New Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such exchange and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

Foreign plans, governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to U.S. federal, state, local, or foreign law or regulation that is substantially similar to the foregoing provisions of ERISA and the Code ("*Similar Law*"). Fiduciaries of any such plans should consult with their counsel before exchanging Old Notes for New Notes to determine the need for, and the availability, if necessary, of any exemptive relief under any such laws or regulations.

Prohibited Transaction Exemptions

The fiduciary of a Plan that proposes to exchange Old Notes for New Notes should consider, among other things, whether such exchange and holding may involve (*i*) the direct or indirect extension of credit to a party in interest or a disqualified person, (*ii*) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (*iii*) the transfer to, or use by or for the benefit of, a party in interest or a disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, American, the Trustee, the Security Agent and their respective affiliates. Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to exchange Old Notes for New Notes on behalf of a Plan, Prohibited Transaction Class Exemption ("*PTCE*") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 95-60 (relating to investments by an insurance company general account), PTCE 96-23 (relating to transactions directed by an in-house asset manager) or PTCE 90-1 (relating to investments by insurance company pooled separate accounts) (collectively, the "*Class Exemptions*") could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Each person who acquires or accepts a Note or an interest therein will be deemed by such acquisition or acceptance to have represented and warranted that either: (*i*) no assets of (*a*) an employee benefit plan subject to Title I of ERISA, (*b*) a plan described in Section 4975(e)(1) of the Code, (*c*) an entity whose underlying assets are deemed to include assets of any such employee benefit plan or plan, or (*d*) a foreign, governmental or church plan that is subject to Similar Law have been used to purchase

such Note or any interest therein; or (*ii*) the purchase and holding of such Note or any interest therein by such person are exempt from the prohibited transaction restrictions of ERISA and the Code or any similar provision of Similar Law, as applicable, pursuant to one or more prohibited transaction statutory or administrative exemptions.

Special Considerations Applicable to Insurance Company General Accounts

Any insurance company proposing to invest assets of its general account in the Notes should consider the implications of the United States Supreme Court's decision in *John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank*, 510 U.S. 86, 114 S. Ct. 517 (1993), which in certain circumstances treats such general account assets as assets of a Plan that owns a policy or other contract with such insurance company, as well as the effect of Section 401(c) of ERISA as interpreted by regulations issued by the United States Department of Labor in January, 2000.

EACH PLAN FIDUCIARY (AND EACH FIDUCIARY FOR A FOREIGN, GOVERNMENTAL OR CHURCH PLAN SUBJECT TO SIMILAR LAW) SHOULD CONSULT WITH ITS LEGAL ADVISOR CONCERNING THE POTENTIAL CONSEQUENCES TO THE PLAN UNDER ERISA, THE CODE OR SUCH SIMILAR LAW OF AN INVESTMENT IN THE NOTES.

PLAN OF DISTRIBUTION

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Old Notes where such Old Notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days after the Expiration Date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

We will not receive any proceeds from any sale of New Notes by broker-dealers. New Notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such New Notes. Any broker-dealer that resells New Notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such New Notes may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on any such resale of New Notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

For a period of 90 days after the Expiration Date, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer other than commissions or concessions of any broker-dealers and will indemnify certain Noteholders (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

Based on interpretations by the staff of the SEC as set forth in no-action letters issued to third parties (including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), K-111 Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993)), we believe that the New Notes issued pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by any holder of such New Notes, other than any such holder that is a broker-dealer or an “affiliate” of us within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- such New Notes are acquired in the ordinary course of business;
- at the time of the commencement of the exchange offer, such holder has no arrangement or understanding with any person to participate in a distribution of such New Notes; and
- such holder is not engaged in and does not intend to engage in a distribution of such New Notes.

We have not sought and do not intend to seek a no-action letter from the SEC with respect to the effects of the exchange offer, and there can be no assurance that the staff of the SEC would make a similar determination with respect to the New Notes as it has in such no-action letters.

VALIDITY OF THE NEW NOTES

The validity of the New Notes is being passed upon for American by Gary F. Kennedy, Esq., Senior Vice President, General Counsel and Chief Compliance Officer of American.

EXPERTS

The consolidated financial statements of AMR appearing in AMR's Current Report (Form 8-K) dated April 21, 2009 (including schedule appearing therein) and the consolidated financial statements of American appearing in American's Annual Report (Form 10-K) for the year ended December 31, 2008 (including schedule appearing therein) have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The references to Aircraft Information Services, Inc., BK Associates, Inc. and Morten Beyer & Agnew, Inc., and to their respective appraisal reports, are included herein in reliance upon the authority of each such firm as an expert with respect to the matters contained in its appraisal report.

WHERE YOU CAN FIND MORE INFORMATION

We and our parent company, AMR, file annual, quarterly and current reports, proxy statements (in the case of AMR only) and other information with the SEC. You may read and copy this information at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available from the SEC's Internet site at *http://www.sec.gov*, which contains reports, proxy and information statements, and other information regarding issuers that file electronically.

This prospectus is part of a registration statement that we have filed with the SEC. This prospectus does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules in accordance with the rules and regulations of the SEC, and we refer you to the omitted information. The statements this prospectus makes pertaining to the content of any contract, agreement or other document that is an exhibit to the registration statement necessarily are summaries of their material provisions and do not describe all exceptions and qualifications contained in those contracts, agreements or documents. You should read those contracts, agreements or documents for information that may be important to you. The registration statement, exhibits and schedules are available at the SEC's Public Reference Room or through its Internet site.

We "incorporate by reference" in this prospectus certain documents that we or AMR files with the SEC, which means:

- we can disclose important information to you by referring you to those documents; and
- information incorporated by reference is considered to be part of this prospectus, even though it is not repeated in this prospectus.

The following documents listed below that we and AMR have previously filed with the SEC (Commission File Numbers 001-02691 and 001-08400, respectively) are incorporated by reference (other than reports or portions thereof furnished under Items 2.02 or 7.01 of Form 8-K):

Filing	Date Filed
Annual Reports on Form 10-K of American and AMR for the year ended December 31, 2008	February 19, 2009 (except, in the case of AMR, for Items 1, 1A, 6, 7, 7A and 8 and Exhibit 12 thereto, which have been updated in AMR's Current Report on Form 8-K filed on April 21, 2009)

Filing	Date Filed
Quarterly Reports on Form 10-Q of American and AMR for the quarters March 31, 2009, June 30, 2009 and September 30, 2009	April 16, 2009 July 15, 2009 October 21, 2009
Quarterly Reports on Form 10-Q/A of American and AMR for the quarter ended June 30, 2009	November 6, 2009
Current Reports on Form 8-K of American	January 6, 2009 January 15, 2009 February 3, 2009 February 5, 2009 February 18, 2009 March 4, 2009 March 18, 2009 April 3, 2009 May 5, 2009 June 4, 2009 June 11, 2009 June 18, 2009 June 25, 2009 June 26, 2009 June 29, 2009 July 6, 2009 July 7, 2009 August 3, 2009 August 5, 2009 September 4, 2009 September 17, 2009 September 18, 2009 September 23, 2009 September 25, 2009 September 28, 2009 October 5, 2009 November 5, 2009
Current Reports on Form 8-K of AMR	January 6, 2009 January 15, 2009 January 23, 2009 February 3, 2009 February 5, 2009 February 18, 2009 March 4, 2009 March 18, 2009 April 3, 2009 April 21, 2009 May 5, 2009 June 4, 2009 June 11, 2009 June 18, 2009 June 25, 2009 June 26, 2009 July 6, 2009 July 7, 2009 August 3, 2009

Filing	Date Filed
	August 5, 2009
	September 4, 2009
	September 17, 2009
	September 18, 2009
	September 23, 2009
	September 25, 2009
	September 28, 2009
	October 5, 2009
	November 4, 2009

You can obtain any of the filings incorporated by reference in this prospectus through us or from the SEC through the SEC's Internet site or at the address listed above. You may request orally or in writing, without charge, a copy of any or all of the documents which are incorporated in this prospectus by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests for such copies should be directed to American Airlines, Inc., 4333 Amon Carter Boulevard, Mail Drop 5651, Fort Worth, Texas 76155, Attention: Investor Relations (Telephone: (817) 967-2970).

APPENDIX I

INDEX OF TERMS

The following is an index showing the page in this prospectus where certain defined terms appear.

APPENDIX II

APPRAISAL LETTERS

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Mr. Ken Menezes
Principal, Corporate Finance
American Airlines, Inc.
4333 Amon Carter Blvd.
Fort Worth, TX 76155-2605

Sight Unseen Half Life Current Market Value Opinion
12 Aircraft Portfolio

AISI File No.: A9S031VO-2

Date: 27 July 2009

AIRCRAFT INFORMATION SERVICES, INC.

Mr. Ken Menezes
Principal, Corporate Finance
American Airlines, Inc.
4333 Amon Carter Blvd.
Fort Worth, TX 76155-2605

Subject: Sight Unseen Half Life Current Market Value Opinion,
12 Aircraft Portfolio

AISI File number: A9S031BVO-2

Ref: (a) Email messages 10 June, 07 July, 24 July 2009

Dear Mr. Menezes:

Aircraft Information Services, Inc. (AISI) has been requested to offer our opinion of the sight unseen June 2009 half life current market value for 12 used aircraft (the "Aircraft") as identified and defined in Table I and reference (a) above (the 'Aircraft'). The Aircraft are valued in June 2009 US dollars.

1. Methodology and Definitions

The standard terms of reference for commercial aircraft value are 'base value' and 'current market value' of an 'average' aircraft. Base value is a theoretical value that assumes a hypothetical balanced market while current market value is the value in the real market; both assume a hypothetical average aircraft condition. All other values are derived from these values. AISI value definitions are consistent with the current definitions of the International Society of Transport Aircraft Trading (ISTAT), those of 01 January 1994. AISI is a member of that organization and employs an ISTAT Certified and Senior Certified Appraiser.

AISI defines a 'base value' as that of a transaction between an equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, with supply and demand of the sale item roughly in balance and with no event which would cause a short term change in the market. Base values are typically given for aircraft in 'new' condition, 'average half-life' condition, or 'adjusted' for an aircraft in a specifically described condition at a specific time.

An ‘average’ aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age. Note that a stored aircraft is not an ‘average’ aircraft. AISI assumes average condition unless otherwise specified in this report.

AISI also assumes that airframe, engine and component parts are from the original equipment manufacturer (OEM) and that maintenance, maintenance program and essential records are sufficient to permit normal commercial operation under a strict airworthiness authority.

‘Half-life’ condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval.

‘Full-life’ condition assumes zero time since overhaul of airframe, gear, apu, engine overhaul and engine LLPs.

An ‘adjusted’ appraisal reflects an adjustment from half life condition for the actual condition, utilization, life remaining or time remaining of an airframe, engine or component.

It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a ‘current market value’, which is synonymous with the older term ‘fair market value’ as that value which reflects the real market conditions including short term events, whether at, above or below the base value conditions. Assumptions of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Note that for a current market value to exist, the seller may not be under duress. Current market value assumes that there is no short term time constraint to buy or sell.

AISI defines a ‘distressed market value’ as that value which reflects the real market condition including short term events, when the market for the subject aircraft is so depressed that the seller is under duress. Distressed market value assumes that there is a time constraint to sell within a period of less than 1 year. All other assumptions remain unchanged from that of ‘current market value’.

None of the AISI value definitions take into account remarketing costs, brokerage costs, storage costs, recertification costs or removal costs.

AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft when the seller is not under duress. AISI encourages the use of distressed market values to consider the probable near term value of an aircraft when the seller is under duress.

No physical inspection of the Aircraft or their essential records was made by AISI for the purposes of this report, nor has any attempt been made to verify information provided to us, which is assumed to be correct and applicable to the Aircraft.

If more than one aircraft is contained in this report than it should be noted that the values given are not directly additive, that is, the total of the given values is not the value of the fleet but rather the sum of the values of the individual aircraft if sold individually over time so as not to exceed demand.

2. Valuation

It is our considered opinion that the sight unseen half life current market values of the Aircraft at 30 June 2009 are as follows in Table I subject to the assumptions, definitions, and disclaimers herein.

The Aircraft are valued in June 2009 million US dollars.

TABLE 1
A9S031BVO-2
Report Dated 27 July 2009
Values as of 30 June 2009

No	Type	MSN	DOM	Engine	MTOW	Half Life Current Market Jun-09 Million US Dollars
1	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29511	May-99	CFM56-7B26	174,200	25.64
2	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29512	May-99	CFM56-7B26	174,200	25.64
3	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29513	Jun-99	CFM56-7B26	174,200	25.64
4	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29515	Jul-99	CFM56-7B26	174,200	25.64
5	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29516	Jul-99	CFM56-7B26	174,200	25.64
6	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29517	Aug-99	CFM56-7B26	174,200	25.64
7	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29518	Aug-99	CFM56-7B26	174,200	25.64
8	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29519	Sep-99	CFM56-7B26	174,200	25.64
9	B737-823 (winglet, 3rd VHF, 2 HF, overwater equipped)	29520	Sep-99	CFM56-7B26	174,200	25.64
10	B767-323ER (long range overwater ETOP)	29606	May-99	CF6-80C2B6	408,000	36.57
11	B777-223ER (long range overwater ETOP)	29587	Jun-99	Trent 892	648,000	73.46
12	B777-223ER (long range overwater ETOP)	29955	Jun-99	Trent 892	648,000	73.46
	Totals					414.25

Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in any of the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. AISI certifies that this report has been independently prepared and it reflects AISI's conclusions and opinions which are judgments that reflect conditions and values current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any party's action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

Fred Bearden
CEO

Table of Contents

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Manhasset, New York 11030
(516) 365-6272 • Fax (516) 365-6287

July 27, 2009

Mr. Ken Menezes, Principal
Corporate Finance
American Airlines, Inc.
4333 Amon Carter Blvd., MD 5662
Fort Worth, TX 76155-2605

Dear Mr. Menezes:

In response to your request, BK Associates, Inc. is pleased to provide our opinion regarding the half-time Current Market Value (CMV) for 12 Boeing aircraft in the American Airlines Fleet. The aircraft, which consist of B737-823W, B767-323ER or B777-223ER models, are further identified in the attached Figure 1 by registration, serial number, engine model, date of manufacture and maximum takeoff weight. Our opinion of the values is included in Figure 1.

DEFINITIONS

According to the International Society of Transport Aircraft Trading's (ISTAT) definition of Fair Market Value, to which BK Associates subscribes, the quoted fair market value is the Appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. The fair market value assumes that the aircraft is valued for its highest, best use, that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers, which BK Associates considers to be 12 to 18 months. The market value normally refers to a transaction involving a single aircraft. When multiple aircraft are acquired in the same transaction, the trading price of each unit may be discounted.

Base Value, is the Appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". An aircraft's base value is founded in the historical trend of values and in the projection of future value trends and presumes an arm's length, cash transaction between willing, able and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

MARKET DISCUSSION & METHODOLOGY

Current values are normally based on comparison to recent sales of comparable aircraft. Unfortunately, there have been few recent transactions involving comparable aircraft for which the price was divulged. In recent years the major airlines and other aviation industry entities in the United States have claimed, with support of the government and the courts that the realizations in their aircraft sales should be kept confidential.

There have been no publicly reported sales of comparable aircraft that would indicate its current value. Some prices are divulged informally in private conversations, and of course, appraisers are often privy to transaction prices from appraisals they have conducted. These cannot be divulged in our reports.

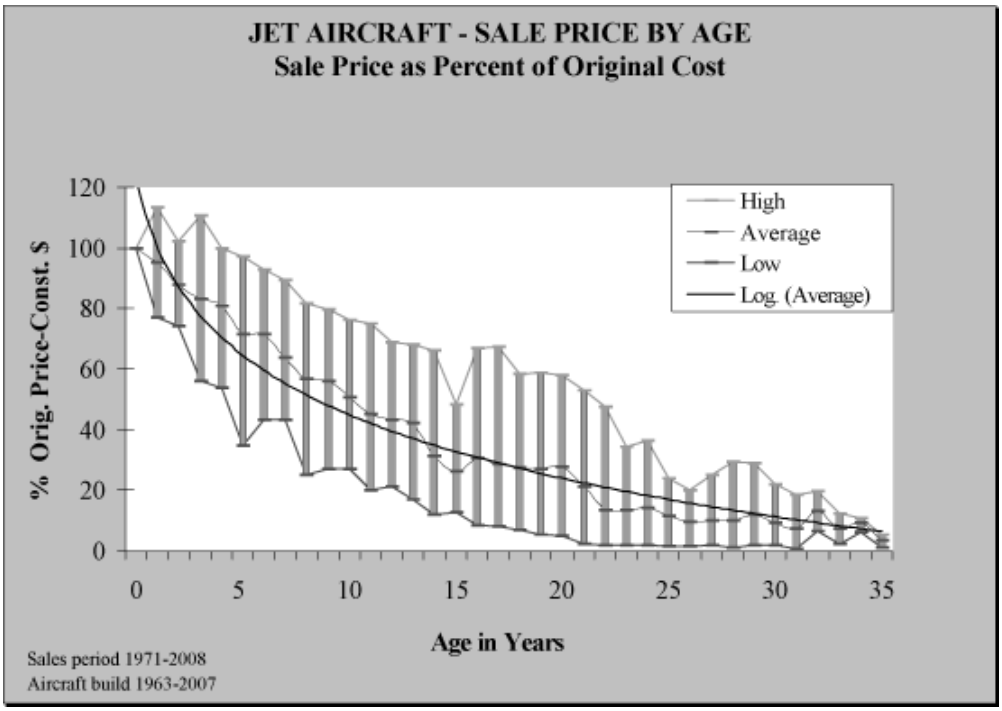
From these sources we are aware of several transactions in the past year of some B777 and B737-800 aircraft. These are not directly comparable because they are older or younger aircraft than those being appraised. However, they do serve to confirm the comparable values in our database and confirm our methodology.

In the absence of recent comparable sales, an appropriate methodology is to determine the base value that would apply in a balanced market and then assess the current market conditions to determine the market value.

As the definition implies, the base value is determined from long-term historical trends. BK Associates has accumulated a database of over 10,000 data points of aircraft sales that occurred since 1970. From analysis of these data we know, for example, what the average aircraft should sell for as a percentage of its new price, as well as, the high and low values that have occurred in strong and weak markets.

Based on these data, we have developed relationships between aircraft age and sale price for wide-bodies, narrow-bodies, large turboprops and, more recently, regional jet and freighter aircraft. Within these groups we have developed further refinements for such things as derivative aircraft, aircraft still in production versus no longer in production, and aircraft early in the production run versus later models. Within each group variations are determined by the performance capabilities of each aircraft relative to the others. We now track some 150 different variations of aircraft types and models and determine current and forecast base values. These relationships are verified, and changed or updated if necessary, when actual sales data becomes available.

This relationship between sales price as a function of age and the original price is depicted in the following figure.



All of the Aircraft are 10 to 11 years old. The data suggest that a 10 to 11-year old aircraft should sell for 42 to 46 percent of its original price. So, for the B737-800s for example, the original price was likely about $41 to $42 million. The data suggest that on average today after allowing for inflation it should sell for about $24.45 million. By a similar analysis the suggested average selling price today for the B767 would be $47.5 to $51.7 million and it would be $70 to $73 million for the B777s. However, recent experience has shown that after a long production run, even popular and successful aircraft tend to approach or fall below the “average” line in the figure, especially when the specific aircraft is in the latter half of its likely useful life. By contrast, new, popular and successful models tend to have values above the line for the first 10 years or so.

There is no doubt that all of these models have been quite successful. The B737-800 is arguably the most successful aircraft ever. There are about 2,800 in service or on order, which is surpassed only by the A320 with 3,800. However, the A320 has been in production for nearly 10 years longer and the B737-800 may well pass it some day. We conclude the B737-800 values are about 10 percent above the values suggested by the historical comparison.

Similarly, the B777 has been popular and successful. It has become the workhorse of the long-haul fleet. There are over 650 of all models in service with about 260 more on order. There are 407 ERs in service with 43 operators. We concluded it also has values some five percent higher than that suggested by the average historical data.

For the B767s, while they have been very successful, they were in production some 10 years before the other models. Production has essentially ceased although some new recent orders were placed to fill the gap created by delays of the B787. As noted above, experience has shown that in these circumstances the values tend to fall below the “average” line in the figure and we conclude the current base values are about eight percent below.

Regarding the current market values, we consider the current demand is still relatively strong for the B737-800s and the B777 and conclude the market for them is in balance and the CMV equals the BV. There are only five B737-800s listed as being for sale or lease but all are for lease only. Similarly, there are only five B777-200ERs listed.

For the B767-300ER, 14 are listed as being on the market. They represent 2.8 percent of the fleet. Experience has shown that downward pressure begins on values when more than one percent of the fleet is idle. We conclude the CMVs of the B767-300ER is about 10 percent below the base value.

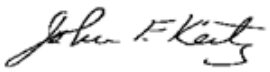
ASSUMPTIONS & DISCLAIMER

It should be understood that BK Associates has neither inspected the Aircraft nor the maintenance records, but has relied upon the information provided by you and in the BK Associates database. The assumptions have been made that all Airworthiness Directives have been complied with; accident damage has not been incurred that would affect market values; the Aircraft are at half-time between major maintenance events; and maintenance has been accomplished in accordance with a civil airworthiness authority’s approved maintenance program and accepted industry standards. Further, we have assumed unless otherwise stated, that the Aircraft is in typical configuration for the type and has accumulated an average number of hours and cycles. Deviations from these assumptions can change significantly our opinion regarding the values.

BK Associates, Inc. has no present or contemplated future interest in the Aircraft, nor any interest that would preclude our making a fair and unbiased estimate. This appraisal represents the opinion of BK Associates, Inc. and reflects our best judgment based on the information available to us at the time of preparation and the time and budget constraints imposed by the client. It is not given as a recommendation, or as an inducement, for any financial transaction and further, BK Associates, Inc. assumes no responsibility or legal liability for any action taken or not taken by the addressee, or any other party, with regard to the appraised equipment. By accepting this appraisal, the addressee agrees that BK Associates, Inc. shall bear no such responsibility or legal liability. This appraisal is prepared for the use of the addressee and shall not be provided to other parties without the express consent of the addressee.

Sincerely,

BK ASSOCIATES, INC.



John F. Keitz
President
ISTAT Senior Certified Appraiser
And Appraiser Fellow

JFK/kf
Attachment

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Figure 1
American Airlines
Current Values $millions

	Aircraft Type	Regist.	Serial Number	Engine	Date of MFGR.	MTOW Lbs.	1/2 Time CMV
1	B737-823	N909AN	29511	CFM56-7B26	05-19-1999	174,200	27.60
2	B737-823	N910AN	29512	CFM56-7B26	05-25-1999	174,200	27.60
3	B737-823	N912AN	29513	CFM56-7B26	06-24-1999	174,200	27.60
4	B737-823	N914AN	29515	CFM56-7B26	07-16-1999	174,200	27.60
5	B737-823	N915AN	29516	CFM56-7B26	07-23-1999	174,200	27.60
6	B737-823	N916AN	29517	CFM56-7B26	08-06-1999	174,200	28.20
7	B737-823	N917AN	29518	CFM56-7B26	08-20-1999	174,200	28.20
8	B737-823	N918AN	29519	CFM56-7B26	09-09-1999	174,200	28.20
9	B737-823	N919AN	29520	CFM56-7B26	09-14-1999	174,200	28.20
10	B767-323ER	N399AN	29606	CF6-80C2B6	05-20-1999	408,000	41.80
11	B777-223	N778AN	29587	Trent 892	06-01-1999	648,000	76.20
12	B777-223	N779AN	29955	Trent 892	06-27-1999	648,000	76.20

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mba | morten beyer & agnew

June 12, 2009

Mr. Ken Menezes
Principal — Corporate Finance
American Airlines

VIA E-MAIL

Dear Mr. Menezes:

Morten Beyer & Agnew (mba) has been retained by American Airlines (the Client) to render its Expert Opinion of the Half-Time Current Market[1] (CMV) Values of nine (9) Boeing 737-800, one (1) Boeing 767-300ER, and two (2) Boeing 777-200ER aircraft as of June 2009.

In rendering this Expert Opinion, mba has relied upon industry knowledge, confidentially obtained data points, its market expertise and current analysis of market trends and conditions, along with information extrapolated from its semi-annual publication mba **Future Aircraft Values — Jet Transport**.

In developing the Value of these aircraft, mba did not inspect the aircraft or the records and documentation associated with the aircraft, but relied solely on partial information supplied by the Client. This information was not independently verified by mba. Therefore, we used certain assumptions that are generally accepted industry practice to calculate the value of aircraft when more detailed information is not available.

The principal assumptions for these aircraft are as follows:

1. The aircraft is in good overall condition.
2. The overhaul status of the airframe, engines, landing gear and other major components are the equivalent of mid-time/mid-life, or new, unless otherwise stated.
3. The historical maintenance documentation has been maintained to acceptable international standards.
4. The specifications of the aircraft are those most common for an aircraft of its type and vintage.
5. The aircraft is in a standard airline configuration.
6. The aircraft is current as to all Airworthiness Directives and Service Bulletins.
7. Its modification status is comparable to that most common for an aircraft of its type and vintage.
8. Its utilization is comparable to industry averages.
9. There is no history of accident or incident damage.
10. No accounting is made for lease revenues, obligations or terms of ownership unless otherwise specified.

[1] Current Market Value is the Appraiser’s opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. Market Value assumes that the aircraft is valued for its highest, best use, that the parties to the sale transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm#s-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

2101 wilson boulevard | suite 1001 | arlington, virginia 22201
phone: 1 703 276 3200 | fax: 1 703 276 3201
www.mba.aero

American Airlines Valuation
($U.S. Million)

No.	Aircraft Type	Serial Number	Registration	Date of Manufacture	Engine Type	MTOW	HTCMV
1	737-800	29511	N909AN	May-99	CFM56-7B26	174,200	26.26
2	737-800	29512	N910AN	May-99	CFM56-7B26	174,200	26.26
3	737-800	29513	N912AN	Jun-99	CFM56-7B26	174,200	26.39
4	737-800	29515	N914AN	Jul-99	CFM56-7B26	174,200	26.52
5	737-800	29516	N915AN	Jul-99	CFM56-7B26	174,200	26.52
6	737-800	29517	N916AN	Aug-99	CFM56-7B26	174,200	26.64
7	737-800	29518	N917AN	Aug-99	CFM56-7B26	174,200	26.64
8	737-800	29519	N918AN	Sep-99	CFM56-7B26	174,200	26.77
9	737-800	29520	N919AN	Sep-99	CFM56-7B26	174,200	26.77
10	767-300ER	29606	N399AN	May-99	CF6-80C2B6	408,000	42.08
11	777-200ER	29587	N778AN	Jun-99	Trent 892	648,000	69.81
12	777-200ER	29955	N779AN	Jun-99	Trent 892	648,000	69.81
						Total	**$420.47**

Legend for Valuation —

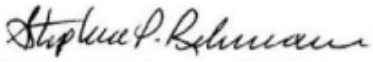
MTOW Maximum Takeoff off Weight
HT CMV Half-Time Current Market Value

This Expert Opinion has been prepared for the exclusive use of American Airlines, and shall not be provided to other parties by mba without the express consent of American Airlines.

This report represents the opinion of mba as to Half-Time Current Market Values of the subject aircraft and is intended to be advisory only, in nature. mba further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft. mba assumes no responsibility or legal liability for any actions taken or not taken by American Airlines or any other party with regard to the subject aircraft. By accepting this report, all parties agree that mba shall bear no such responsibility or legal liability.

Sincerely,
Morten Beyer & Agnew, Inc.

June 12, 2009



Stephen P. Rehrmann, ATP/FE
Vice President — Appraisal Group
Morten Beyer & Agnew, Inc.
ISTAT Certified Appraiser

APPENDIX III

ALLOCABLE PORTION OF THE NOTES AND LOAN TO VALUE RATIOS PER AIRCRAFT

The following tables set forth LTVs for the Allocable Portion of the Notes with respect to each Aircraft as of the Cut-Off Date and each Payment Date. For any date before the first Payment Date, the Allocable Portion of the Notes with respect to each Aircraft will be the amount specified in Appendix III for the Cut-Off Date. For any date after the first Payment Date, other than a Payment Date, the Allocable Portion of the Notes with respect to each Aircraft will be the amount specified in Appendix III for the Payment Date that immediately precedes such date.

The LTVs for the Cut-Off Date and each Payment Date listed in such tables were obtained by dividing (*i*) the Allocable Portion of the Notes with respect to each Aircraft (assuming that no Payment Default or redemption has occurred) determined immediately after giving effect to any principal payments scheduled to be made on each such date by (*ii*) the Assumed Aircraft Value on such date, calculated based on the Depreciation Assumption, of such Aircraft. See "Description of the Aircraft and the Appraisals — The Appraisals" and "Description of the Notes — Security — Loan to Value Ratios of Notes."

The Depreciation Assumption contemplates that the Assumed Aircraft Value of each Aircraft depreciates annually by approximately 3% of the value at delivery per year for the first 15 years after delivery of such Aircraft by the manufacturer, by approximately 4% per year thereafter for the next five years and by approximately 5% each year after that. The appraised value of each Aircraft is the theoretical value that, when depreciated from the initial delivery of such Aircraft by the manufacturer in accordance with the Depreciation Assumption, results in the appraised value of such Aircraft specified under "Prospectus Summary — The Aircraft" and "Description of the Aircraft and the Appraisals — The Appraisals."

Other rates or methods of depreciation could result in materially different LTVs, and no assurance can be given (*i*) that the depreciation rate and method assumed for the purposes of the tables are the ones most likely to occur or (*ii*) as to the actual future value of any Aircraft. Thus, the tables should not be considered a forecast or prediction of expected or likely LTVs, but simply a mathematical calculation based on one set of assumptions. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Appraisals should not be relied upon as a measure of realizable value of the Aircraft."

A. Boeing 737-823

	N909AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,260,000.00	$17,069,000.00	$ 0.00	65.0%
February 1, 2010	25,697,285.71	15,932,300.60	1,136,699.40	62.0
August 1, 2010	25,134,571.43	14,829,380.60	1,102,920.00	59.0
February 1, 2011	24,571,857.14	13,760,223.46	1,069,157.14	56.0
August 1, 2011	24,009,142.86	12,724,829.17	1,035,394.29	53.0
February 1, 2012	23,446,428.57	11,723,197.74	1,001,631.43	50.0
August 1, 2012	22,883,714.29	10,755,329.17	967,868.57	47.0
February 1, 2013	22,321,000.00	9,821,223.45	934,105.72	44.0
August 1, 2013	21,758,285.71	8,920,880.60	900,342.85	41.0
February 1, 2014	21,195,571.43	8,054,300.58	866,580.02	38.0
August 1, 2014	20,632,857.14	7,221,483.43	832,817.15	35.0
February 1, 2015	19,882,571.43	6,362,406.28	859,077.15	32.0
August 1, 2015	19,132,285.71	5,548,346.28	814,060.00	29.0
February 1, 2016	18,382,000.00	4,779,303.42	769,042.86	26.0
August 1, 2016	17,631,714.29	0.00	4,779,303.42	0.0

	N910AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,260,000.00	$17,069,000.00	$ 0.00	65.0%
February 1, 2010	25,697,285.71	15,932,300.60	1,136,699.40	62.0
August 1, 2010	25,134,571.43	14,829,380.60	1,102,920.00	59.0
February 1, 2011	24,571,857.14	13,760,223.46	1,069,157.14	56.0
August 1, 2011	24,009,142.86	12,724,829.17	1,035,394.29	53.0
February 1, 2012	23,446,428.57	11,723,197.74	1,001,631.43	50.0
August 1, 2012	22,883,714.29	10,755,329.17	967,868.57	47.0
February 1, 2013	22,321,000.00	9,821,223.45	934,105.72	44.0
August 1, 2013	21,758,285.71	8,920,880.60	900,342.85	41.0
February 1, 2014	21,195,571.43	8,054,300.58	866,580.02	38.0
August 1, 2014	20,632,857.14	7,221,483.43	832,817.15	35.0
February 1, 2015	19,882,571.43	6,362,406.28	859,077.15	32.0
August 1, 2015	19,132,285.71	5,548,346.28	814,060.00	29.0
February 1, 2016	18,382,000.00	4,779,303.42	769,042.86	26.0
August 1, 2016	17,631,714.29	0.00	4,779,303.42	0.0

	N912AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,390,000.00	$17,153,000.00	$ 0.00	65.0%
February 1, 2010	25,824,500.00	16,011,173.38	1,141,826.62	62.0
August 1, 2010	25,259,000.00	14,902,793.38	1,108,380.00	59.0
February 1, 2011	24,693,500.00	13,828,343.38	1,074,450.00	56.0
August 1, 2011	24,128,000.00	12,787,823.38	1,040,520.00	53.0
February 1, 2012	23,562,500.00	11,781,233.38	1,006,590.00	50.0
August 1, 2012	22,997,000.00	10,808,573.37	972,660.01	47.0
February 1, 2013	22,431,500.00	9,869,843.37	938,730.00	44.0
August 1, 2013	21,866,000.00	8,965,043.37	904,800.00	41.0
February 1, 2014	21,300,500.00	8,094,173.36	870,870.01	38.0
August 1, 2014	20,735,000.00	7,257,233.34	836,940.02	35.0
February 1, 2015	19,981,000.00	6,393,903.34	863,330.00	32.0
August 1, 2015	19,227,000.00	5,575,813.34	818,090.00	29.0
February 1, 2016	18,473,000.00	4,802,963.33	772,850.01	26.0
August 1, 2016	17,719,000.00	0.00	4,802,963.33	0.0

	N914AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,520,000.00	$17,238,000.00	$ 0.00	65.0%
February 1, 2010	25,951,714.29	16,090,046.16	1,147,953.84	62.0
August 1, 2010	25,383,428.57	14,976,206.15	1,113,840.01	59.0
February 1, 2011	24,815,142.86	13,896,463.30	1,079,742.85	56.0
August 1, 2011	24,246,857.14	12,850,817.58	1,045,645.72	53.0
February 1, 2012	23,678,571.43	11,839,269.01	1,011,548.57	50.0
August 1, 2012	23,110,285.71	10,861,817.58	977,451.43	47.0
February 1, 2013	22,542,000.00	9,918,463.29	943,354.29	44.0
August 1, 2013	21,973,714.29	9,009,206.15	909,257.14	41.0
February 1, 2014	21,405,428.57	8,134,046.13	875,160.02	38.0
August 1, 2014	20,837,142.86	7,292,983.26	841,062.87	35.0
February 1, 2015	20,079,428.57	6,425,400.40	867,582.86	32.0
August 1, 2015	19,321,714.29	5,603,280.40	822,120.00	29.0
February 1, 2016	18,564,000.00	4,826,623.25	776,657.15	26.0
August 1, 2016	17,806,285.71	0.00	4,826,623.25	0.0

	N915AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,520,000.00	$17,238,000.00	$ 0.00	65.0%
February 1, 2010	25,951,714.29	16,090,046.16	1,147,953.84	62.0
August 1, 2010	25,383,428.57	14,976,206.15	1,113,840.01	59.0
February 1, 2011	24,815,142.86	13,896,463.30	1,079,742.85	56.0
August 1, 2011	24,246,857.14	12,850,817.58	1,045,645.72	53.0
February 1, 2012	23,678,571.43	11,839,269.01	1,011,548.57	50.0
August 1, 2012	23,110,285.71	10,861,817.58	977,451.43	47.0
February 1, 2013	22,542,000.00	9,918,463.29	943,354.29	44.0
August 1, 2013	21,973,714.29	9,009,206.15	909,257.14	41.0
February 1, 2014	21,405,428.57	8,134,046.13	875,160.02	38.0
August 1, 2014	20,837,142.86	7,292,983.26	841,062.87	35.0
February 1, 2015	20,079,428.57	6,425,400.40	867,582.86	32.0
August 1, 2015	19,321,714.29	5,603,280.40	822,120.00	29.0
February 1, 2016	18,564,000.00	4,826,623.25	776,657.15	26.0
August 1, 2016	17,806,285.71	0.00	4,826,623.25	0.0

	N916AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,640,000.00	$17,316,000.00	$ 0.00	65.0%
February 1, 2010	26,069,142.86	16,162,851.79	1,153,148.21	62.0
August 1, 2010	25,498,285.71	15,043,971.79	1,118,880.00	59.0
February 1, 2011	24,927,428.57	13,959,343.22	1,084,628.57	56.0
August 1, 2011	24,356,571.43	12,908,966.08	1,050,377.14	53.0
February 1, 2012	23,785,714.29	11,892,840.36	1,016,125.72	50.0
August 1, 2012	23,214,857.14	10,910,966.07	981,874.29	47.0
February 1, 2013	22,644,000.00	9,963,343.21	947,622.86	44.0
August 1, 2013	22,073,142.86	9,049,971.78	913,371.43	41.0
February 1, 2014	21,502,285.71	8,170,851.77	879,120.01	38.0
August 1, 2014	20,931,428.57	7,325,983.19	844,868.58	35.0
February 1, 2015	20,170,285.71	6,454,474.61	871,508.58	32.0
August 1, 2015	19,409,142.86	5,628,634.61	825,840.00	29.0
February 1, 2016	18,648,000.00	4,848,463.18	780,171.43	26.0
August 1, 2016	17,886,857.14	0.00	4,848,463.18	0.0

	N917AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,640,000.00	$17,316,000.00	$ 0.00	65.0%
February 1, 2010	26,069,142.86	16,162,851.79	1,153,148.21	62.0
August 1, 2010	25,498,285.71	15,043,971.79	1,118,880.00	59.0
February 1, 2011	24,927,428.57	13,959,343.22	1,084,628.57	56.0
August 1, 2011	24,356,571.43	12,908,966.08	1,050,377.14	53.0
February 1, 2012	23,785,714.29	11,892,840.36	1,016,125.72	50.0
August 1, 2012	23,214,857.14	10,910,966.07	981,874.29	47.0
February 1, 2013	22,644,000.00	9,963,343.21	947,622.86	44.0
August 1, 2013	22,073,142.86	9,049,971.78	913,371.43	41.0
February 1, 2014	21,502,285.71	8,170,851.77	879,120.01	38.0
August 1, 2014	20,931,428.57	7,325,983.19	844,868.58	35.0
February 1, 2015	20,170,285.71	6,454,474.61	871,508.58	32.0
August 1, 2015	19,409,142.86	5,628,634.61	825,840.00	29.0
February 1, 2016	18,648,000.00	4,848,463.18	780,171.43	26.0
August 1, 2016	17,886,857.14	0.00	4,848,463.18	0.0

	N918AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,770,000.00	$17,400,000.00	$ 0.00	65.0%
February 1, 2010	26,196,357.14	16,241,724.57	1,158,275.43	62.0
August 1, 2010	25,622,714.29	15,117,384.57	1,124,340.00	59.0
February 1, 2011	25,049,071.43	14,027,463.14	1,089,921.43	56.0
August 1, 2011	24,475,428.57	12,971,960.28	1,055,502.86	53.0
February 1, 2012	23,901,785.71	11,950,875.99	1,021,084.29	50.0
August 1, 2012	23,328,142.86	10,964,210.28	986,665.71	47.0
February 1, 2013	22,754,500.00	10,011,963.13	952,247.15	44.0
August 1, 2013	22,180,857.14	9,094,134.56	917,828.57	41.0
February 1, 2014	21,607,214.29	8,210,724.55	883,410.01	38.0
August 1, 2014	21,033,571.43	7,361,733.10	848,991.45	35.0
February 1, 2015	20,268,714.29	6,485,971.67	875,761.43	32.0
August 1, 2015	19,503,857.14	5,656,101.67	829,870.00	29.0
February 1, 2016	18,739,000.00	4,872,123.09	783,978.58	26.0
August 1, 2016	17,974,142.86	0.00	4,872,123.09	0.0

	N919AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$26,770,000.00	$17,400,000.00	$ 0.00	65.0%
February 1, 2010	26,196,357.14	16,241,724.57	1,158,275.43	62.0
August 1, 2010	25,622,714.29	15,117,384.57	1,124,340.00	59.0
February 1, 2011	25,049,071.43	14,027,463.14	1,089,921.43	56.0
August 1, 2011	24,475,428.57	12,971,960.28	1,055,502.86	53.0
February 1, 2012	23,901,785.71	11,950,875.99	1,021,084.29	50.0
August 1, 2012	23,328,142.86	10,964,210.28	986,665.71	47.0
February 1, 2013	22,754,500.00	10,011,963.13	952,247.15	44.0
August 1, 2013	22,180,857.14	9,094,134.56	917,828.57	41.0
February 1, 2014	21,607,214.29	8,210,724.55	883,410.01	38.0
August 1, 2014	21,033,571.43	7,361,733.10	848,991.45	35.0
February 1, 2015	20,268,714.29	6,485,971.67	875,761.43	32.0
August 1, 2015	19,503,857.14	5,656,101.67	829,870.00	29.0
February 1, 2016	18,739,000.00	4,872,123.09	783,978.58	26.0
August 1, 2016	17,974,142.86	0.00	4,872,123.09	0.0

B. Boeing 767-323ER

	N399AN			
Date	Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$40,150,000.00	$26,097,000.00	$ 0.00	65.0%
February 1, 2010	39,289,642.86	24,359,553.29	1,737,446.71	62.0
August 1, 2010	38,429,285.71	22,673,253.28	1,686,300.01	59.0
February 1, 2011	37,568,928.57	21,038,574.71	1,634,678.57	56.0
August 1, 2011	36,708,571.43	19,455,517.57	1,583,057.14	53.0
February 1, 2012	35,848,214.29	17,924,081.85	1,531,435.72	50.0
August 1, 2012	34,987,857.14	16,444,267.56	1,479,814.29	47.0
February 1, 2013	34,127,500.00	15,016,074.70	1,428,192.86	44.0
August 1, 2013	33,267,142.86	13,639,503.27	1,376,571.43	41.0
February 1, 2014	32,406,785.71	12,314,553.25	1,324,950.02	38.0
August 1, 2014	31,546,428.57	11,041,224.66	1,273,328.59	35.0
February 1, 2015	30,399,285.71	9,727,746.08	1,313,478.58	32.0
August 1, 2015	29,252,142.86	8,483,096.08	1,244,650.00	29.0
February 1, 2016	28,105,000.00	7,307,274.64	1,175,821.44	26.0
August 1, 2016	26,957,857.14	0.00	7,307,274.64	0.0

C. Boeing 777-223ER

Date	N778AN Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$73,156,666.67	$47,552,000.00	$ 0.00	65.0%
February 1, 2010	71,589,023.81	44,385,148.69	3,166,851.31	62.0
August 1, 2010	70,021,380.95	41,312,568.69	3,072,580.00	59.0
February 1, 2011	68,453,738.10	38,334,047.25	2,978,521.44	56.0
August 1, 2011	66,886,095.24	35,449,584.39	2,884,462.86	53.0
February 1, 2012	65,318,452.38	32,659,180.10	2,790,404.29	50.0
August 1, 2012	63,750,809.52	29,962,834.39	2,696,345.71	47.0
February 1, 2013	62,183,166.67	27,360,547.24	2,602,287.15	44.0
August 1, 2013	60,615,523.81	24,852,318.66	2,508,228.58	41.0
February 1, 2014	59,047,880.95	22,438,148.63	2,414,170.03	38.0
August 1, 2014	57,480,238.10	20,118,037.16	2,320,111.47	35.0
February 1, 2015	55,390,047.62	17,724,769.06	2,393,268.10	32.0
August 1, 2015	53,299,857.14	15,456,912.38	2,267,856.68	29.0
February 1, 2016	51,209,666.67	13,314,467.13	2,142,445.25	26.0
August 1, 2016	49,119,476.19	0.00	13,314,467.13	0.0

Date	N779AN Assumed Aircraft Value	Allocable Portion	Scheduled Principal Payment	LTV
Cut-Off Date	$73,156,666.67	$47,552,000.00	$ 0.00	65.0%
February 1, 2010	71,589,023.81	44,385,148.69	3,166,851.31	62.0
August 1, 2010	70,021,380.95	41,312,568.69	3,072,580.00	59.0
February 1, 2011	68,453,738.10	38,334,047.25	2,978,521.44	56.0
August 1, 2011	66,886,095.24	35,449,584.39	2,884,462.86	53.0
February 1, 2012	65,318,452.38	32,659,180.10	2,790,404.29	50.0
August 1, 2012	63,750,809.52	29,962,834.39	2,696,345.71	47.0
February 1, 2013	62,183,166.67	27,360,547.24	2,602,287.15	44.0
August 1, 2013	60,615,523.81	24,852,318.66	2,508,228.58	41.0
February 1, 2014	59,047,880.95	22,438,148.63	2,414,170.03	38.0
August 1, 2014	57,480,238.10	20,118,037.16	2,320,111.47	35.0
February 1, 2015	55,390,047.62	17,724,769.06	2,393,268.10	32.0
August 1, 2015	53,299,857.14	15,456,912.38	2,267,856.68	29.0
February 1, 2016	51,209,666.67	13,314,467.13	2,142,445.25	26.0
August 1, 2016	49,119,476.19	0.00	13,314,467.13	0.0

Table of Contents

American Airlines, Inc.

Offer to Exchange

$276,400,000 Outstanding 13.0% 2009-2 Secured Notes due 2016 for $276,400,000 Registered 13.0% 2009-2 Secured Notes due 2016

PROSPECTUS

, 2009

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. *OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION*

The following table sets forth the estimated fees and expenses (except for the Securities and Exchange Commission registration fee, which is not an estimate) payable by the registrant in connection with the registration of the notes:

Securities and Exchange Commission registration fee	$ 15,424
Printing costs for registration statement, prospectus and related documents	$ 60,000
Legal fees and expenses	$200,000
Accountants' fees and expenses	$ 15,000
Exchange agent fees	$ 4,000
Miscellaneous	$ 10,576
Total	$305,000

ITEM 14. *INDEMNIFICATION OF DIRECTORS AND OFFICERS*

Section 145 of the DGCL, as amended, provides in regard to indemnification of directors and officers as follows:

§ 145. Indemnification of officers, directors, employees and agents; insurance

(a) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this section, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under subsections (a) and (b) of this section (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of this section. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

(e) Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this section. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

(g) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under this section.

(h) For purposes of this section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this section with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan

shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this section.

(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(k) The Court of Chancery is hereby vested with exclusive jurisdiction to hear and determine all actions for advancement of expenses or indemnification brought under this section or under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. The Court of Chancery may summarily determine a corporation's obligation to advance expenses (including attorneys' fees).

Article VII of American Airlines, Inc.'s by-laws provide in regard to indemnification of directors and officers as follows:

SECTION 1. *Nature of Indemnity.* The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was or has agreed to become a director or officer of the corporation, or is or was serving or has agreed to serve at the request of the corporation as a director or officer, of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, and may indemnify any person who was or is a party or is threatened to be made a party to such an action by reason of the fact that he is or was or has agreed to become an employee or agent of the corporation, or is or was serving or has agreed to serve at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful; except that in the case of an action or suit by or in the right of the corporation to procure a judgment in its favor (1) such indemnification shall be limited to expenses (including attorneys' fees) actually and reasonably incurred by such person in the defense or settlement of such action or suit, and (2) no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. *Successful Defense.* To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section l hereof or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 3. *Determination That Indemnification Is Proper.* (a) Any indemnification of a director or officer of the corporation under Section l hereof (unless ordered by a court) shall be made by the corporation unless a determination is made that indemnification of the director or officer is not proper in the circumstances because he has not met the applicable standard of conduct set forth in Section l hereof.

Such determination shall be made, with respect to a director or officer, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

(b) Any indemnification of an employee or agent of the corporation (who is not also a director or officer of the corporation) under Section l hereof (unless ordered by a court) may be made by the corporation upon a determination that indemnification of the employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section l hereof. Such determination, in the case of an employee or agent, may be made (1) in accordance with the procedures outlined in the second sentence of Section 3(a), or (2) by an officer of the corporation, upon delegation of such authority by a majority of the Board of Directors.

SECTION 4. *Advance Payment of Expenses.* Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this Article. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate. The board of directors may authorize the corporation's counsel to represent a director, officer, employee or agent in any action, suit or proceeding, whether or not the corporation is a party to such action, suit or proceeding.

SECTION 5. *Procedure for Indemnification of Directors or Officers.* Any indemnification of a director or officer of the corporation under Sections l and 2, or advance of costs, charges and expenses of a director or officer under Section 4 of this Article, shall be made promptly, and in any event within 60 days, upon the written request of the director or officer. If the corporation fails to respond within 60 days, then the request for indemnification shall be deemed to be approved. The right to indemnification or advances as granted by this Article shall be enforceable by the director or officer in any court of competent jurisdiction if the corporation denies such request, in whole or in part. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under Section 4 of this Article where the required undertaking, if any, has been received by the corporation) that the claimant has not met the standard of conduct set forth in Section l of this Article, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors or a committee thereof, its independent legal counsel, and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in Section l of this Article, nor the fact that there has been an actual determination by the corporation (including its board of directors or a committee thereof, its independent legal counsel, and its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

SECTION 6. *Survival; Preservation of Other Rights.* The foregoing indemnification provisions shall be deemed to be a contract between the corporation and each director, officer, employee and agent who serves in such capacity at any time while these provisions as well as the relevant provisions of the Delaware Corporation Law are in effect and any repeal or modification thereof shall not affect any right or obligation then existing with respect to any state of facts then or previously existing or any action, suit, or proceeding previously or thereafter brought or threatened based in whole or in part upon any such state of facts. Such a "contract right" may not be modified retroactively without the consent of such director, officer, employee or agent.

The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7. *Insurance.* The corporation shall purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him or on his behalf in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article, provided that such insurance is available on acceptable terms, which determination shall be made by a vote of a majority of the entire board of directors.

SECTION 8. *Savings Clause.* If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director or officer and may indemnify each employee or agent of the corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the corporation, to the full extent permitted by any applicable portion of this Article that shall not have been invalidated and to the full extent permitted by applicable law.

Section 102(b)(7) of the DGCL, as amended, provides in regard to the limitation of liability of directors and officers as follows:

(b) In addition to the matters required to be set forth in the certificate of incorporation by subsection (a) of this section, the certificate of incorporation may also contain any or all of the following matters:

(7) A provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director: (i) For any breach of the director's duty of loyalty to the corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under § 174 of this title; or (iv) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective. All references in this paragraph to a director shall also be deemed to refer (x) to a member of the governing body of a corporation which is not authorized to issue capital stock, and (y) to such other person or persons, if any, who, pursuant to a provision of the certificate of incorporation in accordance with § 141(a) of this title, exercise or perform any of the powers or duties otherwise conferred or imposed upon the board of directors by this title.

Article Ninth of American Airlines, Inc.'s certificates of incorporation provide in regard to the limitation of liability of directors and officers as follows:

NINTH: No director of the corporation shall be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

American Airlines, Inc.'s directors and officers are also insured against claims arising out of the performance of their duties in such capacities.

ITEM 15. ***RECENT SALES OF UNREGISTERED SECURITIES***

On July 31, 2009, we issued and privately placed $276,400,000 aggregate principal amount of 13% 2009-2 Secured Notes due 2016, or the 2016 Notes. The Initial Purchasers for the 2016 Notes were Morgan Stanley & Co. Incorporated and Stifel, Nicolaus & Company, Incorporated. The 2016 Notes were sold to qualified institutional investors pursuant to Rule 144A under the Securities Act, to persons outside the United States in compliance with Regulation S under the Securities Act and to a limited number of institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act in compliance with Regulation D under the Securities Act . The sale of the 2016 Notes to the Initial Purchasers was exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof. The issue price of the 2016 Notes was 100% and we paid the Initial Purchasers underwriting fees, discounts, commissions or other compensation of $3,316,800.

On October 9, 2009, we completed the offering of $450,000,000 aggregate principal amount of 10.5% Senior Secured Notes due 2012, or the 2012 Notes, which are guaranteed by AMR. The Initial Purchasers for the 2012 Notes were Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Morgan Stanley & Co. Incorporated. The 2012 Notes were sold to qualified institutional investors pursuant to Rule 144A under the Securities Act and to persons outside the United States in compliance with Regulation S under the Securities Act. The sale of the 2012 Notes to the Initial Purchasers was exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof. The issue price of the 2012 Notes was 99.355% and we paid the Initial Purchasers underwriting fees, discounts, commissions or other compensation of $11,200,500.

ITEM 16. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

Exhibits.

A list of Exhibits filed herewith is contained on the Exhibit Index and is incorporated herein by reference.

ITEM 17. ***UNDERTAKINGS***

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(b) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(c) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offering therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining liability under the Securities Act of 1933 to any purchaser:

(a) Each prospectus filed pursuant to Rule 424(b) as part of the registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(a) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(b) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(c) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(d) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, American Airlines, Inc. has duly caused this Amendment No. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Fort Worth, State of Texas, on November 12, 2009.

AMERICAN AIRLINES, INC.

By: /s/ Gary F. Kennedy
GARY F. KENNEDY
Senior Vice President, General Counsel
and Chief Compliance Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the registration statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	Chairman, President and Chief Executive Officer (Principal Executive Officer)	
Gerard J. Arpey		
*	Executive Vice President — Finance and Planning and Chief Financial Officer (Principal Financial and Accounting Officer)	
Thomas W. Horton		
*	Director	
John W. Bachmann		
*	Director	
David L. Boren		
*	Director	
Armando M. Codina		
*	Director	
Rajat K. Gupta		
*	Director	
Alberto Ibargüen		

Signature	Title	Date
*	Director	
Ann McLaughlin Korologos		
*	Director	
Michael A. Miles		
*	Director	
Philip J. Purcell		
*	Director	
Ray M. Robinson		
*	Director	
Judith Rodin		
*	Director	
Matthew K. Rose		
*	Director	
Roger T. Staubach		
*By: /s/ Gary F. Kennedy	Attorney-in-fact	November 12, 2009
Gary F. Kennedy		

EXHIBIT INDEX

Exhibit Number	Description of Document
3.1	Restated Certificate of Incorporation of American Airlines, Inc., as amended, incorporated by reference to Exhibit 3.1 to American's report on Form 10-Q for the quarter ended September 30, 2003.
3.2	Bylaws of American Airlines, Inc., amended January 22, 2003, incorporated by reference to Exhibit 10.3 to American's report on Form 10-K for the year ended December 31, 2002.
4.1	Indenture and Security Agreement, dated as of July 31, 2009, between American Airlines, Inc. and U.S. Bank Trust National Association, as Trustee.*
4.2	Aircraft Security Agreement, dated as of October 19, 2009, among American Airlines, Inc., U.S. Bank Trust National Association, as Trustee and U.S. Bank Trust National Association, as Security Agent.
4.3	Form of American Airlines, Inc. 13.0% 2009-2 Secured Note due 2016.*
4.4	Registration Rights Agreement, dated July 31, 2009, between American Airlines, Inc. and Morgan Stanley & Co. Incorporated as representative of the several initial purchasers.*
5.1	Opinion of Gary F. Kennedy, Senior Vice President, General Counsel and Chief Compliance Officer of American Airlines, Inc.*
10.1	Information Technology Services Agreement, dated July 1, 1996, between American Airlines, Inc. and The Sabre Group, Inc., incorporated by reference to Exhibit 10.6 to The Sabre Group Holdings, Inc.'s Registration Statement on Form S-1, file number 333-09747. Confidential treatment was granted as to a portion of this document.
10.2	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Gerard J. Arpey, dated May 21, 1998, incorporated by reference to Exhibit 10.61 to AMR's report on Form 10-K for the year ended December 31, 1998.
10.3	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Peter M. Bowler, dated May 21, 1998, incorporated by reference to Exhibit 10.63 to AMR's report on Form 10-K for the year ended December 31, 1998.
10.4	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Daniel P. Garton, dated May 21, 1998, incorporated by reference to Exhibit 10.66 to AMR's report on Form 10-K for the year ended December 31, 1998.
10.5	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Monte E. Ford, dated November 15, 2000, incorporated by reference to Exhibit 10.74 to AMR's report on Form 10-K for the year ended December 31, 2000.
10.6	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Henry C. Joyner, dated January 19, 2000, incorporated by reference to Exhibit 10.74 to AMR's report on Form 10-K for the year ended December 31, 1999.
10.7	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and William K. Ris, Jr., dated October 20, 1999, incorporated by reference to Exhibit 10.79 to AMR's report on Form 10-K for the year ended December 31, 1999.
10.8	Form of Amendment to Executive Termination Benefits Agreement dated January 1, 2005, incorporated by reference to Exhibit 10.9 to American's report on Form 10-K for the year ended December 31, 2008.
10.9	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Gary F. Kennedy dated February 3, 2003, incorporated by reference to Exhibit 10.55 to AMR's report on Form 10-K for the year ended December 31, 2002.
10.10	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Robert W. Reding dated May 20, 2003, incorporated by reference to Exhibit 10.71 to AMR's report on Form 10-K for the year ended December 31, 2003.
10.11	Employment agreement between AMR, American Airlines and William K. Ris, Jr. dated November 11, 1999, incorporated by reference to Exhibit 10.73 to AMR's report on Form 10-K for the year ended December 31, 2003.

Exhibit Number	Description of Document
10.12	Employment agreement between AMR, American Airlines and Robert W. Reding dated May 21, 2003, incorporated by reference to Exhibit 10.94 to AMR's report on Form 10-K for the year ended December 31, 2004.
10.13	Amendment of employment agreement between AMR, American Airlines and Thomas W. Horton dated July 15, 2008, incorporated by reference to Exhibit 10.5 to AMR's report on Form 10-Q for the quarterly period ended June 30, 2008.
10.14	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Jeffrey J. Brundage dated April 1, 2004, incorporated by reference to Exhibit 10.5 to AMR's report on Form 10-Q for the quarterly period ended March 31, 2004.
10.15	Supplemental Executive Retirement Program for Officers of American Airlines, Inc., as amended and restated as of January 1, 2005, incorporated by reference to Exhibit 10.16 to American's report on Form 10-K for the year ended December 31, 2008.
10.16	Aircraft Purchase Agreement by and between American Airlines, Inc. and The Boeing Company, dated October 31, 1997, incorporated by reference to Exhibit 10.48 to AMR Corporation's report on Form 10-K for the year ended December 31, 1997. Confidential treatment was granted as to a portion of this document.
10.17	Letter Agreement dated November 17, 2004 and Purchase Agreement Supplements dated January 11, 2005 between the Boeing Company and American Airlines, Inc., incorporated by reference to Exhibit 10.99 to AMR's report on Form 10-K for the year ended December 31, 2004. Confidential treatment was granted as to a portion of these agreements.
10.18	Letter Agreement between the Boeing Company and American Airlines, Inc. dated May 5, 2005, incorporated by reference to Exhibit 10.7 to AMR's report on Form 10-Q for the quarterly period ended June 30, 2005. Confidential treatment was granted as to a portion of this agreement.
10.19	Trust Agreement Under Supplemental Retirement Program for Officers of American Airlines, Inc., as amended and restated as of June 1, 2007, incorporated by reference to Exhibit 10.20 to American's report on Form 10-K for the year ended December 31, 2008.
10.20	Trust Agreement Under Supplemental Executive Retirement Program for Officers of American Airlines, Inc. Participating in the $uper $aver Plus Plan, as amended and restated as of June 1, 2007, incorporated by reference to Exhibit 10.21 to American's report on Form 10-K for the year ended December 31, 2008.
10.21	2009 Annual Incentive Plan for American, incorporated by reference to Exhibit 99.1 to AMR's current report on Form 8-K dated January 23, 2009.
10.22	Purchase Agreement Supplement by and between American Airlines, Inc. and The Boeing Company, dated August 17, 2007, incorporated by reference to Exhibit 10.24 to American's report on Form 10-K for the year ended December 31, 2007. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.
10.23	Purchase Agreement Supplement by and between American Airlines, Inc. and The Boeing Company, dated November 20, 2007, incorporated by reference to Exhibit 10.25 to American's report on Form 10-K for the year ended December 31, 2007. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.
10.24	Purchase Agreement Supplement by and between American Airlines, Inc. and The Boeing Company, dated December 10, 2007, incorporated by reference to Exhibit 10.26 to American's report on Form 10-K for the year ended December 31, 2007. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.
10.25	Purchase Agreement Supplement by and between American Airlines, Inc. and The Boeing Company, dated January 20, 2008, incorporated by reference to Exhibit 10.27 to American's report on Form 10-K for the year ended December 31, 2007. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.

Exhibit Number	Description of Document
10.26	Purchase Agreement Supplement by and between American Airlines, Inc. and The Boeing Company, dated February 11, 2008, incorporated by reference to Exhibit 10.28 to American's report on Form 10-K for the year ended December 31, 2007. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.
10.27	Purchase Agreement No. 3219 between American Airlines, Inc. and The Boeing Company, dated as of October 15, 2008, incorporated by reference to Exhibit 10.29 to American's report on Form 10-K for the year ended December 31, 2008. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.
10.28	Form of Stock Appreciation Right Agreement (with awards effective July 20, 2009 to executive officers noted), incorporated by reference to Exhibit 10.1 to American's report on Form 10-Q for the quarterly period ended June 30, 2009.
10.29	Form of 2009 Deferred Share Award Agreement (with awards effective July 20, 2009 to executive officers noted), incorporated by reference to Exhibit 10.2 to American's report on Form 10-Q for the quarterly period ended June 30, 2009.
10.30	Form of Performance Share Agreement under the 2009 - 2011 Performance Share Plan for Officers and Key Employees and the 2009 - 2011 Performance Share Plan for Officers and Key Employees (with awards effective July 20, 2009 to executive officers noted) , incorporated by reference to Exhibit 10.3 to American's report on Form 10-Q for the quarterly period ended June 30, 2009.
10.31	AMR Corporation 2009 Long Term Incentive Plan (approved by shareholders at AMR's May 20, 2009 Annual Meeting of stockholders), incorporated by reference to Exhibit 10.4 to American's report on Form 10-Q for the quarterly period ended June 30, 2009.
10.32	Purchase Agreement No. 1977 Supplement No. 32 dated as of June 9, 2009, incorporated by reference to Exhibit 10.5 to American's report on Form 10-Q/A for the quarterly period ended June 30, 2009, filed on November 6, 2009. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.
12.1	Statement regarding computation of ratio of earnings to fixed charges for each year in the five-year period ended December 31, 2008, incorporated by reference to Exhibit 12 to American's report on Form 10-K for the year ended December 31, 2008.
12.2	Statement regarding computation of ratio of earnings to fixed charges for the three and nine months ended September 30, 2009 and 2008, incorporated by reference to Exhibit 12 to American's report on Form 10-Q for the quarterly period ended September 30, 2009.
23.1	Consent of Ernst & Young LLP.
23.2	Consent of Gary F. Kennedy, Senior Vice President, General Counsel and Chief Compliance Officer of American Airlines, Inc. (included in Exhibit 5.1).*
23.3	Consent of Aircraft Information Services, Inc.*
23.4	Consent of BK Associates, Inc.*
23.5	Consent of Morten Beyer & Agnew, Inc.*
24.1	Power of Attorney.*
25.1	Statement of Eligibility of U.S. Bank Trust National Association, as Trustee, on Form T-1.*
99.1	Form of Letter of Transmittal.*
99.2	Form of Notice of Guaranteed Delivery.*
99.3	Form of Letter to Nominee.*
99.4	Form of Letter to Clients.*
99.5	Form of Instructions to Registered Holder and/or Book-Entry Transfer Participant from Beneficial Owner.*

* Previously filed.

AIRCRAFT SECURITY AGREEMENT

Dated as of October 19, 2009

among

AMERICAN AIRLINES, INC.,

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly stated herein, but solely
as Security Agent

and

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly stated herein, but solely
as Trustee

Up to Nine Boeing 737-823 Aircraft
(Generic Manufacturer and Model BOEING 737-800),
Up to One Boeing 767-323ER Aircraft
(Generic Manufacturer and Model BOEING 767-300) and
Up to Two Boeing 777-223ER Aircraft
(Generic Manufacturer and Model BOEING 777-200)

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AIRCRAFT SECURITY AGREEMENT

This AIRCRAFT SECURITY AGREEMENT, dated as of October 19, 2009, is made by and among AMERICAN AIRLINES, INC., a Delaware corporation (together with its successors and permitted assigns, the "Company"), U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, except as expressly stated herein, but solely as security agent hereunder (together with its permitted successors in such capacity hereunder, the "Security Agent") and U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, except as expressly stated herein, but solely as trustee under the Indenture (such term and other capitalized terms used herein without definition being defined as provided in Article I) (together with its permitted successors in such capacity under the Indenture, the "Trustee").

WITNESSETH:

WHEREAS, the Company and the Trustee are parties to the Indenture providing for the issuance of certain Notes by the Company;

WHEREAS, the parties desire by this Aircraft Security Agreement, among other things, to provide for the assignment, mortgage and pledge by the Company to the Security Agent (for the benefit and security of the Noteholders and the Indemnitees), as part of the Aircraft Collateral hereunder, among other things, of all of the Company's estate, right, title and interest in and to the Aircraft, to secure, among other things, certain obligations of the Company under the Indenture and the Notes; and

WHEREAS, all things necessary to make this Aircraft Security Agreement 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 (i) the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, interest on (including interest on any overdue amounts), and Make-Whole Amount, if any, with respect to, and all other amounts due under, the Notes, (ii) all other amounts payable by the Company under the Operative Documents and (iii) 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 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 Noteholders and the Indemnitees to the Company at or before the initial

Aircraft Closing Date, the receipt and adequacy of which are hereby acknowledged, the Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto the Security Agent and its successors in trust and permitted assigns, for the security and benefit of the Noteholders and the 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 (which, collectively, together with all property hereafter specifically subject to the Lien of this Aircraft Security Agreement by the terms hereof or any supplement hereto, are included within, and are referred to as, the "Aircraft Collateral"):

(1) each Aircraft, including the Airframe and the Engines relating thereto, whether or not any such Engine may from time to time be installed on the related Airframe, any other 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, each such 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 (each such Airframe and Engines as more particularly described in the applicable Aircraft Security Agreement Supplement executed and delivered with respect to the applicable Aircraft on the applicable Aircraft Closing Date for such Aircraft 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 at any time required to be maintained with respect to such Aircraft in accordance with the rules and regulations of the FAA if such Aircraft is registered under the laws of the United States or the rules and regulations of the government of the country of registry if such Aircraft is registered under the laws of a jurisdiction other than the United States;

(2) the Warranty Rights relating to each Aircraft, together with all rights, powers, privileges, options and other benefits of the Company under the same;

(3) all requisition proceeds with respect to each Aircraft, or the Airframe, any Engine or any Part of such Aircraft, and all insurance proceeds with respect to each Aircraft, or the Airframe, any Engine or any Part of such Aircraft, but excluding all proceeds of, and rights under, any insurance maintained

by the Company and not required, or in excess of that required, under Section 7.06(b);

(4) all rents, revenues and other proceeds collected by the Security Agent pursuant to Section 4.02(a), all moneys and securities from time to time paid or deposited or required to be paid or deposited to or with the Security Agent 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 Security Agent hereunder or thereunder, including the Aircraft Securities Account and all monies and securities deposited into the Aircraft Securities Account; 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 Security Agent, (i) to quiet enjoyment of each Aircraft, Airframe, Part and Engine, and to possess, use, retain and control each Aircraft, Airframe, Part and Engine and all revenues, income and profits derived therefrom and (ii) with respect to the Warranty Rights relating to each Aircraft, to exercise in the Company's name all rights and powers of the Buyer (as defined in the applicable Aircraft Purchase Agreement) under such Warranty Rights and to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity or other obligation under such Warranty Rights; provided, further, that notwithstanding the occurrence and continuation of an Event of Default, the Security Agent shall not enter into any amendment or modification of any Aircraft 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 Security Agent, and its successors and permitted assigns, in trust for the equal and proportionate benefit and security of the Noteholders and the Indemnitees, except as otherwise provided in this Aircraft Security Agreement or the Indenture, including Section 2.13 of the Indenture, the definition of "Outstanding" and Article III of the Indenture, without any priority of any one 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 Aircraft Security Agreement and the Indenture.

It is expressly agreed that notwithstanding anything herein to the contrary, the Company shall remain liable under each Aircraft Purchase Agreement to perform all of its obligations thereunder, and, except to the extent expressly provided in any Operative

Document, none of any Noteholder, the Security Agent or any other Indemnitee shall be required or obligated in any manner to perform or fulfill any obligations of the Company under or pursuant to any Operative Document, or to have any obligation or liability under any Aircraft Purchase Agreement by reason of or arising out of the assignment hereunder, 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 any Aircraft Purchase Agreement), the Noteholders, the Security Agent and the other Indemnitees confirm for the benefit of the Manufacturer that in exercising any rights under the Warranty Rights relating to any Aircraft, or in making any claim with respect to any such Aircraft or other goods and services delivered or to be delivered pursuant to the related Aircraft Purchase Agreement, the terms and conditions of such Aircraft Purchase Agreement relating to such Warranty Rights, including, without limitation, the warranty disclaimer provisions for the benefit of the Manufacturer, shall apply to and be binding upon the Noteholders, the Security Agent and the other 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 relating to any Aircraft directly to the Security Agent 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 any Aircraft Purchase Agreement or modify in any respect the contract rights of the Manufacturer thereunder except as provided in the applicable Manufacturer's Consent.

Subject to the terms and conditions hereof, the Company does hereby irrevocably constitute the Security Agent 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 for, 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 any Aircraft Purchase Agreement (to the extent assigned hereby), and all other property which now or hereafter constitutes part of the Aircraft 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 Security Agent may deem to be necessary or advisable in the premises; provided that the Security Agent 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 Security

Agent any and all monies from time to time received by the Company constituting part of the Aircraft Collateral, for distribution by the Security Agent pursuant to this Aircraft Security Agreement.

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 Aircraft Security Agreement 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 Security Agent, 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 Security Agent, 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 Security Agent 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 Security Agent 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 Aircraft Security Agreement, unless the context otherwise requires, capitalized terms used but not defined herein have the respective meanings set forth or incorporated by reference in **Annex A**.

Section 1.02. Other Definitional Provisions.

(a) Singular and Plural. The definitions stated herein and in **Annex A** apply equally to both the singular and the plural forms of the terms defined.

(b) References to Parts. All references in this Aircraft Security 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 Aircraft Security Agreement, unless otherwise specifically stated.

(c) Reference to the Whole. The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Aircraft Security Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision.

(d) Including Without Limitation. 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".

(e) Reference to Government. All references in this Aircraft Security Agreement to a "government" are to such government and any instrumentality or agency thereof.

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES, ETC.

Section 2.01. Representations and Warranties of the Company. As of the date hereof and as of each Aircraft Closing Date, if any, following the date hereof, with respect to each Aircraft subjected to the Lien of this Aircraft Security Agreement on such date, the Company represents and warrants that:

(a) Organization; Authority; Qualification. 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 this Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft and the applicable Manufacturer's Consent relating to such Aircraft and is duly qualified to do business as a foreign corporation in good standing in each other jurisdiction in which the failure to so qualify would have a material adverse effect on the consolidated financial condition of the Company and its subsidiaries, considered as a whole, and its jurisdiction of organization (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the State of Delaware) is Delaware.

(b) Corporate Action and Authorization; No Violations. The execution, delivery and performance by the Company of this Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft and the applicable Manufacturer's Consent relating to such Aircraft 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 this Aircraft Security Agreement or 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) Governmental Approvals. Neither the execution and delivery by the Company of this Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft or the applicable Manufacturer's Consent relating to such Aircraft, 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, or the International Registry, except for (i) the orders, permits, waivers, exemptions, authorizations and approvals of the regulatory authorities having jurisdiction over the Company's ownership or use of such Aircraft required to be obtained on or prior to such date, which orders, permits, waivers, exemptions, authorizations and approvals have been duly obtained and are, or on such date will be, in full force and effect, (ii) the filings referred to in Section 2.01(e), (iii) authorizations, consents, approvals, notices and filings required to be obtained, taken, given or made under securities or Blue Sky or similar laws of the various states and foreign jurisdictions, and (iv) consents, approvals, notices, registrations and other actions required to be obtained, given, made or taken only after such date.

(d) Valid and Binding Agreements. This Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft and the applicable Manufacturer's Consent relating to such Aircraft 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 as limited by applicable laws that may affect the remedies provided in this Aircraft Security Agreement, which laws, however, do not make the remedies provided in this Aircraft Security Agreement inadequate for the practical realization of the rights and benefits intended to be provided thereby.

(e) Filings and Recordation. Except for (i) the filing for recordation pursuant to the Transportation Code of (x) in the case of filings on the date hereof, this Aircraft Security Agreement (with the applicable Aircraft Security Agreement Supplement describing such Aircraft attached) and (y) in the case of filings on any subsequent Aircraft Closing Date, the applicable Aircraft Security Agreement Supplement describing such Aircraft, (ii) with respect to the security interests created by this Aircraft Security Agreement, together with the applicable Aircraft Security Agreement Supplement describing such Aircraft, the filing of financing statements (and continuation statements at periodic intervals) under the Uniform Commercial Code of the State of Delaware, and (iii) the registration on the International Registry of the International Interests (or Prospective International Interests) created under this Aircraft Security Agreement (as supplemented by the applicable Aircraft Security Supplement describing such Aircraft), 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 such date in order to establish and perfect the security interest in such Aircraft created under this Aircraft Security Agreement in favor of the Security Agent as against the Company and any third parties in any applicable jurisdiction in the United States.

(f) Title. The Company has good title to such Aircraft, free and clear of Liens other than Permitted Liens. Such Aircraft has been duly certified by the FAA as to type and airworthiness in accordance with the terms of the Indenture. In the case of the date hereof, this Aircraft Security Agreement (with the applicable Aircraft Security Agreement Supplement describing such Aircraft attached), or, in the case of any subsequent Aircraft Closing Date, the applicable Aircraft Security Agreement Supplement describing such Aircraft, as applicable, 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. Such Aircraft is duly registered with the FAA in the name of the Company.

(g) Section 1110. The Security Agent is entitled to the benefits of Section 1110 with respect to such Aircraft.

(h) Security Interest. This Aircraft Security Agreement creates in favor of the Trustee, for the benefit of the Noteholders and the Indemnitees, a valid and perfected Lien on such Aircraft, subject to no Lien, except Permitted Liens. There are no Liens of record with the FAA on such Aircraft on such date other than the Lien of this Aircraft Security Agreement. Other than (x) the International Interests (or Prospective International Interests) created under this Aircraft Security Agreement (as supplemented by the applicable Aircraft Security Agreement Supplement describing such Aircraft) and (y) any International Interests (or Prospective International Interests) that appear on the International Registry as having been discharged, no International Interests with respect to such Aircraft have been registered on the International Registry as of such date.

Section 2.02. Representations, Warranties and Covenants of U.S. Bank. As of the date hereof and as of each Aircraft Closing Date, if any, following the date hereof, with respect to each Aircraft subjected to the Lien of this Aircraft Security Agreement on such date, each of U.S. Bank, generally, and each of the Security Agent and the Trustee, as it relates to it, represents, warrants and covenants that:

(a) Organization; Authority. U.S. Bank 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 Security Agent under Section 8.01 of this Aircraft Security Agreement, will promptly comply with Section 8.01(a) of this Aircraft Security Agreement and has full power, authority and legal right to enter into and perform its obligations under this Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft and the applicable Manufacturer's Consent relating to such Aircraft. U.S. Bank is a Citizen of the United States (without the use of a voting trust agreement), and will resign as the Security Agent under this Aircraft Security Agreement promptly after it obtains actual knowledge that it has ceased to be such a Citizen of the United States.

(b) Due Authorization; No Violations. The execution, delivery and performance by U.S. Bank, individually or in its capacity as Security Agent or Trustee, as the case may be, of this Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft and the applicable Manufacturer's Consent relating to such Aircraft, to the extent it is a party thereto, the performance by U.S. Bank, individually or in its capacity as Security Agent or Trustee, as the case may be, of its obligations hereunder and, to the extent it is a party thereto, thereunder and the consummation on such date of the transactions contemplated hereby and (to the extent it is a party thereto)

thereby: (i) have been duly authorized by all necessary action on the part of U.S. Bank, the Security Agent or the Trustee, as the case may be, (ii) and do not violate any law or regulation of the United States or of the state of the United States in which U.S. Bank is located and which governs the banking and trust powers of U.S. Bank or any order, writ, judgment or decree of any court, arbitrator or governmental authority applicable to U.S. Bank, the Security Agent, the Trustee or any of their assets, (iii) will not violate any provision of the articles of association or by-laws of U.S. Bank and (iv) will not violate any provision of, or constitute a default under, any mortgage, indenture, contract, agreement or undertaking to which any of U.S. Bank, the Security Agent or the Trustee is a party or by which any of them or their respective properties may be bound or affected.

(c) Approvals. Neither the execution and delivery by U.S. Bank, individually or in its capacity as Security Agent or Trustee, as the case may be, of this Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft or the Manufacturer's Consent relating to such Aircraft, to the extent it is a party thereto, nor the consummation by U.S. Bank, the Security Agent or the Trustee of any of the transactions contemplated hereby or (to the extent it is a party thereto) 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, (i) any governmental authority or agency of the United States or the state of the United States where U.S. Bank is located and regulating the banking and trust powers of U.S. Bank, or (ii) any trustee or other holder of any debt of U.S. Bank.

(d) Valid and Binding Agreements. This Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft and the applicable Manufacturer's Consent relating to such Aircraft have been duly executed and delivered by, to the extent it is a party thereto, U.S. Bank, individually and in its capacity as Security Agent and Trustee and, to the extent it is a party thereto, constitute the legal, valid and binding obligations of U.S. Bank, the Security Agent and the Trustee, as the case may be, 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) No Security Agent Liens. It unconditionally agrees with and for the benefit of the Company that it will not directly or indirectly create, incur, assume or suffer to exist any Security Agent 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.

(f) Certain Tax Matters. There are no Taxes payable by U.S. Bank, the Security Agent or the Trustee imposed by the Commonwealth of Massachusetts or any political subdivision or taxing authority thereof, in connection with the execution, delivery or performance by U.S. Bank or the Security Agent of this Aircraft Security Agreement or any Aircraft Security Agreement Supplement, to the extent it is a party thereto (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 hereby or, if applicable, thereby).

(g) No Proceedings. There are no pending or, to its knowledge, threatened actions or proceedings against U.S. Bank, the Security Agent or the 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 U.S. Bank, the Security Agent or the Trustee to perform its obligations under this Aircraft Security Agreement, the applicable Aircraft Security Agreement Supplement describing such Aircraft or, to the extent it is a party thereto, the Manufacturer's Consent relating to such Aircraft.

ARTICLE III

CERTAIN PAYMENTS

Section 3.01. Payments After Event of Default. Except as otherwise provided in Section 3.02, all payments received and amounts held or realized by the Security Agent (including any amounts realized by the Security Agent from the exercise of remedies pursuant to Article IV) after both an Event of Default shall have occurred and be continuing and the Notes shall have become due and payable pursuant to Section 4.02(a) of the Indenture (and the relevant declaration shall not have been rescinded and annulled pursuant to Section 4.02(d) of the Indenture), as well as all payments or amounts then held by the Security Agent as part of the Aircraft Collateral, shall be promptly distributed by the Security Agent to the Trustee to be applied in accordance with Section 3.03 of the Indenture.

Section 3.02. Certain Payments.

(a) Distributions by the Security Agent. Any payments or amounts received by the Security Agent for which provision as to the distribution, application or holding

thereof is made in this Aircraft Security Agreement other than in this Article III (except for any provision of this Aircraft Security Agreement, with respect to any payments or amounts, expressly stating that such payments or amounts shall be distributed, applied or held, as the case may be, by the Trustee) shall be distributed, applied or held, as the case may be, by the Security Agent as provided in those provisions.

(b) Distributions by the Trustee. Any payments or amounts received by the Security Agent not constituting part of the Aircraft Collateral or otherwise for which no provision as to the distribution, application or holding thereof is made in this Aircraft Security Agreement or for which a provision as to the distribution, application or holding thereof is made in the Indenture shall be distributed by the Security Agent to the Trustee to be distributed, applied or held, as the case may be, in accordance with the Indenture or another Operative Document, if applicable.

(c) Amounts to be Paid Over. Any payments or amounts received by the Trustee for which provision as to the distribution, application or holding thereof is made in this Aircraft Security Agreement (except for any provision of this Aircraft Security Agreement, with respect to any payments or amounts, expressly stating that such payments or amounts shall be distributed, applied or held by the Trustee), or for which any other Operative Document provides that such payments or amounts are to be distributed, applied or held by the Security Agent, shall be paid by the Trustee over to the Security Agent to be distributed, applied or held, as the case may be, by the Security Agent in accordance with this Aircraft Security Agreement or such other Operative Document, if applicable.

(d) Amounts Payable to the Company. Without limiting any of the foregoing, any payments or amounts received by the Security Agent or the Trustee which are payable to the Company pursuant to any of the provisions of this Aircraft Security Agreement other than those set forth in this Article III (including Section 5.06, Section 7.05(c) and Section 7.06(d) hereof) shall be paid by the Security Agent or the Trustee, as the case may be, to the Company.

Section 3.03. Payments by the Company. Except to the extent expressly provided herein, all amounts payable by the Company hereunder shall be payable by the Company to the Security Agent at the Corporate Trust Office of the Security Agent. The Company shall not have any responsibility for the distribution of any such payment to the Trustee or any Noteholder, if applicable.

Section 3.04. Payments to the Company. Any amounts payable hereunder by the Security Agent or the Trustee to the Company shall be paid to the Company by wire transfer of funds of the type received by the Security Agent or the Trustee, as the case

may be, 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 Security Agent or the Trustee, as the case may be, from time to time.

Section 3.05. Aircraft Securities Account. U.S. Bank agrees to act as an Eligible Institution under this Aircraft Security Agreement in accordance with the provisions of this Aircraft Security Agreement (in such capacity, the "Aircraft Securities Intermediary"). Except in its capacity as Security Agent, U.S. Bank waives any claim or lien against any Eligible Account it may have, by operation of law or otherwise, for any amount owed to it by the Company. The Aircraft Securities Intermediary hereby agrees that, notwithstanding anything to the contrary in this Aircraft Security Agreement, (i) any monies (including for the purpose of this Section 3.05 any cash received by the Security Agent pursuant to Section 7.05(c) or Section 7.06(d) or otherwise) held by the Security Agent hereunder as part of the Aircraft Collateral, any investment earnings thereon or other Permitted Investments in which such amounts are invested will be credited to an Eligible Account (the "Aircraft Securities Account") for which it is a "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC) and the Security Agent is the "entitlement holder" (as defined in Section 8-102(a)(7) of the NY UCC) of the "security entitlement" (as defined in Section 8-102(a)(17) of the NY UCC) with respect to each "financial asset" (as defined in Section 8-102(a)(9) of the NY UCC) credited to such Eligible Account, (ii) all such amounts, Permitted Investments and all other property acquired with cash credited to the Aircraft Securities Account will be credited to the Aircraft Securities Account, (iii) all items of property (whether cash, investment property, Permitted Investments, other investments, securities, instruments or other property) credited to the Aircraft Securities Account will be treated as a "financial asset" under Article 8 of the NY UCC, (iv) its "securities intermediary's jurisdiction" (as defined in Section 8-110(e) of the NY UCC) with respect to the Aircraft Securities Account is the State of New York, and (v) all securities, instruments and other property in order or registered form and credited to the Aircraft Securities Account shall be payable to or to the order of, or registered in the name of, the Aircraft Securities Intermediary or shall be indorsed to the Aircraft Securities Intermediary or in blank, and in no case whatsoever shall any financial asset credited to the Aircraft Securities Account be registered in the name of the Company, payable to or to the order of the Company or specially indorsed to the Company except to the extent the foregoing have been specially indorsed by the Company to the Aircraft Securities Intermediary or in blank. The Security Agent agrees that it will hold (and will indicate clearly in its books and records that it holds) its "security entitlements" to the "financial assets" credited to the Aircraft Securities Account in trust for the benefit and security of the Noteholders and the Indemnitees as part of the Aircraft Collateral as set forth in this Aircraft Security Agreement. The Company acknowledges that, by reason of the Security Agent being the

"entitlement holder" in respect of the Aircraft Securities Account as provided above, the Security Agent shall have the sole right and discretion, subject only to the terms of this Aircraft Security Agreement, to give all "entitlement orders" (as defined in Section 8-102(a)(8) of the NY UCC) with respect to the Aircraft Securities Account and any and all financial assets and other property credited thereto to the exclusion of the Company. If any Person asserts any Lien (including, without limitation, any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Aircraft Securities Account or any financial asset carried therein, U.S. Bank will promptly notify the Security Agent and the Company thereof.

ARTICLE IV

AIRCRAFT SECURITY EVENTS OF DEFAULT; REMEDIES OF SECURITY AGENT

Section 4.01. Aircraft Security Events of Default. Each of the following events shall constitute an "Aircraft Security Event of Default" whether such event shall be voluntary or involuntary or shall 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 Aircraft Security Event of Default shall be deemed to exist and continue so long as, but only as long as, it shall not have been remedied or explicitly waived:

(a) the Company shall fail to make payment when the same shall become due of any amount due to the Security Agent under this Aircraft Security Agreement, and such failure shall continue unremedied for 30 days after the receipt by the Company of written notice thereof from the Security Agent or the Trustee;

(b) the Company shall fail to carry and maintain (or cause to be maintained) insurance or indemnity on or with respect to any Aircraft in accordance with the provisions of Section 7.06; provided that no such failure to carry and maintain insurance shall constitute an Aircraft Security 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 Security Agent 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 Security Agent;

(c) the Company shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Aircraft Security Agreement, and such failure shall continue unremedied for a period of 60

days after receipt by the Company of written notice thereof from the Security Agent or the Trustee; provided that, if such failure is capable of being remedied, no such failure shall constitute an Aircraft Security 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; or

(d) any representation or warranty made by the Company herein 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 shall continue unremedied for a period of 60 days after receipt by the Company of written notice thereof from the Security Agent or the Trustee; provided that, if such incorrectness is capable of being remedied, no such incorrectness shall constitute an Aircraft Security 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;

provided 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 Aircraft Security Event of Default if such failure arises by reason of an event referred to in clause (B) of 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) General. If an Event of Default shall have occurred and be continuing and so long as the same shall continue unremedied, following the acceleration of the Notes pursuant to Section 4.02(a) of the Indenture (so long as the relevant declaration shall not have been rescinded and annulled pursuant to Section 4.02(d) of the Indenture), then and in every such case the Security Agent may, and upon the written instructions of the Trustee, the Security Agent 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 that during any period any Airframe or any Engine 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 Security Agent 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 Aircraft Security Agreement (or any Permitted Lessee's control under any Lease) of such Airframe, any Engines installed thereon or any such Engine, unless at least 60 days' (or such lesser period as may then be applicable under the CRAF Program of the United States government) prior written notice of default hereunder shall have been given by the Security Agent 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 Air Mobility Command of the United States Air Force under any contract with the Company or such Permitted Lessee relating to the applicable Aircraft):

(i) cause the Company, upon the written demand of the Security Agent, at the Company's expense, to deliver promptly, and the Company shall deliver promptly, all or such part of any Airframe or any Engine as the Security Agent may so demand to the Security Agent or its order, or, if the Company shall have failed to so deliver any such Airframe or any such Engine after such demand, the Security Agent, at its option, may enter upon the premises where all or any part of any such Airframe or any such 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 such Airframe, subject to all of the rights of the owner, lessor, lienor or secured party of such engine; provided that any such 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 at the expense of the Company 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 Security Agent (which will not be unreasonably withheld) or at the option of the Security Agent 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);

(ii) sell all or any part of any Airframe and any Engine at public or private sale, whether or not the Security Agent shall at the time have possession thereof, as the Security Agent may determine, or otherwise dispose of, hold, use, operate, lease to others (including the Company) or keep idle all or any part of any such Airframe or any such Engine as the Security Agent, in its sole discretion, determines, all free and clear of any rights or claims of the Company, and the proceeds of such sale or disposition shall be distributed as set forth in Section 3.01; or

(iii) 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);

provided that, notwithstanding anything to the contrary set forth herein or in any other Operative Document, (i) as permitted by Article 15 of the Cape Town Convention, the provisions of Chapter III of the Cape Town Convention are hereby excluded and made

inapplicable to this Aircraft Security Agreement and the other Operative Documents, except for those provisions of such Chapter III that cannot be derogated from; and (ii) as permitted by Article IV(3) of the Aircraft Protocol, the provisions of Chapter II of the Aircraft Protocol are hereby excluded and made inapplicable to this Aircraft Security Agreement and the other Operative Documents, except for (x) Article XVI of the Aircraft Protocol and (y) those provisions of such Chapter II that cannot be derogated from. In furtherance of the foregoing, the parties hereto agree that the exercise of remedies hereunder and the other Operative Documents is subject to other applicable law, including without limitation, the Uniform Commercial Code (as in effect in the State of New York) and the Bankruptcy Code, and that nothing herein derogates from the rights of the Company or the Security Agent under or pursuant to such other applicable law, including without limitation, the Uniform Commercial Code (as in effect in the State of New York) or the Bankruptcy Code.

Upon every such taking of possession of any of the Aircraft Collateral under this Section 4.02, the Security Agent may, from time to time, at the expense of the Aircraft Collateral, make all such expenditures for maintenance, insurance, repairs, alterations, additions and improvements to and of the Aircraft Collateral as it deems necessary to cause the Aircraft Collateral to be in such condition as required by the provisions of this Aircraft Security Agreement. In each such case, the Security Agent may maintain, use, operate, store, insure, lease, control, manage or dispose of the Aircraft Collateral and may exercise all rights and powers of the Company relating to the Aircraft Collateral as the Security Agent reasonably deems best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, insurance, leasing, control, management or disposition of the Aircraft Collateral or any part thereof as the Security Agent may reasonably determine; and the Security Agent shall be entitled to collect and receive directly all tolls, rents, revenues, issues, income, products and profits of the Aircraft Collateral and every part thereof, without prejudice, however, to the rights of the Security Agent under any provision of this Aircraft Security Agreement to collect and receive all cash held by, or required to be deposited with, the Security Agent hereunder. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of the use, operation, storage, insurance, leasing, control, management or disposition of the Aircraft Collateral, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments that the Security Agent is required or elects to make, if any, for Taxes, insurance or other proper charges assessed against or otherwise imposed upon the Aircraft Collateral or any part thereof, and all other payments which the Security Agent is required or expressly authorized to make under any provision of this Aircraft Security Agreement, as well as just and reasonable compensation for the services of the Security Agent, and shall otherwise be distributed as set forth in Section 3.01.

If an Event of Default shall have occurred and be continuing and the Notes shall either have been accelerated pursuant to Section 4.02(a) of the Indenture (and the relevant declaration shall not have been rescinded and annulled pursuant to Section 4.02(d) of the Indenture) or have become due at maturity and the Security Agent shall be entitled to exercise rights hereunder, at the request of the Security Agent, the Company shall promptly execute and deliver to the Security Agent such instruments of title and other documents as the Security Agent reasonably deems necessary or advisable to enable the Security Agent or a sub-agent or representative designated by the Security Agent, at such time or times and place or places as the Security Agent may specify, to obtain possession of all or any part of the Aircraft Collateral to which the Security Agent 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 Security Agent, the Security Agent may seek a judgment conferring on the Security Agent the right to immediate possession and requiring the Company to execute and deliver such instruments and documents to the Security Agent, to the entry of which judgment the Company hereby specifically consents to the fullest extent it may lawfully do so. All actual and reasonable expenses of obtaining such judgment or of pursuing, searching for and taking such property shall, until paid, be secured by the Lien of this Aircraft Security Agreement.

(b) Notice of Sale; Bids; Etc. The Security Agent 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 Aircraft 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 Aircraft Security Agreement (but only to the extent that such purchase price would have been paid to such Noteholders pursuant to Article III of the Indenture if such purchase price were paid in cash and the foregoing provision of this Section 4.02(b) were not given effect). The Security Agent may exercise such right without possession or production of the Notes or proof of ownership thereof, and as a representative of the Noteholders may exercise such right without notice to the Noteholders as party to any suit or proceeding relating to the foreclosure of any Aircraft Collateral. The Company shall also be entitled to bid for and become the purchaser of any Aircraft Collateral offered for sale pursuant to this Section 4.02.

(c) Power of Attorney, Etc. To the extent permitted by applicable law, the Company irrevocably appoints, while an Event of Default has occurred and is continuing, the Security Agent 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 Aircraft Security Agreement, 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 Security Agent or any purchaser, the Company shall ratify and confirm any such sale, assignment, transfer or delivery, by executing and delivering to the Security Agent or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may reasonably be designated in any such request.

Section 4.03. Remedies Cumulative. To the extent permitted under applicable law, each and every right, power and remedy specifically given to the Security Agent herein or otherwise in this Aircraft Security Agreement or in any other Operative Document 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 Security Agent, 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 Security Agent 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 Security Agent shall have instituted any proceedings to enforce any right, power or remedy under this Aircraft Security Agreement 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 Security Agent, then and in every such case the Company and the Security Agent shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Aircraft Collateral, and all rights, remedies and powers of the Security Agent 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 the Trustee, the Security Agent 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 or Aircraft Security Event of Default arising from such Default shall be deemed to have been cured for every purpose of this Aircraft Security Agreement, the Indenture and the other Operative Documents, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 4.06. Appointment of a Receiver. To the extent permitted by applicable law, if an Event of Default shall have occurred and be continuing, and the Notes either shall have been accelerated pursuant to Section 4.02(a) of the Indenture (and the relevant declaration shall not have been rescinded and annulled pursuant to Section 4.02(d) of the Indenture) or have become due at maturity, the Security Agent shall, as a matter of right, be entitled to the appointment of a receiver (who may be the Security Agent or any successor or nominee thereof) for all or any part of the Aircraft Collateral, whether such receivership be incidental to a proposed sale of the Aircraft Collateral or the taking of possession thereof or otherwise, and, to the extent permitted by applicable law, the Company hereby consents to the appointment of such a receiver and will not oppose any such appointment. Any receiver appointed for all or any part of the Aircraft Collateral shall be entitled to exercise all the rights and powers of the Security Agent with respect to the Aircraft Collateral.

ARTICLE V

DUTIES OF THE SECURITY AGENT

Section 5.01. Duties of the Security Agent.

(a) Exercise of Rights and Powers During an Event of Default. If an Event of Default has occurred and is continuing, the Security Agent shall exercise such of the rights and powers vested in it by this Aircraft Security Agreement 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 such Person's own affairs.

(b) Performance in the Absence of an Event of Default. Except during the continuance of an Event of Default:

(i) The Security Agent need perform only those duties as are specifically set forth in this Aircraft Security Agreement and the other Operative Documents and no others.

(ii) In the absence of bad faith on its part, the Security Agent 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 or the Security Agent and conforming to the requirements of the Indenture. However, the Security Agent shall examine the certificates and opinions to determine whether or not they conform to the requirements of the Indenture.

(c) Liability, Etc. The Security Agent may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) This paragraph (c) does not limit the effect of paragraph (b) of this Section 5.01 or of Section 5.02 hereof.

(ii) The Security Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Security Agent, unless it is proved that the Security Agent was negligent in ascertaining the pertinent facts.

(iii) The Security Agent shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 4.02(b) of the Indenture either directly or through the instruction of the Trustee.

(d) Indemnification; Advice of Counsel; Etc. The Security Agent shall not be required to take any action or refrain from taking any action under this Article V or Article IV unless the Security 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 actually incurred by it in connection therewith. The Security Agent shall not be required to take any action under this Article V or Article IV, nor shall any other provision of any Operative Document be deemed to impose a duty on the Security Agent to take any action, if the Security Agent shall have been advised by outside counsel that such action is contrary to the terms hereof or is otherwise contrary to law.

(e) Other Provisions. Every provision of this Aircraft Security Agreement that in any way relates to the Security Agent is subject to paragraphs (a), (b), (c) and (d) of this Section 5.01.

Section 5.02. Rights of Security Agent.

(a) Reliance on Documents. The Security Agent may rely on any document believed by it to be genuine and to have been signed or presented by the proper person.

Without limiting Section 5.01(c)(ii), the Security Agent need not investigate any fact or matter stated in the document.

(b) Officer's Certificate or Opinion of Counsel. Before the Security Agent acts or refrains from acting (unless other evidence is provided for herein), it may require an Officer's Certificate or an Opinion of Counsel (which shall conform to Section 11.04 of the Indenture if the Indenture is qualified under the TIA at the time such Officer's Certificate or Opinion of Counsel, as the case may be, is to be delivered). The Security Agent shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

(c) Acting Through Agents. The Security Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its attorneys and agents and the Security Agent shall not be responsible for the misconduct or negligence of any agent or attorney appointed by it with due care.

Section 5.03. Notice from the Trustee. If the Trustee shall have knowledge of an Event of Default or a Payment Default, the Trustee shall promptly give notice thereof to the Security Agent. In addition, if the Trustee has declared the acceleration of the Notes pursuant to Section 4.02(a) of the Indenture or shall have knowledge of the acceleration of the Notes pursuant to the proviso in Section 4.02(a)(i) of the Indenture or if the Trustee shall have received a written notice rescinding and annulling any such declaration pursuant to Section 4.02(d) of the Indenture, in each such case, the Trustee shall promptly give notice thereof to the Security Agent by telegram, cable, facsimile or telephone (to be promptly confirmed in writing). Without limiting any of the foregoing, the Trustee will furnish to the Security Agent, upon request of the Security Agent or the Company, such information and copies of such documents as the Trustee may have as are necessary for the Security Agent to perform the duties of the Security Agent under this Aircraft Security Agreement or any other Operative Document.

Section 5.04. [Reserved].

Section 5.05. [Reserved].

Section 5.06. Investment of Amounts Held by the Security Agent. Any monies (including for the purpose of this Section 5.06 any amounts held by the Security Agent pursuant to Section 3.05 or pursuant to any provision of any other Operative Document providing for amounts to be held by the Security Agent which are not distributed pursuant to the other provisions of Article III, or any cash received by the Security Agent pursuant to Section 7.05(c) or Section 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 such Permitted Investments) held by the Security Agent hereunder as part of the Aircraft Collateral, until paid out by the Security Agent as herein provided, (i) subject to clause (ii) below and Section 3.05, may be carried by the Security Agent 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 $100,000,000, and the Security Agent 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, as provided in Section 3.05, such Permitted Investments shall be held by the Security Agent in trust for the benefit and security of the Noteholders and the Indemnitees as part of the Aircraft Collateral until so sold; provided that the Company shall upon demand pay to the Security Agent 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 Security Agent, and the Security Agent shall promptly pay to the Company, any profit, income, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment. All Permitted Investments held by the Security Agent pursuant to this Section 5.06 shall be held pursuant to Section 3.05. 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 Aircraft Collateral and shall be applied by the Security Agent 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. At such time as there shall not be continuing any such Event of Default or Payment Default, such income, profit, interest, dividend or gain shall be paid to the Company. In addition, if any moneys or investments are held by the Security Agent solely because an Event of Default or Payment Default has occurred and is continuing, at such time as there shall not be continuing any such Event of Default or Payment Default, such moneys and investments shall be paid to the Company. The Security Agent 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.

ARTICLE VI

APPOINTMENT OF THE SECURITY AGENT

Section 6.01. Acceptance of Trusts and Duties. The Trustee hereby designates and appoints the Security Agent as the agent of the Trustee and as Security Agent under this Aircraft Security Agreement. U.S. Bank accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Aircraft Security Agreement and agrees to receive, handle and disburse all monies received by it as Security Agent constituting part of the Aircraft Collateral in accordance with the terms hereof. In addition, the Security Agent agrees to be bound by, and shall have the benefit of, all provisions of the Indenture and the other Operative Documents stated therein to be applicable to the Security Agent or an agent of the Trustee.

ARTICLE VII

OPERATING COVENANTS OF THE COMPANY

The Company will comply with the following covenants with respect to each Aircraft or the related Airframe or any related Engine, as applicable:

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 such Aircraft, its title thereto or any of its interest therein, except:

(a) the Lien of this Aircraft Security Agreement, the rights of any Permitted Lessee under a Lease permitted hereunder and the rights of any Person existing pursuant to the Operative Documents;

(b) the rights of others under agreements or arrangements to the extent expressly permitted by this Aircraft Security Agreement;

(c) Security Agent Liens and Trustee Liens;

(d) Liens for Taxes either not yet overdue 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 such Airframe or any such Engine or the Security Agent's interest therein or impair the Lien of this Aircraft Security Agreement;

(e) materialmen's, mechanics', workers', landlords', 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 such Airframe or any such Engine or the Security Agent's interest therein or impair the Lien of this Aircraft Security Agreement;

(f) Liens arising out of any judgment or award, so long as such judgment or award 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, and so long as during any such 60 day period there is not, or any such judgment or award does not involve, (x) any material risk of the sale, forfeiture or loss of such Aircraft, such Airframe or any such Engine or the interest of the Security Agent therein or (y) any impairment of the Lien of this Aircraft Security Agreement;

(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 Security Agent;

(h) salvage or similar rights of insurers under insurance policies maintained by the Company; and

(i) Liens approved in writing by the Security Agent with the consent of the Trustee.

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 such 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 Security Agent, lease or otherwise in any manner deliver, transfer or relinquish possession of such Aircraft, such Airframe or any such Engine or install any such Engine,

or permit any such Engine to be installed, on any airframe other than another 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 Security Agent:

(i) subject such Airframe to interchange agreements or subject any such 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 such 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 such Airframe or any such Engine to any Person for testing, service, repair, reconditioning, restoration, storage, maintenance, overhaul work or other similar purposes or for alterations, modifications or additions to such Airframe or any such Engine to the extent required or permitted by the terms hereof;

(iii) transfer or permit the transfer of possession of such Airframe or any such Engine to any Government pursuant to a lease, contract or other instrument;

(iv) subject such Airframe or any such Engine to the CRAF Program or transfer possession of such Airframe or any such 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 Security Agent upon transferring possession of such Airframe or any such Engine pursuant to this clause (iv) and (B) in the case of a transfer of possession pursuant to the CRAF Program, shall notify the Security Agent of the name and address of the responsible Contracting Office Representative for the Air Mobility 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 any such 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 such 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 any such Engine on an airframe leased, purchased or owned by the Company (or any Permitted Lessee) subject to a lease, conditional sale and/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 any conditional sale or 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, conditional vendor 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 Security Agent (it being understood that an agreement from such lessor, conditional vendor or secured party substantially in the form of the penultimate paragraph of this Section 7.02(a) shall be deemed to be satisfactory to the Security Agent), whereby such lessor, conditional vendor or secured party expressly agrees that neither it nor its successors or assigns will acquire or claim any right, title or interest in any such Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to the Lien of this Aircraft Security Agreement or (2) such lease, conditional sale or other security agreement provides that any 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 Aircraft Security Agreement, notwithstanding the installation thereof on such airframe;

(vii) install any such 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 Security Agent's security interest in any such Engine, the Security Agent 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 such Engine or such Airframe and any such Engine 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. §§41101-41112) or successor provision that gives like authority, or to any manufacturer of airframes or engines (or an Affiliate thereof acting under an unconditional guarantee of such manufacturer), so long as such manufacturer and, if applicable, such Affiliate is domiciled in the United States); provided that no Event of Default shall exist at the time any such lease is entered into; and

(ix) lease any such Engine or such Airframe and any such Engine 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, (C) any foreign manufacturer of airframes or engines (or a foreign Affiliate of a United States or foreign manufacturer of airframes or engines acting under an unconditional guarantee of such manufacturer), so long as such foreign manufacturer or (if applicable) foreign Affiliate is domiciled in a country indicated with an asterisk on **Exhibit B** hereto, or (D) any foreign air carrier consented to in writing by the Security Agent with the consent of the Trustee; provided that (w) in the case of a lease to, or guarantee by, any entity pursuant to this Section 7.02(a)(ix), (1) other than a foreign carrier principally based in Taiwan, the United States maintains diplomatic relations with the country in which such entity is based and domiciled at the time such lease is entered into, (2) no Event of Default exists at the time such lease is entered into and (3) such entity 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, (x) in the case of a lease to a foreign air carrier under clause (A) above, the Security Agent receives at the time of such lease an opinion of counsel to the Company (such counsel to be reasonably satisfactory to the Security Agent) 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 such Airframe and any such Engine by the Security Agent in accordance with and when permitted by the terms of Section 4.02 upon the exercise by the Security Agent of its remedies under Section 4.02, and (y) in the case of a lease to any foreign manufacturer or foreign Affiliate under clause (C) above, the re-registration conditions set forth in Section 7.02(e) shall be satisfied notwithstanding anything to the contrary in such clause (C);

provided that the rights of any lessee or other transferee who receives possession of such Aircraft, such Airframe or any such Engine by reason of a transfer permitted by this

Section 7.02(a) (other than the transfer of any such 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 Aircraft Security Agreement, including the Security Agent'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 Aircraft Security Agreement 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 such Aircraft, Airframe or Engine, and no lease or transfer or possession otherwise in compliance with this Section shall (x) result in any registration or re-registration of such 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 Section 7.02(c) or (y) permit any action not permitted to be taken by the Company with respect to such Aircraft hereunder. The Company shall promptly notify the Security Agent of the existence of any such lease with a term in excess of one year.

Each of the Security Agent and the Trustee agrees, and each Noteholder by acceptance of a Note is deemed to have agreed, for the benefit of the Company (and any Permitted Lessee) and for the benefit of the lessor, conditional vendor or secured party of such Airframe or engine leased to the Company (or any Permitted Lessee) or leased to or purchased or owned by the Company (or any Permitted Lessee) subject to a conditional sale or other security agreement, that the Security Agent, the Trustee and the Noteholders will not acquire or claim, as against the Company (or any Permitted Lessee) or such lessor, conditional vendor or secured party, any right, title or interest in (A) any engine or engines owned by the Company (or any Permitted Lessee) or the lessor under such lease or subject to a security interest in favor of the secured party under any conditional sale or other security agreement as the result of such engine or engines being installed on such 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 Company (or any Permitted Lessee) or the lessor under such lease or subject to a security interest in favor of the secured party under any conditional sale or other security agreement as the result of any such Engine being installed on such airframe at any time while such airframe is subject to such lease or conditional sale or other security agreement.

Each of the Security Agent and the Trustee acknowledges that any "wet lease" or other similar arrangement under which the Company maintains operational control of an 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 such Aircraft will not be maintained, used, serviced, repaired, overhauled or operated in violation of any law, rule or regulation of any government of any country having jurisdiction over such Aircraft or in violation of any airworthiness certificate, license or registration relating to such 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 or airworthiness certificate, license or registration in any manner that does not involve any material risk of sale, forfeiture or loss of such Aircraft or impair the Lien of this Aircraft Security Agreement; 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 such Aircraft is then registered) because of a conflict with the applicable laws of the United States (or such jurisdiction in which such Aircraft is then registered). The Company will not operate such Aircraft, or permit such 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) governmental indemnification complying with Section 7.06(a) and Section 7.06(b) has been provided or (y) such 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 such Aircraft from such area as promptly as practicable.

(c) Maintenance. The Company shall maintain, service, repair and overhaul such Aircraft (or cause the same to be done) (i) so as to keep such Aircraft in as good operating condition as on the applicable Aircraft Closing Date for such Aircraft, ordinary wear and tear excepted, and in such condition as may be necessary to enable the airworthiness certification of such 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 such Aircraft is registered under the laws of the United States, or, if such Aircraft is registered under the laws of any other jurisdiction, the applicable laws of such jurisdiction and (ii) using the same standards as the Company or, in the case of a lease permitted pursuant to Section 7.02(a), the applicable Permitted Lessee uses with respect to similar aircraft operated by the Company or such Permitted Lessee, as the case may be, in similar circumstances (in any case, without limitation of the Company's obligations under the preceding clause (i)). In any case such Aircraft will be maintained in accordance with a maintenance program

for Boeing 767-323ER, Boeing 777-200ER or Boeing 737-800 aircraft, as applicable, approved by the FAA or, if such Aircraft is not registered in the United States, (i) the EASA or the JAA, (ii) the central aviation authority of Australia, Canada, Japan or New Zealand, or (iii) the central aviation authority of any country with aircraft maintenance standards that are substantially similar to those of the United States or any of the foregoing authorities or countries. The Company shall maintain or cause to be maintained all records, logs and other documents required to be maintained in respect of such Aircraft by appropriate authorities in the jurisdiction in which such Aircraft is registered.

(d) Identification of Security Agent's Interest. The Company agrees to affix as promptly as practicable after the applicable Aircraft Closing Date for such Aircraft and thereafter to maintain in the cockpit of such Aircraft, in a clearly visible location, and (if not prevented by applicable law or regulations or by any government) on each such Engine, a nameplate bearing the inscription "MORTGAGED TO U.S. BANK TRUST NATIONAL ASSOCIATION, AS SECURITY AGENT" (such nameplate to be replaced, if necessary, with a nameplate reflecting the name of any successor Security Agent). If any such nameplate is damaged beyond repair or becomes illegible, the Company shall promptly replace it with a nameplate complying with the requirements of this Section.

(e) Registration. The Company shall cause such 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 each of the Security Agent and the 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 such 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 such 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 Security Agent with the consent of the Trustee (i) if such jurisdiction is at the time of registration listed on **Exhibit B**, the Security Agent shall have received at the time of such registration an opinion of counsel to the Company to the effect that (A) this Aircraft Security Agreement and the Security Agent's right to repossession hereunder is valid and enforceable under the laws of such country, (B) after giving effect to such change in registration, the Lien of this Aircraft Security Agreement 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 Aircraft Security Agreement 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 Security Agent shall have received a certificate from an Officer 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 Security Agent subsequent to the effective date of such change in registration), (C) the obligations of the Company under this Aircraft Security Agreement 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 Security Agent 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 Aircraft Security Agreement 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 Security Agent 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 Security Agent 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 such Aircraft by the government of such jurisdiction so long as such 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 such Aircraft in the event of requisition by such government of such use or title. Each of the Security Agent and the 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 such Aircraft, the following conditions shall be met (or waived as provided in Section 9.02(a)):

(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 such Aircraft under the laws of the United States or if the Trustee consents to such change in registration;

(ii) the Security Agent 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 Security Agent for the payment of all reasonable expenses (including reasonable attorneys' fees) of the Security Agent in connection with such change in registration.

The Company shall (i) take such actions as may be required to be taken by the Company so that any International Interest arising in relation to this Aircraft Security Agreement, such Aircraft, any Replacement Aircraft therefor, any such Engine or any Replacement Engine therefor may be duly registered (and any such registration may be assigned, amended, extended or discharged) at the International Registry, and (ii) obtain from the International Registry all approvals as may be required duly and timely to perform the Company's obligations under this Aircraft Security Agreement with respect to the registration of any such International Interest. The Security Agent shall take all actions necessary with respect to the International Registry to consent to the Company's initiation of any registrations required under this Aircraft Security Agreement to enable the Company to complete such registrations, including, without limitation, appointing Daugherty, Fowler, Peregrin, Haught & Jenson, a Professional Corporation, as its "professional user entity" (as defined in the Cape Town Treaty) to consent to any registrations on the International Registry with respect to such Airframe or any such Engine.

Section 7.03. Inspection. At all reasonable times, but upon at least 15 Business Days' prior written notice to the Company, the Security Agent or its authorized representative may, subject to the other conditions of this Section 7.03, inspect such 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 such Aircraft is then registered relating to the maintenance of such Aircraft; provided that (i) the Security Agent or its representative 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 such Aircraft shall be a visual, walk-around inspection of the interior and exterior of such 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 such 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 such Aircraft and of such books and records shall be Confidential Information and shall be treated by the Security Agent and its representatives in accordance with the provisions of Section 13.18 of the Indenture. Any inspection pursuant to this Section 7.03 shall be at the sole risk (including, without limitation, any risk of personal injury or death) and expense of the Security Agent (or its representative), as the case may be, making such inspection. Except during the continuance of an Event of Default, all inspections by the Security Agent and its representatives provided for under this Section 7.03 shall be limited to one inspection of any kind contemplated by this Section 7.03 for all such Aircraft during any calendar year.

Section 7.04. Replacement and Pooling of Parts; Alterations, Modifications and Additions; Substitution of Engines.

(a) Replacement of Parts. The Company, at its own expense, shall promptly replace all Parts that may from time to time be incorporated or installed in or attached to such Airframe or any such 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 such Airframe or any such Engine to which a Part relates has suffered an Event of Loss. In addition, the Company, at its own expense, 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), at its own expense, 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 such Airframe or any such Engine shall remain subject to the Lien of this Aircraft Security Agreement 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 such 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 such Airframe or any such 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 the Lien of this Aircraft Security Agreement and of all rights and interests of the Security Agent (and the other beneficiaries hereof) and shall no longer be deemed a Part hereunder and (ii) such replacement Part shall become subject to the Lien of this Aircraft Security Agreement and be deemed a Part of such Airframe or such Engine for all purposes to the same extent as the Parts originally incorporated or installed in or attached to such Airframe or such Engine. Upon request of the Company from time to time, the Security Agent (and, if the Company so requests, the Trustee) shall execute and deliver to the Company an appropriate instrument confirming the release of any such replaced Part from the Lien of this Aircraft Security Agreement.

(b) Pooling of Parts. Any Part removed from such Airframe or any such Engine as provided in Section 7.04(a) may be subjected by the Company or a Person permitted to be in possession of such 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 such 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 such Airframe or any such 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 such 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 such Airframe and each such Engine 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 such Aircraft may then be registered; provided 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 such Aircraft and does not adversely affect the Security Agent's interest in the Aircraft Collateral. 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 such Airframe or any such 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 such Airframe or such Engine below its value or utility, immediately prior to such alteration, modification or addition, assuming that such Airframe or such Engine was then in the condition required to be maintained by the terms of this Aircraft Security Agreement, except that the value (but not the utility) of such Airframe or such 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 such Airframe or such Engine. All Parts incorporated or installed in or attached or added to such Airframe or any such Engine as the result of such alteration, modification or addition shall be free and clear of any Liens, other than Permitted Liens, and shall, without further act, be subject to the Lien of this Aircraft Security Agreement. Notwithstanding the foregoing, the Company may, at any time, remove any Part from such Airframe or any such 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 such 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 such Airframe or such Engine pursuant to the first sentence of this Section 7.04(c) or Section 7.02(d) and (iii) can be removed from such Airframe or such Engine without materially diminishing the value or utility required to be maintained by the terms of this Aircraft Security Agreement that such Airframe or such Engine would have had had such Part never been installed on such Airframe or such Engine. 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 the Lien of this Aircraft Security Agreement and of all rights and interests of the Security Agent (and the other beneficiaries hereof) and shall no longer be deemed a Part hereunder. Upon request of the Company from time to time, the Security Agent (and, if the Company so requests, the Trustee) shall execute and deliver to the Company an appropriate instrument confirming the release of any such removed Part from the Lien of this Aircraft Security Agreement.

(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 Security Agent, to substitute a Replacement Engine for any such 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 such Airframe. Upon the occurrence of an Event of Loss with respect to such Airframe or such Airframe and any such Engine then installed thereon, the Company shall as promptly as practicable (and, in any event, within 15 days after such occurrence) give the Security Agent written notice of such Event of Loss, and, within 90 days after such Event of Loss, the Company shall give the Security Agent 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 applicable Loss Payment Date (as defined below), substitute, as replacement for such 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 such Engines, if any, with respect to which such 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 such Loss Payment Date, then the Company shall on such Loss Payment Date redeem the Notes in part in accordance with Section 2.19(c) of the Indenture; or

(ii) on or before such Loss Payment Date, redeem the Notes in part in accordance with Section 2.19(c) of the Indenture in respect of such Event of Loss. The Company shall give the Security Agent and the Trustee 20 days prior written notice if it elects to so redeem the Notes in part on any day prior to such 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 applicable Loss Payment Date, (A) cause an Aircraft Security Agreement Supplement for such Replacement Airframe and Replacement Engines, if any, to be delivered to the Security Agent 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 applicable Aircraft may then be registered, (B) cause the sale of such Replacement Airframe and Replacement Engines, if

any, to the Company (if occurring after February 28, 2006 and if the seller of such Replacement Airframe and Replacement Engines, if any, is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to such Aircraft Security Agreement Supplement in favor of the Security Agent with respect to such Replacement Airframe and Replacement Engines, if any, each to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Replacement Airframe and Replacement Engines, if any, is not situated in a country that has ratified the Cape Town Convention, the Company will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (C) cause a financing statement or statements with respect to such 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 Security Agent's interest therein in the United States, or in any other jurisdiction in which the applicable Aircraft may then be registered, (D) furnish the Security Agent 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 Security Agent) addressed to the Security Agent to the effect that upon such replacement, such Replacement Airframe and Replacement Engines, if any, will be subject to the Lien of this Aircraft Security Agreement and addressing the matters set forth in clauses (A), (B) and (C), (E) furnish the Security Agent with a certificate of an independent aircraft engineer or appraiser, certifying that such Replacement Airframe and Replacement Engines, if any, have a value and utility (without regard to hours or cycles) at least equal to the applicable Airframe and Engines, if any, so replaced, assuming such 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, (F) furnish the Security Agent with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Airframe and Replacement Engines, if any, (G) furnish the Security Agent with a copy of the original bill of sale respecting such Replacement Airframe and a copy of the original bill of sale or, if the bill of sale is unavailable, other evidence of ownership reasonably satisfactory to the Security Agent (which may be a copy of an invoice or purchase order) respecting such Replacement Engines, if any, and (H) furnish the Security Agent 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 Security Agent) to the effect that the Security Agent will be entitled to the benefits of Section 1110 with respect to such 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 Security Agent with respect to the applicable 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 7.01(g) of the Indenture on the applicable Aircraft Closing Date for such Aircraft 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 Aircraft Security Agreement under this Section 7.05(a), promptly upon the recordation of an Aircraft Security Agreement 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 Security Agent 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 Security Agent) addressed to the Security Agent as to the due registration of such Replacement Aircraft and the due recordation of such Aircraft Security Agreement Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Replacement Airframe and Replacement Engines, if any, to the Company (if occurring after February 28, 2006 and if the seller of such Replacement Airframe and Replacement Engines, if any, is "situated in" a country that has ratified the Cape Town Convention) and of the International Interests created pursuant such Aircraft Security Agreement Supplement with respect to such Replacement Airframe and Replacement Engines, if any, and the validity and perfection of the security interest in the applicable Replacement Aircraft granted to the Security Agent under this Aircraft Security Agreement.

For all purposes hereof, upon the attachment of the Lien of this Aircraft Security Agreement thereto, such Replacement Airframe and Replacement Engine, if any, shall become part of the Aircraft Collateral, such 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 (H) of the second preceding paragraph, (i) 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 shall be free and clear of the Lien of this Aircraft Security Agreement and of all rights and interests of the Security Agent (and the other beneficiaries hereof), (ii) the Security Agent (and, if the Company so requests, the Trustee) shall execute and deliver to the Company an appropriate instrument releasing such properties, rights, interests and privileges from the Lien of this Aircraft Security Agreement and assigning to the Company all claims against third Persons for damage to or loss of such Airframe and Engines arising from such Event of

Loss, and (iii) each of the Security Agent and the Trustee will take such actions as may be required to be taken by the Security Agent or the Trustee, as the case may be, to cancel or release any International Interest of the Security Agent registered with the International Registry in relation to such Airframe and Engines, if any, with respect to which such Event of Loss occurred.

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), (i) the Aircraft that suffered such Event of Loss, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such Aircraft and all rights relating to the foregoing shall be free and clear of the Lien of this Aircraft Security Agreement and of all rights and interests of the Security Agent (and the other beneficiaries hereof), (ii) the Security Agent (and, if the Company so requests, the Trustee) shall execute and deliver to the Company an appropriate instrument releasing such properties, rights, interests and privileges from the Lien of this Aircraft Security Agreement and assigning to the Company all claims against third Persons for damage to or loss of such Aircraft arising from such Event of Loss, and (iii) each of the Security Agent and the Trustee will take such actions as may be required to be taken by the Security Agent or the Trustee, as the case may be, to cancel or release any International Interest of the Security Agent registered with the International Registry in relation to such Airframe and Engines, if any, with respect to which such Event of Loss occurred.

(b) Event of Loss with Respect to any such Engine. Upon the occurrence of an Event of Loss with respect to any such Engine under circumstances in which there has not occurred an Event of Loss with respect to such Airframe, the Company shall give the Security Agent prompt written notice thereof within 15 days after the Company has determined that an Event of Loss has occurred with respect to such Engine and shall, within 120 days after the occurrence of such Event of Loss, cause to be subjected to the Lien of this Aircraft Security Agreement, 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 Aircraft Security Agreement Supplement covering such Replacement Engine to be delivered to the Security Agent 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 such Aircraft may be registered, (ii) furnish the Security Agent with a copy of the original bill of sale or, if the bill of sale is unavailable, other evidence of ownership reasonably satisfactory to the Security Agent (which may be a copy of an invoice or purchase order) respecting such Replacement Engine, (iii) cause the sale of

such Replacement Engine to the Company (if occurring after February 28, 2006 and if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to such Aircraft Security Agreement Supplement in favor of the Security Agent with respect to such Replacement Engine, to be registered on the International Registry as a sale or an International Interest; provided that if the seller of such Replacement Engine is not situated in a country that has ratified the Cape Town Convention, the Company will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (iv) 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 Security Agent's interest therein in the United States, or in such other jurisdiction in which such Engine may then be registered, (v) furnish the Security Agent 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 Security Agent) addressed to the Security Agent to the effect that, upon such replacement, such Replacement Engine will be subject to the Lien of this Aircraft Security Agreement, (vi) furnish the Security Agent 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 (without regard to hours or cycles) 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 (vii) furnish the Security Agent 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 Aircraft Security Agreement under this Section 7.05(b), promptly upon the recordation of an Aircraft Security Agreement Supplement covering such Replacement Engine pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Aircraft is registered), the Company will cause to be delivered to the Security Agent 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 Security Agent) addressed to the Security Agent as to the due recordation of such Aircraft Security Agreement Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Replacement Engine to Company (if occurring after February 28, 2006 and if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Convention) and of the International Interest created pursuant to such Aircraft Security Agreement Supplement with respect to such Replacement Engine, and the validity and perfection of the security interest in the Replacement Engine granted to the Security Agent under this Aircraft Security Agreement. For all purposes hereof, upon the attachment of the Lien of this Aircraft Security Agreement thereto, the Replacement Engine shall become part of the

Aircraft Collateral and shall be deemed an "Engine" as defined herein. Upon compliance with clauses (i) through (vii) of this paragraph, (x) 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 shall be free and clear of the Lien of this Aircraft Security Agreement and of all rights and interests of the Security Agent (and the other beneficiaries hereof), (y) the Security Agent (and, if the Company so requests, the Trustee) shall execute and deliver to the Company an appropriate instrument releasing such properties, rights, interests and privileges from the Lien of this Aircraft Security Agreement and assigning to the Company all claims against third Persons for damage to or loss of such Engine arising from the Event of Loss, and (z) each of the Security Agent and the Trustee will take such actions as may be required to be taken by the Security Agent or the Trustee, as applicable, to cancel or release any International Interest of the Security Agent registered with the International Registry in relation to the Engines with respect to which such Event of Loss occurred.

(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, by the Security Agent or the Trustee from any government or other Person with respect to an Event of Loss to such Airframe or any such Engine, will be applied as follows:

(i) if such payments are received with respect to such Airframe or such Airframe and the Engines installed on such 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 Security Agent and upon completion of such replacement shall be paid over to, or retained by, the Company;

(ii) (A) if such payments are received with respect to such Airframe or such Airframe and any Engines installed on such Airframe that has not been and will not be replaced pursuant to Section 7.05(a) and the Company has not yet paid the redemption price required to be paid by the Company pursuant to Section 2.19(c) of the Indenture, each of the Company and the Trustee shall pay over any such payments to the Security Agent, and, promptly upon receipt of such payments from any Person, after reimbursement of the Security Agent for its costs and expenses (provided that the aggregate amount of such costs and expenses so reimbursed shall not exceed the redemption price payable by the Company pursuant to Section 2.19(c) of the Indenture), the Security Agent shall (x) distribute so much of such payments as to not exceed the redemption price payable by the Company pursuant to Section 2.19(c) of the Indenture to the Trustee (and the Trustee hereby agrees to apply such amounts to the Company's

obligation pursuant to Section 2.19(c) of the Indenture to pay such redemption price) and (y) pay over the balance, if any, of such payments remaining thereafter to the Company or its designee; or (B) if such payments are received with respect to such Airframe or such Airframe and any Engines installed on such Airframe that has not been and will not be replaced pursuant to Section 7.05(a) and the Company has already paid the redemption price required to be paid by the Company pursuant to Section 2.19(c) of the Indenture, after reimbursement of the Security Agent for its costs and expenses (provided that the aggregate amount of such costs and expenses so reimbursed shall not exceed the redemption price payable by the Company pursuant to Section 2.19(c) of the Indenture), such payments shall be paid over to, or retained by, the Company or its designee; and

(iii) if such payments are received with respect to any such 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 Security Agent 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 such 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 such Airframe and such Engines or engines installed on such Airframe that does not constitute an Event of Loss, the Company shall promptly notify the Security Agent and all of the Company's rights and obligations under this Aircraft Security Agreement with respect to such 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 Security Agent from such government for such use of such Airframe and Engines or engines shall be paid over to, or retained by, the Company.

(e) Requisition for Use by the Government of any such Engine Not Installed on such Airframe. In the event of the requisition for use by any government of any such Engine not then installed on such 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 Security Agent 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 Security Agent as security for the obligations of the Company under this Aircraft Security Agreement and the 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 Security Agent or the 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 such 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 (or, in the case of a lease to a Permitted Lessee, in such Permitted Lessee's fleet on which such Permitted Lessee carries insurance); provided that such liability insurance (including self-insurance specified in Section 7.06(c)) shall not be less than the amount with respect to such Aircraft certified in the insurance report delivered to the Security Agent on the applicable Aircraft Closing Date for such Aircraft, (B) of the type usually carried by corporations engaged in the same or similar business, similarly situated with the Company or such Permitted Lessee, as the case may be, and owning or operating similar aircraft and engines and covering risks of the kind customarily insured against by the Company or such Permitted Lessee, as the case may be, and (C) that is maintained in effect with insurers of recognized responsibility; provided that the Company will carry, or cause to be carried, at no expense to the Security Agent, aircraft liability war risk and allied perils insurance if and to the extent the same is maintained by the Company or such Permitted Lessee, as the case may be, with respect to other aircraft operated by the Company or such Permitted Lessee, as the case may be, on the same or similar routes. With respect to such Aircraft, 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

Security Agent and the Trustee as their Interests (as defined below in this Section 7.06) may appear, as additional insureds (the "Specified Persons"), (B) subject to the conditions of clause (C) below, provide that, in respect of the interests of the Specified Persons in such policies, the insurance shall not be invalidated by any action or inaction of the Company (or any Permitted Lessee) and shall insure the Specified Persons' Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Company (or any Permitted Lessee), (C) provide that, except to the extent not provided for by the war risk and allied perils insurance provider, 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 applicable Aircraft Closing Date for such Aircraft to the Security Agent, or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to any Specified Person 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 Specified Person of written notice from such insurers of such cancellation, change or lapse, (D) provide that the Specified Persons 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 Specified Persons to the extent of any moneys due to the Specified Persons and (2) subrogation against the Specified Persons to the extent that the Company has waived its rights by its agreements to indemnify the Specified Persons pursuant to the Operative Documents, (F) be primary without right of contribution from any other insurance that may be carried by each Specified Person with respect to its Interests as such in such 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 such Aircraft or any such Engine, or in the case of any requisition for use of such Aircraft or any such 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. To the extent that the war risk and allied

perils insurance provider does not provide for provision of direct notice to each Specified Person of cancellation, change or lapse in the insurance required hereunder, the Company hereby agrees that upon receipt of notice of any thereof from such insurance provider it shall give each Specified Person immediate notice of each cancellation or lapse of, or material change to, such insurance.

(ii) During any period that such Airframe or any such 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 Section 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 (or, in the case of a lease to a Permitted Lessee, such Permitted Lessee) 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 (or such Permitted Lessee) 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 Security Agent or the Trustee, all-risk aircraft hull insurance covering such Aircraft and all-risk coverage with respect to any such Engines or Parts while removed from such Aircraft (including, without limitation, war risk and allied perils insurance if and to the extent the same is maintained by the Company (or, in the case of a lease to a Permitted Lessee, such Permitted Lessee) with respect to other aircraft operated by the Company or such Permitted Lessee, as the case may be, on the same or similar routes) that is of the type usually carried by corporations engaged in the same or similar business and similarly situated with the Company or such Permitted Lessee, as the case may be; provided that (A) such insurance (including the permitted self-insurance) shall at all times while such Aircraft is subject to this Aircraft Security Agreement be for an amount not less than 110% of the applicable Allocable Portion with respect to such Aircraft from time to time and (B) such insurance need not cover any such

Engine while attached to an airframe not owned, leased or operated by the Company, provided that such Engine is covered by a separate policy of insurance. With respect to such Aircraft, 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 (I) any insurance proceeds up to an amount equal to the applicable Allocable Portion with respect to such Aircraft from time to time, together with accrued but unpaid interest thereon, plus an amount equal to the interest that would accrue on such Allocable Portion at the Debt Rate in effect on the date of payment of such insurance proceeds to the Security Agent (as provided for in this sentence) during the period commencing on the day following the date of such payment to the Security Agent and ending on the applicable Loss Payment Date (the sum of such three amounts, with respect to such Aircraft, being the "Loan Amount" for such Aircraft), payable for any loss or damage constituting an Event of Loss with respect to such Aircraft, and (II) any insurance proceeds in excess of the amount set forth on **Exhibit C** with respect to the aircraft type of such Aircraft up to the amount of the applicable Loan Amount for such Aircraft for any loss or damage to such Aircraft (or Engines relating to such Aircraft) not constituting an Event of Loss with respect to such Aircraft, shall be paid to the Security Agent as long as this Aircraft Security Agreement 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 such Aircraft (or such Engines) up to the amount of such Loan Amount shall be payable to the Security Agent, (B) subject to the conditions of clause (C) below, provide that, in respect of the interests of the Specified Persons in such policies, the insurance shall not be invalidated by any action or inaction of the Company (or any Permitted Lessee) and shall insure the Specified Persons' Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Company (or any Permitted Lessee), (C) provide that, except to the extent not provided by the war risk and allied perils insurance provider, 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 applicable Aircraft Closing Date for such Aircraft to the Security Agent, or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to the Specified Persons 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 Specified Persons of written notice from such insurers of such cancellation, change or lapse, (D) provide that the Specified Persons 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) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Specified Persons to the extent of any moneys due to the Specified Persons and (2) subrogation against the Specified Persons to the extent the Company has waived its rights by its agreement to indemnify the Specified Persons pursuant to the Operative Documents, and (F) be primary without right of contribution from any other insurance that may be carried by any Specified Person with respect to its Interests as such in such Aircraft. In the case of a lease or contract with any government in respect of such Aircraft or any such Engine, or in the case of any requisition for use of such Aircraft or any such 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. To the extent that the war risk and allied perils insurance provider does not provide for provision of direct notice to each Specified Person of cancellation, change or lapse in the insurance required hereunder, the Company hereby agrees that upon receipt of notice of any thereof from such insurance provider it shall give each Specified Person immediate notice of each cancellation or lapse of, or material change to, such insurance.

(ii) During any period that such Airframe or any such 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 Section 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 or 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 Section 7.06(c), the Company (or such Permitted Lessee) shall maintain insurance against risk of loss or damage to such non-operating Airframe in an amount at least equal to 110% of the applicable Allocable Portion with respect to such Aircraft from time to time during such period that such Airframe 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 Section 7.06(a) or Section 7.06(b), insuring for a maximum amount that is less than the amounts set forth in Section 7.06(a) and Section 7.06(b)), the risks required to be insured against pursuant to Section 7.06(a) and Section 7.06(b) with respect to such Aircraft, 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, such 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, such 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 such 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 such 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 among the Security Agent, the Trustee and the Company it is agreed that, with respect to such Aircraft, all insurance payments received under policies required to be maintained by the Company hereunder, exclusive of any payments received in excess of the applicable Loan Amount for such Aircraft, as the result of the occurrence of an Event of Loss with respect to such Airframe or any such Engine related to such Airframe will be applied as follows:

(i) if such payments are received with respect to such Airframe or such Airframe and any Engines installed on such 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 Security Agent and upon completion of such replacement shall be paid over to, or retained by, the Company;

(ii) (A) if such payments are received with respect to such Airframe or such Airframe and any Engines installed on such Airframe that has not been and will not be replaced pursuant to Section 7.05(a) and the Company has not yet paid the redemption price required to be paid by the Company pursuant to Section 2.19(c) of the Indenture, each of the Company and the Trustee shall pay over any such payments to the Security Agent, and, promptly upon receipt of such payments from any Person, after reimbursement of the Security Agent for its costs and expenses (provided that the aggregate amount of such costs and expenses so

reimbursed shall not exceed the redemption price payable by the Company pursuant to Section 2.19(c) of the Indenture), the Security Agent shall (x) distribute so much of such payments as to not exceed the redemption price payable by the Company pursuant to Section 2.19(c) of the Indenture to the Trustee (and the Trustee hereby agrees to apply such amounts to the Company's obligation pursuant to Section 2.19(c) of the Indenture to pay such redemption price) and (y) pay over the balance, if any, of such payments remaining thereafter to the Company or its designee; or (B) if such payments are received with respect to such Airframe or such Airframe and any Engines installed on such Airframe that has not been and will not be replaced pursuant to Section 7.05(a) and the Company has already paid the redemption price required to be paid by the Company pursuant to Section 2.19(c) of the Indenture, after reimbursement of the Security Agent for its costs and expenses (provided that the aggregate amount of such costs and expenses so reimbursed shall not exceed the redemption price payable by the Company pursuant to Section 2.19(c) of the Indenture), such payments shall be paid over to, or retained by, the Company or its designee; and

(iii) if such payments are received with respect to any such 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 Security Agent for its costs and expenses shall be paid over to, or retained by, the Company or its designee; provided that the Company shall have fully performed its obligations under Section 7.05(b) with respect to the Event of Loss for which such payments are made.

In all events, (x) the insurance payment of any property damage or loss with respect to property other than such Airframe or any such Engine received under policies maintained by the Company, and (y) the insurance payment for any loss or damage to such Aircraft in excess of the applicable Loan Amount for such Aircraft, shall be paid to the Company or its designee.

The insurance payments for any loss or damage to such Airframe or any such Engine not constituting an Event of Loss with respect to such 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 Section 7.02 and Section 7.04, and any balance remaining after compliance with such Sections with respect to such loss or damage shall be paid to the Company or its designee. Any amount referred to in the preceding sentence or in clause (i) or (iii) of the second preceding paragraph that is payable to the Company or its designee 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, subject to Section 5.06, held by the Security Agent as security for the obligations of the Company under this Aircraft Security Agreement and the Indenture, and 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 or its designee.

(e) Reports, Etc. On or before the applicable Aircraft Closing Date for such Aircraft and annually upon renewal of the Company's insurance coverage, the Company will furnish to the Security Agent a report signed by a firm of independent aircraft insurance brokers appointed by the Company (which firm may be in the regular employ of the Company), stating the opinion of such firm that the commercial hull and liability insurance then carried and maintained on such Aircraft complies with the terms hereof; provided that all information contained in such report shall be Confidential Information and shall be treated by each of the Security Agent and the Trustee and each of their affiliates and officers, directors, sub-agents and employees in accordance with the provisions of Section 13.18 of the Indenture. The Company will cause such firm to agree to advise the Security Agent 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 such Aircraft. The Company will also cause such firm to advise the Security Agent in writing as promptly as practicable after such firm acquires knowledge that an interruption of any insurance carried and maintained on such Aircraft pursuant to this Section 7.06 will occur. Such information may only be provided to other Persons in accordance with Section 13.18 of the Indenture.

(f) Salvage Rights. All salvage rights to such Airframe and each such Engine shall remain with the Company's insurers at all times, and any insurance policies of the Security Agent insuring such Airframe or any such Engine shall provide for a release to the Company of any and all salvage rights in and to such Airframe or any such Engine.

(g) Right to Pay Premium. In the event of cancellation of any insurance required to be maintained hereunder due to the nonpayment of premiums, the Security Agent shall have the option, in its sole discretion, to pay any such premium in respect to such Aircraft that is due in respect of the coverage pursuant to this Aircraft Security Agreement and to maintain such coverage, as the Security Agent may require, until the scheduled expiry date of such insurance and, in such event, the Company shall, upon demand, reimburse the Security Agent for amounts so paid by it.

(h) Insurance for Own Account. Nothing in this Section 7.06 shall limit or prohibit (i) the Company from maintaining the policies of insurance required pursuant to this Section 7.06 with higher limits than those specified herein or (ii) the Security Agent or the Company from obtaining insurance for its own account, and at its sole expense,

with respect to such Airframe or any such Engine (and any proceeds payable under such insurance shall be payable as provided in the insurance policy relating thereto); provided that no such insurance may be obtained which 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 by the Company (or any Permitted Lessee) with respect to such Aircraft or any other aircraft in the Company's (or such Permitted Lessee's) fleet.

ARTICLE VIII

RESIGNATION AND REPLACEMENT OF SECURITY AGENT, ETC.

Section 8.01. Resignation and Replacement of Security Agent.

(a) General. The Security Agent may resign by so notifying the Company and the Trustee in writing. If U.S. Bank or a successor Trustee under the Indenture resigns as Trustee under the Indenture or is otherwise no longer the Trustee under the Indenture, U.S. Bank or such successor Trustee, as the case may be, shall resign and be replaced as Security Agent hereunder by the institution acting as successor Trustee under the Indenture as promptly as practicable and in accordance with this Section 8.01. In addition, the Security Agent may be removed and replaced with a successor Security Agent in accordance with the second sentence of Section 5.09 of the Indenture.

(b) Acceptance of Appointment by Successor and Transfer of Rights, Etc. A successor Security Agent shall execute and deliver a written acceptance of its appointment to the retiring Security Agent and to the Company. Immediately after that, the resignation or removal of the retiring Security Agent shall become effective, and the successor Security Agent shall succeed to and become vested with all the rights, powers and duties of the Security Agent under this Aircraft Security Agreement. On request of the Company or the successor Security Agent, the retiring Security Agent shall execute and deliver an instrument transferring to such successor Security Agent all such rights, power and duties of the retiring Security Agent and shall duly and promptly assign, transfer and deliver all property and all books and records (or true, correct and complete copies thereof), held by the retiring Security Agent in its capacity as Security Agent. Upon request of any such successor Security Agent, the Company, the retiring Security Agent and such successor Security Agent shall execute and deliver and any 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 Security Agent, all such rights powers and duties.

(c) Resignation or Removal Not Effective Until Acceptance of Appointment by a Successor; Right to Petition Court for Appointment of a Successor. No resignation or removal of the Security Agent and no appointment of a successor Security Agent, pursuant to this Article VIII, shall become effective until the acceptance of appointment by the successor Security Agent under this Section 8.01. If a successor Security Agent does not take office within 60 days after the retiring Security Agent resigns or is removed, the retiring Security Agent, the Company or the Noteholders of at least 10% in aggregate principal amount of the Notes Outstanding may petition any court of competent jurisdiction for the appointment of a successor Security Agent.

(d) Continuing Benefit. After any retiring Security Agent's resignation or removal, the provisions of this Aircraft Security Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Aircraft Security Agreement while it was Security Agent.

(e) Eligibility. The Security Agent shall be a Citizen of the United States (without the use of a voting trust) and a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof or the District of Columbia, and shall have a combined capital and surplus of at least $50,000,000 (or a combined capital and surplus in excess of $5,000,000 and the obligations of which, whether now in existence or hereinafter 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 $50,000,000), as set forth in its most recent, published annual report of condition. The Security Agent shall satisfy and comply with any applicable requirements of the TIA.

(f) Right to Petition Court for Removal of the Security Agent. If the Security Agent fails to comply with Section 8.01(e), any Noteholder may petition any court of competent jurisdiction for the removal of the Security Agent and the appointment of a successor Security Agent.

Section 8.02. Appointment of Additional and Separate Security Agents.

(a) Circumstances of, and Procedures for, Appointment. Whenever (i) the Security Agent shall deem it necessary or desirable in order to conform to any law of any jurisdiction in which all or any part of the Aircraft Collateral shall be situated or to make any claim or bring any suit with respect to or in connection with the Aircraft Collateral, any Operative Document or any of the transactions contemplated by the Operative Documents, (ii) the Security Agent shall be advised by counsel satisfactory to it that it is necessary or prudent in the interests of the Noteholders (and the Security Agent shall so

advise the Company) or (iii) the Security Agent shall have been requested to do so by a Majority in Interest of Noteholders, then in any such case, the Security Agent and, upon the written request of the Security Agent, the Company, shall execute and deliver a security agreement supplement 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(e) and approved by the Security Agent, either to act jointly with the Security Agent as additional security agent or security agents with respect to all or any part of the Aircraft Collateral or to act as separate security agent or security agents with respect to all or any part of the Aircraft Collateral, in each case with such rights, powers, duties and obligations consistent with this Aircraft Security Agreement as may be provided in such supplemental security agreement or other instruments as the Security Agent or the Trustee 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 security agent, 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 security agent shall be appointed without the Company's consent. If the Company shall not have taken any action requested of it under this Section 8.02(a) that is required by its terms within 15 days of a written request from the Security Agent to do so, or if an Event of Default shall have occurred and be continuing, the Security Agent may act under the foregoing provisions of this Section 8.02(a) without the concurrence of the Company, and, to the extent permitted by applicable law, the Company hereby irrevocably appoints (which appointment is coupled with an interest) the Security Agent as its agent and attorney-in-fact to act for it under the foregoing provisions of this Section 8.02(a). The Security Agent may, in such capacity, execute, deliver and perform any such security agreement supplement, or any such instrument, as may be required for the appointment of any such additional or separate security agent or for the clarification of, addition to or subtraction from the rights, powers, duties or obligations theretofore granted to any such additional or separate security agent, subject in each case to the remaining provisions of this Section 8.02. In case any additional or separate security agent 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 security agent shall revert to the Security Agent until a successor additional or separate security agent is appointed as provided in this Section 8.02(a).

(b) Powers of Additional or Separate Security Agents. No additional or separate security agent shall be entitled to exercise any of the rights, powers, duties and obligations conferred upon the Security Agent in respect of the custody, investment and payment of monies and all monies received by any such additional or separate security agent from or constituting part of the Aircraft Collateral or otherwise payable under any

Operative Documents to the Security Agent shall be promptly paid over by it to the Security Agent. All other rights, powers, duties and obligations conferred or imposed upon any additional or separate security agent shall be exercised or performed by the Security Agent and such additional or separate security agent jointly except to the extent that applicable law of any jurisdiction in which any particular act is to be performed renders the Security Agent 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 Aircraft Collateral in any such jurisdiction) shall be exercised and performed by such additional or separate security agent. No additional or separate security agent shall take any discretionary action except on the instructions of the Security Agent or the Trustee. No security agent hereunder shall be personally liable by reason of any act or omission of any other security agent hereunder, except that the Security Agent shall be liable for the consequences of its lack of reasonable care in selecting, and the Security Agent's own actions in acting with, any additional or separate security agent. Each additional or separate security agent appointed pursuant to this Section 8.02 shall be subject to, and shall have the benefit of Article IV, Article V, Article VI, Article VIII, Article IX and Article X hereof insofar as they apply to the Security Agent. The powers of any additional or separate security agent appointed pursuant to this Section 8.02 shall not in any case exceed those of the Security Agent hereunder.

(c) Removal of Additional or Separate Security Agents. If at any time the Security Agent shall deem it no longer necessary or desirable to continue the appointment of any additional or separate security agent or in the event that the Security Agent shall have been requested to do so in writing by a Majority in Interest of Noteholders, the Security Agent and, upon the written request of the Security Agent, the Company, shall execute and deliver a security agreement supplement and all other instruments and agreements necessary or proper to remove any additional or separate security agent. The Security Agent 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. The Company may remove an additional or separate security agent if:

(i) such security agent fails to comply with Section 8.2(e) hereof;

(ii) such security agent is adjudged a bankrupt or an insolvent;

(iii) a receiver or other public officer takes charge of such security agent or its property or affairs;

(iv) such security agent becomes incapable of acting; or

(v) no Default or Event of Default has occurred and is continuing and the Company determines in good faith to remove such security agent.

Section 8.03. Successor Security Agent by Merger, etc. If the Security Agent consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the resulting, surviving, succeeding or transferee Person without any further act shall be the successor Security Agent (provided that such successor Person shall be otherwise qualified and eligible under this Article VIII), without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE IX

CERTAIN COVENANTS; DISPOSITION, SUBSTITUTION AND RELEASE OF AIRCRAFT COLLATERAL

Section 9.01. Certain Covenants of the Company.

(a) Obligations under the Notes and Other Operative Documents. The Company agrees to pay, perform and observe all of the agreements, covenants and obligations of the Company set forth in the Notes and the other Operative Documents as though all such agreements, covenants and obligations were set forth in full herein (it being agreed that this Section 9.01(a) shall not restrict the ability to amend, modify or supplement, or waive compliance with, the Notes or any other Operative Document in accordance with the terms thereof). Without limiting the effect of any of the Operative Documents and for the avoidance of doubt, it is acknowledged and agreed by each of the parties hereto that the Company's obligations under the Notes and the other Operative Documents constitute "obligations of the debtor" under this security agreement for purposes of 11 U.S.C. Section 1110(a)(2).

(b) Further Assurances. On and after the date hereof, the Company will cause to be done, executed, acknowledged and delivered such further acts, conveyances and assurances as the Security Agent shall reasonably request for accomplishing the purposes of this Aircraft Security Agreement; 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.

(c) Filing and Recordation of this Aircraft Security Agreement; Registration of International Interests. The Company, at its own expense, will

cause this Aircraft Security Agreement (with each Aircraft Security Supplement covering an Aircraft being subjected to the Lien of this Aircraft Security Agreement 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. In addition, on or prior to each Aircraft Closing Date, the Company will cause the registration of the International Interests (or Prospective International Interests) created under this Aircraft Security Agreement (as supplemented by each Aircraft Security Agreement Supplement covering an Aircraft being subjected to the Lien of this Aircraft Security Agreement on such Aircraft Closing Date) to be effected on the International Registry in accordance with the Cape Town Treaty, and shall, as and to the extent applicable, consent to such registration upon the issuance of a request for such consent by the International Registry.

(d) Maintenance of Filings. The Company, at its expense, will take, or cause to be taken, such action with respect to the due and timely recording, filing, re-recording and refiling of this Aircraft Security Agreement and any financing statements and any continuation statements or other instruments as are necessary to maintain, so long as this Aircraft Security Agreement is in effect, the perfection of the security interests created by this Aircraft Security Agreement or will furnish the Security Agent 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 Security Agent to take such action. In addition, with respect to each Aircraft, the Company will pay any and all recording, stamp and other similar taxes payable in the United States, and in any other jurisdiction where such Aircraft is registered, in connection with the execution, delivery, recording, filing, re-recording and refiling of this Aircraft Security Agreement or any such financing statements or other instruments. The Company will notify the Security Agent of any change in its jurisdiction of organization (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the State of Delaware) 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.

(e) Section 1110. The Company shall, for as long as and to the extent required under Section 1110 in order that the Security Agent shall be entitled to any of the benefits of Section 1110 with respect to each Aircraft, remain a Certificated Air Carrier.

Section 9.02. Certain Covenants of the Security Agent and the Trustee.

(a) Continuing Registration and Re-Registration. Each of the Security Agent and the Trustee agrees to execute and deliver, at the Company's expense, all such documents and consents as the Company may reasonably request for the purpose of continuing the registration of any Aircraft at the FAA in the Company's name or for the purpose of registering or maintaining any registration on the International Registry in respect of such Aircraft. In addition, each of the Security Agent and the Trustee agrees, for the benefit of the Company, to cooperate with the Company in effecting any foreign registration of any such Aircraft pursuant to Section 7.02(e) hereof; provided that prior to any such change in the country of registry of such Aircraft the conditions set forth in Section 7.02(e) hereof are met to the reasonable satisfaction of, or waived by, the Security Agent.

(b) Quiet Enjoyment. Each of the Security Agent and the Trustee agrees, with respect to each Aircraft, that, unless an Event of Default shall have occurred and be continuing, it shall not (and shall not permit any Affiliate or other Person claiming by, through or under it to) take any action contrary to, or otherwise in any way interfere with or disturb (and then only in accordance with this Aircraft Security Agreement), the quiet enjoyment of the use and possession of such Aircraft, the related Airframe, any related Engine or any Part thereof by the Company or any transferee of any interest in any thereof permitted under this Aircraft Security Agreement.

(c) Cooperation. Each of the Security Agent and the Trustee will cooperate with the Company in connection with the recording, filing, re-recording and re-filing of this Aircraft Security Agreement and any Aircraft Security Agreement Supplements and any financing statements or other documents as are necessary to maintain the perfection hereof or otherwise protect the security interests created hereby.

Section 9.03. Disposition, Substitution and Release of Aircraft Collateral. The following provisions shall apply from and after the time the Indenture is qualified under the TIA:

(a) Parts. Any Parts and alterations, improvements and modifications in or additions to any Aircraft shall, to the extent required or specified by this Aircraft Security Agreement, become subject to the Lien of this Aircraft Security Agreement; provided that, to the extent permitted by and as provided in Section 7.04 hereof, the Company shall have the right, at any time and from time to time, without any release from or consent by the Security Agent, to remove, replace and pool Parts and to make alterations, improvements and modifications in, and additions to, any Aircraft. The Security Agent agrees that, to the extent permitted by and as provided in Section 7.04 hereof, title to any such removed or replaced Part shall vest in the Company. The Security Agent shall from time to time

execute an appropriate written instrument or instruments to confirm the release of the security interest of the Security Agent in any Part as provided in Section 7.04 hereof, in each case upon receipt by the Security Agent of a Request stating that such action was duly taken by the Company in conformity with such Section 7.04 and that the execution of such written instrument or instruments is appropriate to evidence such release of a security interest under such Section 7.04.

(b) Substitution upon an Event of Loss Occurring to an Airframe or Engines or upon Substitution of an Engine. Upon (i) the occurrence of an Event of Loss occurring to any Airframe or Engine, or (ii) a substitution of an Engine, the Company may, in the case of an Event of Loss which has occurred to an Airframe, or shall, in the case of an Event of Loss which has occurred to or substitution with respect to an Engine, substitute an airframe or engine, as the case may be, in which case, upon satisfaction of all conditions to such substitution specified in Section 7.05 hereof and the additional conditions specified in Section 9.03(c), if applicable, the Trustee shall cause the Security Agent to execute and deliver the applicable release documents described in Section 7.05 hereof.

(c) Release Certificate. The Security Agent's release of all of its right, interest and lien in and to an Airframe or Engine, as provided for in Section 9.03(b), shall be subject to the condition that the Security Agent shall have received (i) a certificate of an engineer, appraiser or other expert stating the fair value to the Company of the airframe or engine to be substituted for such Airframe or Engine; provided that (x) such certificate shall be prepared by an Independent engineer, appraiser or other expert if within six months prior to the date of acquisition of such airframe or engine by the Company, such airframe or engine has been used or operated by a Person or Persons other than the Company, in a business similar to that in which such Airframe or Engine, as the case may be, has been or is to be operated by the Company, but (y) such certificate of an Independent engineer, appraiser or other expert shall not be required in the case of any such substitution if the fair value to the Company of the airframe or engine to be so substituted as set forth in the certificate required by this clause (i) is less than $25,000 or less than 1% of the aggregate principal amount of the Notes at the time Outstanding; and (ii) a certificate of an engineer, appraiser or other expert as to the fair value of such Airframe or Engine, as the case may be, to be released from the Lien of this Aircraft Security Agreement and stating that in the opinion of such Person the proposed release will not impair the security under this Aircraft Security Agreement in contravention of the provisions hereof; provided that (x) such certificate shall be prepared by an Independent engineer, appraiser or other expert if the fair value of such Airframe or Engine, as the case may be, to be

released from the lien of this Aircraft Security Agreement and of all other property and securities released since the commencement of the then current calendar year, as set forth in the certificates required by Section 314(d)(1) of the TIA, is 10% or more of the aggregate principal amount of the Notes at the time Outstanding, but (y) such certificate of an Independent engineer, appraiser or other expert shall not be required in the case of any such release of an Airframe or Engine if the fair value of such Airframe or Engine as set forth in the certificate required by this clause (ii) is less than $25,000 or less than 1% of the aggregate principal amount of the Notes at the time Outstanding.

(d) General. The release of any portion of the Aircraft Collateral from the terms of this Aircraft Security Agreement will not be deemed to impair the security under this Aircraft Security Agreement in contravention of the provisions hereof if and to the extent such portion of the Aircraft Collateral is released pursuant to the terms of this Aircraft Security Agreement. To the extent applicable and not otherwise provided for in this Section 9.03, the Company shall cause TIA Section 314(d) relating to the release of property or securities from the Lien of this Indenture or the Aircraft Security Agreement, and relating to the substitution therefor of any property or securities to be subjected to the Lien of this Aircraft Security Agreement to be complied with.

ARTICLE X

MISCELLANEOUS

Section 10.01. Termination of this Aircraft Security Agreement. Subject to Section 7.04 and Section 7.05 (and without in any way limiting provisions regarding any release of the Lien of this Aircraft Security Agreement contained in such Section 7.04 or Section 7.05, as applicable), upon the discharge of obligations of the Company under the Indenture and the Notes pursuant to Section 13.01 of the Indenture, the Lien of this Aircraft Security Agreement shall terminate, and the Security Agent (and, if the Company so requests, the Trustee) shall execute and deliver to or as directed in writing by the Company an appropriate instrument releasing each Aircraft and Engine and all other Aircraft Collateral from the Lien of this Aircraft Security Agreement; provided that this Aircraft Security Agreement and the trusts created hereby shall earlier terminate and this Aircraft Security Agreement shall be of no further force or effect upon any sale or other final disposition by the Security Agent of all property constituting part of the Aircraft Collateral and the final distribution by the Security Agent of all monies or other property or proceeds constituting part of the Aircraft Collateral in accordance with the terms hereof. Except as aforesaid otherwise provided, this Aircraft Security Agreement

and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 10.02. No Legal Title to Aircraft Collateral in the Noteholders. No holder of a Note shall have legal title to any part of the Aircraft Collateral. No transfer, by operation of law or otherwise, of any Note or other right, title and interest of any Noteholder in and to the Aircraft Collateral or hereunder shall operate to terminate this Aircraft Security Agreement or entitle such holder 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 Aircraft Collateral.

Section 10.03. Sale by the Security Agent Is Binding. Any sale or other conveyance of any Aircraft, the related Airframe, any related Engine or any interest therein by the Security Agent made pursuant to the terms of this Aircraft Security Agreement shall bind the Noteholders and the Company and shall be effective to transfer or convey all right, title and interest of the Security Agent, 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 Security Agent or the Noteholders.

Section 10.04. This Aircraft Security Agreement for the Benefit of the Company, the Noteholders, the Security Agent, the Trustee and the Other Indemnitees. Nothing in this Aircraft Security Agreement, whether express or implied, shall be construed to give any Person other than the Company, the Noteholders, the Security Agent, the Trustee and the other Indemnitees any legal or equitable right, remedy or claim under or in respect of this Aircraft Security Agreement, except that the Persons referred to in the second to last full paragraph of Section 7.02(a) shall be third party beneficiaries of such paragraph.

Section 10.05. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents or waivers required or permitted under the terms and provisions of this Aircraft Security Agreement shall be in English and in writing, and given by United States registered or certified mail, return receipt requested, overnight courier service or facsimile, and any such notice shall be effective when received (or, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) and addressed as follows:

if to the Company, addressed to:

American Airlines, Inc.
4333 Amon Carter Boulevard
Mail Drop 5662
Fort Worth, Texas 76155
Reference: American Airlines 2009-2 Secured Notes Due 2016
Attention: Treasurer
Telephone: (817) 963-1234
Facsimile: (817) 967-4318

if to the Security Agent, addressed to:

U.S. Bank Trust National Association
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Attention: Corporate Trust Services
Reference: American Airlines 2009-2 Secured Notes Due 2016
Telephone: (617) 603-6553
Facsimile: (617) 603-6683;

if to the Trustee, addressed to:

U.S. Bank Trust National Association
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Attention: Corporate Trust Services
Reference: American Airlines 2009-2 Secured Notes Due 2016
Telephone: (617) 603-6553
Facsimile: (617) 603-6683;

and

if to any Indemnitee other than the Security Agent or the Trustee, addressed to the address of such party (if any) set forth in Section 13.05 of the Indenture or to such other address as such Indemnitee shall have furnished by notice to the Company and the Security Agent.

Any party, by notice to the other parties hereto, may designate different addresses for subsequent notices or communications. Whenever the words “notice” or “notify” or

similar words are used herein, they mean the provision of formal notice as set forth in this Section 10.05.

Section 10.06. Severability. To the extent permitted by applicable law, any provision of this Aircraft Security Agreement 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. Subject to Article XII of the Indenture, no terms or provisions of this Aircraft Security Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Company, the Security Agent and the Trustee; provided that, if U.S. Bank is a Person against whom the enforcement of such instrument is sought, such instrument shall also be signed by U.S. Bank. Without limiting the generality of the third sentence of Section 6.01, the Security Agent agrees to be bound by the terms of Article XII of the Indenture. Any waiver of the terms hereof 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.

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 Aircraft Security Agreement to the contrary notwithstanding, the Security Agent, the Trustee, any Noteholder or any other party to any of the Operative 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 Aircraft Security Agreement 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. Survival of Representations, Warranties, Indemnities, Covenants and Agreements. Without limiting the generality of the third sentence of Section 6.01, the Security Agent agrees to be bound by the terms of Section 13.20 of the Indenture.

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 Security Agent, on behalf of the Noteholders, to all of the benefits of Section 1110 with respect to each 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 Aircraft Security Agreement shall grant the Company the right to permit such right to be exercised by any such assignee, lessee or transferee, and, in the case of a lessee, as if the terms hereof were applicable to such lessee were such lessee the Company hereunder. The inclusion of specific references to obligations or rights of any such assignee, lessee or transferee in certain provisions of this Aircraft Security Agreement 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 Aircraft Security Agreement.

Section 10.14. Counterparts. This Aircraft Security 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 Aircraft Security Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Aircraft Security Agreement, but all of such counterparts together shall constitute one instrument.

Section 10.15. Governing Law. **THIS AIRCRAFT SECURITY AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AIRCRAFT SECURITY AGREEMENT AND ANY AIRCRAFT SECURITY AGREEMENT SUPPLEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.**

Section 10.16. Confidential Information. Without limiting the generality of the third sentence of Section 6.01, the Security Agent agrees to be bound by the terms of Section 13.18 of the Indenture.

Section 10.17. 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 Aircraft Security 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 Aircraft Security Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

Section 10.18. Conflict with Trust Indenture Act of 1939. It is intended that, when the Indenture is qualified under the TIA as contemplated by the Registration Rights Agreement, this Aircraft Security Agreement will become subject to the TIA. If any provision hereof limits, qualifies or conflicts with a provision of the TIA that is required by the TIA to be a part of and govern this Aircraft Security Agreement, then the provision of the TIA shall control. If any provision of this Aircraft Security Agreement modifies or excludes any provision of the TIA that may be so modified or excluded, the provision of the TIA shall be deemed to apply to this Aircraft Security Agreement as so modified, or to be excluded, as the case may be, whether or not such provision of this Aircraft Security Agreement expressly refers to such provision of the TIA.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Aircraft Security Agreement to be duly executed by their respective officers thereof duly authorized, as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Peter M. Warlick
Name: Peter M. Warlick
Title: Managing Director — Corporate Finance and Banking

Signature Page

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly stated
herein, but solely as Security Agent

By: /s/ Alison D. B. Nadeau
Name: Alison D. B. Nadeau
Title: Vice President

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly stated
herein, but solely as Trustee

By: /s/ Alison D. B. Nadeau
Name: Alison D. B. Nadeau
Title: Vice President

FORM OF AIRCRAFT SECURITY AGREEMENT SUPPLEMENT

AIRCRAFT SECURITY AGREEMENT SUPPLEMENT NO.

AIRCRAFT SECURITY AGREEMENT SUPPLEMENT NO. ___, dated _____, ___ ("Aircraft Security Agreement Supplement"), among AMERICAN AIRLINES, INC. (the "Company"), U.S. BANK TRUST NATIONAL ASSOCIATION, not in its individual capacity but solely as Security Agent under the Aircraft Security Agreement and U.S. BANK TRUST NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee (each as hereinafter defined).

WITNESSETH:

WHEREAS, the Aircraft Security Agreement, dated as of ___, 2009 (the "Aircraft Security Agreement"; capitalized terms used herein without definition shall have the meanings specified therefor in Annex A to the Aircraft Security Agreement), among the Company, U.S. Bank Trust National Association, not in its individual capacity, except as expressly provided therein, but solely as Security Agent (the "Security Agent") and U.S. Bank Trust National Association, not in its individual capacity, except as expressly provided therein, but solely as Trustee (the "Trustee"), provides for the execution and delivery of supplements thereto substantially in the form hereof which shall particularly describe an Aircraft, and shall specifically grant a security interest in such Aircraft to the Security Agent; and

[WHEREAS, the Aircraft Security Agreement relates to the Airframe and Engines described in Annex A attached hereto and made a part hereof, and a counterpart of the Aircraft Security Agreement Supplement is attached to and made a part of this Aircraft Security Agreement;][1]

[WHEREAS, the Company has, as provided in the Aircraft Security Agreement, heretofore executed and delivered to the Security Agent and the Trustee Aircraft Security Agreement Supplement(s) for the purpose of specifically subjecting to the Lien of the Aircraft Security Agreement certain airframes and/or engines therein described, which Aircraft Security Agreement Supplement(s) is/are dated and has/have been duly recorded with the FAA as set forth below, to wit:

Date	Recordation Date	Conveyance No.][2]

1 Use for Aircraft Security Agreement Supplement No. 1 only.

2 Use for all Aircraft Security Agreement Supplements other than Aircraft Security Agreement Supplement No. 1.

NOW, THEREFORE, to secure (i) the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, interest on (including interest on any overdue amounts), and Make-Whole Amount, if any, with respect to, and all other amounts due under, the Notes, (ii) all other amounts payable by the Company under the Operative Documents and (iii) 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 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 Noteholders and the Indemnitees to the Company at or before the initial Aircraft Closing Date, the receipt and adequacy of which are hereby acknowledged, the Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto the Security Agent and its successors in trust and permitted assigns, for the security and benefit of the Noteholders and the 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 Aircraft Security Agreement, 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 Security Agent, and its successors and permitted assigns, in trust for the equal and proportionate benefit and security of the Noteholders and the Indemnitees, except as otherwise provided in the Aircraft Security Agreement or the Indenture, including Section 2.13 of the Indenture, the definition of "Outstanding" and Article III of the Indenture, without any priority of any one 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 Aircraft Security Agreement and the Indenture.

This Aircraft Security Agreement Supplement shall be construed as supplemental to the Aircraft Security Agreement and shall form a part thereof, and the Aircraft Security Agreement is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

THIS AIRCRAFT SECURITY AGREEMENT SUPPLEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND 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.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the undersigned have caused this Aircraft Security Agreement Supplement No. ___ to be duly executed by their respective duly authorized officers, on the date first above written.

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly provided
in the Aircraft Security Agreement, but solely as
Security Agent

By: _____
Name:
Title:

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly provided
in the Aircraft Security Agreement, but solely as
Trustee

By: _____
Name:
Title:

Signature Page

DESCRIPTION OF AIRFRAME AND ENGINES

AIRFRAME

Manufacturer	Model	Generic Manufacturer and Model	FAA Registration No.	Manufacturer's Serial No.
Boeing		BOEING		

ENGINES

Manufacturer	Model	Generic Manufacturer and Model	Manufacturer's Serial Nos.

Each Engine has 550 or more rated takeoff horsepower or the equivalent of such horsepower and is a jet propulsion aircraft engine having at least 1750 pounds of thrust or the equivalent of such thrust.

LIST OF PERMITTED COUNTRIES

Australia*
Austria*
Bahamas
Barbados
Belgium
Bermuda Islands
Brazil
British Virgin Islands
Canada*
Cayman Islands
Chile
Czech Republic
Denmark*
Ecuador
Finland*
France*
Germany*
Greece
Hong Kong
Hungary
Iceland*
India
Ireland*
Italy
Jamaica
Japan*
Kuwait
Liechtenstein*
Luxembourg*
Malaysia
Mexico
Monaco*
the Netherlands*
Netherlands Antilles
New Zealand*
Norway*
Peoples' Republic of China
Poland
Portugal
Republic of China (Taiwan)
Singapore
South Africa
South Korea
Spain
Sweden*
Switzerland*
Thailand
Trinidad and Tobago
United Kingdom*

* Country of domicile for a manufacturer (or its Affiliate) referred to in Section 7.02(a)(viii).

AIRCRAFT TYPE VALUES FOR SECTION 7.06(b)

Aircraft Type	Values for Section 7.06(b)
Boeing 777-223ER	$12,000,000
Boeing 737-823	$ 6,000,000
Boeing 767-323ER	$ 8,000,000

DEFINITIONS

"Affiliate" means with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For the purposes of this definition, "control" (including "controlled by" and "under common control with") shall mean the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities or by contract or otherwise. In no event shall U.S. Bank be deemed to be an Affiliate of the Trustee or the Security Agent or vice versa.

"After-Tax Basis" means that indemnity and compensation payments required to be made on such basis will be supplemented by the Person paying the base amount by that amount which, when added to such base amount, and after deduction of all Federal, state, local and foreign Taxes required to be paid by or on behalf of the payee with respect of the receipt or realization of the base amount and any such supplemental amounts, and after consideration of any current tax savings of such payee resulting by way of any deduction, credit or other tax benefit actually and currently realized that is attributable to such base amount or Tax, shall net such payee the full amount of such base amount.

"Agent" means any Registrar, Paying Agent or co-Registrar or co-Paying Agent.

"Agent Members" has the meaning specified in Section 2.05(a) of the Indenture.

"Aircraft" means each Airframe (or any Replacement Airframe substituted for such Airframe pursuant to Section 7.05 of the Aircraft Security Agreement) together with the two related Engines described in **Annex A** to the Aircraft Security Agreement Supplement originally executed and delivered under the Aircraft Security Agreement relating to such Airframe or Replacement Airframe (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 Aircraft Security Agreement), whether or not any of such initial or substituted Engines may from time to time be installed on such Airframe or Replacement Airframe or any other airframe or aircraft. The term "Aircraft" shall include any Replacement Aircraft. The term "Aircraft" shall not include any Aircraft after the Lien of the Aircraft Security Agreement shall have been terminated with respect thereto.

"Aircraft Closing" has the meaning specified in Section 1.03(b) of the Indenture.

"Aircraft Closing Date" has the meaning specified in Section 1.03(b) of the Indenture.

"Aircraft Collateral" has the meaning specified in the granting clause of the Aircraft Security Agreement.

"Aircraft Protocol" means the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements, and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Aircraft Protocol with respect to that country, the Aircraft Protocol as in effect in such country, unless otherwise indicated).

"Aircraft Purchase Agreement" means:

(a) with respect to any Boeing 737-823 Aircraft, Purchase Agreement No. 1977, dated October 31, 1997, which incorporates by reference the Aircraft General Terms Agreement (AGTA-AAL), dated as of October 31, 1997, 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;

(b) with respect to any Boeing 767-323ER Aircraft, Purchase Agreement No. 1979, dated October 31, 1997, which incorporates by reference the Aircraft General Terms Agreement (AGTA-AAL), dated as of October 31, 1997, 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; and

(c) with respect to any Boeing 777-223ER Aircraft, Purchase Agreement No. 1980, dated October 31, 1997, which incorporates by reference the Aircraft General Terms Agreement (AGTA-AAL), dated as of October 31, 1997, 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;

"Aircraft Securities Account" has the meaning specified in Section 3.05 of the Aircraft Security Agreement.

"Aircraft Securities Intermediary" has the meaning specified in Section 3.05 of the Aircraft Security Agreement.

"Aircraft Security Agreement" means, subject to Section 1.03(c) of the Indenture, an Aircraft Security Agreement, dated as of the initial Aircraft Closing Date, among the Company, U.S. Bank, not in its individual capacity, except as expressly stated therein,

but solely as Security Agent, and U.S. Bank, not in its individual capacity, except as expressly stated therein, but solely as Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including supplementation by an Aircraft Security Agreement Supplement pursuant to the Aircraft Security Agreement.

"Aircraft Security Agreement Supplement" means a supplement to the Aircraft Security Agreement executed and delivered thereunder, substantially in the form of **Exhibit A** to the Aircraft Security Agreement, which shall particularly describe any Aircraft, and any Replacement Airframe and/or Replacement Engine included in the property subject to the Lien of the Aircraft Security Agreement.

"Aircraft Security Event of Default" has the meaning specified in Section 4.01 of the Aircraft Security Agreement.

"Airframe" means (a) each airframe further described in **Annex A** to an Aircraft Security Agreement Supplement originally executed and delivered in respect of such airframe under the Aircraft Security Agreement (except (i) the related 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 from time to time that are excluded from the definition of Parts by clauses (b), (c) and (d) thereof) and (b) any and all related Parts. The term "Airframe" shall include any Replacement Airframe that may from time to time be substituted for any Airframe pursuant to Section 7.05 of the Aircraft Security Agreement. At such time as a Replacement Airframe shall be so substituted and the Airframe for which such substitution is made shall be released from the Lien of the Aircraft Security Agreement, such replaced Airframe shall cease to be an Airframe under the Aircraft Security Agreement. The term "Airframe" shall not include any Airframe after the Lien of the Aircraft Security Agreement shall have been terminated with respect thereto.

"Allocable Portion" means, with respect to any Aircraft or Eligible Aircraft and as of any date, (a) if such date is an Allocation Date, the amount set forth in **Schedule III** to the Indenture with respect to such Aircraft or Eligible Aircraft opposite such Allocation Date, or (b) if such date is not an Allocation Date, the amount set forth in **Schedule III** to the Indenture with respect to such Aircraft or Eligible Aircraft opposite the Allocation Date that immediately precedes such date.

"Allocable Portion of Scheduled Principal Payment" means, with respect to any Aircraft or Eligible Aircraft and as of any Payment Date, the amount set forth in **Schedule III** of the Indenture with respect to such Aircraft or Eligible Aircraft opposite the Allocation Date that corresponds to such Payment Date.

"Allocation Date" means the Issuance Date and each Payment Date specified in **Schedule III** to the Indenture.

"American Entity" means the Parent, the Company and any Affiliate of the Parent.

"Appraisers" means Aircraft Information Services, Inc., BK Associates, Inc. and Morten Beyer & Agnew, Inc. or, so long as a Majority in Interest of Noteholders acts reasonably, any other nationally recognized appraiser selected by a Majority in Interest of Noteholders.

"Appraisal" has the meaning set forth in Section 4.02(e) of the Indenture.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Code §§101 *et seq.*, as amended, or any successor statutes thereto.

"Bills of Sale" means, with respect to any Aircraft, the applicable FAA Bill of Sale and the applicable Warranty Bill of Sale.

"Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Fort Worth, Texas, Boston, Massachusetts or, if different from the foregoing, the city and state in which the Trustee or the Security Agent maintains its Corporate Trust Office or receives and disburses funds.

"Cape Town Convention" means the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements, and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Convention with respect to that country, the Cape Town Convention as in effect in such country, unless otherwise indicated).

"Cape Town Treaty" means, collectively, the official English language text of (a) the Convention on International Interests in Mobile Equipment, and (b) the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, in each case adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Treaty with respect to that country, the Cape Town Treaty as in effect in such country, unless otherwise indicated, and (c) all rules and regulations adopted pursuant thereto and, in the

case of each of the foregoing described in clauses (a) through (c), all amendments, supplements, and revisions thereto.

"Cash Securities Account" has the meaning specified in Section 3.07 of the Indenture.

"Cash Securities Intermediary" has the meaning specified in Section 3.07 of the Indenture.

"Certificated Air Carrier" means an air carrier 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 8.02(a) of the Indenture.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means, as of any date of determination, any Pre-funded Collateral or any Aircraft Collateral, in each case, as the same may be held, as of such date, by the Trustee or the Security Agent, as applicable, under the Indenture or the Aircraft Security Agreement, as applicable.

"Company" means American Airlines, Inc., and its successors and permitted assigns.

"Compulsory Acquisition" means requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of an Aircraft or the related Airframe or any related Engine by any government that results in the loss of title or use of such Aircraft, such Airframe or any such Engine by the Company (or any Permitted Lessee) for a period in excess of 180 consecutive days, but shall exclude requisition for use not involving requisition of title.

"Confidential Information" has the meaning specified in Section 13.18 of the Indenture.

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

"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.

"Cut-Off Date" means November 15, 2009.

"Cut-Off Redemption Date" has the meaning specified in Section 2.19(a) of the Indenture.

"Debt Rate" means the rate per annum specified for the Notes in **Schedule I** to the Indenture; provided that:

(a) if (i) neither the Exchange Offer is consummated nor the Shelf Registration Statement is declared effective on or prior to December 31, 2009, or (ii) the Notes have not been rated by each of Moody's and S&P on or prior to December 31, 2009, such rate per annum will be increased by 1.00% per annum effective as of January 1, 2010;

(b) if the Shelf Registration Statement ceases to be effective for more than 60 days, whether or not consecutive, during the period that it is required to be effective pursuant to Section 2(b) of the Registration Rights Agreement, such interest rate per annum shall be increased by 1.00% from the 61st day until such time as the Shelf Registration Statement again becomes effective; provided that, for the purpose of this clause (b), the Shelf Registration Statement shall be deemed to have ceased to be effective during any period in which the offering of Registrable Notes (as such term is defined in the Registration Rights Agreement) pursuant to the Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court; and

(c) the maximum possible increase in such rate per annum pursuant to this proviso, at any time, shall be 1.00%.

"Default" means any event which is, or after notice or passage of time, or both, would be, an Event of Default.

"Definitive Notes" has the meaning specified in Section 2.01(g) of the Indenture.

"Definitive Exchange Note" has the meaning specified in Section 2.01(g) of the Indenture.

"Definitive Initial Note" has the meaning specified in Section 2.01(g) of the Indenture.

"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 13.12(a) of the Indenture.

"Dollars" and "$" mean the lawful currency of the United States.

"DTC" means The Depository Trust Company, its nominees and their respective successors.

"EASA" means the European Aviation Safety Agency of the European Union and any successor agency.

"Eligible Aircraft" means each airframe identified on **Schedule V** to the Indenture together with two engines of the make and model specified therein opposite such airframe.

"Eligible Account" means a segregated account established by and with an Eligible Institution at the request of the Trustee or the Security Agent, as applicable, which institution agrees, for all purposes of the NY UCC including Article 8 thereof, that (a) such account shall be a "securities account" (as defined in Section 8-501(a) of the NY UCC), (b) such institution is a "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC), (c) all property (other than cash) credited to such account shall be treated as a "financial asset" (as defined in Section 8-102(a)(9) of the NY UCC), (d) the Trustee or the Security Agent, as applicable, shall be the "entitlement holder" (as defined in Section 8-102(a)(7) of the NY UCC) in respect of such account, (e) it will comply with all entitlement orders issued by the Trustee or the Security Agent, as applicable, in each case, to the exclusion of the Company, (f) it will waive or subordinate in favor of the Trustee or the Security Agent, as applicable, all claims (including, without limitation, claims by way of security interest, lien or right of set-off or right of recoupment), and (g) the "securities intermediary jurisdiction" (under Section 8-110(e) of the NY UCC) shall be the State of New York.

"Eligible Institution" means the corporate trust department of U.S. Bank or any other Person that becomes a successor Trustee under the Indenture or a successor Security Agent under the Aircraft Security Agreement, in each case, acting solely in its

capacity as a "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC).

"Engine" means, with respect to any Aircraft, (a) each of the two engines listed by manufacturer's serial number and further described in **Annex A** to the applicable Aircraft Security Agreement Supplement originally executed and delivered under the Aircraft Security Agreement, whether or not from time to time installed on the related 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 Aircraft Security Agreement; together in each case with any and all related Parts, but excluding items installed or incorporated in or attached to any such engine from time to time that are excluded from the definition of 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 Aircraft Security Agreement, such replaced Engine shall cease to be an Engine under the Aircraft Security Agreement. The term "Engine" shall not include any Engine after the Lien of the Aircraft Security Agreement shall have been terminated with respect thereto.

"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, as of any date of determination, (A) with respect to any Eligible Aircraft not then subject to the Lien of the Aircraft Security Agreement, an "Event of Loss" as defined in the applicable Existing Indenture (whether or not such Existing Indenture is in full force and effect) and (B) with respect to any Aircraft, Airframe or 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, hijacking or disappearance of such property for a period in excess of 180 consecutive 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 such Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to such Aircraft required by the terms of Section 7.06 of the Aircraft Security Agreement, 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 such 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 such 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 any such Engine only, any divestiture of title to or interest in such Engine or any event with respect to such Engine that is deemed to be an Event of Loss with respect to such Engine pursuant to Section 7.02(a)(vii) or Section 7.05(e) of the Aircraft Security Agreement.

An Event of Loss with respect to an Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the related Airframe unless the Company elects to substitute a Replacement Airframe pursuant to Section 7.05(a)(i) of the Aircraft Security Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Exchange Note" means and includes any notes issued under the Indenture in exchange for, or replacement of, the Initial Notes pursuant to the Registration Rights Agreement in the form specified in Section 2.01 thereof (as such form may be varied pursuant to the terms of the Indenture) and any Exchange Note issued in exchange therefor or replacement thereof pursuant to and in accordance with the provisions, terms and conditions of the Indenture and such Exchange Note.

"Exchange Offer" means the exchange offer that may be made pursuant to the Registration Rights Agreement to exchange the Initial Notes for the Exchange Notes.

"Exchange Offer Registration Statement" means the registration statement that, pursuant to the Registration Rights Agreement, is filed by the Company with the SEC with respect to the exchange of the Initial Notes for the Exchange Notes.

"Existing Indenture" means, with respect to any Eligible Aircraft, the indenture and security agreement listed on **Schedule V** to the Indenture opposite such Eligible Aircraft.

"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, with respect to any Aircraft, whichever is applicable: (a) the bill of sale for such Aircraft on AC Form 8050-2, executed by the Manufacturer in favor of the Company and recorded with the FAA or (b) collectively, (i) the bill of sale for such Aircraft on AC Form 8050-2, executed by the Manufacturer in favor of Boeing Sales Corporation and recorded with the FAA and (ii) the bill of sale for such Aircraft on AC Form 8050-2, executed by Boeing 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 U.S. Bank from three Federal funds brokers of recognized standing selected by it.

"Global Exchange Note" has the meaning specified in Section 2.01(f) of the Indenture.

"Global Initial Note" has the meaning specified in Section 2.01(d) of the Indenture.

"Global Notes" has the meaning specified in Section 2.01(f) of the Indenture.

"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.

"IAI Definitive Note" has the meaning specified in Section 2.01(e) of the Indenture.

"Indemnitee" has the meaning specified in Section 8.02(b) of the Indenture.

"Indenture" means that certain Indenture and Security Agreement, dated as of July 31, 2009, between the Company and U.S. Bank, not in its individual capacity, except as expressly stated therein, but solely as Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Independent" when used with respect to an engineer, appraiser or other expert, means an engineer, appraiser or other expert who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Company or any Affiliate of the Company, and (iii) is not connected with the Company or any Affiliate of the Company as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

"Initial Note" means and includes any notes other than the Exchange Notes issued under the Indenture in the form specified in Section 2.01 thereof (as such form may be varied pursuant to the terms of the Indenture) and any Initial Note issued in exchange therefor or replacement thereof pursuant to and in accordance with the provisions, terms and conditions of the Indenture and such Initial Note, but excluding any Exchange Note.

"Initial Purchaser" means each initial purchaser identified as such in the Purchase Agreement.

"Institutional Accredited Investor" means, subject to Section 2.01(h) of the Indenture, an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

"Interests" has the meaning specified in Section 7.06(a) of the Aircraft Security Agreement.

"International Interest" has the meaning ascribed to the defined term "international interest" under the Cape Town Treaty.

"International Registry" means the international registry established pursuant to the Cape Town Treaty.

"Issuance Date" means July 31, 2009.

"JAA" means the Joint Aviation Authorities and any successor authority.

"Lease" means any lease permitted by the terms of Section 7.02(a) of the Aircraft Security Agreement.

"Lien" means any mortgage, pledge, lien, encumbrance, lease, sublease, sub-sublease or security interest.

"Loan Amount" has the meaning specified in Section 7.06(b) of the Aircraft Security Agreement.

"Long-Term Rating" means, for any entity (i) in the case of Moody's, the long-term senior unsecured debt rating of such entity and (ii) in the case of S&P, the long-term issuer credit rating of such entity.

"Loss Payment Date" has the meaning specified in Section 7.05(a) of the Aircraft Security Agreement.

"Majority in Interest of Noteholders" means, as of a particular date of determination, the holders of at least a majority in aggregate unpaid principal amount of all Notes Outstanding as of such date.

"Make–Whole Amount" means, with respect to the Notes or any Allocable Portion of the Notes, the amount (as determined by an independent investment banker selected by the Company (and, following the occurrence and during the continuance of an Event of Default, reasonably acceptable to the Trustee)), if any, by which (i) the present value of the Remaining Scheduled Payments with respect to the Notes or such Allocable Portion computed by discounting each such Remaining Scheduled 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 plus the Make-Whole Spread exceeds (ii) the outstanding aggregate principal amount of the Notes or such Allocable Portion plus accrued but unpaid interest thereon to the date of redemption. For purposes of determining the Make-Whole Amount, "Remaining Scheduled Payments" means, with respect to the Notes, the remaining scheduled payments of principal and interest on the Notes from the Payment Date next following the redemption date to, and including, the Maturity Date, and, with respect to any Allocable Portion of the Notes, the remaining Allocable Portions of Scheduled Principal Payment for the relevant Eligible Aircraft for each Allocation Date from the Allocation Date next following the redemption date to, and including, the Maturity Date and the scheduled payments of interest thereon, "Treasury Yield" means, at the date of determination, the interest rate (expressed as a semiannual equivalent and as a decimal rounded to the number of decimal places as appears in the Debt Rate of the Notes 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 semiannual 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 constant maturity, non-inflation-indexed series 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 reported in the most recent H.15(519) or, if a weekly average constant maturity, non-inflation-indexed series yield to maturity for United States Treasury securities maturing on the Average Life Date is reported in the most recent H.15(519), such weekly average yield to maturity as reported 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 latest 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 the Notes or each Allocable Portion of the Notes 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 the Notes or such Allocable Portion. "Remaining Weighted Average Life" of the Notes or an Allocable Portion of the Notes, at the redemption date of the Notes or such Allocable Portion, means the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A)(x) in the case of the Notes, the amount of each then remaining installment of principal, including the payment due on the Maturity Date or (y) in the case of any Allocable Portion of the Notes, the amount of each then remaining Allocable Portion of Scheduled Principal Payment for the relevant Eligible Aircraft for each Allocation Date from the Allocation Date next following such redemption date to, and including, the Maturity Date, by (B) the number of days from and including the redemption date to but excluding (x) in the case of the Notes, the scheduled Payment Date of such principal installment or (y) in the case of any Allocable Portion of the Notes, the Allocation Date corresponding to such Allocable Portion of Scheduled Principal Payment by (ii) the then unpaid principal amount of the Notes or such Allocable Portion. "Make-Whole Amount", with respect to any Note or portion thereof called for redemption, shall mean the Make-Whole Amount calculated in accordance with the foregoing provisions of this definition multiplied by a fraction the numerator of which shall be the outstanding principal amount of such Note or such portion and the denominator of which shall be the aggregate outstanding principal amount of all Notes.

"Make-Whole Spread" means the percentage specified as such in **Schedule I** to the Indenture.

"Manufacturer" means The Boeing Company, a Delaware corporation, and its successors and assigns.

"Manufacturer's Consent" means a Manufacturer's Consent and Agreement to Assignment of Warranties, dated as of each Aircraft Closing Date, substantially in the form of **Exhibit H** to the Indenture.

"Maturity Date" means the date specified as such in **Schedule I** to the Indenture.

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

"Non-U.S. Person" means any Person other than a "U.S. person," as defined in Regulation S.

"Noteholder" means any Person in whose name a Note is registered on the Register.

"Notes" means the Initial Notes and the Exchange Notes.

"NY UCC" means UCC as in effect in the State of New York.

"Officer" means the Chairman of the Board, the President, any Vice President of any grade, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary, the Controller or the Managing Director — Corporate Finance and Banking of the Company.

"Officer's Certificate" means a certificate signed by an Officer (which certificate shall comply with the requirements of Section 11.03 and Section 11.04 of the Indenture if the Indenture is qualified under the TIA at the time such certificate is to be delivered).

"Operative Documents" means, collectively, (a) the Indenture, (b) the Notes, (c) from and after the respective date each of the same is entered into in accordance with Section 1.03(c) of the Indenture, the Aircraft Security Agreement and each Aircraft Security Agreement Supplement, if any, and (d) from and after the applicable Aircraft Closing Date, the Manufacturer's Consent, if any, with respect to each Aircraft.

"Opinion of Counsel" means a written opinion from the General Counsel of the Company, legal counsel to the Company or another legal counsel who is reasonably acceptable to the Trustee (which Opinion of Counsel shall comply with Section 11.03 and Section 11.04 of the Indenture if the Indenture is qualified under the TIA at the time such Opinion of Counsel is to be delivered). The counsel may be an employee of the Company. The acceptance by the Trustee (without written objection to the Company during the 15 Business Days following receipt) of, or its action on, an opinion of counsel not specifically referred to above shall be sufficient evidence that such counsel is acceptable to the Trustee.

"Outstanding" or "outstanding", when used with respect to Notes or a Note, means all Notes theretofore authenticated and delivered under the Indenture, except: (a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation; (b) Notes, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee in trust for the Noteholders of such Notes, provided that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made; (c) Notes for which payment has been deposited with the Trustee or any Paying Agent in trust pursuant to Section 13.01 of the Indenture (except to the extent provided therein); and (d) Notes which have been paid in full, or for which other Notes shall have been authenticated and delivered in lieu thereof or in substitution therefor pursuant to the terms of Section 2.12 of the Indenture. A Note does not cease to be Outstanding because the Company or one of its Affiliates holds the Note; provided, however, that in determining whether the Noteholders of the requisite aggregate principal amount of Notes Outstanding have given or concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture or any other Operative Document, Section 2.13 of the Indenture shall be applicable.

"Parent" means AMR Corporation, a Delaware corporation, or any other Person that directly or indirectly controls the Company, in each case together with its successors and assigns. For the purposes of this definition, "control" means the power, directly or indirectly, to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities or by contract or otherwise.

"Parts" means, with respect to any Aircraft or the related Airframe or any related Engine, as applicable, any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (a) complete such 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 such Airframe that are used to provide individual telecommunications or electronic entertainment to passengers aboard such Aircraft) so long as the same shall be incorporated or installed in or attached to such Airframe or such Engine or so long as the same shall be subject to the Lien of the Aircraft Security Agreement in accordance with the terms of Section 7.04 thereof after removal from such Airframe or such Engine.

"Past Due Rate" means the lesser of (a) the Debt Rate plus 1% (computed on the basis of a year of 360 days comprised of twelve 30-day months) and (b) the maximum rate permitted by applicable law.

"Paying Agent" has the meaning specified in Section 2.08 of the Indenture.

"Payment" means (i) any payment of principal of, interest on, Make-Whole Amount (if any) with respect to, or redemption price in respect of, any Note from the Company, or (ii) any payment received or amount realized by the Trustee or the Security Agent from the exercise of remedies after the occurrence of an Event of Default.

"Payment Date" means, for any Note, each February 1 and August 1 commencing with February 1, 2010.

"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.

"Permanent Regulation S Global Note" has the meaning specified in Section 2.01(d) of the Indenture.

"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 Long-Term Rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization then rates such institutions, 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 Short-Term Rating assigned to such commercial paper by either Moody's or S&P (or, if neither such organization then rates such commercial paper, 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 (g), (h) or (j) 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 Long-Term Rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization then rates such institutions, 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 Long-Term Rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization then rates such institutions, 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, that, at the time of their purchase, such obligations have a Long-Term Rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization then rates such obligations, 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, have a Long-Term Rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization then rates such obligations, by any nationally recognized rating organization in the United States); (m) mortgage backed securities (i) guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or having a Long-Term Rating of AAA, its equivalent or better issued by Moody's or S&P (or, if neither such organization then rates such obligations, by any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by the Trustee and (ii) having an average life not to exceed one year as determined by standard industry pricing practices presently in effect; (n) asset-backed securities having a Long-Term Rating of A, its equivalent or better issued by Moody's or S&P (or, if neither such organization then rates such obligations, by any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by the Trustee; and (o) such other investments approved in writing by the 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. The bank acting as the Trustee or the Security Agent 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 as a sub-agent of the Security Agent or acting for any third person or dealing as principal for its own account.

"Permitted Lessee" means any Person to whom the Company is permitted to lease any Airframe or any Engine pursuant to Section 7.02(a) of the Aircraft Security Agreement.

"Permitted Lien" has the meaning specified in Section 7.01 of the Aircraft Security Agreement.

"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.

"Pre-funded Cash Collateral Amount" means, with respect to any Eligible Aircraft, the amount relating to such Eligible Aircraft set forth in **Schedule IV** of the Indenture.

"Pre-funded Collateral" has the meaning specified in the granting clause of the Indenture.

"Pre-funded Collateral Account" has the meaning specified in Section 1.03 of the Indenture.

"Pre-funded Collateral Securities Intermediary" has the meaning specified in Section 1.03 of the Indenture.

"Prospective International Interest" has the meaning ascribed to the defined term "prospective international interest" under the Cape Town Treaty.

"Purchase Agreement" means that certain Purchase Agreement, dated as of July 27, 2009, among the Company and the Initial Purchasers, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Record Date" means the 15th day preceding any Payment Date, whether or not a Business Day.

"Register" has the meaning specified in Section 2.08 of the Indenture.

"Registrar" has the meaning specified in Section 2.08 of the Indenture.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the Issuance Date, by and among the Company and the Initial Purchasers.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Definitive Note" has the meaning specified in Section 2.01(g) of the Indenture.

"Regulation S Global Note" has the meaning specified in Section 2.01(d) of the Indenture.

"Regulation S Restricted Period Legend" has the meaning specified in Section 2.02 of the Indenture.

"Related Indemnitee Group" has the meaning specified in Section 8.02(b) of the Indenture.

"Replacement Aircraft" means an Aircraft of which a Replacement Airframe is part.

"Replacement Airframe" means, with respect to any Aircraft to be replaced, an aircraft of the same make and model as such Aircraft 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 installed or incorporated in or attached to such airframe from time to time that are excluded from the definition of Parts by clauses (b), (c) and (d) thereof), that shall have been made subject to the Lien of the Aircraft Security Agreement pursuant to Section 7.05 thereof, together with all Parts relating to such aircraft.

"Replacement Engine" means, with respect to any Engine to be replaced, an engine of the same make and model as such Engine (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the related Airframe with the other related Engine (or any other Replacement Engine being substituted simultaneously therewith)) that shall have been made subject to the Lien of the Aircraft Security Agreement pursuant to Section 7.04 or Section 7.05 thereof, together with all Parts relating to such engine, but excluding items installed or incorporated in or attached to any such engine from time to time that are excluded from the definition of Parts.

"Request" means a written request for the action therein specified signed on behalf of the Company by any Officer and delivered to the Trustee. Each Request shall be accompanied by an Officers' Certificate if and to the extent required by Section 11.03 of the Indenture.

"Responsible Officer" means, with respect to the Trustee, the Security Agent or U.S. Bank, any officer in the corporate trust administration department of the Trustee, the Security Agent or U.S. Bank, as applicable, 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 or her knowledge of and familiarity with a particular subject.

"Restricted Definitive Note" has the meaning specified in Section 2.01(e) of the Indenture.

"Restricted Global Note" has the meaning specified in Section 2.01(c) of the Indenture.

"Restricted Legend" has the meaning specified in Section 2.02 of the Indenture.

"Restricted Notes" has the meaning specified in Section 2.02 of the Indenture.

"Restricted Period" has the meaning specified in Section 2.01(d) of the Indenture.

"Rule 144A" means Rule 144A under the Securities Act.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Section 1110" means Section 1110 of the Bankruptcy Code.

"Secured Obligations" has the meaning specified in Section 2.27 of the Indenture.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission and any government agency succeeding to its functions.

"Security Agent" has the meaning specified in the introductory paragraph of the Aircraft Security Agreement or, if as of any date of determination, the Aircraft Security Agreement have not been entered into pursuant to Section 1.03(c) of the Indenture, in the introductory paragraph of the form of the Aircraft Security Agreement attached to the Indenture as **Exhibit A**.

"Security Agent Liens" means any Lien attributable to U.S. Bank or the Security Agent with respect to any Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against U.S. Bank or the Security Agent not related to its interest in any Aircraft or the administration of the Aircraft Collateral pursuant to the Aircraft Security Agreement, (ii) acts of U.S. Bank or the Security Agent not permitted by, or the failure of the Security Agent to take any action required by, the Operative Documents, (iii) claims against U.S. Bank or the Security Agent relating to Taxes or Claims that are excluded from the indemnification provided by Section 8.02 of the Indenture pursuant to said Section 8.02 or (iv) claims against U.S. Bank or the Security Agent arising out of the transfer by any such party of all or any portion of its interest in any Aircraft, the Collateral or the Operative Documents, except while an Event

of Default is continuing and prior to the time that the Security Agent has received all amounts due to it pursuant to the Indenture.

"Shelf Registration Statement" means the shelf registration statement which may be required with respect to the Notes to be filed by the Company with the SEC pursuant to the Registration Rights Agreement, other than the Exchange Offer Registration Statement.

"Short-Term Rating" means, for any entity, (i) in the case of Moody's, the short-term senior unsecured debt rating of such entity and (ii) in the case of S&P, the short-term issuer credit rating of such entity.

"Special Record Date" has the meaning specified in Section 2.10 of the Indenture.

"Specified Person" has the meaning specified in Section 7.06(a) of the Aircraft Security Agreement.

"Tax" and "Taxes" mean 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.

"Temporary Regulation S Global Note" has the meaning specified in Section 2.01(d) of the Indenture.

"Threshold Percentage of Noteholders" means, as of a particular date of determination, the holders of at least a 25% in aggregate unpaid principal amount of all Notes Outstanding as of such date.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbbb) as in effect on the date of the Indenture; provided, however, that in the event the TIA is amended after such date, "TIA" means, to the extent required by any such amendment, the TIA as so amended.

"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 Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time.

"Trustee" has the meaning specified in the introductory paragraph of the Indenture.

"Trustee Liens" means any Lien attributable to U.S. Bank or the Trustee with respect to any Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against U.S. Bank or the Trustee not related to its interest in any Aircraft or the administration of the Collateral pursuant to the Indenture or the Aircraft Security Agreement, as applicable, (ii) acts of U.S. Bank or the Trustee not permitted by, or the failure of U.S. Bank or the Trustee to take any action required by, the Operative Documents, (iii) claims against U.S. Bank or the Trustee relating to Taxes or Claims that are excluded from the indemnification provided by Section 8.02 of the Indenture pursuant to said Section 8.02 or (iv) claims against U.S. Bank or the Trustee arising out of the transfer by any such party of all or any portion of its interest in any Aircraft, the Collateral or the Operative Documents, except while an Event of Default is continuing and prior to the time that the Trustee has received all amounts due to it pursuant to the Indenture.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"United States" means the United States of America.

"U.S. Bank" means U.S. Bank Trust National Association, a national banking association, in its individual capacity, together with its successors and permitted assigns.

"Warranty Bill of Sale" means, with respect to any Aircraft, whichever is applicable: (a) the warranty (as to title) bill of sale covering such Aircraft, executed by the Manufacturer in favor of the Company and specifically referring to each related Engine, as well as the related Airframe, constituting a part of such Aircraft, or (b) collectively, (i) the warranty (as to title) bill of sale covering such Aircraft, executed by the Manufacturer in favor of Boeing Sales Corporation and specifically referring to each related Engine, as well as the related Airframe, constituting a part of such Aircraft and (ii) the warranty (as to title) bill of sale covering such Aircraft, executed by Boeing Sales Corporation in favor of the Company and specifically referring to each such Engine, as well as such Airframe, constituting a part of such Aircraft.

"Warranty Rights" means, with respect to any Aircraft, all right and interest of the Company in, to and under Parts 1, 2, 3, 4 and 6 of the Product Assurance Document (as defined in the applicable Aircraft 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 related Airframe, it being understood that such Warranty Rights exclude any and all other right, title and interest of the Company in, to and under such Aircraft Purchase Agreement and that such Warranty Rights are subject to the terms of the Manufacturer's Consent.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the references to our firm under the caption “Experts” in this Amendment No. 1 to Registration Statement No. 333-161718 (Form S-1) and related Prospectus of American Airlines, Inc. and to the incorporation by reference therein of our report dated February 18, 2009 (except for changes as described in Note 1, as to which the date is April 15, 2009), with respect to the consolidated financial statements and schedule of AMR Corporation, included in AMR Corporation’s Current Report (Form 8-K) dated April 21, 2009, our report dated February 18, 2009, with respect to the consolidated financial statements and schedule of American Airlines, Inc., included in American Airlines, Inc.’s Annual Report (Form 10-K) for the year ended December 31, 2008, and our reports dated February 18, 2009 with respect to the effectiveness of internal control over financial reporting of AMR Corporation and American Airlines, Inc., included in their Annual Reports (Form 10-K) for the year ended December 31, 2008, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Dallas, Texas
November 11, 2009