

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) October 6, 1999

AMERICAN AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-2691	13-1502798
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(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

(817) 963-1234

(Registrant's telephone number)

ITEM 7. EXHIBITS. The following documents are filed with reference to the Registration Statement on Form S-3 (Registration No. 333-74937) of American Airlines, Inc. (the "Company"):

- 1 Underwriting Agreement, dated September 23, 1999, between the Company and Credit Suisse First Boston Corporation and Morgan Stanley & Co. Incorporated.
- 4(a)(1) Pass Through Trust Agreement dated as of October 1, 1999 between the Company and State Street Bank and Trust Company of Connecticut, National Association, as Trustee (the "Pass Through Trustee")
- 4(a)(2) Trust Supplement No. 1999-1A-1, dated as of October 6, 1999, between the Company and the Pass Through Trustee
- 4(a)(3) Form of 6.855% American Airlines Pass Through Certificate, Series 1999-1A-1 (included in Exhibit 4(a)(2))
- 4(a)(4) Trust Supplement No. 1999-1A-2, dated as of October 6, 1999, between the Company and the Pass Through Trustee
- 4(a)(5) Form of 7.024% American Airlines Pass Through Certificate, Series 1999-1A-2 (included in Exhibit 4(a)(4))
- 4(a)(6) Trust Supplement No. 1999-1B, dated as of October 6, 1999, between the Company and the Pass Through Trustee
- 4(a)(7) Form of 7.324% American Airlines Pass Through Certificate, Series 1999-1B (included in Exhibit 4(a)(6))
- 4(a)(8) Trust Supplement No. 1999-1C, dated as of October 6, 1999, between the Company and the Pass Through Trustee
- 4(a)(9) Form of 7.155% American Airlines Pass Through Certificate, Series 1999-1C (included in Exhibit 4(a)(8))
- 4(b)(1) Intercreditor Agreement, dated as of October 6, 1999, among the Pass Through Trustee, Bayerische Landesbank Girozentrale (the "Liquidity Provider") and State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent (the "Subordination Agent")
- 4(c)(1) Revolving Credit Agreement (1999-1A-1), dated as of October 6, 1999, between the Subordination Agent and the Liquidity Provider

- 4(c)(2) Revolving Credit Agreement (1999-1A-2), dated as of October 6, 1999, between the Subordination Agent and the Liquidity Provider
- 4(c)(3) Revolving Credit Agreement (1999-1B), dated as of October 6, 1999, between the Subordination Agent and the Liquidity Provider
- 4(c)(4) Revolving Credit Agreement (1999-1C), dated as of October 6, 1999, between the Subordination Agent and the Liquidity Provider
- 4(d)(1) Participation Agreement (N908AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee (the "Loan Trustee"), and State Street Bank and Trust Company of Connecticut, National Association, in its individual capacity as set forth therein
- 4(d)(2) Indenture and Security Agreement (N908AN), dated as of October 6, 1999, between the Company and the Loan Trustee
- 4(d)(3) Form of Series 1999-1 Equipment Notes issued in connection with the Boeing aircraft bearing U.S. registration no. N908AN (included in Exhibit 4(d)(2))
- 23(a) Consent, dated September 22, 1999, of Aircraft Information Services, Inc.
- 23(b) Consent, dated September 22, 1999, of Aviation Solutions, Inc.
- 23(c) Consent, dated September 22, 1999, of Morten Beyer & Agnew
- 99(a) Schedule I

Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99(a) filed herewith contains a list of other documents applicable to the Boeing aircraft that relate to the offering of the Company's Pass Through Certificates, Series 1999-1, which documents are substantially identical to those applicable to the Boeing 737-823 aircraft bearing United States registration number N908AN and which are filed herewith as Exhibits 4(d)(1), 4(d)(2) and 4(d)(3). Exhibit 99(a) sets forth the details by which such other documents differ from the corresponding documents filed in respect of the aircraft bearing United States registration number N908AN.

SIGNATURE

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

AMERICAN AIRLINES, INC.

Date: October 6, 1999

By: /s/ Charles D. MarLett

Charles D. MarLett
Corporate Secretary

EXHIBIT INDEX

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AMERICAN AIRLINES, INC.

Pass Through Certificates, Series 1999-1

UNDERWRITING AGREEMENT

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Dated: September 23, 1999

AMERICAN AIRLINES, INC.

Pass Through Certificates, Series 1999-1

UNDERWRITING AGREEMENT

September 23, 1999

To the Underwriters named in Schedule I

Ladies and Gentlemen:

American Airlines, Inc., a Delaware corporation (the "Company"), proposes that State Street Bank and Trust Company of Connecticut, National Association, acting not in its individual capacity but solely as pass through trustee (the "Trustee") under the Pass Through Trust Agreement to be dated as of October 1, 1999 (the "Basic Agreement"), as supplemented for each class of pass through certificates (the "Pass Through Certificates") to be purchased hereunder (each, a "Class") by a Trust Supplement (each, a "Trust Supplement"), in each case between the Company and the Trustee (for each Class, the Basic Agreement, as supplemented by the related Trust Supplement, being referred to herein individually as a "Designated Agreement"), issue and sell to the underwriters named in Schedule I hereto its Pass Through Certificates in the aggregate amounts and with the applicable interest rates and final expected distribution dates set forth on Schedule A hereto (the "Offered Certificates") on the terms and conditions stated herein and in Schedule II.

Each Class of Pass Through Certificates will represent interests in a separate trust (each, a "Pass Through Trust") established pursuant to the related Designated Agreement to fund the purchase of equipment notes (the "Equipment Notes") to be issued by the Company in connection with the financing of fifteen Aircraft. The Equipment Notes will be issued under fifteen separate Indenture and Security Agreements between State Street Bank and Trust Company of Connecticut, National Association ("State Street"), as Loan Trustee (the "Loan Trustee"), and the Company (each, including any Supplements thereto, an "Indenture" and, collectively, the "Indentures").

Certain amounts of interest payable with respect to the Pass Through Certificates will be entitled to the benefits of separate liquidity facilities. Bayerische Landesbank Girozentrale (the "Liquidity Provider") will enter into a separate revolving credit agreement with respect to each Pass Through Trust (each, a "Liquidity Facility"), to be dated as of the date on which the Closing Time (as defined below) occurs, for the benefit of the

holders of the respective Class of Pass Through Certificates. The Liquidity Provider and the holders of the Offered Certificates will be entitled to the benefits of an Intercreditor Agreement to be dated as of the date on which the Closing Time occurs (the "Intercreditor Agreement") among State Street, as Trustee of each Pass Through Trust, the Liquidity Provider and State Street, as Subordination Agent (the "Subordination Agent").

As used herein, unless the context otherwise requires, the term "Underwriters" shall mean firms named as Underwriters in Schedule I and the term "you" shall mean Credit Suisse First Boston Corporation and Morgan Stanley & Co. Incorporated ("Morgan Stanley").

Capitalized terms used but not otherwise defined in this Agreement shall have the meanings specified in or pursuant to the Designated Agreements or the Intercreditor Agreement; provided that as used in this Agreement, the term "Operative Documents" shall mean the Intercreditor Agreement, the Liquidity Facilities, the Designated Agreements, the Participation Agreements and the Indentures.

The Company has prepared and filed on Form S-3 with the Securities and Exchange Commission (the "Commission") a registration statement (File No. 333-74937) (as amended at the date hereof, including the exhibits thereto and the documents incorporated by reference therein, the "Registration Statement") relating to certain pass through certificates (including the Offered Certificates) and the offering thereof from time to time in accordance with Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement includes a basic prospectus referred to below which, as supplemented from time to time, will be used in connection with all offerings of such pass through certificates. As provided in Section 3(a), a prospectus supplement reflecting the terms of the Offered Certificates, the terms of the offering thereof and the other matters set forth therein has been prepared and will be filed together with the basic prospectus referred to below pursuant to Rule 424 under the Securities Act (such prospectus supplement, in the form first filed on or after the date hereof pursuant to Rule 424, is herein referred to as the "Prospectus Supplement"). The basic prospectus included in the Registration Statement and relating to all offerings of pass through certificates under the Registration Statement, as supplemented by the Prospectus Supplement, is herein called the "Prospectus", except that, if such basic prospectus is amended on or prior to the date on which the Prospectus Supplement is first filed pursuant to Rule 424, the term "Prospectus" shall refer to such basic prospectus as so amended and as supplemented by the Prospectus Supplement, in either case including the documents filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference therein. The term "preliminary prospectus" means a preliminary prospectus supplement specifically relating to the Offered Certificates, together with the basic prospectus and including the documents filed by the Company with the Commission pursuant to the Exchange Act that are incorporated by reference therein. Any reference herein to the terms "amendment" or "supplement" with

respect to the Registration Statement, the Prospectus, or any preliminary prospectus shall be deemed to refer to and include any documents filed with the Commission under the Exchange Act after the date hereof, the date the Prospectus is filed with the Commission, or the date of such preliminary prospectus, as the case may be, and incorporated therein by reference pursuant to Item 12 of Form S-3 under the Securities Act.

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

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

(b) The Registration Statement has been declared effective by the Commission. On the original effective date of the Registration Statement, on the effective date of any post-effective amendment thereto, and on the date of the filing by the Company of any Annual Report on Form 10-K after the original filing of such Registration Statement, such Registration Statement complied in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission thereunder (the "Securities Act Regulations"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the applicable rules and regulations of the Commission thereunder (the "Trust Indenture Act Regulations") and did not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Registration Statement and any amendments thereof, on the date hereof, and the Prospectus, and any amendments thereof and supplements thereto, as of their respective filing or issue dates and at the Closing Time, comply and will comply in all material respects with the requirements of the Securities Act, the Securities Act Regulations, the Trust Indenture Act and the Trust Indenture Act Regulations, and (i) neither the Registration Statement nor any amendments thereof, as of any such respective dates, includes or will include an untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) neither the Prospectus nor any amendments thereof or supplements thereto, as of any such respective dates, includes or will include an untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; except that this representation and warranty does not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company in connection with the Registration Statement or the Prospectus or any amendment thereof or supplement thereto by or on behalf of any Underwriter through either of you expressly for use in the Registration Statement or the Prospectus, or to statements or omissions in that part of the Registration Statement

which constitutes the Statement of Eligibility under the Trust Indenture Act (Form T-1) of the Trustee.

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

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

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

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

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

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

(i) This Agreement, the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party, have each been duly authorized by the Company, and this Agreement and each Operative Document to which the Company is, or is to be, a party, have been or will be at or prior to the Closing Time, duly executed and delivered by the Company. The Equipment Notes will be duly executed and delivered by the Company at or prior to the Closing Time. The Equipment Notes and the Operative Documents to which the Company is or is to be, a party, when duly executed and delivered by the Company, assuming in the case of the Operative Documents that such documents constitute the legal, valid and binding obligation of each other party thereto, constitute or will constitute valid and binding obligations of the Company. The Basic Agreement as executed is substantially in the form filed as an exhibit to the Registration Statement and has been duly qualified under the Trust Indenture Act. The Offered Certificates, the Equipment Notes, and the Operative Documents will conform in all material respects to the descriptions thereof in the Prospectus.

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

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

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

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

(b) Payment of the purchase price for, and delivery of, the Offered Certificates shall be made at the date, time and location or locations specified in Schedule II, or at such other date, time or location or locations as shall be agreed upon by the Company and you, or as shall otherwise be provided in Section 7 (such date and time being herein called the "Closing Time"). Unless otherwise specified in Schedule II, payment shall be made to or upon the order of the Trustees by federal funds wire transfer or other immediately available funds against delivery to the account of Morgan Stanley at The Depository Trust Company for the respective accounts of the several Underwriters of the Offered Certificates. Such Offered Certificates shall be registered in the name of Cede & Co. or in such other names, and in such authorized denominations as you may request in writing at least two full business days before the Closing Time. Certificates for such Offered Certificates, which may be in temporary form, will be made available for examination and packaging by you at the location or locations at

which they are to be delivered at the Closing Time (or such other location as may be specified for that purpose in Schedule II) not later than 10:00 A.M. on the business day prior to the Closing Time.

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

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

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

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

threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof.

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

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

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

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

process under the laws of any such jurisdiction or subject itself to taxation as doing business in any such jurisdiction.

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

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

(i) Between the date of this Agreement and the Closing Time, the Company will not, without your prior consent, offer, sell or enter into any agreement to sell any public debt securities registered under the Securities Act (other than the Offered Certificates) or any debt securities which may be sold in a transaction exempt from the registration requirements of the Securities Act in reliance on Rule 144A under the Securities Act and which are marketed through the use of a disclosure document containing substantially the same information as a prospectus for similar debt securities registered under the Securities Act; provided, however, that it is understood and agreed that the restrictions of this paragraph shall not apply to the approximately \$210 million Dallas-Forth Worth International Airport Facility Improvement Corporation American Airlines, Inc. Revenue Bonds, Series 1999, currently scheduled to close in October 1999, and related transactions.

(j) If and to the extent specified in Schedule II, the Company will promptly after the date hereof, in the event it has not already done so, file an application for the listing of the Offered Certificates on the securities exchange specified in said Schedule II and will use its best efforts to cause such Offered Certificates to be duly authorized for listing thereon, subject to official notice of issuance, and to be registered under the Exchange Act.

4. Conditions to the Obligations of the Underwriters. Except as otherwise provided in Schedule II, the obligations of the Underwriters to purchase and pay for the Offered Certificates pursuant to this Agreement shall be subject to the accuracy of and compliance with the representations and warranties of the Company contained herein as of the date hereof and the Closing Time, to the accuracy of the statements of the Company's officers made in any certificates furnished pursuant to the provisions hereof, to the performance by the

Company of its covenants and other obligations hereunder and to the following additional conditions:

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

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

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

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

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

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

(iv) No authorization, approval, consent, order or license of or filing with or notice to any government, governmental instrumentality, regulatory body or authority or court is required for the valid authorization, issuance, sale and delivery of the Offered Certificates or the Equipment Notes, the valid authorization, execution, delivery and performance by the Company of this Agreement and the Operative Documents to which the Company is, or is to be, a party, or the consummation by the Company of the transactions contemplated by this Agreement and the other Operative Documents to which the Company is, or is to be, a party, except such as have been obtained under the Securities Act and the Trust Indenture Act, and such as may be required under the securities or Blue Sky laws of the various states and except for the filing of Uniform Commercial Code financing statements (or amendments to any such financing statements) and the filing of continuation statements with respect thereto required to be filed at periodic intervals under the Uniform Commercial Code and any filings or recordings with the Federal Aviation Administration, as to which such counsel need express no opinion;

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

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

in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder;

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

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

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

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

(xi) The Equipment Notes, when duly authorized, executed and delivered by the Company and duly authenticated by the related Loan Trustee, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization,

moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity and the holders of the Equipment Notes will be entitled to the benefits of the respective Indentures; and

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

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

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

and to such further effect with respect to other legal matters relating to this Agreement, the Equipment Notes and the Operative Documents to which the Company is, or is to be, a party

and the sale of the Offered Certificates hereunder as counsel for the Underwriters may reasonably request.

Such counsel shall also state that no facts have come to the attention of such counsel which have caused such counsel to believe (A) that the Registration Statement or any amendment thereto, on the original effective date thereof, on the effective date of any post-effective amendment thereto, or on the date of the filing by the Company of its most recent Annual Report on Form 10-K after the filing of the Registration Statement (except, in each case, for the financial statements and other financial and statistical data included or incorporated by reference therein, and except for the Statement of Eligibility on Form T-1 of the Trustee under the Basic Agreement, as to which such counsel need express no belief), contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (B) that the Prospectus at the time the Prospectus Supplement was issued or the Prospectus, together with any amendment or supplement thereto, at the time any such amended or supplemental Prospectus was issued or at the Closing Time (except, in each case, for the financial statements and other financial and statistical data included or incorporated by reference therein, as to which such counsel need express no belief), contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. In giving such opinion, such counsel may state that such opinion is limited to the laws of the States of New York and Texas, the General Corporation Law of the State of Delaware and the Federal laws of the United States, except that such counsel expresses no opinion as to the securities laws of any state. In rendering the opinions set forth above, such counsel may rely upon certificates of officers of the Company and of public officials as to matters of fact.

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

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

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

(iii) The Pass Through Trusts should not be classified as associations (or as publicly traded partnerships) taxable as corporations for federal income tax purposes, but rather, based on an interpretation of analogous authorities under existing law, each Pass Through Trust should be classified as a grantor trust under subpart E, Part I of Subchapter J of Chapter 1 of subtitle A of the Internal Revenue Code of 1986, as amended, and each of the Certificate Owners should be treated as the owner of a pro rata undivided interest in each of the related Equipment Notes and any other property held in the related Pass Through Trust;

(iv) Section 1110 of the Bankruptcy Code ("Section 1110") conforms in all material respects to the description thereof contained in "Description of the Equipment Notes - Remedies" in the Prospectus. Such counsel notes that during 1998, the U.S. District Court for the District of Colorado issued opinions arising from the bankruptcy proceedings of Western Pacific Airlines, Inc. relating to Section 1110. The decisions held that, once an airline debtor reaffirms its obligations and cures its defaults under an aircraft lease within the prescribed period in accordance with Section 1110, the lessor under such lease is not entitled to repossess the aircraft under Section 1110 if the airline subsequently defaults under such lease. In the opinion of such counsel, such District Court holdings are erroneous because they are inconsistent with the overriding purpose of Section 1110 to protect creditors secured by qualifying aircraft against being stayed from exercising their rights while defaults under their financing agreements remain uncured;

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

(vi) Assuming due authorization, execution and delivery by the Trustee of the Designated Agreements and the Intercreditor Agreement and by the Subordination Agent of the Intercreditor Agreement and the Liquidity Facilities, each such agreement constitutes the valid and binding obligation of each respective party, enforceable in accordance

with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity.

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

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

(4) An opinion, dated the Closing Time, from (i) Winthrop, Stimson, Putnam & Roberts, counsel for the Liquidity Provider, in form and substance satisfactory to you and your counsel and substantially to the effect set forth in Exhibit B-1 hereto, and (ii) Schwarz Kurtze Schniewind Kelwing Wicke, German counsel for the Liquidity Provider, in form and substance satisfactory to you and your counsel and substantially to the effect set forth in Exhibit B-2 hereto.

(5) An opinion, dated the Closing Time, from Shearman & Sterling, counsel for the Underwriters, to the effect that the opinions delivered pursuant to subsections (b)(1) through (b)(4) of this Section 4 appear on their face to be appropriately responsive to the requirements of this Agreement except, specifying the same, to the extent waived by you and with respect to the issuance and sale of the Offered Certificates, the Registration Statement, the Prospectus and other related matters as you may reasonably require.

(c) (1) At the Closing Time, there shall not have been, since the respective dates as of which information is given in the Registration Statement and the Prospectus, any material adverse change in the condition, financial or otherwise, of the Company and its subsidiaries considered as one enterprise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and you shall have received a certificate of the President, an Executive Vice President, a Senior Vice President or a Vice President of the Company, dated as of such Closing Time, to the effect that there

has been no such material adverse change and to the effect that the representations and warranties of the Company contained in Section 1 hereof are true and correct with the same force and effect as though made at such Closing Time.

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

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

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

(f) The Company shall have furnished to you and your counsel, in form and substance satisfactory to them, such other documents, certificates and opinions as such counsel may reasonably request for the purpose of enabling such counsel to pass upon the matters referred to in subsection (b)(5) of this Section 4 and in order to evidence the accuracy and completeness of any of the representations, warranties or statements, the performance of any covenant by the Company theretofore to be performed, or the compliance with any of the conditions herein contained.

(g) If the Offered Certificates are specified in Schedule II as securities to be listed on a securities exchange, the Offered Certificates shall have been duly authorized for listing by the securities exchange specified in said Schedule II, subject only to official notice of issuance.

(h) Each of the Appraisers shall have furnished to the Underwriters a letter from such Appraiser, addressed to the Company and dated the Closing Time, confirming that such Appraiser and each of its directors and officers (i) is not an affiliate of the Company or any of its affiliates, (ii) does not have any substantial interest, direct or indirect, in the Company or any of its affiliates and (iii) is not connected with the Company or any of its affiliates as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

(i) At the Closing Time, the Offered Certificates shall be rated "AAA", in the case of the Offered Certificates of the Class A-1 Trust, "AAA", in the case of the Offered Certificates of the Class A-2 Trust, "AA-", in the case of the Offered Certificates of the Class B Trust and "A", in the case of the Offered Certificates of the Class C Trust, by Standard & Poor's Ratings Services; and "Aa1", in the case of the Offered Certificates of the Class A-1 Trust, "Aa1", in the case of the Offered Certificates of the Class A-2 Trust, "Aa3", in the case of the Offered Certificates of the Class B Trust and "A1", in the case of the Offered Certificates of the Class C Trust, by Moody's Investors Service, Inc.

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

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

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

5. Payment of Expenses. The Company will pay or cause to be paid all expenses incident to the performance of the obligations of the Company under this Agreement, including (i) expenses relating to the preparation, printing, filing and distribution of any preliminary prospectus supplements, the Prospectus, the Registration Statement and any amendments thereof or supplements thereto, (ii) expenses relating to the preparation, printing and distribution of any agreement among underwriters, this Agreement, the Offered

Certificates, the Equipment Notes, the Operative Documents, any Underwriter's Questionnaire, the Blue Sky Survey and any Legal Investment Survey by the Underwriter's counsel, (iii) expenses relating to the issuance and delivery of the Offered Certificates to the Underwriters, (iv) the fees and disbursements of the Company's counsel and accountants, (v) expenses of qualifying the Offered Certificates under state securities laws in accordance with Section 3(f), including filing fees and fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the Blue Sky Survey and any Legal Investment Survey, (vi) the fees and expenses of the Trustee, the Subordination Agent, the Loan Trustees and the Liquidity Provider and the fees and disbursements of their respective counsel, (vii) any fees charged by rating agencies for rating the Offered Certificates, (viii) certain fees and expenses of counsel for the Underwriters as heretofore agreed, and (ix) the fees and expenses, if any, incurred in connection with the listing of the Offered Certificates on any securities exchange. The Company will also cause to be paid all expenses incident to the performance of its obligations under the Operative Documents and each of the other agreements and instruments referred to therein.

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

6. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each Underwriter and each person who controls any Underwriter within the meaning of the Securities Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act, or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement as originally filed or in any amendment thereof, or in any preliminary prospectus relating to the Offered Certificates or in the Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that (i) the Company will not be liable in any such case to the extent that any such loss, claim, damage, or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon, and in conformity with, written information relating to any Underwriter furnished to the Company by or on behalf of such Underwriter through either of you

specifically for use in connection with the preparation thereof or made in the part of the Registration Statement constituting the Statement of Eligibility under the Trust Indenture Act of the Trustee on Form T-1, (ii) the foregoing indemnity agreement, with respect to any preliminary prospectus, shall not inure to the benefit of any Underwriter (or any person controlling such Underwriter) as to whom it shall be established did not send or deliver to the person asserting any such loss, claim, damage or liability and who purchased Offered Certificates which are the subject thereof a copy of the Prospectus as amended or supplemented (exclusive of material incorporated by reference) at or prior to the written confirmation of the sale of such Offered Certificates in any case where such delivery is required by the Securities Act, and the untrue statement or omission of a material fact contained in such preliminary prospectus was corrected in the Prospectus as amended or supplemented and the Company had previously furnished copies thereof to such Underwriter, and (iii) the Company will not be liable for any loss, liability or expense of any settlement of any pending or threatened litigation or any pending or threatened governmental agency investigation or proceeding if such settlement is effected without the prior written consent of the Company. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

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

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party or parties in writing of the commencement thereof; but the omission so to notify the indemnifying party or parties will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 6. In case any such action is brought against any indemnified party and it notifies the indemnifying party or parties of the commencement thereof, the indemnifying party or parties will be entitled to participate therein, and to the extent that it may elect, by written notice delivered to such indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that

if, in the reasonable judgment of such indemnified party, a conflict of interest exists where it is advisable for such indemnified party to be represented by separate counsel, the indemnified party shall have the right to employ separate counsel in any such action, in which event the fees and expenses of such separate counsel shall be borne by the indemnifying party or parties. Upon receipt of notice from the indemnifying party or parties to such indemnified party of the election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party or parties will not be liable to such indemnified party under this Section 6 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party or parties shall not be liable for the expenses of more than one such separate counsel representing the indemnified parties under subparagraph (a) of this Section 6 who are parties to such action), (ii) the indemnifying party or parties shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party or parties have authorized the employment of counsel for the indemnified party at the expense of the indemnifying party or parties; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii). It is understood that all such fees and expenses of counsel for the indemnified party for which the indemnifying party is liable shall be reimbursed as they are incurred. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in paragraph (a) or (b) of this Section 6 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Offered Certificates pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the

other hand in connection with the offering of the Offered Certificates pursuant to this Agreement shall be deemed to be in the same proportion as the total proceeds from the offering of the Offered Certificates pursuant to this Agreement (net of compensation paid to the Underwriters but before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth on the cover of the Prospectus, bears to the aggregate initial public offering price of the Offered Certificates as set forth on such cover. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any such action or claim. Notwithstanding the provisions of this Section, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Certificates underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls an Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this Section are several in proportion to the principal amount of Offered Certificates set forth opposite their respective names in Schedule I hereto and not joint.

7. Default. If any one or more Underwriters shall fail at the Closing Time to purchase and pay for any of the Offered Certificates agreed to be purchased by such Underwriter or Underwriters pursuant to this Agreement and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective

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

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

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

governmental authority, or if a banking moratorium has been declared by either Federal or New York authorities. In the event of any such termination, the provisions of Sections 5, 6 and 8 shall remain in effect.

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

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

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

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

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

Very truly yours,

AMERICAN AIRLINES, INC.

By: /s/ LESLIE MANDEVILLE

Name: Leslie Mandeville
Title: Managing Director -
Corporate Financing
and Banking

confirmed and accepted as of
the date first above written:

CREDIT SUISSE FIRST BOSTON CORPORATION
MORGAN STANLEY & CO. INCORPORATED

By: CREDIT SUISSE FIRST BOSTON CORPORATION

By: /s/ THOMAS L. SMITH

Name: Thomas L. Smith
Title: Director

By: MORGAN STANLEY & CO. INCORPORATED

By: /s/ PATRICK KAUFER

Name: Patrick Kaufer
Title: Vice President

SCHEDULE A
to
Underwriting
Agreement

Class of Pass Through Certificates - - - - -	Aggregate Principal Amounts -----	Interest Rate -----	Final Expected Regular Distribution Date -----
1999-1, Class A-1	\$150,889,000	6.855%	April 15, 2009
1999-1, Class A-2	316,969,000	7.024%	October 15, 2009
1999-1, Class B	84,525,000	7.324%	October 15, 2009
1999-1, Class C	47,617,000	7.155%	October 15, 2004

SCHEDULE I
to
Underwriting
Agreement

Dated: September 23, 1999

AMERICAN AIRLINES, INC.

UNDERWRITER -----	PRINCIPAL AMOUNT OF CLASS A-1 CERTIFICATES -----	PRINCIPAL AMOUNT OF CLASS A-2 CERTIFICATES -----	PRINCIPAL AMOUNT OF CLASS B CERTIFICATES -----	PRINCIPAL AMOUNT OF CLASS C CERTIFICATES -----
Credit Suisse First Boston Corporation	\$ 30,179,000	\$ 63,395,000	\$ 16,905,000	\$ 9,524,000
Morgan Stanley & Co. Incorporated	30,179,000	63,395,000	16,905,000	9,524,000
Goldman Sachs & Co.	30,177,000	63,393,000	16,905,000	9,523,000
Merrill Lynch, Pierce, Fenner & Smith	30,177,000	63,393,000	16,905,000	9,523,000
Incorporated Salomon Smith Barney	30,177,000	63,393,000	16,905,000	9,523,000
Total	\$ 150,889,000 =====	\$ 316,969,000 =====	\$ 84,525,000 =====	\$ 47,617,000 =====

All notices to the Underwriters shall be sent as follows:

c/o Credit Suisse First Boston Corporation
Eleven Madison Avenue
New York, NY 10010
Attention: Transaction Advisory Group
Fax no: (212) 325-8278

AND

c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, NY 10036
Attention: Equipment Finance Group
Fax no: (212) 761-0786

SCHEDULE II
to
Underwriting
Agreement

Dated: September 23, 1999

AMERICAN AIRLINES, INC.

Underwriting fees, discounts, commissions or other compensation: \$3,900,000

Closing date, time and location: 10:00 A.M. on October 6, 1999 at the
offices of Debevoise & Plimpton, 875
Third Avenue, New York, NY 10022

Listing requirement: None.

Other terms and conditions: None

SCHEDULE III
to
Underwriting
Agreement

Dated:

AMERICAN AIRLINES, INC.

Matters to be covered by Letter or Letters of
Independent Auditors

Ernst & Young shall have furnished to you the following letter, dated as of the Closing Time, in form and substance satisfactory to you, to the effect that:

(i) They are independent certified public accountants with respect to the Company and AMR Corporation within the meaning of the Securities Act and the applicable published rules and regulations thereunder, and the answer to Item 10 of the Registration Statement insofar as it relates to them is none;

(ii) In their opinion, the audited consolidated financial statements and financial statement schedule incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the related published rules and regulations thereunder;

(iii) On the basis of performing the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information as described in SAS No. 71, "Interim Financial Information", on the unaudited consolidated financial statements of the Company contained in the Company's Quarterly Report on Form 10-Q for the quarters ended March 31 and June 30, 1999, a reading of the latest unaudited consolidated financial statements made available by the Company, a reading of the minutes of the Board of Directors of the Company and any committees thereof and of the consent of the sole stockholder of the Company, and a reading of the minutes of the Board of Directors of AMR Corporation and any committees thereof and of the stockholders of AMR Corporation, since the date of the latest audited consolidated financial statements incorporated by reference in the Registration Statement, inquiries of officials of the Company responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such

letter, which do not constitute an audit conducted in accordance with generally accepted auditing standards and which would not necessarily reveal matters of significance with respect to the comments set forth in such letter, nothing came to their attention that caused them to believe that:

(A) the unaudited consolidated financial statements incorporated by reference in the Registration Statement do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the rules and regulations thereunder as they apply to Form 10-Q or that any material modifications should be made to such unaudited consolidated financial statements for them to be in conformity with generally accepted accounting principles;

(B) as of August 31, 1999, and as of a specified date not more than five calendar days prior to the date of delivery of such letter, there has been any change in the consolidated capital stock or consolidated long-term debt of the Company, or any decrease in consolidated net current assets or consolidated stockholder's equity of the Company or other items specified by you, in each case as compared with amounts shown in the latest consolidated balance sheet incorporated by reference in the Registration Statement, except in each case for changes or decreases which the Registration Statement discloses have occurred or may occur or which are described in such letter; and

(C) for the period July 1, 1999 to August 31, 1999, and for the period from the date of the latest consolidated financial statements of the Company incorporated by reference in the Registration Statement to a specified date not more than five calendar days prior to the date of delivery of such letter, there were any decreases in consolidated total operating revenues, consolidated operating income or consolidated net earnings of the Company, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length reasonably specified by you, except in each case for decreases which the Registration Statement discloses have occurred or may occur or which are described in such letter; and

(iv) They have performed certain procedures specified in their letter for the purpose of determining whether certain financial information with respect to the Company and its consolidated subsidiaries appearing or incorporated by reference in the Registration Statement and specified in said letter agrees with indicated amounts in the applicable financial statements or accounting records of the Company and its subsidiaries or affiliates.

EXHIBIT B-1
to
Underwriting
Agreement

Form of Opinion of Winthrop, Stimson, Putnam & Roberts

1. The Revolving Credit Agreements and the Intercreditor Agreement (collectively, the "Liquidity Documents") constitute the valid and legally binding agreements of the parties thereto, enforceable against each party thereto in accordance with their respective terms.

2. The execution, delivery and performance by Bayerische Landesbank Girozentrale ("Bayerische") of the Liquidity Documents and the consummation of the transactions contemplated therein do not violate any banking law, or any governmental rule or regulation relating thereto, of the United States of America or the State of New York.

3. No authorization, consent, approval or other action by, and no notice to or filing with, any banking authority or regulatory body of the United States of America or the State of New York is required for the due execution, delivery and performance by Bayerische of the Liquidity Documents, other than administrative and ministerial filings which Bayerische is obligated to make in the ordinary course of its business (which filings we have assumed have been and will continue to be made in a timely manner).

Our opinion is subject to the following qualifications and limitations:

(a) Our opinion in paragraph 1 above is subject to (i) the effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance and other laws affecting creditors' rights generally, (ii) general equitable principles, (iii) requirements of reasonableness, good faith and fair dealing, and (iv) additionally, in the case of indemnities and exculpatory provisions (including certain waivers) in the Liquidity Documents, the effect of public policy.

(b) Our opinion is limited to the law of the State of New York and the federal law of the United States of America.

The above opinions may be subject to such assumptions and qualifications as may be acceptable to the Underwriters.

EXHIBIT B-2
to
Underwriting
Agreement

Form of Opinion of Schwarz Kurtze Schniewind Kelwing Wicke

1. Bayerische Landesbank Girozentrale ("Bayerische") is a German public law banking institution (Anstalt des Offentlichen Rechts) duly established and validly existing under the laws of the Federal Republic of Germany.

2. Bayerische has the power to enter into the Revolving Credit Agreements and the Intercreditor Agreement (collectively, the "Liquidity Documents") which are duly executed on behalf of Bayerische when signed by the two officers of Bayerische, Mr. Bernd Lonner and Mr. Rudiger Fern.

3. The obligations of Bayerische under the Liquidity Documents are legal, valid, binding and enforceable against Bayerische in accordance with their respective terms, except to the extent that enforcement may be limited by equitable principles and applicable bankruptcy, insolvency, re-organization, moratorium or other similar laws affecting creditors' rights generally.

4. It is not necessary that any of the Liquidity Documents be filed, recorded or enrolled with any public office, governmental authority or court in the Federal Republic of Germany, or that any German stamp or similar tax be paid in order to ensure the legality or validity in the Federal Republic of Germany.

5. No consent or approval of any governmental or public bodies or authorities or courts of the Federal Republic of Germany is required by Bayerische in connection with the execution and delivery of the Liquidity Documents and the performance by Bayerische of its obligations under the Liquidity Documents.

6. The execution, delivery and performance of the Liquidity Documents does not violate any law of the Federal Republic of Germany applicable to Bayerische.

7. The choice of the law of the State of New York to govern the obligations of the parties under the Liquidity Documents will be upheld as a valid choice of law in any action brought in connection with the Liquidity Documents in the courts of Germany against Bayerische and the submission by Bayerische to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and the United States District Court for the Southern District of New York is binding on it.

8. Any final and conclusive judgment rendered by the Supreme Court of the State of New York or by the United States District Court for the Southern District of New York for a definite sum for the recovery of amounts due and unpaid by Bayerische under the Revolving Credit Agreements will be enforceable against Bayerische in the Federal Republic of Germany subject to the applicable rules for obtaining a necessary executory decision (action upon the foreign judgment) issued by a competent German court.

9. The payment obligations of Bayerische under the Revolving Credit Agreements rank pari passu with its obligations to pay any other unsecured and unprivileged obligations of Bayerische for borrowed money that are not preferred by contractual stipulations or by law or in proceedings under the German Composition Code (Vergleichsordnung) or Bankruptcy Code (Konkursordnung) or Insolvency Code (Insolvenzordnung) or by similar laws affecting creditors' rights generally.

The above opinions may be subject to such assumptions and qualifications as may be acceptable to the Underwriters.

PASS THROUGH TRUST AGREEMENT

Dated as of October 1, 1999

between

AMERICAN AIRLINES, INC.

and

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

as Trustee

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Reconciliation and tie between American Airlines Pass Through Trust Agreement, dated as of October 1, 1999 and the Trust Indenture Act of 1939. This reconciliation does not constitute part of the Pass Through Trust Agreement.

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

PASS THROUGH TRUST AGREEMENT

This PASS THROUGH TRUST AGREEMENT, dated as of October 1, 1999 (the "Basic Agreement"), between American Airlines, Inc., a Delaware corporation, and State Street Bank and Trust Company of Connecticut, National Association, a national banking association, as Trustee, is made with respect to the formation from time to time of separate American Airlines Pass Through Trusts, and the issuance from time to time of separate series of Pass Through Certificates representing fractional undivided interests in the respective Trusts.

W I T N E S S E T H:

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

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

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

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. For all purposes of this Basic Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms used herein that are defined in this Article I have the meanings assigned to them in this Article I, and include the plural as well as the singular;
- (2) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, or by the rules promulgated under the Trust Indenture Act, have the meanings assigned to them therein;
- (3) all references in this Basic Agreement to designated "Articles", "Sections", "Subsections" and other subdivisions are to the designated Articles, Sections, Subsections and other subdivisions of this Basic Agreement;
- (4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Basic Agreement as a whole and not to any particular Article, Section, Subsection or other subdivision;
- (5) unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without limitation"; and
- (6) the term "this Agreement" (as distinguished from "this Basic Agreement") refers, unless the context otherwise requires, to this Basic Agreement as supplemented by the Trust Supplement creating a particular Trust and establishing the series of Certificates issued or to be issued in respect thereof, with reference to such Trust and such series of Certificates, as this Basic Agreement as so supplemented may be further supplemented with respect to such Trust and such series of Certificates.

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

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

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

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

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

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

Business Day: Means, with respect to the Certificates of any series, any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Dallas, Texas, or, so long as any Certificate of such series is outstanding, the city and state in which the Trustee or any related Loan Trustee maintains its Corporate Trust Office or receives and disburses funds.

Certificate: Means any one of the certificates executed and authenticated by the Trustee, substantially in the form of Exhibit A hereto.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Liquidity Facility: Means, with respect to the Certificates of any series or any Equipment Notes, (a) any revolving credit agreement, letter of credit, insurance policy, surety bond or financial guaranty or similar facility for the provision of liquidity support relating to the Certificates of such series between a Liquidity Provider and a Subordination Agent or one or more other Persons, as amended, replaced, supplemented or otherwise modified from time to time in accordance with its

terms and, if applicable, the terms of any Intercreditor Agreement, or (b) such other agreement or agreements designated as a "Liquidity Facility" in the Trust Supplement relating to any Trust.

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

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

Note Documents: Means, with respect to the Certificates of any series, the Equipment Notes with respect to such Certificates and, with respect to such Equipment Notes, the related Indenture, Note Purchase Agreement, and, if the related Aircraft is leased to the Company, the related Lease and the related Purchase Agreement Assignment (as defined in the related Lease), if any.

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

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

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

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

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

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

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

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

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

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

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

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

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

Pool Factor: Means, with respect to any series of Certificates as of any date, except to the extent otherwise provided in the applicable Trust Supplement, the quotient (rounded to the seventh decimal place, with 0.00000005 being rounded upward) computed by dividing (i) the Pool Balance

of such series as of such date by (ii) the original aggregate face amount of the Certificates of such series. The Pool Factor as of any Regular Distribution Date or Special Distribution Date with respect to such series shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes or other Trust Property held in the Trust relating to such series and the distribution thereof to be made on such date.

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

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

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

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

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

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

Regular Distribution Date: Means, with respect to distributions of Scheduled Payments in respect of any series of Certificates, each date designated as such in this Agreement, until payment

of all the Scheduled Payments to be made under the Equipment Notes held in the Trust have been made or until such Equipment Notes have been redeemed or otherwise prepaid in full.

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

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

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

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

SEC: Means the Securities and Exchange Commission, as from time to time constituted or created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

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

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

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

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

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

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

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

Transfer Date: Has the meaning, with respect to the Certificates of any series, assigned to that term or any of the terms "Delivery Date", "Funding Date" or "Closing Date" in any relevant

Note Purchase Agreement, and in any event refers to any such date as it may be changed from time to time in accordance with the terms of such Note Purchase Agreement.

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

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

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

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

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

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

Section 1.02. Compliance Certificates and Opinions. Upon any application or request (except with respect to matters set forth in Article II) by the Company, any Owner Trustee or any Loan Trustee to the Trustee to take any action under any provision of this Basic Agreement or, in respect of the Certificates of any series, this Agreement, the Company, such Owner Trustee or such Loan Trustee, as the case may be, shall furnish to the Trustee (i) an Officer's Certificate stating that, in the opinion of the signer or signers, all conditions precedent, if any, provided for in this Basic Agreement or this Agreement relating to the proposed action have been complied with and (ii) an

Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Basic Agreement or this Agreement relating to such particular application or request, no additional certificate or opinion need be furnished. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Basic Agreement or, in respect of the Certificates of any series, this Agreement (other than a certificate provided pursuant to Section 8.04(d)) or any Trust Supplement shall include:

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

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

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

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

embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Certificateholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent or proxy shall be sufficient for any purpose of this Agreement and conclusive in favor of the Trustee, the Company and the related Loan Trustee, if made in the manner provided in this Section 1.04.

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

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

(d) The Company may, at its option, by delivery of an Officer's Certificate to the Trustee, set a record date to determine the Certificateholders in respect of the Certificates of any series entitled to give any Direction. Notwithstanding Section 316(c) of the Trust Indenture Act, such record date shall be the record date specified in such Officer's Certificate, which shall be a date not more than 30 days prior to the first solicitation of Certificateholders of the applicable series in connection therewith. If such a record date is fixed, such Direction may be given before or after such record date, but only the Certificateholders of record of the applicable series at the close of business on such record date shall be deemed to be Certificateholders for the purposes of determining whether Certificateholders of the requisite proportion of Outstanding Certificates of such series have authorized or agreed or consented to such Direction, and for that purpose the Outstanding Certificates of such series shall be computed as of such record date; provided, however, that no such Direction by the Certificateholders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Agreement not later than one year after such

record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be deemed cancelled and of no effect).

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

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

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

ARTICLE II

ORIGINAL ISSUANCE OF CERTIFICATES; ACQUISITION OF TRUST PROPERTY

Section 2.01. Amount Unlimited; Issuable in Series. (a) The aggregate face amount of Certificates that may be authenticated and delivered under this Basic Agreement is unlimited. The Certificates may be issued from time to time in one or more series and shall be designated generally as the "Pass Through Certificates", with such further designations added or incorporated in such title for the Certificates of each series as are specified in the related Trust Supplement. Each Certificate shall bear upon its face the designation so selected for the series to which it belongs. All Certificates of the same series shall be substantially identical except that the Certificates of a series may differ as to denomination and as may otherwise be provided in the Trust Supplement establishing the Certificates of such series. Each series of Certificates issued pursuant to this Agreement will evidence fractional undivided interests in the related Trust and, except as may be specified in any Intercreditor Agreement or in the applicable Trust Supplement, will have no rights, benefits or interests in respect of any other Trust or the Trust Property held therein. All Certificates of the same series shall be in all respects equally and ratably entitled to the benefits of this Agreement without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Agreement.

(b) The following matters shall be established with respect to the Certificates of each series issued hereunder by a Trust Supplement executed and delivered by and between the Company and the Trustee:

- (1) the formation of the Trust as to which the Certificates of such series represent fractional undivided interests and its designation (which designation shall distinguish such Trust from each other Trust created under this Basic Agreement and a Trust Supplement);
- (2) the specific title of the Certificates of such series (which title shall distinguish the Certificates of such series from each other series of Certificates created under this Basic Agreement and a Trust Supplement);
- (3) subject to Section 2.01(a) hereof, any limit upon the aggregate face amount of the Certificates of such series which may be authenticated and delivered under this Basic Agreement (which limit shall not pertain to Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Certificates of the series pursuant to Sections 3.03, 3.04, 3.05(d) and 3.06);
- (4) the Cut-off Date with respect to the Certificates of such series and the related Trust;
- (5) the Regular Distribution Dates applicable to the Certificates of such series;
- (6) the Special Distribution Dates applicable to the Certificates of such series;
- (7) if other than as provided in Section 3.04 or Section 7.12(b), the Registrar or the Paying Agent for the Certificates of such series, including any Co-Registrar or additional Paying Agent;
- (8) if other than as provided in Section 3.01, the denominations in which the Certificates of such series shall be issuable;
- (9) if other than United States dollars, the currency or currencies (including composite currencies or currency units) in which the Certificates of such series shall be denominated or payable;
- (10) the specific form of the Certificates of such series (including the interest rate applicable thereto) and whether or not Certificates of such series are to be issued as Book-Entry Certificates and, if such Certificates are to be Book-Entry Certificates, the form of Letter of Representations, if any (or, in the case of any Certificates denominated or payable in a currency other than United States dollars and if other than as provided in Section 3.05, whether and the circumstances under which beneficial owners of interests in such Certificates in permanent global form may exchange such interests for Certificates of such series and of like tenor of any authorized form and denomination);

- (11) a description of the Equipment Notes to be acquired and held in the Trust formed by such Trust Supplement and of the related Aircraft and Note Documents;
- (12) provisions with respect to the terms for which the definitions set forth in Article I hereof or the terms of any Section hereof, including Section 11.01 hereof, permit or require further specification in the related Trust Supplement;
- (13) any restrictions (including legends) in respect of ERISA or tax matters;
- (14) the acceptance of appointment by the institution named to act as Trustee with respect to such Trust, if different from the institution executing this Basic Agreement or its successor;
- (15) whether such series will be subject to an Intercreditor Agreement and, if so, the specific designation of such Intercreditor Agreement and the rights of Potential Purchasers upon the occurrence of a Triggering Event;
- (16) whether such series will have the benefit of a Liquidity Facility and, if so, any terms appropriate thereto;
- (17) whether there will be a deposit agreement, escrow agreement or other arrangement prior to the delivery of one or more Aircraft or the commencement of the Lease in respect of one or more Aircraft and, if so, any terms appropriate thereto;
- (18) the extent, if any, to which the Company may acquire Certificates and deliver such Certificates or cash to the respective Trusts and obtain the release of Equipment Notes or other Trust Property held by such Trusts;
- (19) if the Certificates of such series are to be issued in bearer form, the forms thereof and any other special terms relating thereto;
- (20) the "Responsible Party" for purposes of directing the Trustee to make Specified Investments; and
- (21) any other terms of the Certificates of such series (which terms shall not be inconsistent with the provisions of the Trust Indenture Act but may modify, amend, supplement or delete any of the terms of this Basic Agreement), including any terms of the Certificates of such series which may be required or advisable under United States laws or regulations or advisable (as determined by the Company) in connection with the marketing of Certificates of the series.

(c) At any time and from time to time after the execution and delivery of this Basic Agreement and a Trust Supplement forming a Trust and establishing the terms of Certificates of a

series, Certificates of such series shall be executed, authenticated and delivered by the Trustee to the Person or Persons specified by the Company upon request of the Company and upon satisfaction or waiver of any conditions precedent set forth in such Trust Supplement or in any other document to which a Trustee is a party relating to the issuance of the Certificates of such series.

Section 2.02. Acquisition of Equipment Notes. (a) Unless otherwise specified in the related Trust Supplement, on or prior to the Issuance Date of the Certificates of a series, the Trustee shall execute and deliver the related Note Purchase Agreements in the form delivered to the Trustee by the Company. The Trustee shall issue and sell such Certificates, in authorized denominations and in such Fractional Undivided Interests, so as to result in the receipt of consideration in an amount equal to the aggregate purchase price of the Equipment Notes contemplated to be purchased by the Trustee under the related Note Purchase Agreements and, concurrently therewith (unless the Company shall have delivered to the Trustee the Postponement Notice relating to one or more Postponed Notes pursuant to Subsection (b) below), the Trustee shall purchase, pursuant to the terms and conditions of the Note Purchase Agreements, such Equipment Notes (except Postponed Notes, if any) at a purchase price equal to the amount of such consideration so received. Except as provided in Sections 3.03, 3.04, 3.05 and 3.06 hereof, the Trustee shall not execute, authenticate or deliver Certificates of such series in excess of the aggregate amount specified in this paragraph. The provisions of this Subsection (a) are subject to the provisions of Subsection (b) below.

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

The Trustee shall hold all Specified Investments until the maturity thereof and will not sell or otherwise transfer Specified Investments. If Specified Investments held in an Escrow Account mature prior to any applicable Transfer Date, any proceeds received on the maturity of such

Specified Investments (other than any earnings thereon) shall be reinvested by the Trustee at the written direction and risk of, and for the benefit of, the Responsible Party in Specified Investments maturing as provided in the preceding paragraph.

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

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

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

Trustee shall transfer such unused Escrowed Funds and the amount paid by the Responsible Party pursuant to the immediately preceding clause (i) to such Special Payments Account for distribution as a Special Payment in accordance with the provisions hereof.

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

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

ARTICLE III

THE CERTIFICATES

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

Except as provided in Section 3.05, the definitive Certificates of such series shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be

produced in any other manner permitted by the rules of any securities exchange on which the Certificates may be listed, all as determined by the officers executing such Certificates, as evidenced by their execution of such Certificates.

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

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

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

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

Undivided Interest. Until so exchanged, such temporary Certificates shall be entitled to the same benefits under this Agreement as definitive Certificates of such series.

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

All Certificates issued upon any registration of transfer or exchange of Certificates of any series shall be valid obligations of the applicable Trust, evidencing the same interest therein, and entitled to the same benefits under this Agreement, as the Certificates of such series surrendered upon such registration of transfer or exchange.

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

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

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

Section 3.05. Book-Entry and Definitive Certificates. (a) Except for one Certificate of each series that may be issued in a denomination of other than an even multiple of \$1,000, the Certificates of any series may be issued at the option of the Company in the form of one or more typewritten Certificates representing the Book-Entry Certificates of such series, to be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Company. In such case, the Certificates of such series delivered to The Depository Trust Company shall initially be registered on the Register in the name of Cede & Co., the nominee of the initial Clearing Agency,

and no Certificate Owner will receive a definitive certificate representing such Certificate Owner's interest in the Certificates of such series, except as provided in Subsection (d) below. As to the Certificates of any such series (other than the one Certificate or such series issued in a denomination of other than an even multiple of \$1,000), unless and until definitive, fully registered Certificates (the "Definitive Certificates") have been issued pursuant to Subsection (d) below:

- (1) the provisions of this Section 3.05 shall be in full force and effect;
- (2) the Company, the Paying Agent, the Registrar and the Trustee may deal with the Clearing Agency for all purposes (including the making of distributions on the Certificates);
- (3) to the extent that the provisions of this Section 3.05 conflict with any other provisions of this Agreement (other than the provisions of any Trust Supplement expressly amending this Section 3.05 as permitted by this Basic Agreement), the provisions of this Section 3.05 shall control;
- (4) the rights of Certificate Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Certificate Owners and the Clearing Agency Participants; and until Definitive Certificates are issued pursuant to Subsection (d) below, the Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal, interest and premium, if any, on the Certificates to such Clearing Agency Participants;
- (5) such Certificates of such series may be transferred in whole, but not in part, and in the manner provided in Section 3.04, by the Clearing Agency holding such Certificates to a nominee of such Clearing Agency, or by such Clearing Agency to a successor Clearing Agency that has been selected or approved by the Company or to a nominee of such successor Clearing Agency; and
- (6) whenever this Agreement requires or permits actions to be taken based upon instructions or directions of Certificateholders of such series holding Certificates of such series evidencing a specified percentage of the Fractional Undivided Interests in the related Trust, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in Certificates of such series and has delivered such instructions to the Trustee. Neither the Company nor the Trustee shall have any obligation to determine whether the Clearing Agency has in fact received any such instructions.

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

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

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

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

Section 3.06. Mutilated, Destroyed, Lost or Stolen Certificates. If (i) any mutilated Certificate is surrendered to the Registrar, or the Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (ii) there is delivered to the Registrar and the Trustee such security, indemnity or bond as may be required by them to save each of them and the Company harmless, then, in the absence of notice to the Registrar or the Trustee that such destroyed, lost or stolen Certificate has been acquired by a protected purchaser (within the meaning of Article 8 of the Uniform Commercial Code in effect in any applicable jurisdiction), and provided that the requirements of Section 8-405 of the Uniform Commercial Code in effect in any applicable

jurisdiction are met, the Trustee shall execute, authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate or Certificates of like series, in authorized denominations and of like Fractional Undivided Interest and bearing a number not contemporaneously outstanding.

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

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

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

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

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

Section 3.09. Limitation of Liability for Payments. All payments and distributions made to Certificateholders of any series in respect of the Certificates of such series shall be made only from the Trust Property of the related Trust and only to the extent that the Trustee shall have sufficient income or proceeds from such Trust Property to make such payments in accordance with the terms of Article IV of this Agreement. Each Certificateholder, by its acceptance of a Certificate, agrees that it will look solely to the income and proceeds from the Trust Property of the related Trust for any payment or distribution due to such Certificateholder pursuant to the terms of this Agreement and that it will not have any recourse to the Company, the Trustee, the Loan Trustees, any Owner

Trustee or any Owner Participant except as otherwise expressly provided in this Agreement, in any Note Document or in any related Intercreditor Agreement.

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

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

ARTICLE IV

DISTRIBUTIONS; STATEMENTS TO CERTIFICATEHOLDERS

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

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

(c) The Trustee shall present (or, if applicable, cause the Subordination Agent to present) to the Loan Trustee to which an Equipment Note relates such Equipment Note on the date of its

stated final maturity or, in the case of any Equipment Note which is to be redeemed or purchased in whole pursuant to the related Indenture, on the applicable redemption or purchase date under such Indenture.

Section 4.02. Distributions from Certificate Account and Special Payments Account. (a) Subject to the provisions of any Intercreditor Agreement, on each Regular Distribution Date with respect to a series of Certificates or as soon thereafter as the Trustee has confirmed receipt of the payment of all or any part of the Scheduled Payments due on the Equipment Notes held in the related Trust on such date, the Trustee shall distribute out of the applicable Certificate Account the entire amount deposited therein pursuant to Section 4.01(a). There shall be so distributed to each Certificateholder of record of such series on the Record Date with respect to such Regular Distribution Date (other than as provided in Section 11.01 concerning the final distribution) by check mailed to such Certificateholder, at the address appearing in the Register, such Certificateholder's pro rata share (based on the aggregate Fractional Undivided Interest in the related Trust held by such Certificateholder) of the total amount in the applicable Certificate Account, except that, with respect to Certificates registered on the Record Date in the name of a Clearing Agency (or its nominee), such distribution shall be made by wire transfer in immediately available funds to the account designated by such Clearing Agency (or such nominee).

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

(c) The Trustee shall, at the expense of the Company, cause notice of each Special Payment with respect to a series of Certificates to be mailed to each Certificateholder of such series at his address as it appears in the Register. Subject to the provisions of any Intercreditor Agreement: (i) in the event of redemption or purchase of Equipment Notes held in the related Trust, such notice shall be mailed not less than 15 days prior to the Special Distribution Date for the Special Payment resulting from such redemption or purchase, which Special Distribution Date shall be the date of such redemption or purchase; (ii) in the event that the Trustee receives a notice from the Company pursuant to Section 2.02(b) that Postponed Notes will not be purchased by the Trustee, such notice of Special Payment shall be mailed as soon as practicable after receipt of such notice from the

Company and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter; (iii) in the event that any Special Payment is to be made pursuant to the last paragraph of Section 2.02(b), such notice of Special Payment shall be mailed on the Cut-off Date (or, if such mailing on the Cut-off Date is not practicable, as soon as practicable after the Cut-off Date) and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter; and (iv) in the case of any other Special Payments, such notice of Special Payment shall be mailed as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment and shall state the Special Distribution Date for such Special Payment, which shall occur 15 days after the date of such notice of Special Payment or (if such 15th day is not practicable) as soon as practicable thereafter. Notices mailed by the Trustee as provided in the paragraphs above shall set forth:

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

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

(iii) the reason for the Special Payment; and

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

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

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

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

- (i) the amount of such distribution allocable to principal and the amount allocable to premium, if any;
- (ii) the amount of such distribution allocable to interest; and
- (iii) the Pool Balance and the Pool Factor of the related Trust.

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

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

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

shall be distributed on such Special Distribution Date as part of such Special Payment.

ARTICLE V

THE COMPANY

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

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

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

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

ARTICLE VI

DEFAULT

Section 6.01. Indenture Events of Default and Triggering Events. (a) If in respect of any Trust, any Indenture Event of Default shall occur and be continuing, then, and in each and every

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

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

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

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

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

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

- (1) Certificateholders and Trustee May Purchase Equipment Notes. Any Certificateholder, the Trustee in its individual or any other capacity or any other Person may bid for and purchase any of the Equipment Notes held in the Trust, and upon compliance with the terms of sale, may hold, retain, possess and dispose of such Equipment Notes in their own absolute right without further accountability.
- (2) Receipt of Trustee Shall Discharge Purchaser. The receipt of the Trustee making such sale shall be a sufficient discharge to any purchaser for its purchase money, and, after paying such purchase money and receiving such receipt, such purchaser or its personal representative or assigns shall not be obliged to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or non-application thereof.

- (3) Application of Moneys Received Upon Sale. Any moneys collected by the Trustee upon any sale made either under the power of sale given by this Agreement or otherwise for the enforcement of this Agreement shall be applied as provided in Section 4.02. In the event that the proceeds of such sale of Equipment Notes are less than the principal amount of the Certificates of such series Outstanding, the Certificateholders shall have no claim for such shortfall against the Company, the Trustee or any other Person including the related Owner Trustee or related Owner Participant, if any.

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

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

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

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

on the Trustee under this Agreement or such Intercreditor Agreement or Liquidity Facility, including any right of the Trustee as Controlling Party under such Intercreditor Agreement or as holder of the Equipment Notes held in the related Trust; provided that:

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

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

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

Upon any such waiver, such default shall cease to exist with respect to the Certificates of such series and any Event of Default arising therefrom shall be deemed to have been cured for every

purpose in respect of such series and any direction given by the Trustee on behalf of the Certificateholders of such series to the relevant Loan Trustee shall be annulled with respect thereto; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Upon any such waiver, the Trustee shall vote the Equipment Notes issued under the relevant Indenture to waive the corresponding Indenture Event of Default (and, if applicable, the corresponding Lease default).

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

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

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

Except to the extent provided in any applicable Intercreditor Agreement or in any applicable Trust Supplement, it is understood and intended that no one or more of the Certificateholders of any series shall have any right in any manner whatsoever hereunder or under the related Trust Supplement or under the Certificates of such series to (i) surrender, impair, waive, affect, disturb or prejudice any property in the Trust Property of the related Trust, or the lien of any related Indenture on any property subject thereto, or the rights of the Certificateholders of such series or the holders

of the related Equipment Notes, (ii) obtain or seek to obtain priority over or preference with respect to any other such Certificateholder of such series or (iii) enforce any right under this Agreement, except in the manner provided in this Agreement and for the equal, ratable and common benefit of all the Certificateholders of such series subject to the provisions of this Agreement.

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

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

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

ARTICLE VII

THE TRUSTEE

Section 7.01. Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default in respect of a Trust, (1) the Trustee undertakes to perform such duties in respect of such Trust as are specifically set forth in this Agreement, the Intercreditor Agreement and the Note Documents, and no implied covenants or obligations shall be read into such agreements against

the Trustee; and (2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement.

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

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

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

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

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

become, an Event of Default in respect of that Trust or a Triggering Event under any Intercreditor Agreement.

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

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

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

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

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

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

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

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

(h) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the Direction of the Certificateholders holding Certificates of any series evidencing Fractional Undivided Interests aggregating not less than a majority in interest

in the related Trust relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement or any Intercreditor Agreement; and

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

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

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

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

Section 7.07. Compensation and Reimbursement. The Company agrees:

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

in accordance with any provision of this Basic Agreement, any Trust Supplement, any Intercreditor Agreement or any Liquidity Facility to which the Trustee may be a party (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence, willful misconduct or bad faith or as may be incurred due to the Trustee's breach of its representations and warranties set forth in Section 7.15; and

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

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

Section 7.08. Corporate Trustee Required; Eligibility. Each Trust shall at all times have a Trustee which shall be a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof, shall be eligible to act as a trustee under Section 310(a) of the Trust Indenture Act and shall have a combined capital and surplus of at

least \$75,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least \$75,000,000). If such bank, trust company or other financial institution or such corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 7.08 the combined capital and surplus of such bank, trust company or other financial institution or such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published.

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

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

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

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

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

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

- (3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7.14. Registration of Equipment Notes in Trustee's Name. Subject to the provisions of any Intercreditor Agreement and Section 12.03 hereof, the Trustee agrees that all Equipment Notes to be purchased by any Trust, Specified Investments, if any, to be held by the Trustee on behalf of a Trust and Permitted Investments, if any, to be held by the Trustee on behalf of a Trust shall be issued in the name of the Trustee as trustee for the applicable Trust or its nominee and held by the Trustee in trust for the benefit of the Certificateholders of such series, or, if not so held, the Trustee or its nominee shall be reflected as the owner of such Equipment Notes, Specified Investments or Permitted Investments, as the case may be, in the register of the issuer of such Equipment Notes, Specified Investments or Permitted Investments, as the case may be. In no event shall the Trustee invest in, or hold, Equipment Notes, Specified Investments or Permitted Investments in a manner that would cause the Trustee not to have the ownership interest in (or a

securities entitlement with respect to) such Equipment Notes, Specified Investments or Permitted Investments under the applicable provisions of the Uniform Commercial Code in effect where the Trustee holds such Equipment Notes, Specified Investments or Permitted Investments or other applicable law then in effect.

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

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

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

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

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

(e) this Agreement, any Intercreditor Agreement, any Liquidity Facility, the Certificates and the Note Purchase Agreements have been or will be duly executed and delivered by the Trustee and constitute or upon such execution and delivery will constitute the legal, valid and binding agreements of the Trustee, enforceable against it in accordance with their respective terms; provided, however, that enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and (ii) general principles of equity; and

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

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

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

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

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

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

ARTICLE VIII

CERTIFICATEHOLDERS' LISTS AND REPORTS BY TRUSTEE

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

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

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

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

(a) file with the Trustee, within 30 days after the Company is required to file the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) which the Company is required to file with the SEC pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934, as amended; or, if the Company is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustee and the SEC, in accordance with rules and regulations prescribed by the SEC, such of the supplementary and periodic information, documents and reports which may be required pursuant to

section 13 of the Securities Exchange Act of 1934, as amended, in respect of a security listed and registered on a national securities exchange as may be prescribed in such rules and regulations;

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

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

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

ARTICLE IX

SUPPLEMENTAL AGREEMENTS

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

- (1) to provide for the formation of a Trust, the issuance of a series of Certificates and other matters contemplated by Section 2.01(b); or
- (2) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company contained in this Agreement or of the Company's obligations under any Intercreditor Agreement, any Note Purchase Agreement or any Liquidity Facility; or
- (3) to add to the covenants of the Company for the benefit of the Certificateholders of any series, or to surrender any right or power conferred upon the Company in this Agreement, any Note Purchase Agreement, any Intercreditor Agreement or any Liquidity Facility; or

- (4) to cure any ambiguity or to correct any mistake or inconsistency contained herein or in any related Trust Supplement, any Intercreditor Agreement or any Liquidity Facility; or
- (5) to make or modify any other provision in regard to matters or questions arising under this Basic Agreement or any related Trust Supplement, any Intercreditor Agreement or any Liquidity Facility as the Company may deem necessary or desirable and that will not materially adversely affect the interests of the related Certificateholders; or
- (6) to comply with any requirement of the SEC, any applicable law, rules or regulations of any exchange or quotation system on which the Certificates of any series are listed or of any regulatory body; or
- (7) to modify, eliminate or add to the provisions of this Agreement, any Intercreditor Agreement or any Liquidity Facility to such extent as shall be necessary to continue the qualification of this Agreement (including any supplemental agreement), any Intercreditor Agreement or any Liquidity Facility under the Trust Indenture Act or under any similar Federal statute hereafter enacted, and to add to this Agreement, any Intercreditor Agreement or any Liquidity Facility such other provisions as may be expressly permitted by the Trust Indenture Act, excluding, however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act as in effect at the date as of which this Basic Agreement was executed or any corresponding provision in any similar Federal statute hereafter enacted; or
- (8) to evidence and provide for the acceptance of appointment by a successor Trustee under this Agreement, any Intercreditor Agreement, any Note Purchase Agreement, any Indenture or any Liquidity Facility with respect to one or more Trusts and to add to or change any of the provisions of this Agreement, any Intercreditor Agreement or any Liquidity Facility as shall be necessary to provide for or facilitate the administration of the Trust hereunder and thereunder by more than one Trustee, pursuant to the requirements of Section 7.10; or
- (9) to provide the information required under Section 7.12 and Section 12.04 as to the Trustee; or
- (10) to add to or change any of the provisions of this Agreement or any Trust Supplement to such extent as shall be necessary to facilitate the issuance of Certificates in bearer form or to facilitate or provide for the issuance of Certificates in global form in addition to or in place of Certificates in certificated form; or
- (11) to provide for the delivery of agreements supplemental hereto or the Certificates of any series in or by any means of any computerized, electronic or other medium, including without limitation by computer diskette; or

- (12) to correct or supplement the description of any property constituting property of such Trust; or
- (13) to modify, eliminate or add to the provisions of this Basic Agreement or any Trust Supplement in order to reflect the substitution of a Substitute Aircraft for any aircraft; or
- (14) to make any other amendments or modifications hereto, provided that such amendments or modifications shall only apply to Certificates of one or more series to be thereafter issued;

provided, however, that no such supplemental agreement shall cause any Trust to become an association taxable as a corporation for United States federal income tax purposes.

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

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

- (3) alter the priority of distributions specified in the relevant Intercreditor Agreement, if any, in a manner materially adverse to the interests of the Certificateholders of any series; or
- (4) modify any of the provisions of this Section 9.02 with respect to such series of Certificates, except to increase the specified percentage of the aggregate Fractional Undivided Interests of such Trust that is required for any supplemental agreement as set forth therein, or to provide that certain other provisions of this Agreement cannot be modified or waived without the consent of the Certificateholder of each Certificate of such series affected thereby; or
- (5) cause any Trust to become an association taxable as a corporation for United States federal income tax purposes.

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

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

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

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

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

Section 9.07. Reference in Certificates to Supplemental Agreements. Certificates of each series authenticated and delivered after the execution of any supplemental agreement applicable to such series pursuant to this Article IX may bear a notation in form approved by the Trustee as to any

matter provided for in such supplemental agreement; and, in such case, suitable notation may be made upon Outstanding Certificates of such series after proper presentation and demand.

ARTICLE X

AMENDMENTS TO INDENTURES AND OTHER NOTE DOCUMENTS

Section 10.01. Amendments and Supplements to Indentures and Other Note Documents. In the event that the Trustee, as holder (or beneficial owner through the Subordination Agent) of any Equipment Notes (or as a prospective purchaser of any Postponed Notes) in trust for the benefit of the Certificateholders of any series or as Controlling Party under an Intercreditor Agreement, receives (directly or indirectly through the Subordination Agent) a request for a consent to any amendment, modification, waiver or supplement under any Indenture or other Note Document, subject to Section 9.01 hereof, the Trustee shall forthwith send a notice of such proposed amendment, modification, waiver or supplement to each Certificateholder of such series registered on the Register as of the date of such notice. The Trustee shall request from the Certificateholders of such series a Direction as to (a) whether or not to take or refrain from taking (or direct the Subordination Agent to take or refrain from taking) any action which a holder of (or, with respect to Postponed Notes, a prospective purchaser of) such Equipment Note has the option to direct, (b) whether or not to give or execute (or direct the Subordination Agent to give or execute) any waivers, consents, amendments, modifications or supplements as a holder of (or, with respect to Postponed Notes, a prospective purchaser of) such Equipment Note or a Controlling Party and (c) how to vote (or direct the Subordination Agent to vote) any Equipment Note (or, with respect to a Postponed Note, its commitment to acquire such Postponed Note) if a vote has been called for with respect thereto. Provided such a request for Certificateholder Direction shall have been made, in directing any action or casting any vote or giving any consent as the holder of any Equipment Note (or in directing the Subordination Agent in any of the foregoing), (i) other than as Controlling Party, the Trustee shall vote for or give consent to any such action with respect to such Equipment Note (or Postponed Note) in the same proportion as that of (A) the aggregate face amount of all Certificates actually voted in favor of or for giving consent to such action by such Direction of Certificateholders to (B) the aggregate face amount of all Outstanding Certificates and (ii) as Controlling Party, the Trustee shall vote as directed in such Certificateholder Direction by the Certificateholders of such series evidencing a Fractional Undivided Interest aggregating not less than a majority in interest in the Trust. For purposes of the immediately preceding sentence, a Certificate shall have been "actually voted" if the Holder of such Certificate has delivered to the Trustee an instrument evidencing such Holder's consent to such Direction prior to one Business Day before the Trustee directs such action or casts such vote or gives such consent. Notwithstanding the foregoing, but subject to Section 6.04 and any Intercreditor Agreement, the Trustee may, with respect to the Certificates of any series, in its own discretion and at its own direction, consent and notify the relevant Loan Trustee of such consent (or direct the Subordination Agent to consent and notify the Loan Trustee of such consent) to any amendment, modification, waiver or supplement under any related Indenture or any other related Note Document if an Event of Default hereunder shall have

occurred and be continuing or if such amendment, modification, waiver or supplement will not materially adversely affect the interests of the Certificateholders of such series.

ARTICLE XI

TERMINATION OF TRUSTS

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

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

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

thereto, the Trustee shall pay to each Loan Trustee the appropriate amount of money relating to such Loan Trustee and shall give written notice thereof to any related Owner Trustees and the Company.

ARTICLE XII

MISCELLANEOUS PROVISIONS

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

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

Section 12.02. Certificates Nonassessable and Fully Paid. Certificateholders of each series shall not be personally liable for obligations of the related Trust, the Fractional Undivided Interests represented by the Certificates of such series shall be nonassessable for any losses or expenses of such Trust or for any reason whatsoever, and Certificates of such series upon authentication thereof by the Trustee pursuant to Section 3.02 are and shall be deemed fully paid. No Certificateholder of such series shall have any right (except as expressly provided herein) to vote or in any manner otherwise control the operation and management of the related Trust Property, the related Trust, or the obligations of the parties hereto, nor shall anything set forth herein, or contained in the terms of the Certificates of such series, be construed so as to constitute the Certificateholders of such series from time to time as partners or members of an association.

Section 12.03. Registration of Equipment Notes in Name of Subordination Agent. If a Trust is party to an Intercreditor Agreement, the Trustee agrees that all Equipment Notes to be purchased by such Trust may be issued in the name of the Subordination Agent under such Intercreditor Agreement or its nominee and held by such Subordination Agent in trust for the benefit of the Certificateholders, or, if not so held, such Subordination Agent or its nominee shall be reflected as the owner of such Equipment Notes in the register of the issuer of such Equipment Notes.

Section 12.04. Notices. (a) Unless otherwise expressly specified or permitted by the terms hereof or in the applicable Trust Supplement with respect to any Trust created thereby, all notices required or permitted under the terms and provisions of this Basic Agreement or such Trust Supplement shall be in English and in writing, and any such notice may be given by U.S. mail, courier service or facsimile or any other customary means of communication, and any such notice

shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that the transmission was received),

if to the Company, to:

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

Telephone: (817) 963-1234
Facsimile: (817) 967-4318

if to the Trustee, to:

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

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

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

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

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

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

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

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

Section 12.06. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

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

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

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

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

Section 12.11. Legal Holidays. In any case where any Regular Distribution Date or Special Distribution Date relating to any Certificate of any series shall not be a Business Day with respect

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

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

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

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

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

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

AMERICAN AIRLINES, INC.

By: /s/ JEFFREY C. CAMPBELL

Name: Jeffrey C. Campbell
Title: Vice President - Corporate
Development and Treasurer

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

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

EXHIBIT A
TO
PASS THROUGH TRUST AGREEMENT

FORM OF CERTIFICATE

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST []

__% AMERICAN AIRLINES PASS THROUGH CERTIFICATE, SERIES []

Final Regular Distribution Date: [],

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

Certificate No. [] \$[] Fractional Undivided Interest representing 0.
_____ % of the Trust per \$1,000 face amount

THIS CERTIFIES THAT [], for value received, is the registered owner of a \$[] ([] dollars) Fractional Undivided Interest in the American Airlines Pass Through Trust, Series [] (the "Trust") created by _____, as trustee (the "Trustee"), pursuant to a Pass Through Trust Agreement dated as of October 1, 1999 (the "Basic Agreement"), as supplemented by Trust Supplement No. [] thereto dated [], [](collectively, the "Agreement"), between the

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

Trustee and American Airlines, Inc., a corporation incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "[]% American Airlines Pass Through Certificates, Series []" (herein called the "Certificates"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement. By virtue of its acceptance hereof, the Certificateholder of this Certificate assents to and agrees to be bound by the provisions of the Agreement and any related Intercreditor Agreement. The property of the Trust includes or will include certain Equipment Notes and all rights of the Trust and the Trustee, on behalf of the Trust, to receive any payments under any Intercreditor Agreement or Liquidity Facility (the "Trust Property"). Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft leased to or owned by the Company.

The Certificates represent fractional undivided interests in the Trust and the Trust Property, and, except as may be specified in any Intercreditor Agreement or in the applicable Trust Supplement, will have no rights, benefits or interest in respect of any other separate trust established pursuant to the terms of the Basic Agreement for any other series of certificates issued pursuant thereto.

Subject to and in accordance with the terms of the Agreement and any related Intercreditor Agreement, from funds then available to the Trustee, there will be distributed on each _____ and _____ (a "Regular Distribution Date"), commencing on _____, _____, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Regular Distribution Date or such other date as shall be specified for such series in the applicable Trust Supplement, an amount in respect of the Scheduled Payments on the Equipment Notes due on such Regular Distribution Date, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Scheduled Payments. Subject to and in accordance with the terms of the Agreement and any related Intercreditor Agreement, in the event that Special Payments on the Equipment Notes are received by the Trustee, from funds then available to the Trustee, there shall be distributed on the applicable Special Distribution Date, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Special Distribution Date or such other date as shall be specified for such series in the applicable Trust Supplement, an amount in respect of such Special Payments on the Equipment Notes, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Special Payments so received. If a Regular Distribution Date or Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day with the same force and effect as if made on such Regular Distribution Date or Special Distribution Date and no interest shall accrue during the intervening period. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Certificateholder of this Certificate.

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

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

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

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

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

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

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

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

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

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

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

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST_____

By: _____,
as Trustee

By: _____
Title: _____
Dated: _____

[FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

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

- _____,
as Trustee

By: _____
Authorized Officer

=====

TRUST SUPPLEMENT NO. 1999-1A-1

Dated as of October 6, 1999

between

AMERICAN AIRLINES, INC.

and

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

as Trustee,

to

PASS THROUGH TRUST AGREEMENT

Dated as of October 1, 1999

American Airlines, Inc. Pass Through Trust 1999-1A-1
6.855% American Airlines
Pass Through Certificates,
Series 1999-1A-1

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TRUST SUPPLEMENT NO. 1999-1A-1

This TRUST SUPPLEMENT NO. 1999-1A-1, dated as of October 6, 1999 (the "Trust Supplement"), between American Airlines, Inc., a Delaware corporation, and State Street Bank and Trust Company of Connecticut, National Association, a national banking association, as Trustee, to the Pass Through Trust Agreement, dated as of October 1, 1999, between the Company (such term and other capitalized terms used herein without definition being defined as provided in Section 1.01) and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

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

WHEREAS, the Company is the Owner of fifteen Boeing aircraft described in Schedule III (collectively, the "Aircraft");

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

WHEREAS, the Trustee shall hereby declare the creation of the Class A-1 Trust (as defined below) for the benefit of Holders of the Class A-1 Certificates (as defined below) to be issued in respect of such Class A-1 Trust, and the initial Holders of the Class A-1 Certificates, as grantors of such Class A-1 Trust, by their respective acceptances of the Class A-1 Certificates, shall join in the creation of the Class A-1 Trust with the Trustee;

WHEREAS, all Certificates to be issued by the Class A-1 Trust will evidence Fractional Undivided Interests in the Class A-1 Trust and will have no rights, benefits or interests in respect of any other separate Trust or the property held therein;

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement, and the Note Purchase Agreements, the Trustee on behalf of the Class A-1 Trust shall purchase the Equipment Notes issued by the Company pursuant to the Indentures relating to the Aircraft having the identical interest rate as, and final maturity dates not later than the final Regular Distribution Date of, the Class A-1 Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Class A-1 Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement referred to in Section 3.01(h) hereof (the "Intercreditor Agreement"), the Trustee and the other parties thereto will agree to the terms of subordination set forth therein.

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless otherwise specified herein or the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth, and shall be construed and interpreted in the manner described, in the Basic Agreement or, to the extent not defined therein, in the Intercreditor Agreement.

ARTICLE II

DECLARATION OF TRUST

Section 2.01. Declaration of Trust. The Trustee hereby declares the creation of a Trust, designated the "American Airlines Pass Through Trust 1999-1A-1" (the "Class A-1 Trust"), for the benefit of the Holders of the Class A-1 Certificates to be issued in respect of such Class A-1 Trust, and the initial Holders of the Class A-1 Certificates, as grantors of such Class A-1 Trust, by their respective acceptances of the Class A-1 Certificates, join in the creation of such Class A-1 Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and the Note Purchase Agreements and the Trustee will hold such right, title and interest for the benefit of all present and future Holders of the Class A-1 Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

ARTICLE III

THE CERTIFICATES

Section 3.01. The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "6.855% American Airlines Pass Through Certificates, Series 1999-1A-1" (the "Class A-1 Certificates"). Each Class A-1 Certificate represents a Fractional Undivided Interest in the Class A-1 Trust created hereby. The Class A-1 Certificates shall be the only instruments evidencing a Fractional Undivided Interest in the Class A-1 Trust.

The terms and conditions applicable to the Class A-1 Certificates and the Class A-1 Trust are as follows:

(a) The aggregate face amount of the Class A-1 Certificates that may be authenticated and delivered under this Agreement (except for Class A-1 Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Class A-1 Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement) is \$150,889,000.

(b) The Cut-off Date is November 6, 1999.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means April 15 and October 15 of each year, commencing on April 15, 2000, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Class A-1 Trust is scheduled for payment on April 15 and October 15 in certain years, beginning on April 15, 2000 and ending on April 15, 2009, as set out in Schedules I-A and I-B.

(d) The Special Distribution Dates with respect to the Class A-1 Certificates means any Business Day on which a Special Payment is to be distributed pursuant to this Agreement.

(e) The Class A-1 Certificates shall be in the form attached hereto as Exhibit A, shall be Book-Entry Certificates and shall be subject to the conditions set forth in the Letter of Representations between the Company and The Depository Trust Company, as initial Clearing Agency, attached hereto as Exhibit B.

(f) The proceeds of the Class A-1 Certificates issued by the Class A-1 Trust shall be used to acquire the Equipment Notes described in Schedule II, such Equipment Notes to relate to the Aircraft described in Schedule III and the Note Documents described in Schedule IV.

(g) Any Person acquiring or accepting a Class A-1 Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees and the Trustee that either (i) no assets of an employee benefit plan subject to Title I of

ERISA, or of an employee benefit plan or an individual retirement account subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), or any trust established under such plan or account, have been used to purchase Class A-1 Certificates or an interest therein or (ii) the purchase and holding of Class A-1 Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(h) The Class A-1 Certificates will be subject to the following Intercreditor Agreement (and to the extent the terms thereof (including the definitions of defined terms) are inconsistent with the terms of this Agreement, such Intercreditor Agreement shall control): that certain Intercreditor Agreement, dated as of October 6, 1999, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Bayerische Landesbank Girozentrale, as Class A-1 Liquidity Provider, Class A-2 Liquidity Provider, Class B Liquidity Provider and Class C Liquidity Provider, and State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent thereunder. Potential Purchasers shall have the rights upon the occurrence of a Triggering Event set forth in Article IV hereof. The Trustee and, by acceptance of any Class A-1 Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) The Class A-1 Certificates will have the benefit of the following Liquidity Facility: that certain Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the Class A-1 Trust, and Bayerische Landesbank Girozentrale.

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

(k) The Company may at any time purchase any of the Class A-1 Certificates at any price in the open market and may hold such Class A-1 Certificates to maturity.

(l) The Responsible Party is the Company.

(m) Section 9.02 of the Basic Agreement shall be amended with respect to the Class A-1 Trust by deleting from the second line of the proviso in the first sentence thereof the word "adversely".

Section 3.02. Delivery of Documents. The Trustee is hereby directed (i) to execute and deliver the Intercreditor Agreement referred to in Section 3.01(h) of this Trust Supplement in the form delivered to the Trustee by the Company and (ii) subject to the respective terms thereof, to perform its obligations thereunder.

ARTICLE IV

DEFAULT

Section 4.01. Purchase Rights of Certificateholders. (a) By acceptance of its Class A-1 Certificate, each Class A-1 Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event,

(i) if the Class A-2 Trustee is then the Controlling Party, each Class A-1 Certificateholder shall have the right to purchase, for the purchase price set forth in the Class A-2 Trust Agreement, all, but not less than all, of the Class A-2 Certificates upon ten days' prior written notice to the Class A-2 Trustee and each other Class A-1 Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class A-1 Certificateholder notifies such purchasing Class A-1 Certificateholder that such other Class A-1 Certificateholder wants to participate in such purchase, then such other Class A-1 Certificateholder may join with the purchasing Class A-1 Certificateholder to purchase all, but not less than all, of the Class A-2 Certificates pro rata based on the Fractional Undivided Interest in the Class A-1 Trust held by each such Class A-1 Certificateholder and (B) if prior to the end of such ten-day period any other Class A-1 Certificateholder fails to notify the purchasing Class A-1 Certificateholder of such other Class A-1 Certificateholder's desire to participate in such a purchase, then such other Class A-1 Certificateholder shall lose its right to purchase the Class A-2 Certificates pursuant to this Section 4.01(a)(i); and

(ii) if the Trustee is then the Controlling Party, each Class A-2 Certificateholder shall have the right to purchase all, but not less than all, of the Class A-1 Certificates upon ten days' prior written notice to the Trustee and each other Class A-2 Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class A-2 Certificateholder notifies such purchasing Class A-2 Certificateholder that such other Class A-2 Certificateholder wants to participate in such purchase, then such other Class A-2 Certificateholder may join with the purchasing Class A-2 Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates pro rata based on the Fractional Undivided Interest in the Class A-2 Trust held by each such Class A-2 Certificateholder and (B) if prior to the end of such ten-day period any other Class A-2 Certificateholder fails to notify the purchasing Class A-2 Certificateholder of such other Class A-2 Certificateholder's desire to participate in such a purchase, then such other Class A-2 Certificateholder shall lose its right to purchase the Class A-1 Certificates pursuant to this Section 4.01(a)(ii); and

(iii) each Class B Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates or the Class A-2 Certificates pursuant to clause (i) or (ii) above) to purchase all, but not less than all, of the Class A-1 Certificates and the Class A-2 Certificates upon ten days' prior written notice to the Trustee, the Class A-2 Trustee and each other Class B Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class

B Certificateholder notifies such purchasing Class B Certificateholder that such other Class B Certificateholder wants to participate in such purchase, then such other Class B Certificateholder may join with the purchasing Class B Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates and the Class A-2 Certificates pro rata based on the Fractional Undivided Interest in the Class B Trust held by each such Class B Certificateholder and (B) if prior to the end of such ten-day period any other Class B Certificateholder fails to notify the purchasing Class B Certificateholder of such other Class B Certificateholder's desire to participate in such a purchase, then such other Class B Certificateholder shall lose its right to purchase the Class A-1 Certificates and the Class A-2 Certificates pursuant to this Section 4.01(a) (iii);

(iv) each Class C Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates or the Class A-2 Certificates pursuant to clause (i), (ii) or (iii) above) to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates upon ten days' prior written notice to the Trustee, the Class A-2 Trustee, the Class B Trustee and each other Class C Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class C Certificateholder notifies such purchasing Class C Certificateholder that such other Class C Certificateholder wants to participate in such purchase, then such other Class C Certificateholder may join with the purchasing Class C Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pro rata based on the Fractional Undivided Interest in the Class C Trust held by each such Class C Certificateholder and (B) if prior to the end of such ten-day period any other Class C Certificateholder fails to notify the purchasing Class C Certificateholder of such other Class C Certificateholder's desire to participate in such a purchase, then such other Class C Certificateholder shall lose its right to purchase the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pursuant to this Section 4.01(a) (iv); and

(v) each Class D Certificateholder (if Class D Certificates are issued) shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates, the Class A-2 Certificates or the Class B Certificates pursuant to clause (i), (ii), (iii) or (iv) above) to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates upon ten days' prior written notice to the Trustee, the Class A-2 Trustee, the Class B Trustee, the Class C Trustee and each other Class D Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class D Certificateholder notifies such purchasing Class D Certificateholder that such other Class D Certificateholder wants to participate in such purchase, then such other Class D Certificateholder may join with the purchasing Class D Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pro rata based on the Fractional Undivided Interest in the Class D Trust held by each such Class D Certificateholder and (B) if prior to the end of such ten-day period any other Class D Certificateholder fails to notify the purchasing Class D Certificateholder of such other Class D Certificateholder's desire to participate in such a purchase, then such other Class D Certificateholder shall lose its right to purchase the Class A-1

Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pursuant to this Section 4.01(a) (v).

The purchase price with respect to the Class A-1 Certificates shall be equal to the Pool Balance of the Class A-1 Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, without premium, but including any other amounts then due and payable to the Class A-1 Certificateholders under this Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Class A-1 Certificates; provided, however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Class A-1 Certificateholders as of such Record Date); provided, further that no such purchase of Class A-1 Certificates pursuant to clause (iii), (iv) or (v) above shall be effective unless the purchaser(s) shall certify to the Trustee that contemporaneously with such purchase, such purchaser(s) is purchasing, pursuant to the terms of this Agreement and the Intercreditor Agreement, all of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates that are senior to the securities held by such purchaser(s). Each payment of the purchase price of the Class A-1 Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 4.01(a). Each Class A-1 Certificateholder agrees by its acceptance of its Certificate that it will, upon payment from such Class A-2 Certificateholder(s), Class B Certificateholder(s), Class C Certificateholder(s) or Class D Certificateholder(s), as the case may be, of the purchase price set forth in the first sentence of this paragraph, forthwith sell, assign, transfer and convey to the purchaser(s) thereof (without recourse, representation or warranty of any kind except as to its own acts) all of the right, title, interest and obligation of such Class A-1 Certificateholder in this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all Class A-1 Certificates held by such Class A-1 Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state of affairs occurring prior to such sale) and the purchaser(s) shall assume all of such Class A-1 Certificateholder's obligations under this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all such Class A-1 Certificates. The Class A-1 Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Class A-1 Certificateholder to deliver any Class A-1 Certificate and, upon such a purchase, (i) the only rights of the Class A-1 Certificateholders will be to deliver the Class A-1 Certificates and (ii) if the purchaser(s) shall so request, each such Class A-1 Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Class A-1 Certificates to be issued to the purchaser(s) in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Class A-1 Certificates shall be borne by the purchaser(s) thereof.

As used in this Section 4.01(a), the terms "Class A-1 Certificateholder", "Class A-2 Certificate", "Class A-2 Certificateholder", "Class A-2 Trust", "Class A-2 Trust Agreement", "Class

A-2 Trustee", "Class B Certificate", "Class B Certificateholder", "Class B Trust", "Class B Trustee", "Class C Certificate", "Class C Certificateholder", "Class C Trust", "Class C Trustee", "Class D Certificate", "Class D Certificateholder", "Class D Trust" and "Class D Trustee" shall have the respective meanings assigned to such terms in the Intercreditor Agreement.

(b) This Section 4.01 supplements and, to the extent inconsistent with any provision of Section 6.01(d) of the Basic Agreement, replaces the provisions of Section 6.01(d) of the Basic Agreement. Notwithstanding anything to the contrary set forth herein or in any Operative Agreement, the provisions of this Section 4.01 may not be amended in any manner without the consent of each Class A-2 Certificateholder, Class B Certificateholder, Class C Certificateholder or Class D Certificateholder, if any, that would be adversely affected thereby.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Class A-1 Trust created hereby shall terminate upon the distribution to all Certificateholders of Class A-1 Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 5.02. Basic Agreement Ratified. Except and so far as herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument.

Section 5.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE CLASS A-1 CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 5.04. Counterparts. This Trust Supplement may be executed in any number of counterparts (and each of the parties shall not be required to execute the same counterpart). Each counterpart of this Trust Supplement including a signature page or pages executed by each of the

parties hereto shall be an original counterpart of this Trust Supplement, but all of such counterparts together shall constitute one instrument.

Section 5.05. Intention of Parties. The parties hereto intend that the Class A-1 Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Certificateholder of a Class A-1 Certificate, by its acceptance of its Class A-1 Certificate or a beneficial interest therein, agrees to treat the Class A-1 Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Class A-1 Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ JEFFREY C. CAMPBELL

Name: Jeffrey C. Campbell
Title: Vice President - Corporate Development
and Treasurer

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

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

EXHIBIT A to
TRUST SUPPLEMENT NO. 1999-1A-1

FORM OF CERTIFICATE

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST 1999-1A-1

6.855% AMERICAN AIRLINES PASS THROUGH CERTIFICATE, SERIES 1999-1A-1

Final Expected Regular Distribution Date: April 15, 2009

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

Certificate No. _____	\$ _____ Fractional Undivided Interest representing 0.000662739% of the Trust per \$1,000 face amount	Cusip No. _____
--------------------------	---	--------------------

THIS CERTIFIES THAT _____, for value received, is the registered owner of a \$ _____ (_____ dollars) Fractional Undivided Interest in the American Airlines Pass Through Trust, Series 1999-1A-1 (the "Trust") created by State Street Bank and Trust Company of Connecticut, National Association, as trustee (the "Trustee"), pursuant to a Pass Through Trust Agreement, dated as of October 1, 1999 (the "Basic Agreement"), as supplemented by Trust Supplement No. 1999-1A-1 thereto dated October 6, 1999 (collectively, the "Agreement"), between the Trustee and American Airlines, Inc., a corporation

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

incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "6.855% American Airlines Pass Through Certificates, Series 1999-1A-1" (herein called the "Certificates"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement. By virtue of its acceptance hereof, the Certificateholder of this Certificate assents to and agrees to be bound by all of the provisions of the Agreement and the Intercreditor Agreement, including the subordination provisions of Section 9.09 of the Intercreditor Agreement. The property of the Trust includes or will include certain Equipment Notes and all rights of the Trust and the Trustee, on behalf of the Trust, to receive any payments under the Intercreditor Agreement or the Liquidity Facility (the "Trust Property"). Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft owned by the Company.

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

Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, from funds then available to the Trustee, there will be distributed on each April 15 and October 15 (a "Regular Distribution Date"), commencing on April 15, 2000, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Regular Distribution Date, an amount in respect of the Scheduled Payments on the Equipment Notes due on such Regular Distribution Date, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Scheduled Payments. Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, in the event that Special Payments on the Equipment Notes are received by the Trustee, from funds then available to the Trustee, there shall be distributed on the applicable Special Distribution Date, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Special Distribution Date, an amount in respect of such Special Payments on the Equipment Notes, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Special Payments so received. If a Regular Distribution Date or Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day with the same force and effect as if made on such Regular Distribution Date or Special Distribution Date and no interest shall accrue during the intervening period. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Certificateholder of this Certificate.

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

notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

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

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

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar, duly executed by the Certificateholder hereof or such Certificateholder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

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

denominations evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Certificateholder surrendering the same.

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

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

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

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

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

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

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST 1999-1A-1

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

By: _____
Title: _____
Dated: _____

FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

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

By: _____
Authorized Officer

[DTC Letter of Representations]

B-1

SCHEDULE I-B to
TRUST SUPPLEMENT NO. 1999-1A-1

AGGREGATE EQUIPMENT NOTE PRINCIPAL PAYMENTS

Date - ----	Scheduled Principal Payments -----
April 15, 2000	\$ 9,709,596.65
October 15, 2000	23,673,769.33
April 15, 2001	9,709,596.65
October 15, 2001	3,764,916.00
April 15, 2002	9,709,596.65
October 15, 2002	3,764,916.00
April 15, 2003	9,709,596.65
October 15, 2003	3,764,916.00
April 15, 2004	9,709,596.65
October 15, 2004	3,764,916.00
April 15, 2005	9,709,596.65
October 15, 2005	3,764,916.00
April 15, 2006	9,709,596.65
October 15, 2006	3,764,916.00
April 15, 2007	9,709,596.65
October 15, 2007	3,764,916.00
April 15, 2008	9,709,596.65
October 15, 2008	3,764,916.00
April 15, 2009	9,709,532.82

Total:	\$ 150,889,000.00

IB-1

SCHEDULE II to
TRUST SUPPLEMENT NO. 1999-1A-1

EQUIPMENT NOTES, PRINCIPAL AMOUNTS
AND MATURITIES

Equipment Notes -----	Principal Amount -----	Maturity -----
Series 1999-1A-1 Equipment Note (N908AN)	\$ 7,169,266.67	April 15, 2009
Series 1999-1A-1 Equipment Note (N909AN)	7,169,783.33	April 15, 2009
Series 1999-1A-1 Equipment Note (N910AN)	7,169,783.33	April 15, 2009
Series 1999-1A-1 Equipment Note (N912AN)	7,177,533.33	April 15, 2009
Series 1999-1A-1 Equipment Note (N914AN)	6,572,344.83	October 15, 2008
Series 1999-1A-1 Equipment Note (N915AN)	6,572,816.50	October 15, 2008
Series 1999-1A-1 Equipment Note (N916AN)	6,577,061.50	October 15, 2008
Series 1999-1A-1 Equipment Note (N917AN)	6,577,061.50	October 15, 2008
Series 1999-1A-1 Equipment Note (N918AN)	6,581,306.50	October 15, 2008
Series 1999-1A-1 Equipment Note (N919AN)	6,581,306.50	October 15, 2008
Series 1999-1A-1 Equipment Note (N394AN)	13,738,416.50	April 15, 2009
Series 1999-1A-1 Equipment Note (N398AN)	13,956,716.67	April 15, 2009
Series 1999-1A-1 Equipment Note (N399AN)	13,972,216.67	April 15, 2009
Series 1999-1A-1 Equipment Note (N778AN)	20,535,950.00	April 15, 2009
Series 1999-1A-1 Equipment Note (N779AN)	20,537,436.17	April 15, 2009

	Total: \$ 150,889,000.00	

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1A-1

AIRCRAFT

Aircraft Type - -----	Registration Number -----
Boeing 737-823	N908AN
Boeing 737-823	N909AN
Boeing 737-823	N910AN
Boeing 737-823	N912AN
Boeing 737-823	N914AN
Boeing 737-823	N915AN
Boeing 737-823	N916AN
Boeing 737-823	N917AN
Boeing 737-823	N918AN
Boeing 737-823	N919AN
Boeing 767-323ER	N394AN
Boeing 767-323ER	N398AN
Boeing 767-323ER	N399AN
Boeing 777-223	N778AN
Boeing 777-223	N779AN

SCHEDULE IV to
TRUST SUPPLEMENT NO. 1999-1A-1

NOTE DOCUMENTS

Aircraft - - - - -	Aircraft Registration Number -----	Note Documents -----
Boeing 737-823	N908AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N909AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N910AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N912AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N914AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note

SCHEDULE IV to
TRUST SUPPLEMENT NO. 1999-1A-1

Boeing 737-823	N915AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1 B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N916AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N917AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N918AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N919AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note

SCHEDULE IV to
TRUST SUPPLEMENT NO. 1999-1A-1

Boeing 767-323ER	N394AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N398AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N399AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 777-223	N778AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 777-223	N779AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note

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TRUST SUPPLEMENT NO. 1999-1A-2

Dated as of October 6, 1999

between

AMERICAN AIRLINES, INC.

and

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

as Trustee,

to

PASS THROUGH TRUST AGREEMENT

Dated as of October 1, 1999

American Airlines, Inc. Pass Through Trust 1999-1A-2
7.024% American Airlines
Pass Through Certificates,
Series 1999-1A-2

=====

TRUST SUPPLEMENT NO. 1999-1A-2

This TRUST SUPPLEMENT NO. 1999-1A-2, dated as of October 6, 1999 (the "Trust Supplement"), between American Airlines, Inc., a Delaware corporation, and State Street Bank and Trust Company of Connecticut, National Association, a national banking association, as Trustee, to the Pass Through Trust Agreement, dated as of October 1, 1999, between the Company (such term and other capitalized terms used herein without definition being defined as provided in Section 1.01) and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

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

WHEREAS, the Company is the Owner of fifteen Boeing aircraft described in Schedule II (collectively, the "Aircraft");

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

WHEREAS, the Trustee shall hereby declare the creation of the Class A-2 Trust (as defined below) for the benefit of Holders of the Class A-2 Certificates (as defined below) to be issued in respect of such Class A-2 Trust, and the initial Holders of the Class A-2 Certificates, as grantors of such Class A-2 Trust, by their respective acceptances of the Class A-2 Certificates, shall join in the creation of the Class A-2 Trust with the Trustee;

WHEREAS, all Certificates to be issued by the Class A-2 Trust will evidence Fractional Undivided Interests in the Class A-2 Trust and will have no rights, benefits or interests in respect of any other separate Trust or the property held therein;

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement, and the Note Purchase Agreements, the Trustee on behalf of the Class A-2 Trust shall purchase the Equipment Notes issued by the Company pursuant to the Indentures relating to the Aircraft having the identical interest rate as, and final maturity dates not later than the final Regular Distribution Date of, the Class A-2 Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Class A-2 Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement referred to in Section 3.01(h) hereof (the "Intercreditor Agreement"), the Trustee and the other parties thereto will agree to the terms of subordination set forth therein.

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless otherwise specified herein or the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth, and shall be construed and interpreted in the manner described, in the Basic Agreement or, to the extent not defined therein, in the Intercreditor Agreement.

ARTICLE II

DECLARATION OF TRUST

Section 2.01. Declaration of Trust. The Trustee hereby declares the creation of a Trust, designated the "American Airlines Pass Through Trust 1999-1A-2" (the "Class A-2 Trust"), for the benefit of the Holders of the Class A-2 Certificates to be issued in respect of such Class A-2 Trust, and the initial Holders of the Class A-2 Certificates, as grantors of such Class A-2 Trust, by their respective acceptances of the Class A-2 Certificates, join in the creation of such Class A-2 Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and the Note Purchase Agreements and the Trustee will hold such right, title and interest for the benefit of all present and future Holders of the Class A-2 Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

ARTICLE III

THE CERTIFICATES

Section 3.01. The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "7.024% American Airlines Pass Through Certificates, Series 1999-1A-2" (the "Class A-2 Certificates"). Each Class A-2 Certificate represents a Fractional Undivided Interest in the Class A-2 Trust created hereby. The Class A-2 Certificates shall be the only instruments evidencing a Fractional Undivided Interest in the Class A-2 Trust.

The terms and conditions applicable to the Class A-2 Certificates and the Class A-2 Trust are as follows:

(a) The aggregate face amount of the Class A-2 Certificates that may be authenticated and delivered under this Agreement (except for Class A-2 Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Class A-2 Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement) is \$316,969,000.

(b) The Cut-off Date is November 6, 1999.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means April 15 and October 15 of each year, commencing on April 15, 2000, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Class A-2 Trust is scheduled for payment on October 15, 2009.

(d) The Special Distribution Dates with respect to the Class A-2 Certificates means any Business Day on which a Special Payment is to be distributed pursuant to this Agreement.

(e) The Class A-2 Certificates shall be in the form attached hereto as Exhibit A, shall be Book-Entry Certificates and shall be subject to the conditions set forth in the Letter of Representations between the Company and The Depository Trust Company, as initial Clearing Agency, attached hereto as Exhibit B.

(f) The proceeds of the Class A-2 Certificates issued by the Class A-2 Trust shall be used to acquire the Equipment Notes described in Schedule I, such Equipment Notes to relate to the Aircraft described in Schedule II and the Note Documents described in Schedule III.

(g) Any Person acquiring or accepting a Class A-2 Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees and the Trustee that either (i) no assets of an employee benefit plan subject to Title I of ERISA, or of an employee benefit plan or an individual retirement account subject to Section 4975

of the Internal Revenue Code of 1986, as amended (the "Code"), or any trust established under such plan or account, have been used to purchase Class A-2 Certificates or an interest therein or (ii) the purchase and holding of Class A-2 Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(h) The Class A-2 Certificates will be subject to the following Intercreditor Agreement (and to the extent the terms thereof (including the definitions of defined terms) are inconsistent with the terms of this Agreement, such Intercreditor Agreement shall control): that certain Intercreditor Agreement, dated as of October 6, 1999, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Bayerische Landesbank Girozentrale, as Class A-1 Liquidity Provider, Class A-2 Liquidity Provider, Class B Liquidity Provider and Class C Liquidity Provider, and State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent thereunder. Potential Purchasers shall have the rights upon the occurrence of a Triggering Event set forth in Article IV hereof. The Trustee and, by acceptance of any Class A-2 Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) The Class A-2 Certificates will have the benefit of the following Liquidity Facility: that certain Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the Class A-2 Trust, and Bayerische Landesbank Girozentrale.

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

(k) The Company may at any time purchase any of the Class A-2 Certificates at any price in the open market and may hold such Class A-2 Certificates to maturity.

(l) The Responsible Party is the Company.

(m) Section 9.02 of the Basic Agreement shall be amended with respect to the Class A-2 Trust by deleting from the second line of the proviso in the first sentence thereof the word "adversely".

Section 3.02. Delivery of Documents. The Trustee is hereby directed (i) to execute and deliver the Intercreditor Agreement referred to in Section 3.01(h) of this Trust Supplement in the form delivered to the Trustee by the Company and (ii) subject to the respective terms thereof, to perform its obligations thereunder.

ARTICLE IV

DEFAULT

Section 4.01. Purchase Rights of Certificateholders. (a) By acceptance of its Class A-2 Certificate, each Class A-2 Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event,

(i) if the Trustee is then the Controlling Party, each Class A-1 Certificateholder shall have the right to purchase all, but not less than all, of the Class A-2 Certificates upon ten days' prior written notice to the Trustee and each other Class A-1 Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class A-1 Certificateholder notifies such purchasing Class A-1 Certificateholder that such other Class A-1 Certificateholder wants to participate in such purchase, then such other Class A-1 Certificateholder may join with the purchasing Class A-1 Certificateholder to purchase all, but not less than all, of the Class A-2 Certificates pro rata based on the Fractional Undivided Interest in the Class A-1 Trust held by each such Class A-1 Certificateholder and (B) if prior to the end of such ten-day period any other Class A-1 Certificateholder fails to notify the purchasing Class A-1 Certificateholder of such other Class A-1 Certificateholder's desire to participate in such a purchase, then such other Class A-1 Certificateholder shall lose its right to purchase the Class A-2 Certificates pursuant to this Section 4.01(a)(i); and

(ii) if the Class A-1 Trustee is then the Controlling Party, each Class A-2 Certificateholder shall have the right to purchase, for the purchase price set forth in the Class A-1 Trust Agreement, all, but not less than all, of the Class A-1 Certificates upon ten days' prior written notice to the Class A-1 Trustee and each other Class A-2 Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class A-2 Certificateholder notifies such purchasing Class A-2 Certificateholder that such other Class A-2 Certificateholder wants to participate in such purchase, then such other Class A-2 Certificateholder may join with the purchasing Class A-2 Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates pro rata based on the Fractional Undivided Interest in the Class A-2 Trust held by each such Class A-2 Certificateholder and (B) if prior to the end of such ten-day period any other Class A-2 Certificateholder fails to notify the purchasing Class A-2 Certificateholder of such other Class A-2 Certificateholder's desire to participate in such a purchase, then such other Class A-2 Certificateholder shall lose its right to purchase the Class A-1 Certificates pursuant to this Section 4.01(a)(ii); and

(iii) each Class B Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates or the Class A-2 Certificates pursuant to clause (i) or (ii) above) to purchase all, but not less than all, of the Class A-1 Certificates and the Class A-2 Certificates upon ten days' prior written notice to the Trustee, the Class A-1 Trustee and each other Class B Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class

B Certificateholder notifies such purchasing Class B Certificateholder that such other Class B Certificateholder wants to participate in such purchase, then such other Class B Certificateholder may join with the purchasing Class B Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates and the Class A-2 Certificates pro rata based on the Fractional Undivided Interest in the Class B Trust held by each such Class B Certificateholder and (B) if prior to the end of such ten-day period any other Class B Certificateholder fails to notify the purchasing Class B Certificateholder of such other Class B Certificateholder's desire to participate in such a purchase, then such other Class B Certificateholder shall lose its right to purchase the Class A-1 Certificates and the Class A-2 Certificates pursuant to this Section 4.01(a) (iii);

(iv) each Class C Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates or the Class A-2 Certificates pursuant to clause (i), (ii) or (iii) above) to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates upon ten days' prior written notice to the Trustee, the Class A-1 Trustee, the Class B Trustee and each other Class C Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class C Certificateholder notifies such purchasing Class C Certificateholder that such other Class C Certificateholder wants to participate in such purchase, then such other Class C Certificateholder may join with the purchasing Class C Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pro rata based on the Fractional Undivided Interest in the Class C Trust held by each such Class C Certificateholder and (B) if prior to the end of such ten-day period any other Class C Certificateholder fails to notify the purchasing Class C Certificateholder of such other Class C Certificateholder's desire to participate in such a purchase, then such other Class C Certificateholder shall lose its right to purchase the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pursuant to this Section 4.01(a) (iv); and

(v) each Class D Certificateholder (if Class D Certificates are issued) shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates, the Class A-2 Certificates or the Class B Certificates pursuant to clause (i), (ii), (iii) or (iv) above) to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates upon ten days' prior written notice to the Trustee, the Class A-1 Trustee, the Class B Trustee, the Class C Trustee and each other Class D Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class D Certificateholder notifies such purchasing Class D Certificateholder that such other Class D Certificateholder wants to participate in such purchase, then such other Class D Certificateholder may join with the purchasing Class D Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pro rata based on the Fractional Undivided Interest in the Class D Trust held by each such Class D Certificateholder and (B) if prior to the end of such ten-day period any other Class D Certificateholder fails to notify the purchasing Class D Certificateholder of such other Class D Certificateholder's desire to participate in such a purchase, then such other Class D Certificateholder shall lose its right to purchase the Class A-1

Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pursuant to this Section 4.01(a) (v).

The purchase price with respect to the Class A-2 Certificates shall be equal to the Pool Balance of the Class A-2 Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, without premium, but including any other amounts then due and payable to the Class A-2 Certificateholders under this Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Class A-2 Certificates; provided, however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Class A-2 Certificateholders as of such Record Date); provided, further that no such purchase of Class A-2 Certificates pursuant to clause (iii), (iv) or (v) above shall be effective unless the purchaser(s) shall certify to the Trustee that contemporaneously with such purchase, such purchaser(s) is purchasing, pursuant to the terms of this Agreement and the Intercreditor Agreement, all of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates that are senior to the securities held by such purchaser(s). Each payment of the purchase price of the Class A-2 Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 4.01(a). Each Class A-2 Certificateholder agrees by its acceptance of its Certificate that it will, upon payment from such Class A-1 Certificateholder(s), Class B Certificateholder(s), Class C Certificateholder(s) or Class D Certificateholder(s), as the case may be, of the purchase price set forth in the first sentence of this paragraph, forthwith sell, assign, transfer and convey to the purchaser(s) thereof (without recourse, representation or warranty of any kind except as to its own acts) all of the right, title, interest and obligation of such Class A-2 Certificateholder in this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all Class A-2 Certificates held by such Class A-2 Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state of affairs occurring prior to such sale) and the purchaser(s) shall assume all of such Class A-2 Certificateholder's obligations under this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all such Class A-2 Certificates. The Class A-2 Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Class A-2 Certificateholder to deliver any Class A-2 Certificate and, upon such a purchase, (i) the only rights of the Class A-2 Certificateholders will be to deliver the Class A-2 Certificates and (ii) if the purchaser(s) shall so request, each such Class A-2 Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Class A-2 Certificates to be issued to the purchaser(s) in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Class A-2 Certificates shall be borne by the purchaser(s) thereof.

As used in this Section 4.01(a), the terms "Class A-1 Certificate", "Class A-1 Certificateholder", "Class A-1 Trust", "Class A-1 Trust Agreement", "Class A-1 Trustee", "Class

A-2 Certificateholder", "Class A-2 Trust", "Class B Certificate", "Class B Certificateholder", "Class B Trust", "Class B Trustee", "Class C Certificate", "Class C Certificateholder", "Class C Trust", "Class C Trustee", "Class D Certificate", "Class D Certificateholder", "Class D Trust" and "Class D Trustee" shall have the respective meanings assigned to such terms in the Intercreditor Agreement.

(b) This Section 4.01 supplements and, to the extent inconsistent with any provision of Section 6.01(d) of the Basic Agreement, replaces the provisions of Section 6.01(d) of the Basic Agreement. Notwithstanding anything to the contrary set forth herein or in any Operative Agreement, the provisions of this Section 4.01 may not be amended in any manner without the consent of each Class A-1 Certificateholder, Class B Certificateholder, Class C Certificateholder or Class D Certificateholder, if any, that would be adversely affected thereby.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Class A-2 Trust created hereby shall terminate upon the distribution to all Certificateholders of Class A-2 Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 5.02. Basic Agreement Ratified. Except and so far as herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument.

Section 5.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE CLASS A-2 CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 5.04. Counterparts. This Trust Supplement may be executed in any number of counterparts (and each of the parties shall not be required to execute the same counterpart). Each counterpart of this Trust Supplement including a signature page or pages executed by each of the

parties hereto shall be an original counterpart of this Trust Supplement, but all of such counterparts together shall constitute one instrument.

Section 5.05. Intention of Parties. The parties hereto intend that the Class A-2 Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Certificateholder of a Class A-2 Certificate, by its acceptance of its Class A-2 Certificate or a beneficial interest therein, agrees to treat the Class A-2 Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Class A-2 Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ JEFFREY C. CAMPBELL

Name: Jeffrey C. Campbell
Title: Vice President - Corporate
Development and Treasurer

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

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

FORM OF CERTIFICATE

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST 1999-1A-2

7.024% AMERICAN AIRLINES PASS THROUGH CERTIFICATE, SERIES 1999-1A-2

Final Expected Regular Distribution Date: October 15, 2009

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

Certificate		Cusip
No. _____	\$ _____ Fractional Undivided Interest	No. _____
	representing 0.000315488% of the Trust	
	per \$1,000 face amount	

THIS CERTIFIES THAT _____, for value received, is the registered owner of a \$ _____ (_____ dollars) Fractional Undivided Interest in the American Airlines Pass Through Trust, Series 1999-1A-2 (the "Trust") created by State Street Bank and Trust Company of Connecticut, National Association, as trustee (the "Trustee"), pursuant to a Pass Through Trust Agreement, dated as of October 1, 1999 (the "Basic Agreement"), as supplemented by Trust Supplement No. 1999-1A-2 thereto dated October 6, 1999 (collectively, the "Agreement"), between the Trustee and American Airlines, Inc., a corporation

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

incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "7.024% American Airlines Pass Through Certificates, Series 1999-1A-2" (herein called the "Certificates"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement. By virtue of its acceptance hereof, the Certificateholder of this Certificate assents to and agrees to be bound by all of the provisions of the Agreement and the Intercreditor Agreement, including the subordination provisions of Section 9.09 of the Intercreditor Agreement. The property of the Trust includes or will include certain Equipment Notes and all rights of the Trust and the Trustee, on behalf of the Trust, to receive any payments under the Intercreditor Agreement or the Liquidity Facility (the "Trust Property"). Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft owned by the Company.

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

Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, from funds then available to the Trustee, there will be distributed on each April 15 and October 15 (a "Regular Distribution Date"), commencing on April 15, 2000, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Regular Distribution Date, an amount in respect of the Scheduled Payments on the Equipment Notes due on such Regular Distribution Date, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Scheduled Payments. Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, in the event that Special Payments on the Equipment Notes are received by the Trustee, from funds then available to the Trustee, there shall be distributed on the applicable Special Distribution Date, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Special Distribution Date, an amount in respect of such Special Payments on the Equipment Notes, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Special Payments so received. If a Regular Distribution Date or Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day with the same force and effect as if made on such Regular Distribution Date or Special Distribution Date and no interest shall accrue during the intervening period. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Certificateholder of this Certificate.

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

notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

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

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

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar, duly executed by the Certificateholder hereof or such Certificateholder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

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

denominations evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Certificateholder surrendering the same.

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

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

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

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

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

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

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST 1999-1A-2

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

By: _____
Title: _____
Dated: _____

FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

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

By: _____
Authorized Officer

EXHIBIT B to
TRUST SUPPLEMENT NO. 1999-1A-2

[DTC Letter of Representations]

B-1

SCHEDULE I to
TRUST SUPPLEMENT NO. 1999-1A-2

EQUIPMENT NOTES, PRINCIPAL AMOUNTS
AND MATURITIES

Equipment Notes -----	Principal Amount -----	Maturity -----
Series 1999-1A-2 Equipment Note (N908AN)	\$ 14,569,800.00	October 15, 2009
Series 1999-1A-2 Equipment Note (N909AN)	14,570,850.00	October 15, 2009
Series 1999-1A-2 Equipment Note (N910AN)	14,570,850.00	October 15, 2009
Series 1999-1A-2 Equipment Note (N912AN)	14,586,600.00	October 15, 2009
Series 1999-1A-2 Equipment Note (N914AN)	15,258,058.50	October 15, 2009
Series 1999-1A-2 Equipment Note (N915AN)	15,259,153.50	October 15, 2009
Series 1999-1A-2 Equipment Note (N916AN)	15,269,008.50	October 15, 2009
Series 1999-1A-2 Equipment Note (N917AN)	15,269,008.50	October 15, 2009
Series 1999-1A-2 Equipment Note (N918AN)	15,278,863.50	October 15, 2009
Series 1999-1A-2 Equipment Note (N919AN)	15,278,863.50	October 15, 2009
Series 1999-1A-2 Equipment Note (N394AN)	26,827,283.51	October 15, 2009
Series 1999-1A-2 Equipment Note (N398AN)	28,363,650.00	October 15, 2009
Series 1999-1A-2 Equipment Note (N399AN)	28,395,150.00	October 15, 2009
Series 1999-1A-2 Equipment Note (N778AN)	41,734,350.00	October 15, 2009
Series 1999-1A-2 Equipment Note (N779AN)	41,737,510.49	October 15, 2009

Total:	\$ 316,969,000.00	

SCHEDULE II to
TRUST SUPPLEMENT NO. 1999-1A-2

AIRCRAFT

Aircraft Type - -----	Registration Number -----
Boeing 737-823	N908AN
Boeing 737-823	N909AN
Boeing 737-823	N910AN
Boeing 737-823	N912AN
Boeing 737-823	N914AN
Boeing 737-823	N915AN
Boeing 737-823	N916AN
Boeing 737-823	N917AN
Boeing 737-823	N918AN
Boeing 737-823	N919AN
Boeing 767-323ER	N394AN
Boeing 767-323ER	N398AN
Boeing 767-323ER	N399AN
Boeing 777-223	N778AN
Boeing 777-223	N779AN

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1B

NOTE DOCUMENTS

Aircraft -----	Aircraft Registration Number -----	Note Documents -----
Boeing 737-823	N908AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999- A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N909AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N910AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N912AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N914AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
	III-1	

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1B

Boeing 737-823	N915AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N916AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N917AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N918AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N919AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note

III-2

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1B

Boeing 767-323ER	N394AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N398AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N399AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 777-223	N778AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 777-223	N779AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note

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TRUST SUPPLEMENT NO. 1999-1B

Dated as of October 6, 1999

between

AMERICAN AIRLINES, INC.

and

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

as Trustee,

to

PASS THROUGH TRUST AGREEMENT

Dated as of October 1, 1999

American Airlines, Inc. Pass Through Trust 1999-1B
7.324% American Airlines
Pass Through Certificates,
Series 1999-1B

=====

TRUST SUPPLEMENT NO. 1999-1B

This TRUST SUPPLEMENT NO. 1999-1B, dated as of October 6, 1999 (the "Trust Supplement"), between American Airlines, Inc., a Delaware corporation, and State Street Bank and Trust Company of Connecticut, National Association, a national banking association, as Trustee, to the Pass Through Trust Agreement, dated as of October 1, 1999, between the Company (such term and other capitalized terms used herein without definition being defined as provided in Section 1.01) and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

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

WHEREAS, the Company is the Owner of fifteen Boeing aircraft described in Schedule II (collectively, the "Aircraft");

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

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

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

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

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement referred to in Section 3.01(h) hereof (the "Intercreditor Agreement"), the Trustee and the other parties thereto will agree to the terms of subordination set forth therein.

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless otherwise specified herein or the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth, and shall be construed and interpreted in the manner described, in the Basic Agreement or, to the extent not defined therein, in the Intercreditor Agreement.

ARTICLE II

DECLARATION OF TRUST

Section 2.01. Declaration of Trust. The Trustee hereby declares the creation of a Trust, designated the "American Airlines Pass Through Trust 1999-1B" (the "Class B Trust"), for the benefit of the Holders of the Class B Certificates to be issued in respect of such Class B Trust, and the initial Holders of the Class B Certificates, as grantors of such Class B Trust, by their respective acceptances of the Class B Certificates, join in the creation of such Class B Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and the Note Purchase Agreements and the Trustee will hold such right, title and interest for the benefit of all present and future Holders of the Class B Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

ARTICLE III
THE CERTIFICATES

Section 3.01. The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "7.324% American Airlines Pass Through Certificates, Series 1999-1B" (the "Class B Certificates"). Each Class B Certificate represents a Fractional Undivided Interest in the Class B Trust created hereby. The Class B Certificates shall be the only instruments evidencing a Fractional Undivided Interest in the Class B Trust.

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

(a) The aggregate face amount of the Class B Certificates that may be authenticated and delivered under this Agreement (except for Class B Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Class B Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement) is \$84,525,000.

(b) The Cut-off Date is November 6, 1999.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means April 15 and October 15 of each year, commencing on April 15, 2000, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Class B Trust is scheduled for payment on October 15, 2009.

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

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

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

(g) Any Person acquiring or accepting a Class B Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees and the Trustee that either (i) no assets of an employee benefit plan subject to Title I of ERISA, or of an employee benefit plan or an individual retirement account subject to Section 4975

of the Internal Revenue Code of 1986, as amended (the "Code"), or any trust established under such plan or account, have been used to purchase Class B Certificates or an interest therein or (ii) the purchase and holding of Class B Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(h) The Class B Certificates will be subject to the following Intercreditor Agreement (and to the extent the terms thereof (including the definitions of defined terms) are inconsistent with the terms of this Agreement, such Intercreditor Agreement shall control): that certain Intercreditor Agreement, dated as of October 6, 1999, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Bayerische Landesbank Girozentrale, as Class A-1 Liquidity Provider, Class A-2 Liquidity Provider, Class B Liquidity Provider and Class C Liquidity Provider, and State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent thereunder. Potential Purchasers shall have the rights upon the occurrence of a Triggering Event set forth in Article IV hereof. The Trustee and, by acceptance of any Class B Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) The Class B Certificates will have the benefit of the following Liquidity Facility: that certain Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the Class B Trust, and Bayerische Landesbank Girozentrale.

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

(k) The Company may at any time purchase any of the Class B Certificates at any price in the open market and may hold such Class B Certificates to maturity.

(l) The Responsible Party is the Company.

(m) Section 9.02 of the Basic Agreement shall be amended with respect to the Class B Trust by deleting from the second line of the proviso in the first sentence thereof the word "adversely".

Section 3.02. Delivery of Documents. The Trustee is hereby directed (i) to execute and deliver the Intercreditor Agreement referred to in Section 3.01(h) of this Trust Supplement in the form delivered to the Trustee by the Company and (ii) subject to the respective terms thereof, to perform its obligations thereunder.

ARTICLE IV

DEFAULT

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

(i) each Class B Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates pursuant to the Class A-2 Trust Agreement or the Class A-2 Certificates pursuant to the Class A-1 Trust Agreement) to purchase, for the purchase price set forth in the Class A-1 Trust Agreement and the Class A-2 Trust Agreement, respectively, all, but not less than all, of the Class A-1 Certificates and the Class A-2 Certificates upon ten days' prior written notice to the Class A-1 Trustee, the Class A-2 Trustee and each other Class B Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class B Certificateholder notifies such purchasing Class B Certificateholder that such other Class B Certificateholder wants to participate in such purchase, then such other Class B Certificateholder may join with the purchasing Class B Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates and the Class A-2 Certificates pro rata based on the Fractional Undivided Interest in the Class B Trust held by each such Class B Certificateholder and (B) if prior to the end of such ten-day period any other Class B Certificateholder fails to notify the purchasing Class B Certificateholder of such other Class B Certificateholder's desire to participate in such a purchase, then such other Class B Certificateholder shall lose its right to purchase the Class A-1 Certificates and the Class A-2 Certificates pursuant to this Section 4.01(a)(i);

(ii) each Class C Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates pursuant to the Class A-2 Trust Agreement, the Class A-2 Certificates pursuant to the Class A-1 Trust Agreement or the Class A-1 Certificates and Class A-2 Certificates pursuant to clause (i) above) to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates upon ten days' prior written notice to the Class A-1 Trustee, the Class A-2 Trustee, the Trustee and each other Class C Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class C Certificateholder notifies such purchasing Class C Certificateholder that such other Class C Certificateholder wants to participate in such purchase, then such other Class C Certificateholder may join with the purchasing Class C Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pro rata based on the Fractional Undivided Interest in the Class C Trust held by each such Class C Certificateholder and (B) if prior to the end of such ten-day period any other Class C Certificateholder fails to notify the purchasing Class C Certificateholder of such other Class C Certificateholder's desire to participate in such a purchase, then such other Class C Certificateholder shall lose its right to purchase the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pursuant to this Section 4.01(a)(ii); and

(iii) each Class D Certificateholder (if Class D Certificates are issued) shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates pursuant to the Class A-2 Trust Agreement, the Class A-2 Certificates pursuant to the Class A-1 Trust Agreement or the Class A-1 Certificates, Class A-2 Certificates or Class B Certificates pursuant to clause (i) or (ii) above) to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates upon ten days' prior written notice to the Class A-1 Trustee, the Class A-2 Trustee, the Trustee, the Class C Trustee and each other Class D Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class D Certificateholder notifies such purchasing Class D Certificateholder that such other Class D Certificateholder wants to participate in such purchase, then such other Class D Certificateholder may join with the purchasing Class D Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pro rata based on the Fractional Undivided Interest in the Class D Trust held by each such Class D Certificateholder and (B) if prior to the end of such ten-day period any other Class D Certificateholder fails to notify the purchasing Class D Certificateholder of such other Class D Certificateholder's desire to participate in such a purchase, then such other Class D Certificateholder shall lose its right to purchase the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pursuant to this Section 4.01(a) (iii).

The purchase price with respect to the Class B Certificates shall be equal to the Pool Balance of the Class B Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, without premium, but including any other amounts then due and payable to the Class B Certificateholders under this Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Class B Certificates; provided, however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Class B Certificateholders as of such Record Date); provided, further that no such purchase of Class B Certificates pursuant to this Section 4.01(a) shall be effective unless the purchaser(s) shall certify to the Trustee that contemporaneously with such purchase, such purchaser(s) is purchasing, pursuant to the terms of this Agreement and the Intercreditor Agreement, all of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates that are senior to the securities held by such purchaser(s). Each payment of the purchase price of the Class B Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 4.01(a). Each Class B Certificateholder agrees by its acceptance of its Certificate that it will, upon payment from such Class C Certificateholder(s) or Class D Certificateholder(s), as the case may be, of the purchase price set forth in the first sentence of this paragraph, forthwith sell, assign, transfer and convey to the purchaser(s) thereof (without recourse, representation or warranty of any kind except as to its own acts) all of the right, title, interest and obligation of such Class B Certificateholder in this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all Class B Certificates held by such Class B Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such

right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state of affairs occurring prior to such sale) and the purchaser(s) shall assume all of such Class B Certificateholder's obligations under this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all such Class B Certificates. The Class B Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Class B Certificateholder to deliver any Class B Certificate and, upon such a purchase, (i) the only rights of the Class B Certificateholders will be to deliver the Class B Certificates and (ii) if the purchaser(s) shall so request, each such Class B Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Class B Certificates to be issued to the purchaser(s) in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Class B Certificates shall be borne by the purchaser(s) thereof.

As used in this Section 4.01(a), the terms "Class A-1 Certificate", "Class A-1 Certificateholder", "Class A-1 Trust", "Class A-1 Trust Agreement", "Class A-1 Trustee", "Class A-2 Certificate", "Class A-2 Certificateholder", "Class A-2 Trust", "Class A-2 Trust Agreement", "Class A-2 Trustee", "Class B Certificateholder", "Class B Trust", "Class C Certificate", "Class C Certificateholder", "Class C Trust", "Class C Trustee", "Class D Certificate", "Class D Certificateholder", "Class D Trust" and "Class D Trustee" shall have the respective meanings assigned to such terms in the Intercreditor Agreement.

(b) This Section 4.01 supplements and, to the extent inconsistent with any provision of Section 6.01(d) of the Basic Agreement, replaces the provisions of Section 6.01(d) of the Basic Agreement. Notwithstanding anything to the contrary set forth herein or in any Operative Agreement, the provisions of this Section 4.01 may not be amended in any manner without the consent of each Class A-1 Certificateholder, Class A-2 Certificateholder, Class C Certificateholder or Class D Certificateholder, if any, that would be adversely affected thereby.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Class B Trust created hereby shall terminate upon the distribution to all Certificateholders of Class B Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 5.02. Basic Agreement Ratified. Except and so far as herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument.

Section 5.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE CLASS B CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 5.04. Counterparts. This Trust Supplement may be executed in any number of counterparts (and each of the parties shall not be required to execute the same counterpart). Each counterpart of this Trust Supplement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Trust Supplement, but all of such counterparts together shall constitute one instrument.

Section 5.05. Intention of Parties. The parties hereto intend that the Class B Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Certificateholder of a Class B Certificate, by its acceptance of its Class B Certificate or a beneficial interest therein, agrees to treat the Class B Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Class B Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ JEFFREY C. CAMPBELL

Name: Jeffrey C. Campbell
Title: Vice President - Corporate
Development and Treasurer

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

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

EXHIBIT A to
TRUST SUPPLEMENT NO. 1999-1B

FORM OF CERTIFICATE

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST 1999-1B

7.324% AMERICAN AIRLINES PASS THROUGH CERTIFICATE, SERIES 1999-1B

Final Expected Regular Distribution Date: October 15, 2009

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

Certificate		Cusip
No. _____	\$ _____ Fractional Undivided Interest representing	No. _____
	0.001183082% of the Trust per \$1,000 face amount	

THIS CERTIFIES THAT _____, for value received, is the registered owner of a \$ _____ (_____ dollars) Fractional Undivided Interest in the American Airlines Pass Through Trust, Series 1999-1B (the "Trust") created by State Street Bank and Trust Company of Connecticut, National Association, as trustee (the "Trustee"), pursuant to a Pass Through Trust Agreement, dated as of October 1, 1999 (the "Basic Agreement"), as supplemented by Trust Supplement No. 1999-1B thereto dated October 6, 1999 (collectively, the "Agreement"), between the Trustee and American Airlines, Inc., a corporation

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

incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "7.324% American Airlines Pass Through Certificates, Series 1999-1B" (herein called the "Certificates"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement. By virtue of its acceptance hereof, the Certificateholder of this Certificate assents to and agrees to be bound by all of the provisions of the Agreement and the Intercreditor Agreement, including the subordination provisions of Section 9.09 of the Intercreditor Agreement. The property of the Trust includes or will include certain Equipment Notes and all rights of the Trust and the Trustee, on behalf of the Trust, to receive any payments under the Intercreditor Agreement or the Liquidity Facility (the "Trust Property"). Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft owned by the Company.

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

Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, from funds then available to the Trustee, there will be distributed on each April 15 and October 15 (a "Regular Distribution Date"), commencing on April 15, 2000, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Regular Distribution Date, an amount in respect of the Scheduled Payments on the Equipment Notes due on such Regular Distribution Date, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Scheduled Payments. Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, in the event that Special Payments on the Equipment Notes are received by the Trustee, from funds then available to the Trustee, there shall be distributed on the applicable Special Distribution Date, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Special Distribution Date, an amount in respect of such Special Payments on the Equipment Notes, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Special Payments so received. If a Regular Distribution Date or Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day with the same force and effect as if made on such Regular Distribution Date or Special Distribution Date and no interest shall accrue during the intervening period. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Certificateholder of this Certificate.

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

notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

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

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

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar, duly executed by the Certificateholder hereof or such Certificateholder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

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

denominations evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Certificateholder surrendering the same.

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

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

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

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

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

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

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST 1999-1B

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

By: _____
Title: _____
Dated: _____

FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

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

By: _____
Authorized Officer

EXHIBIT B to
TRUST SUPPLEMENT NO. 1999-1B

[DTC Letter of Representations]

B-1

SCHEDULE I to
TRUST SUPPLEMENT NO. 1999-1B

EQUIPMENT NOTES, PRINCIPAL AMOUNTS
AND MATURITIES

Equipment Notes -----	Principal Amount -----	Maturity -----
Series 1999-1B Equipment Note (N908AN)	\$ 3,885,280.00	October 15, 2009
Series 1999-1B Equipment Note (N909AN)	3,885,560.00	October 15, 2009
Series 1999-1B Equipment Note (N910AN)	3,885,560.00	October 15, 2009
Series 1999-1B Equipment Note (N912AN)	3,889,760.00	October 15, 2009
Series 1999-1B Equipment Note (N914AN)	4,068,815.60	October 15, 2009
Series 1999-1B Equipment Note (N915AN)	4,069,107.60	October 15, 2009
Series 1999-1B Equipment Note (N916AN)	4,071,735.60	October 15, 2009
Series 1999-1B Equipment Note (N917AN)	4,071,735.60	October 15, 2009
Series 1999-1B Equipment Note (N918AN)	4,074,363.60	October 15, 2009
Series 1999-1B Equipment Note (N919AN)	4,074,363.60	October 15, 2009
Series 1999-1B Equipment Note (N394AN)	7,153,942.27	October 15, 2009
Series 1999-1B Equipment Note (N398AN)	7,563,640.00	October 15, 2009
Series 1999-1B Equipment Note (N399AN)	7,572,040.00	October 15, 2009
Series 1999-1B Equipment Note (N778AN)	11,129,160.00	October 15, 2009
Series 1999-1B Equipment Note (N779AN)	11,129,936.13	October 15, 2009

Total	\$84,525,000.00	

SCHEDULE II to
TRUST SUPPLEMENT NO. 1999-1B

AIRCRAFT

Aircraft Type - - - - -	Registration Number - - - - -
Boeing 737-823	N908AN
Boeing 737-823	N909AN
Boeing 737-823	N910AN
Boeing 737-823	N912AN
Boeing 737-823	N914AN
Boeing 737-823	N915AN
Boeing 737-823	N916AN
Boeing 737-823	N917AN
Boeing 737-823	N918AN
Boeing 737-823	N919AN
Boeing 767-323ER	N394AN
Boeing 767-323ER	N398AN
Boeing 767-323ER	N399AN
Boeing 777-223	N778AN
Boeing 777-223	N779AN

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1B

NOTE DOCUMENTS

Aircraft -----	Aircraft Registration Number -----	Note Documents -----
Boeing 737-823	N908AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N909AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N910AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N912AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N914AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1B

		Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N915AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1 B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N916AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N917AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N918AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N919AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N394AN	Participation Agreement

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1B

		Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N398AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N399AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 777-223	N778AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 777-223	N779AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note

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TRUST SUPPLEMENT NO. 1999-1C

Dated as of October 6, 1999

between

AMERICAN AIRLINES, INC.

and

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

as Trustee,

to

PASS THROUGH TRUST AGREEMENT

Dated as of October 1, 1999

American Airlines, Inc. Pass Through Trust 1999-1C
7.155% American Airlines
Pass Through Certificates,
Series 1999-1C

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TRUST SUPPLEMENT NO. 1999-1C

This TRUST SUPPLEMENT NO. 1999-1C, dated as of October 6, 1999 (the "Trust Supplement"), between American Airlines, Inc., a Delaware corporation, and State Street Bank and Trust Company of Connecticut, National Association, a national banking association, as Trustee, to the Pass Through Trust Agreement, dated as of October 1, 1999, between the Company (such term and other capitalized terms used herein without definition being defined as provided in Section 1.01) and the Trustee (the "Basic Agreement").

W I T N E S S E T H :

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

WHEREAS, the Company is the Owner of fifteen Boeing aircraft described in Schedule III (collectively, the "Aircraft");

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

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

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

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

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement referred to in Section 3.01(h) hereof (the "Intercreditor Agreement"), the Trustee and the other parties thereto will agree to the terms of subordination set forth therein.

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless otherwise specified herein or the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth, and shall be construed and interpreted in the manner described, in the Basic Agreement or, to the extent not defined therein, in the Intercreditor Agreement.

ARTICLE II

DECLARATION OF TRUST

Section 2.01. Declaration of Trust. The Trustee hereby declares the creation of a Trust, designated the "American Airlines Pass Through Trust 1999-1C" (the "Class C Trust"), for the benefit of the Holders of the Class C Certificates to be issued in respect of such Class C Trust, and the initial Holders of the Class C Certificates, as grantors of such Class C Trust, by their respective acceptances of the Class C Certificates, join in the creation of such Class C Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and the Note Purchase Agreements and the Trustee will hold such right, title and interest for the benefit of all present and future Holders of the Class C Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

ARTICLE III

THE CERTIFICATES

Section 3.01. The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "7.155% American Airlines Pass Through Certificates, Series 1999-1C" (the "Class C Certificates"). Each Class C Certificate represents a Fractional Undivided Interest in the Class C Trust created hereby. The Class C Certificates shall be the only instruments evidencing a Fractional Undivided Interest in the Class C Trust.

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

(a) The aggregate face amount of the Class C Certificates that may be authenticated and delivered under this Agreement (except for Class C Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Class C Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement) is \$47,617,000.

(b) The Cut-off Date is November 6, 1999.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means April 15 and October 15 of each year, commencing on April 15, 2000, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Class C Trust is scheduled for payment on October 15, 2004.

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

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

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

(g) Any Person acquiring or accepting a Class C Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees and the Trustee that either (i) no assets of an employee benefit plan subject to Title I of ERISA, or of an employee benefit plan or an individual retirement account subject to Section 4975

of the Internal Revenue Code of 1986, as amended (the "Code"), or any trust established under such plan or account, have been used to purchase Class C Certificates or an interest therein or (ii) the purchase and holding of Class C Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(h) The Class C Certificates will be subject to the following Intercreditor Agreement (and to the extent the terms thereof (including the definitions of defined terms) are inconsistent with the terms of this Agreement, such Intercreditor Agreement shall control): that certain Intercreditor Agreement, dated as of October 6, 1999, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Bayerische Landesbank Girozentrale, as Class A-1 Liquidity Provider, Class A-2 Liquidity Provider, Class B Liquidity Provider and Class C Liquidity Provider, and State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent thereunder. Potential Purchasers shall have the rights upon the occurrence of a Triggering Event set forth in Article IV hereof. The Trustee and, by acceptance of any Class C Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) The Class C Certificates will have the benefit of the following Liquidity Facility: that certain Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the Class C Trust, and Bayerische Landesbank Girozentrale.

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

(k) The Company may at any time purchase any of the Class C Certificates at any price in the open market and may hold such Class C Certificates to maturity.

(l) The Responsible Party is the Company.

(m) Section 9.02 of the Basic Agreement shall be amended with respect to the Class C Trust by deleting from the second line of the proviso in the first sentence thereof the word "adversely".

Section 3.02. Delivery of Documents. The Trustee is hereby directed (i) to execute and deliver the Intercreditor Agreement referred to in Section 3.01(h) of this Trust Supplement in the form delivered to the Trustee by the Company and (ii) subject to the respective terms thereof, to perform its obligations thereunder.

ARTICLE IV

DEFAULT

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

(i) each Class C Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-2 Certificates pursuant to the Class A-2 Trust Agreement, the Class A-2 Certificates pursuant to the Class A-1 Trust Agreement or the Class A-1 and Class A-2 Certificates pursuant to the Class B Trust Agreement) to purchase, for the purchase price set forth in the Class A-1 Trust Agreement, the Class A-2 Trust Agreement and the Class B Trust Agreement, respectively, all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates upon ten days' prior written notice to the Class A-1 Trustee, the Class A-2 Trustee, the Class B Trustee and each other Class C Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class C Certificateholder notifies such purchasing Class C Certificateholder that such other Class C Certificateholder wants to participate in such purchase, then such other Class C Certificateholder may join with the purchasing Class C Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pro rata based on the Fractional Undivided Interest in the Class C Trust held by each such Class C Certificateholder and (B) if prior to the end of such ten-day period any other Class C Certificateholder fails to notify the purchasing Class C Certificateholder of such other Class C Certificateholder's desire to participate in such a purchase, then such other Class C Certificateholder shall lose its right to purchase the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pursuant to this Section 4.01(a)(i); and

(ii) each Class D Certificateholder (if Class D Certificates are issued) shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates pursuant to the Class A-2 Trust Agreement, the Class A-2 Certificates pursuant to the Class A-1 Trust Agreement, the Class A-1 Certificates and the Class A-2 Certificates pursuant to the Class B Trust Agreement or the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pursuant to clause (i) above) to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates upon ten days' prior written notice to the Class A-1 Trustee, the Class A-2 Trustee, the Class B Trustee, the Trustee and each other Class D Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class D Certificateholder notifies such purchasing Class D Certificateholder that such other Class D Certificateholder wants to participate in such purchase, then such other Class D Certificateholder may join with the purchasing Class D Certificateholder to purchase all, but not less than all, of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pro rata based on the Fractional Undivided Interest in the Class D Trust held by each such Class D Certificateholder and (B) if prior to the end of such ten-day period any other Class D

Certificateholder fails to notify the purchasing Class D Certificateholder of such other Class D Certificateholder's desire to participate in such a purchase, then such other Class D Certificateholder shall lose its right to purchase the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pursuant to this Section 4.01(a) (ii).

The purchase price with respect to the Class C Certificates shall be equal to the Pool Balance of the Class C Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, without premium, but including any other amounts then due and payable to the Class C Certificateholders under this Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Class C Certificates; provided, however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Class C Certificateholders as of such Record Date); provided, further that no such purchase of Class C Certificates pursuant to this Section 4.01(a) shall be effective unless the purchaser(s) shall certify to the Trustee that contemporaneously with such purchase, such purchaser(s) is purchasing, pursuant to the terms of this Agreement and the Intercreditor Agreement, all of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates that are senior to the securities held by such purchaser(s). Each payment of the purchase price of the Class C Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 4.01(a). Each Class C Certificateholder agrees by its acceptance of its Certificate that it will, upon payment from such Class D Certificateholder(s), of the purchase price set forth in the first sentence of this paragraph, forthwith sell, assign, transfer and convey to the purchaser(s) thereof (without recourse, representation or warranty of any kind except as to its own acts) all of the right, title, interest and obligation of such Class C Certificateholder in this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all Class C Certificates held by such Class C Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state of affairs occurring prior to such sale) and the purchaser(s) shall assume all of such Class C Certificateholder's obligations under this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all such Class C Certificates. The Class C Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Class C Certificateholder to deliver any Class C Certificate and, upon such a purchase, (i) the only rights of the Class C Certificateholders will be to deliver the Class C Certificates and (ii) if the purchaser(s) shall so request, each such Class C Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Class C Certificates to be issued to the purchaser(s) in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Class C Certificates shall be borne by the purchaser(s) thereof.

As used in this Section 4.01(a), the terms "Class A-1 Certificate", "Class A-1 Certificateholder", "Class A-1 Trust", "Class A-1 Trust Agreement", "Class A-1 Trustee", "Class A-2

Certificate", "Class A-2 Certificateholder", "Class A-2 Trust", "Class A-2 Trust Agreement", "Class A-2 Trustee", "Class B Certificate", "Class B Certificateholder", "Class B Trust", "Class B Trust Agreement", "Class B Trustee", "Class C Certificateholder", "Class C Trust", "Class D Certificate", "Class D Certificateholder", "Class D Trust" and "Class D Trustee" shall have the respective meanings assigned to such terms in the Intercreditor Agreement.

(b) This Section 4.01 supplements and, to the extent inconsistent with any provision of Section 6.01(d) of the Basic Agreement, replaces the provisions of Section 6.01(d) of the Basic Agreement. Notwithstanding anything to the contrary set forth herein or in any Operative Agreement, the provisions of this Section 4.01 may not be amended in any manner without the consent of each Class A-1 Certificateholder, Class A-2 Certificateholder, Class B Certificateholder, or Class D Certificateholder, if any, that would be adversely affected thereby.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Class C Trust created hereby shall terminate upon the distribution to all Certificateholders of Class C Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 5.02. Basic Agreement Ratified. Except and so far as herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument.

Section 5.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE CLASS C CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 5.04. Counterparts. This Trust Supplement may be executed in any number of counterparts (and each of the parties shall not be required to execute the same counterpart). Each counterpart of this Trust Supplement including a signature page or pages executed by each of the

parties hereto shall be an original counterpart of this Trust Supplement, but all of such counterparts together shall constitute one instrument.

Section 5.05. Intention of Parties. The parties hereto intend that the Class C Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Certificateholder of a Class C Certificate, by its acceptance of its Class C Certificate or a beneficial interest therein, agrees to treat the Class C Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Class C Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ JEFFREY C. CAMPBELL

Name: Jeffrey C. Campbell
Title: Vice President - Corporate
Development and Treasurer

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

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

EXHIBIT A to
TRUST SUPPLEMENT NO. 1999-1C

FORM OF CERTIFICATE

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST 1999-1C

7.155% AMERICAN AIRLINES PASS THROUGH CERTIFICATE, SERIES 1999-1C

Final Expected Regular Distribution Date: October 15, 2004

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

Certificate

No. _____

No. _____ Fractional Undivided Interest representing
0.002100090% of the Trust per \$1,000 face amount

Cusip

No. _____

THIS CERTIFIES THAT _____, for value received, is the registered owner of a \$_____ (_____ dollars) Fractional Undivided Interest in the American Airlines Pass Through Trust, Series 1999- 1C (the "Trust") created by State Street Bank and Trust Company of Connecticut, National Association, as trustee (the "Trustee"), pursuant to a Pass Through Trust Agreement, dated as of October 1, 1999 (the "Basic Agreement"), as supplemented by Trust Supplement No. 1999-1C thereto dated October 6, 1999 (collectively, the "Agreement"), between the Trustee and American Airlines, Inc., a corporation

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

incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "7.155% American Airlines Pass Through Certificates, Series 1999-1C" (herein called the "Certificates"). This Certificate is issued under and is subject to the terms, provisions and conditions of the Agreement. By virtue of its acceptance hereof, the Certificateholder of this Certificate assents to and agrees to be bound by all of the provisions of the Agreement and the Intercreditor Agreement, including the subordination provisions of Section 9.09 of the Intercreditor Agreement. The property of the Trust includes or will include certain Equipment Notes and all rights of the Trust and the Trustee, on behalf of the Trust, to receive any payments under the Intercreditor Agreement or the Liquidity Facility (the "Trust Property"). Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft owned by the Company.

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

Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, from funds then available to the Trustee, there will be distributed on each April 15 and October 15 (a "Regular Distribution Date"), commencing on April 15, 2000, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Regular Distribution Date, an amount in respect of the Scheduled Payments on the Equipment Notes due on such Regular Distribution Date, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Scheduled Payments. Subject to and in accordance with the terms of the Agreement and the Intercreditor Agreement, in the event that Special Payments on the Equipment Notes are received by the Trustee, from funds then available to the Trustee, there shall be distributed on the applicable Special Distribution Date, to the Person in whose name this Certificate is registered at the close of business on the 15th day preceding the Special Distribution Date, an amount in respect of such Special Payments on the Equipment Notes, the receipt of which has been confirmed by the Trustee, equal to the product of the percentage interest in the Trust evidenced by this Certificate and an amount equal to the sum of such Special Payments so received. If a Regular Distribution Date or Special Distribution Date is not a Business Day, distribution shall be made on the immediately following Business Day with the same force and effect as if made on such Regular Distribution Date or Special Distribution Date and no interest shall accrue during the intervening period. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Certificateholder of this Certificate.

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

notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

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

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

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar, duly executed by the Certificateholder hereof or such Certificateholder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

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

denominations evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Certificateholder surrendering the same.

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

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

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

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

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

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

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

AMERICAN AIRLINES, INC. PASS THROUGH TRUST 1999-1C

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

By: _____
Title: _____
Dated: _____

FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

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

By: _____
Authorized Officer

[DTC Letter of Representations]

SCHEDULE I to
TRUST SUPPLEMENT NO. 1999-1C

EQUIPMENT NOTES, PRINCIPAL AMOUNTS
AND MATURITIES

Equipment Notes - - - - -	Principal Amount -----	Maturity -----
Series 1999-1C Equipment Note (N908AN)	\$ 2,191,886.68	October 15, 2004
Series 1999-1C Equipment Note (N909AN)	2,192,044.64	October 15, 2004
Series 1999-1C Equipment Note (N910AN)	2,192,044.64	October 15, 2004
Series 1999-1C Equipment Note (N912AN)	2,194,414.08	October 15, 2004
Series 1999-1C Equipment Note (N914AN)	2,278,781.62	October 15, 2004
Series 1999-1C Equipment Note (N915AN)	2,278,945.16	October 15, 2004
Series 1999-1C Equipment Note (N916AN)	2,280,417.00	October 15, 2004
Series 1999-1C Equipment Note (N917AN)	2,280,417.00	October 15, 2004
Series 1999-1C Equipment Note (N918AN)	2,281,888.84	October 15, 2004
Series 1999-1C Equipment Note (N919AN)	2,281,888.84	October 15, 2004
Series 1999-1C Equipment Note (N394AN)	4,067,797.92	October 15, 2004
Series 1999-1C Equipment Note (N398AN)	4,267,039.12	October 15, 2004
Series 1999-1C Equipment Note (N399AN)	4,271,777.99	October 15, 2004
Series 1999-1C Equipment Note (N778AN)	6,278,532.70	October 15, 2004
Series 1999-1C Equipment Note (N779AN)	6,279,123.77	October 15, 2004

	Total: \$47,617,000.00	

SCHEDULE II to
TRUST SUPPLEMENT NO. 1999-1C

AIRCRAFT

Aircraft Type - - - - -	Registration Number -----
Boeing 737-823	N908AN
Boeing 737-823	N909AN
Boeing 737-823	N910AN
Boeing 737-823	N912AN
Boeing 737-823	N914AN
Boeing 737-823	N915AN
Boeing 737-823	N916AN
Boeing 737-823	N917AN
Boeing 737-823	N918AN
Boeing 737-823	N919AN
Boeing 767-323ER	N394AN
Boeing 767-323ER	N398AN
Boeing 767-323ER	N399AN
Boeing 777-223	N778AN
Boeing 777-223	N779AN

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1C

NOTE DOCUMENTS

Aircraft -----	Aircraft Registration Number -----	Note Documents -----
Boeing 737-823	N908AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N909AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N910AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N912AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N914AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1C

Series 1999-1B Equipment Note
Series 1999-1C Equipment Note

Boeing 737-823	N915AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N916AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N917AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N918AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 737-823	N919AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N394AN	Participation Agreement

SCHEDULE III to
TRUST SUPPLEMENT NO. 1999-1C

Indenture and Security Agreement
Series 1999-1A-1 Equipment Note
Series 1999-1A-2 Equipment Note
Series 1999-1B Equipment Note
Series 1999-1C Equipment Note

Boeing 767-323ER	N398AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 767-323ER	N399AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 777-223	N778AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note
Boeing 777-223	N779AN	Participation Agreement Indenture and Security Agreement Series 1999-1A-1 Equipment Note Series 1999-1A-2 Equipment Note Series 1999-1B Equipment Note Series 1999-1C Equipment Note

=====

INTERCREDITOR AGREEMENT

Dated as of October 6, 1999

among

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Trustee of the
American Airlines Pass Through Trust 1999-1A-1,
American Airlines Pass Through Trust 1999-1A-2,
American Airlines Pass Through Trust 1999-1B
and
American Airlines Pass Through Trust 1999-1C

BAYERISCHE LANDESBANK GIROZENTRALE,
as Class A-1 Liquidity Provider,
Class A-2 Liquidity Provider,
Class B Liquidity Provider,
and
Class C Liquidity Provider

and

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

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INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT, dated as of October 6, 1999, is made by and among STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association (in its individual capacity, together with its successors and permitted assigns, "State Street"), not in its individual capacity but solely as trustee of each Trust (such term and other capitalized terms used herein without definition being defined as provided in Article I); BAYERISCHE LANDESBANK GIROZENTRALE, a public law banking institution organized under the laws of the Free State of Bavaria, Germany, as Class A-1 Liquidity Provider, Class A-2 Liquidity Provider, Class B Liquidity Provider and Class C Liquidity Provider, and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity except as expressly set forth herein, but solely as Subordination Agent and trustee hereunder (in such capacity, together with any successor appointed pursuant to Article VII, the "Subordination Agent").

WHEREAS, pursuant to each Indenture with respect to an Aircraft, American will issue on a recourse basis four (or five, under certain circumstances) series of Equipment Notes secured by such Aircraft;

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

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

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

WHEREAS, the Liquidity Provider proposes to enter into four separate revolving credit agreements with the Subordination Agent, as agent and trustee for the Trustee of each of the Class A-1 Trust, the Class A-2 Trust, the Class B Trust and the Class C Trust, respectively, for the benefit of the Certificateholders of such Trust; and

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

hereby acknowledge and agree to such terms of subordination and the other provisions of this Agreement;

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

(A) the difference between (x) the Pool Balance of such Certificates as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the original aggregate face amount of the Certificates of such Trust) and (y) the Pool Balance of such Certificates as of the Current Distribution Date calculated on the basis that (i) the principal of the Non-Performing Equipment Notes held in such Trust has been paid in full and such payments have been distributed to the holders of such Certificates, (ii) the principal of the Performing Equipment

Notes held in such Trust has been paid when due (but without giving effect to any Acceleration of Performing Equipment Notes) and such payments have been distributed to the holders of such Certificates and (iii) the principal of any Equipment Notes formerly held in such Trust that have been sold pursuant to the terms hereof has been paid in full and such payments have been distributed to the holders of such Certificates, and

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

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

For purposes of calculating Adjusted Expected Distributions with respect to the Certificates of any Trust, any premium paid on the Equipment Notes held in such Trust that has not been distributed to the Certificateholders of such Trust (other than such premium or a portion thereof applied to the distribution of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of Adjusted Expected Distributions.

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

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

"Aggregate LTV Collateral Amount" for any Class of Certificates for any Distribution Date means an amount, not less than zero, equal to the product of (i) the sum of the applicable LTV Collateral Amounts for such Class of Certificates for all Aircraft, minus the Pool Balance for each Class of Certificates, if any, senior to such Class, after giving effect to any distribution of principal on such Distribution Date with respect to such senior Class or Classes multiplied by (ii) (a) in the case of the Class A-1 Certificates or Class A-2 Certificates, a fraction the numerator of which equals the Pool Balance for the Class A-1 Certificates or the Class A-2 Certificates, as the case may be, and the denominator of which equals the aggregate Pool Balance for the Class A-1 Certificates and the Class A-2 Certificates, in each case prior to giving effect to any distribution of principal on such Distribution Date with respect to either such Class of Certificates, and (b) in the case of the Class B Certificates and the Class C Certificates, 1.0.

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

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

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

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

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

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

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

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

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

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

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

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

"Basic Agreement" means that certain Pass Through Trust Agreement, dated as of October 1, 1999, between American and State Street, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, but does not include any Trust Supplement.

"Business Day" means, with respect to the Certificates of any Class, any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Dallas, Texas, or, so long as any Certificate of such Class is outstanding, the city and state in which the Trustee, the Subordination Agent or any related Loan Trustee maintains its Corporate Trust Office or receives and disburses funds, and that, solely with respect to draws under any Liquidity Facility, also is a "Business Day" as defined in such Liquidity Facility.

"Cash Collateral Account" means the Class A-1 Cash Collateral Account, the Class A-2 Cash Collateral Account, the Class B Cash Collateral Account or the Class C Cash Collateral Account, as applicable.

"Certificate" means a Class A-1 Certificate, a Class A-2 Certificate, a Class B Certificate or a Class C Certificate, as applicable.

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

"Citizen of the United States" has the meaning specified 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.

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

"Class A-1 Cash Collateral Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which amounts shall be deposited as referred to in Section 3.06(f).

"Class A-1 Certificateholder" means, at any time, any Certificateholder of one or more Class A-1 Certificates.

"Class A-1 Certificates" means the certificates issued by the Class A-1 Trust, substantially in the form of Exhibit A to the Class A-1 Trust Agreement, and authenticated by the Class A-1 Trustee, representing Fractional Undivided Interests in the Class A-1 Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class A-1 Trust Agreement.

"Class A-1 Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the date hereof, between the Subordination Agent, as agent and trustee for the Class A-1 Trustee, and Bayerische Landesbank Girozentrale and, from and after the replacement of such agreement pursuant hereto, the Replacement Liquidity Facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class A-1 Liquidity Provider" means Bayerische Landesbank Girozentrale, together with any Replacement Liquidity Provider that has issued a Replacement Liquidity Facility to replace the Class A-1 Liquidity Facility pursuant to Section 3.06(c) or 3.06(e).

"Class A-1 Trust" means the American Airlines Pass Through Trust 1999-1A-1 created and administered pursuant to the Class A-1 Trust Agreement.

"Class A-1 Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 1999-1A-1 thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 1999-1A-1 and the issuance of the Class A-1 Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class A-1 Trustee" means State Street Bank and Trust Company of Connecticut, National Association, not in its individual capacity except as expressly set forth in the Class A-1 Trust Agreement, but solely as trustee under the Class A-1 Trust Agreement, together with any successor trustee appointed pursuant thereto.

"Class A-2 Cash Collateral Account" means an Eligible Deposit Account in the name of the Subordination Agent maintained at an Eligible Institution, which shall be the Subordination Agent if it shall so qualify, into which amounts shall be deposited as referred to in Section 3.06(f).

"Class A-2 Certificateholder" means, at any time, any Certificateholder of one or more Class A-2 Certificates.

"Class A-2 Certificates" means the certificates issued by the Class A-2 Trust, substantially in the form of Exhibit A to the Class A-2 Trust Agreement, and authenticated by the Class A-2 Trustee, representing Fractional Undivided Interests in the Class A-2 Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class A-2 Trust Agreement.

"Class A-2 Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the date hereof, between the Subordination Agent, as agent and trustee for the Class A-2 Trustee, and Bayerische Landesbank Girozentrale and, from and after the replacement of such agreement pursuant hereto, the Replacement Liquidity Facility therefor, if any, in each case as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class A-2 Liquidity Provider" means Bayerische Landesbank Girozentrale, together with any Replacement Liquidity Provider that has issued a Replacement Liquidity Facility to replace the Class A-2 Liquidity Facility pursuant to Section 3.06(c) or 3.06(e).

"Class A-2 Trust" means the American Airlines Pass Through Trust 1999-1A-2 created and administered pursuant to the Class A-2 Trust Agreement.

"Class A-2 Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 1999-1A-2 thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 1999-1A-2 and the issuance of the Class A-2 Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Class A-2 Trustee" means State Street Bank and Trust Company of Connecticut, National Association, not in its individual capacity except as expressly set forth in the Class A-2 Trust Agreement, but solely as trustee under the Class A-2 Trust Agreement, together with any successor trustee appointed pursuant thereto.

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

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

"Class B Certificates" means the certificates issued by the Class B Trust, substantially in the form of Exhibit A to the Class B Trust Agreement, and authenticated by the Class B Trustee,

representing Fractional Undivided Interests in the Class B Trust, and any certificates issued in exchange therefor or replacement thereof pursuant to the terms of the Class B Trust Agreement.

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

"Class B Liquidity Provider" means Bayerische Landesbank Girozentrale, together with any Replacement Liquidity Provider that has issued a Replacement Liquidity Facility to replace the Class B Liquidity Facility pursuant to Section 3.06(c) or 3.06(e).

"Class B Trust" means the American Airlines Pass Through Trust 1999-1B created and administered pursuant to the Class B Trust Agreement.

"Class B Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 1999-1B thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 1999-1B and the issuance of the Class B Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

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

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

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

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

"Class C Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the date hereof, between the Subordination Agent, as agent and trustee for the Class C Trustee, and Bayerische Landesbank Girozentrale, and, from and after the replacement of such agreement

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

"Class C Liquidity Provider" means Bayerische Landesbank Girozentrale, together with any Replacement Liquidity Provider that has issued a Replacement Liquidity Facility to replace the Class C Liquidity Facility pursuant to Section 3.06(c) or 3.06(e).

"Class C Trust" means the American Airlines Pass Through Trust 1999-1C created and administered pursuant to the Class C Trust Agreement.

"Class C Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 1999-1C thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 1999-1C and the issuance of the Class C Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

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

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

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

"Class D Trust" means the American Airlines Pass Through Trust 1999-1D, if and when created, administered pursuant to the Basic Agreement and a Trust Supplement.

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

"Closing Date" means October 6, 1999.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Eligible Institution" means (a) the corporate trust department of the Subordination Agent or any Trustee, as applicable, or (b) a depository institution organized under the laws of the United States of America or any state thereof or the District of Columbia (or any U.S. branch of a foreign

bank), which has a long-term unsecured debt rating of at least A3 or its equivalent by Moody's or at least A- or its equivalent by S&P.

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

"Equipment Notes" means, at any time, the Series A-1 Equipment Notes, the Series A-2 Equipment Notes, the Series B Equipment Notes and the Series C Equipment Notes, collectively, and in each case, any Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of the Indentures.

"Expected Distributions" means, with respect to the Certificates of any Trust on any Current Distribution Date, the sum of (x) accrued and unpaid interest in respect of such Certificates and (y) the difference between (A) the Pool Balance of such Certificates as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the original aggregate face amount of the Certificates of such Trust) and (B) the Pool Balance of such Certificates as of the Current Distribution Date calculated on the basis that (i) the principal of the Equipment Notes held in such Trust has been paid when due (whether at stated maturity or upon redemption, prepayment, purchase or Acceleration or otherwise) and such payments have been distributed to the holders of such Certificates and (ii) the principal of any Equipment Notes formerly held in such Trust that have been sold pursuant to the terms hereof has been paid in full and such payments have been distributed to the holders of such Certificates.

For purposes of calculating Expected Distributions with respect to the Certificates of any Trust, any premium paid on the Equipment Notes held in such Trust which has not been distributed to the Certificateholders of such Trust (other than such premium or a portion thereof applied to

distributions of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of such Expected Distributions.

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

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

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

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

"Final Legal Distribution Date" means (i) with respect to the Class A-1 Certificates, October 15, 2010, (ii) with respect to the Class A-2 Certificates, April 15, 2011, (iii) with respect to the Class B Certificates, April 15, 2011 and (iv) with respect to the Class C Certificates, April 15, 2006.

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

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

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

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

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

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

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

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

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

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

"Liquidity Facility" means, at any time, the Class A-1 Liquidity Facility, the Class A-2 Liquidity Facility, the Class B Liquidity Facility or the Class C Liquidity Facility, as applicable.

"Liquidity Obligations" means all principal, interest, fees and other amounts owing to the Liquidity Providers under the Liquidity Facilities, Section 4.02 of the Participation Agreements or the Fee Letter.

"Liquidity Provider" means, at any time, the Class A-1 Liquidity Provider, the Class A-2 Liquidity Provider, the Class B Liquidity Provider or the Class C Liquidity Provider, as applicable.

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

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

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

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

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

giving effect to any principal payments of such Equipment Notes on or before such Distribution Date.

"LTV Ratio" means (i) for the Class A-1 Certificates, 45.0%, (ii) for the Class A-2 Certificates, 45.0%, (iii) for the Class B Certificates, 57.0%, and (iv) for the Class C Certificates, 62.0%.

"Minimum Sale Price" means, with respect to any Aircraft or the Equipment Notes issued in respect of such Aircraft, at any time, the lesser of (a) 75% of the Appraised Current Market Value of such Aircraft and (b) the aggregate outstanding principal amount of such Equipment Notes, plus accrued and unpaid interest thereon.

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

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

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

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

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

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

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

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

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

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

of such money to such Certificateholders pursuant to payment of such final distribution payment; and

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

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

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

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

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

"Performing Equipment Note" means an Equipment Note issued pursuant to an Indenture with respect to which no payment default has occurred and is continuing (without giving effect to any Acceleration); provided, that in the event of a bankruptcy proceeding involving American under Title 11 of the United States Code (the "Bankruptcy Code"), (i) any payment default existing during the 60-day period under Section 1110(a)(1)(A) of the Bankruptcy Code (or such longer period as may apply under Section 1110(b) of the Bankruptcy Code) (the "Section 1110 Period") shall not be taken into consideration, unless during the Section 1110 Period the trustee in such proceeding or American refuses to assume or agree to perform its obligations under the Indenture related to such Equipment Note and (ii) any payment default occurring after the date of the order of relief in such proceeding shall not be taken into consideration if such payment default is cured under Section 1110(a)(1)(B) of the Bankruptcy Code before the later of 30 days after the date of such default or the expiration of the Section 1110 Period.

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

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

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

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

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

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

"Ratings Confirmation" means, with respect to any action proposed to be taken, a written confirmation from each of the Rating Agencies that such action would not result in (i) a reduction of the rating for any Class of Certificates below the then current rating for such Class of Certificates or (ii) a withdrawal or suspension of the rating of any Class of Certificates.

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

"Regular Distribution Dates" means each April 15 and October 15, commencing on April 15, 2000; provided, however, that, if any such day shall not be a Business Day, the related distribution shall be made on the next succeeding Business Day without additional interest.

"Replacement Liquidity Facility" means, for any Liquidity Facility, an irrevocable revolving credit agreement (or agreements) in substantially the form of the replaced Liquidity Facility, including reinstatement provisions, or in such other form (which may include a letter of credit, surety bond, financial insurance policy or guaranty) as shall permit the Rating Agencies to confirm in

writing their respective ratings then in effect for the Certificates of the Class with respect to which such Liquidity Facility was issued (before downgrading of such ratings, if any, as a result of the downgrading, if any, of the applicable Liquidity Provider), in a face amount (or in an aggregate face amount) equal to the applicable Required Amount and issued by a Person (or Persons) having short-term unsecured debt ratings issued by both Rating Agencies that are equal to or higher than the Threshold Rating specified in clause (a) of the definition of Threshold Rating or if such Person (or Persons) does not have a short-term unsecured debt rating from a given Rating Agency, a long-term unsecured debt rating issued by such Rating Agency that is equal to or higher than the Threshold Rating specified in clause (b) of the definition of Threshold Rating. Without limitation of the form that a Replacement Liquidity Facility otherwise may have pursuant to the preceding sentence, a Replacement Liquidity Facility for any Class of Certificates may have a stated expiration date earlier than 15 days after the Final Legal Distribution Date of such Class of Certificates so long as such Replacement Liquidity Facility provides for a Non-Extension Drawing as contemplated by Section 3.06(d) hereof.

"Replacement Liquidity Provider" means a Person who issues a Replacement Liquidity Facility.

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

"Responsible Officer" means (i) with respect to the Subordination Agent and each of the Trustees, any officer in the Corporate Trust Department or similar department of the Subordination Agent or such Trustee, as the case may be, or any other officer customarily performing functions similar to those performed by the persons who at the time shall be such officers or to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject, and (ii) with respect to each Liquidity Provider, any authorized officer of such Liquidity Provider.

"Scheduled Payment" means, with respect to any Equipment Note, (i) any payment of principal or interest on such Equipment Note (other than an Overdue Scheduled Payment) or (ii) any distribution in respect of interest on such Equipment Note to the Certificateholders of Certificates of the corresponding Class of Certificates with funds drawn under the Liquidity Facility for such Class or withdrawn from the Cash Collateral Account for such Class, which payment in the case of clause (i) or clause (ii) represents an installment of principal on such Equipment Note at the stated maturity of such installment, or the payment of regularly scheduled interest accrued on the unpaid

principal amount of such Equipment Note, or both; provided, however, that any payment of principal, premium, if any, or interest resulting from the redemption or purchase of any Equipment Note shall not constitute a Scheduled Payment.

"Scheduled Payment Date" means, with respect to any Scheduled Payment, the date on which such Scheduled Payment is scheduled to be made.

"Series A-1 Equipment Notes" means the Series A-1 Equipment Notes issued pursuant to each Indenture by American and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series A-2 Equipment Notes" means the Series A-2 Equipment Notes issued pursuant to each Indenture by American and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series B Equipment Notes" means the Series B Equipment Notes issued pursuant to each Indenture by American and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series C Equipment Notes" means the Series C Equipment Notes issued pursuant to each Indenture by American and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series D Equipment Notes" means the equipment notes, if any, issued pursuant to any Indenture by American and authenticated by the Loan Trustee thereunder, and designated "Series D Equipment Notes" thereunder, and any such equipment notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Special Distribution Date" means, with respect to any Special Payment, the Business Day chosen by the Subordination Agent pursuant to Section 2.04(a) for the distribution of such Special Payment in accordance with this Agreement.

"Special Payment" means any payment (other than a Scheduled Payment or a distribution referred to in Section 2.03(c)) in respect of, or any proceeds of, any Equipment Note or Collateral (as defined in each Indenture).

"Special Payments Account" means the Eligible Deposit Account created pursuant to Section 2.02(a) as a sub-account to the Collection Account.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

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

"Stated Amount" with respect to any Liquidity Facility, means the Maximum Commitment (as defined in such Liquidity Facility) of the applicable Liquidity Provider thereunder.

"Stated Expiration Date" has the meaning specified in Section 3.06(d).

"Stated Interest Rate" means (i) with respect to the Class A-1 Certificates, 6.855% per annum, (ii) with respect to the Class A-2 Certificates, 7.024% per annum, (iii), with respect to the Class B Certificates, 7.324% per annum, and (iv) with respect to the Class C Certificates, 7.155% per annum.

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

"Subordination Agent Incumbency Certificate" has the meaning specified in Section 2.05(a).

"Subordination Agent Representatives" has the meaning specified in Section 2.05(a).

"Tax" and "Taxes" means all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"Termination Notice" with respect to any Liquidity Facility has the meaning specified in such Liquidity Facility.

"Threshold Rating" means (a) with respect to the Class A-1 Liquidity Provider, the Class A-2 Liquidity Provider and the Class B Liquidity Provider, a short-term unsecured debt rating of P-1 in the case of Moody's and A-1+ in the case of S&P, and with respect to the Class C Liquidity Provider, a short-term unsecured debt rating of P-1 in the case of Moody's and A-1 in the case of S&P and (b) in the case of any Person who does not have a short-term unsecured debt rating from either or both of such Rating Agencies, then in lieu of such short-term unsecured debt rating from such Rating Agency or Rating Agencies, with respect to the Class A-1 Liquidity Provider, the Class A-2 Liquidity Provider and the Class B Liquidity Provider, a long-term unsecured debt rating of A1 in the case of Moody's and AA- in the case of S&P, and with respect to the Class C Liquidity Provider, a long-term unsecured debt rating of A1 in the case of Moody's and A in the case of S&P.

"Treasury Regulations" means regulations, including proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"Triggering Event" means (x) the occurrence of an Indenture Event of Default under all of the Indentures resulting in a PTC Event of Default with respect to the most senior Class of Certificates then Outstanding, (y) the Acceleration of all of the outstanding Equipment Notes or (z) the occurrence of an American Bankruptcy Event.

"Trust" means any of the Class A-1 Trust, the Class A-2 Trust, the Class B Trust or the Class C Trust.

"Trust Accounts" has the meaning specified in Section 2.02(a).

"Trust Agreement" means any of the Class A-1 Trust Agreement, the Class A-2 Trust Agreement, the Class B Trust Agreement or the Class C Trust Agreement.

"Trust Property", with respect to any Trust, has the meaning specified in the Trust Agreement for such Trust.

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

"Trustee" means any of the Class A-1 Trustee, the Class A-2 Trustee, the Class B Trustee or the Class C Trustee.

"Trustee Incumbency Certificate" has the meaning specified in Section 2.05(b).

"Trustee Representatives" has the meaning specified in Section 2.05(b).

"Underwriters" means the several underwriters listed as such in the Underwriting Agreement.

"Underwriting Agreement" means the Underwriting Agreement, dated September 23, 1999, among the Underwriters and American, relating to the purchase of the Certificates by the Underwriters, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"United States" means the United States of America.

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

"Written Notice" means, from the Subordination Agent, any Trustee or Liquidity Provider, a written instrument executed by the Designated Representative of such Person. An invoice delivered by a Liquidity Provider pursuant to Section 3.01 in accordance with its normal invoicing procedures shall constitute Written Notice under such Section.

ARTICLE II

TRUST ACCOUNTS; CONTROLLING PARTY

Section 2.01. Agreement to Terms of Subordination; Payments from Monies Received Only. (a) Each Trustee hereby acknowledges and agrees to the terms of subordination set forth in this Agreement in respect of each Class of Certificates and agrees to enforce such provisions and cause all payments in respect of the Equipment Notes and the Liquidity Facilities to be applied in accordance with the terms of this Agreement. In addition, each Trustee hereby agrees to cause the Equipment Notes purchased by the related Trust to be registered in the name of the Subordination Agent or its nominee, as agent and trustee for such Trustee, to be held in trust by the Subordination Agent solely for the purpose of facilitating the enforcement of the subordination and other provisions of this Agreement.

(b) Except as otherwise expressly provided in the next succeeding sentence of this Section 2.01(b), all payments to be made by the Subordination Agent hereunder shall be made only from amounts received by it that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payments under Section 4.02 of the Participation Agreements and Section 2.14 of the Indentures, and only to the extent that the Subordination Agent shall have received sufficient income or proceeds therefrom to enable it to make such payments in accordance with the terms hereof. Each of the Trustees and the Subordination Agent hereby agrees and each Certificateholder, by its acceptance of a Certificate, and each Liquidity Provider, by entering into the Liquidity Facility to which it is a party, has agreed to look solely to such amounts to the extent available for distribution to it as provided in this Agreement or the applicable Trust Agreement, as the case may be, and that none of the Trustees, Loan Trustees or the Subordination Agent is personally liable to any of them for any amounts payable or any liability under this Agreement, any Trust Agreement, any Liquidity Facility or such Certificate, except (in the case of the Subordination Agent) as expressly provided herein or (in the case of the Trustees) as expressly provided herein and in each Trust Agreement or (in the case of the Loan Trustees) as expressly provided in any Operative Agreement.

Notwithstanding anything to the contrary in this Agreement and in the other Operative Agreements, the Certificates do not represent indebtedness of the related Trust, and references in this Agreement and the Operative Agreements to accrued interest or principal amounts payable on the Certificates of any Class are included only for computational purposes. For purposes of such

computations, the Certificates of any Class shall be deemed to be comprised of interest and principal components, with the principal component deemed to be the Pool Balance, and the interest component deemed to equal interest accruing at the Stated Interest Rate for such Class of Certificates from (i) the later of (1) the date of the issuance thereof and (2) the most recent but preceding Distribution Date to which such interest was distributed to (ii) the applicable date of determination, such interest to be considered payable in arrears and to be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.02. Trust Accounts. (a) Upon the execution of this Agreement, the Subordination Agent shall establish and maintain in its name (i) the Collection Account as an Eligible Deposit Account, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Trustees, the Certificateholders and the Liquidity Providers, and (ii) as a sub-account in the Collection Account, the Special Payments Account as an Eligible Deposit Account, bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Trustees, the Certificateholders and the Liquidity Providers. The Subordination Agent shall establish and maintain the Cash Collateral Accounts pursuant to and under the circumstances set forth in Section 3.06(f). Upon such establishment and maintenance under Section 3.06(f), the Cash Collateral Accounts shall, together with the Collection Account, constitute the "Trust Accounts" hereunder.

(b) Funds on deposit in the Trust Accounts shall be invested and reinvested by the Subordination Agent in Eligible Investments selected by American or its designated representative if such investments are reasonably available and have maturities no later than the earlier of (i) 90 days following the date of such investment and (ii) the Business Day immediately preceding the Regular Distribution Date or the date of the related distribution pursuant to Section 2.04, as the case may be, next following the date of such investment; provided, however, that, following the making of a Downgrade Drawing or a Non-Extension Drawing under any Liquidity Facility, the Subordination Agent shall invest and reinvest the amounts in the applicable Cash Collateral Account in Eligible Investments pursuant to the written instructions of the Liquidity Provider funding such Drawing, and provided further, however, that upon the occurrence and during the continuation of a Triggering Event, the Subordination Agent shall invest and reinvest such amounts (other than amounts in the Cash Collateral Accounts as a result of a Downgrade Drawing or a Non-Extension Drawing, which shall be governed by the foregoing proviso) in Eligible Investments in accordance with the written instructions of the Controlling Party. Unless otherwise expressly provided in this Agreement (including, without limitation, with respect to Investment Earnings on amounts on deposit in the Cash Collateral Accounts, Section 3.06(f)), any Investment Earnings shall be deposited in the Collection Account when received by the Subordination Agent and shall be applied by the Subordination Agent in the same manner as the other amounts on deposit in the Collection Account are to be applied. The Subordination Agent's reasonable fees and expenses in making such investments and any losses incurred in such investments shall be charged against the principal amount invested. The Subordination Agent shall not be liable for any loss resulting from any investment, reinvestment or liquidation required to be made under this Agreement other than by reason of its willful misconduct or negligence. Eligible Investments and any other investment

required to be made hereunder shall be held to their maturities except that any such investment may be sold (without regard to its maturity) by the Subordination Agent without instructions whenever such sale is necessary to make a distribution required under this Agreement. Uninvested funds held hereunder shall not earn or accrue interest.

(c) The Subordination Agent shall possess all right, title and interest in all funds on deposit from time to time in the Trust Accounts and in all proceeds thereof (including all income thereon, except as otherwise expressly provided herein with respect to Investment Earnings). The Trust Accounts shall be held in trust by the Subordination Agent under the sole dominion and control of the Subordination Agent for the benefit of the Trustees, the Certificateholders and the Liquidity Providers, as the case may be. If, at any time, any of the Trust Accounts ceases to be an Eligible Deposit Account, the Subordination Agent shall within 10 Business Days (or such longer period, not to exceed 30 calendar days, to which each Rating Agency may consent) establish a new Collection Account, Special Payments Account or Cash Collateral Account, as the case may be, as an Eligible Deposit Account and shall transfer any cash and/or any investments to such new Collection Account, Special Payments Account or Cash Collateral Account, as the case may be. So long as the Subordination Agent is an Eligible Institution, the Trust Accounts shall be maintained with it as Eligible Deposit Accounts.

Section 2.03. Deposits to the Collection Account and Special Payments Account; Certain Distributions. (a) The Subordination Agent shall, on each day when one or more Scheduled Payments are made to the Subordination Agent as holder of the Equipment Notes, deposit in the Collection Account the aggregate amount of such Scheduled Payments.

(b) The Subordination Agent shall, on each day when one or more Special Payments are made to the Subordination Agent as holder of the Equipment Notes, deposit in the Special Payments Account the aggregate amount of such Special Payments.

(c) In the event that a Loan Trustee distributes to the Subordination Agent pursuant to Section 3.04 or clause "first" of Section 3.03 of any Indenture any amounts payable under clauses (b), (c) or (d) of Section 2.14 of any Indenture, the Subordination Agent shall promptly deposit such amounts in the Collection Account. The Subordination Agent will distribute promptly upon receipt thereof (or in the case of any such payment, compensation or reimbursement in respect of the Subordination Agent, will retain) (i) any indemnity payment received by it from American in respect of any Trustee, the Subordination Agent or any Liquidity Provider (collectively, the "Payees") and (ii) any compensation or reimbursement received by it from American or the Loan Trustee under any Operative Agreement in respect of any Payee (including, without limitation, any fees payable to any Liquidity Provider under Section 2.03 of any Liquidity Facility or other amounts referred to in clauses (a), (e) or (f) of Section 2.14 of any Indenture), in any such case directly to the Payee entitled thereto, provided that if such Payee has previously received from the Collection Account such payment, compensation or reimbursement, then the Subordination Agent shall deposit such amount in the Collection Account.

Section 2.04. Distributions of Special Payments. (a) Notice of Special Payment. Upon receipt by the Subordination Agent, as registered holder of the Equipment Notes, of any notice of a Special Payment (or, in the absence of any such notice, upon receipt by the Subordination Agent of a Special Payment), the Subordination Agent shall promptly give notice thereof to each Trustee and the Liquidity Providers. The Subordination Agent shall promptly calculate the amount of the prepayment (including upon Acceleration), redemption or purchase of Equipment Notes or the amount of any Overdue Scheduled Payment, as the case may be, comprising such Special Payment under the applicable Indenture or Indentures and shall promptly send to each Trustee a Written Notice of such amount and the amount allocable to each Trust. Such Written Notice shall also set the distribution date for such Special Payment (a "Special Distribution Date"), which shall be the first Business Day that follows the later to occur of (x) the 15th day after the date of such Written Notice or (y) the date the Subordination Agent has received or expects to receive such Special Payment. Amounts on deposit in the Special Payments Account shall be distributed in accordance with Sections 2.04(b) and 2.04(c) hereof, as applicable.

(b) Redemptions, Purchases and Prepayments of Equipment Notes. (i) So long as no Triggering Event shall have occurred (whether or not continuing), the Subordination Agent shall make distributions pursuant to this Section 2.04(b) of amounts on deposit in the Special Payments Account on account of the redemption, purchase (including, without limitation, a purchase resulting from a sale of the Equipment Notes permitted by Article IV) or prepayment (including upon Acceleration) of all of the Equipment Notes issued pursuant to an Indenture on the Special Distribution Date for such Special Payment in the following order of priority:

first, such amount as shall be required to pay (A) all accrued and unpaid Liquidity Expenses then in arrears plus (B) the product of (x) the aggregate amount of all accrued and unpaid Liquidity Expenses not in arrears to such Special Distribution Date multiplied by (y) a fraction, the numerator of which is the aggregate outstanding principal amount of Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date and the denominator of which is the aggregate outstanding principal amount of all Equipment Notes, shall be distributed to the Liquidity Providers pro rata on the basis of the amount of Liquidity Expenses owed to each Liquidity Provider;

second, such amount as shall be required to pay (A) all accrued and unpaid interest (including interest accrued and unpaid on any Interest Drawing or any Applied Provider Advance (as defined in any Liquidity Facility)) then in arrears on all Liquidity Obligations plus (B) the product of (x) the aggregate amount of all accrued and unpaid interest on all Liquidity Obligations not in arrears to such Special Distribution Date (at the rate provided in the applicable Liquidity Facility) multiplied by (y) a fraction, the numerator of which is the aggregate outstanding principal amount of Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date and the denominator of which is the aggregate outstanding principal amount of all Equipment Notes, shall be distributed to the Liquidity Providers pro rata on the basis of the amount of accrued and unpaid interest owed to each Liquidity Provider;

third, such amount as shall be required (A) if any Cash Collateral Account has been previously funded as provided in Section 3.06(f), to fund such Cash Collateral Account up to its Required Amount shall be deposited in such Cash Collateral Account, (B) if any Liquidity Facility shall have become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such Liquidity Facility have reduced the Available Amount thereunder to zero, to deposit into the related Cash Collateral Account an amount equal to such Cash Collateral Account's Required Amount shall be deposited in such Cash Collateral Account, and (C) if, with respect to any particular Liquidity Facility, neither subclause (A) nor subclause (B) of this clause "third" is applicable, to pay or reimburse the Liquidity Provider in respect of such Liquidity Facility in an amount equal to the amount of any unreimbursed Interest Drawings under such Liquidity Facility shall be distributed to such Liquidity Provider, in each case pro rata on the basis of the amounts of the required deposits and/or unreimbursed Interest Drawings;

fourth, if, with respect to any particular Liquidity Facility, any amounts are to be distributed pursuant to either subclause (A) or (B) of clause "third" above, then the Liquidity Provider with respect to such Liquidity Facility shall be paid the excess of (x) the aggregate outstanding amount of unreimbursed Advances (whether or not then due) under such Liquidity Facility over (y) the Required Amount for the relevant Class, pro rata on the basis of such amounts in respect of each Liquidity Provider;

fifth, if any Class A-1 Certificates or Class A-2 Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of Class A-1 Certificates on such Special Distribution Date shall be distributed to the Class A-1 Trustee and such amount as shall be required to pay in full Expected Distributions to the holders of Class A-2 Certificates on such Special Distribution Date shall be distributed to the Class A-2 Trustee, pro rata on the basis of such amounts in respect of each such Class of Certificates;

sixth, if any Class B Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of Class B Certificates on such Special Distribution Date shall be distributed to the Class B Trustee;

seventh, if any Class C Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of Class C Certificates on such Special Distribution Date shall be distributed to the Class C Trustee;

eighth, if the Class D Certificates have been issued and any Class D Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to holders of Class D Certificates on such Special Distribution Date shall be distributed to the Class D Trustee; and

ninth, the balance, if any, of such Special Payment shall be deposited in the Collection Account.

For the purposes of this Section 2.04(b), clause (x) of the definition of "Expected Distributions" shall be deemed to read as follows: "(x) accrued, due and unpaid interest in respect of such Certificates together with (without duplication) accrued and unpaid interest in respect of a portion of such Certificates equal to the outstanding principal amount of Equipment Notes being redeemed, purchased or prepaid (immediately prior to such redemption, purchase or prepayment)".

(ii) Upon the occurrence of a Triggering Event (whether or not continuing), the Subordination Agent shall make distributions pursuant to this Section 2.04(b) of amounts on deposit in the Special Payments Account on account of the redemption, purchase or prepayment of the Equipment Notes issued pursuant to an Indenture on the Special Distribution Date for such Special Payment in accordance with Section 3.03.

(c) Other Special Payments. Any amounts on deposit in the Special Payments Account other than in respect of amounts to be distributed pursuant to Section 2.04(b) shall be distributed on the Special Distribution Date therefor in accordance with Article III.

(d) Investment of Amounts in Special Payments Account. Any amounts on deposit in the Special Payments Account prior to the distribution thereof pursuant to Section 2.04(b) or 2.04(c) shall be invested in accordance with Section 2.02(b). Investment Earnings on such investments shall be distributed in accordance with Section 2.04(b) or 2.04(c), as the case may be.

Section 2.05. Designated Representatives. (a) With the delivery of this Agreement, the Subordination Agent shall furnish to each Liquidity Provider and each Trustee, and from time to time thereafter may furnish to each Liquidity Provider and each Trustee, at the Subordination Agent's discretion, or upon any Liquidity Provider's or Trustee's request (which request shall not be made more than one time in any 12-month period), a certificate (a "Subordination Agent Incumbency Certificate") of a Responsible Officer of the Subordination Agent certifying as to the incumbency and specimen signatures of the officers of the Subordination Agent and the attorney-in-fact and agents of the Subordination Agent (the "Subordination Agent Representatives") authorized to give Written Notices on behalf of the Subordination Agent hereunder. Until each Liquidity Provider and Trustee receives a subsequent Subordination Agent Incumbency Certificate, it shall be entitled to rely on the last Subordination Agent Incumbency Certificate delivered to it hereunder.

(b) With the delivery of this Agreement, each Trustee shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at such Trustee's discretion, or upon the Subordination Agent's request (which request shall not be made more than one time in any 12-month period), a certificate (with respect to each such Trustee, a "Trustee Incumbency Certificate") of a Responsible Officer of such Trustee certifying as to the incumbency and specimen signatures of the officers of such Trustee and the attorney-in-fact and agents of such Trustee (with respect to each such Trustee, the "Trustee Representatives") authorized to give Written Notices on behalf of such Trustee hereunder. Until the Subordination Agent receives a subsequent Trustee Incumbency Certificate from a Trustee, it shall be entitled to rely on the last Trustee Incumbency Certificate with respect to such Trustee delivered to it hereunder.

(c) With the delivery of this Agreement, each Liquidity Provider shall furnish to the Subordination Agent, and from time to time thereafter may furnish to the Subordination Agent, at such Liquidity Provider's discretion, or upon the Subordination Agent's request (which request shall not be made more than one time in any 12-month period), a certificate (with respect to each such Liquidity Provider, an "LP Incumbency Certificate") of a Responsible Officer of such Liquidity Provider certifying as to the incumbency and specimen signatures of the officers of such Liquidity Provider and the attorney-in-fact and agents of such Liquidity Provider (with respect to each such Liquidity Provider, the "LP Representatives" and, together with the Subordination Agent Representatives and the Trustee Representatives, the "Designated Representatives") authorized to give Written Notices on behalf of such Liquidity Provider hereunder. Until the Subordination Agent receives a subsequent LP Incumbency Certificate from a Liquidity Provider, it shall be entitled to rely on the last LP Incumbency Certificate with respect to such Liquidity Provider delivered to it hereunder.

Section 2.06. Controlling Party. (a) The Trustees and the Liquidity Providers hereby agree that, with respect to any Indenture at any given time, the Loan Trustee thereunder will be directed (i) in taking, or refraining from taking, any action under such Indenture or with respect to the Equipment Notes issued thereunder, so long as no Indenture Event of Default has occurred and is continuing thereunder, by the holders of at least a majority of the outstanding principal amount of such Equipment Notes (provided that, for so long as the Subordination Agent is the registered holder of such Equipment Notes, the Subordination Agent shall act with respect to this clause (i) in accordance with the directions of the Trustees of Trusts for which the related Trust Properties include, in the aggregate, such a majority of outstanding principal amount of such Equipment Notes), and (ii) after the occurrence and during the continuance of an Indenture Event of Default thereunder, in taking, or refraining from taking, any action under such Indenture or with respect to such Equipment Notes, including exercising remedies thereunder (including Accelerating the Equipment Notes issued thereunder or foreclosing the Lien created thereunder on the Aircraft securing such Equipment Notes), by the Subordination Agent as directed by the Controlling Party.

(b) The Person who shall be the "Controlling Party" with respect to any Indenture shall be: (w) initially, the Class A-1 Trustee or the Class A-2 Trustee, whichever represents the Class with the larger Pool Balance of Certificates Outstanding at the time such Indenture Event of Default occurs (whether or not any other Indenture Event of Default shall thereafter occur so long as such initial Indenture Event of Default shall continue); (x) upon payment of Final Distributions to the holders of Certificates of such larger Class, the other of the Class A-1 Trustee or the Class A-2 Trustee; (y) upon payment of Final Distributions to the holders of Class A-1 Certificates and Class A-2 Certificates, the Class B Trustee; and (z) upon payment of Final Distributions to the holders of Class B Certificates, the Class C Trustee. For purposes of giving effect to the foregoing, the Trustees (other than the Controlling Party) irrevocably agree (and the Certificateholders (other than the Certificateholders represented by the Controlling Party) shall be deemed to agree by virtue of their purchase of Certificates) that the Subordination Agent, as record holder of the Equipment Notes, shall exercise its voting rights in respect of the Equipment Notes as directed by the Controlling Party and any vote so exercised shall be binding upon the Trustees and all Certificateholders.

The Subordination Agent shall give written notice to all of the other parties to this Agreement promptly upon a change in the identity of the Controlling Party. Each of the parties hereto agrees that it shall not exercise any of the rights of the Controlling Party at such time as it is not the Controlling Party hereunder; provided, however, that nothing herein contained shall prevent or prohibit any Non-Controlling Party from exercising such rights as shall be specifically granted to such Non-Controlling Party hereunder and under the other Operative Agreements.

(c) Notwithstanding the foregoing, at any time after 18 months from the earliest to occur of (i) the date on which the entire Available Amount under any Liquidity Facility shall have been drawn (for any reason other than a Downgrade Drawing or a Non-Extension Drawing) and remain unreimbursed, (ii) the date on which the entire amount of any Downgrade Drawing or Non-Extension Drawing under any Liquidity Facility shall have become and remain "Applied Downgrade Advances" or "Applied Non-Extension Advances", as the case may be, under and as defined in such Liquidity Facility and (iii) the date on which all Equipment Notes shall have been Accelerated, the Liquidity Provider(s) with the greatest amount of unreimbursed Liquidity Obligations shall have the right to elect, by Written Notice to the Subordination Agent and each of the Trustees, to become the Controlling Party hereunder with respect to any Indenture at any time from and including the last day of such 18-month period.

(d) The exercise of remedies by the Controlling Party under this Agreement shall be expressly limited by Section 4.01(a) (ii).

(e) The Controlling Party shall not be entitled to require or obligate any Non-Controlling Party to provide funds necessary to exercise any right or remedy hereunder.

(f) Notwithstanding anything contained herein, neither the Controlling Party nor the Subordination Agent shall be authorized or empowered to do anything that would cause any Trust to fail to qualify as a "grantor trust" for federal income tax purposes.

ARTICLE III

RECEIPT, DISTRIBUTION AND APPLICATION OF AMOUNTS RECEIVED

Section 3.01. Written Notice of Distribution. (a) No later than 3:00 P.M. (New York City time) on the Business Day immediately preceding each Regular Distribution Date (or Special Distribution Date for purposes of Section 2.04(b), as the case may be), each of the following Persons shall deliver to the Subordination Agent a Written Notice setting forth the following information as at the close of business on such Business Day:

(i) With respect to the Class A-1 Certificates and the Class A-2 Certificates, if any are then Outstanding, the Class A-1 Trustee and the Class A-2 Trustee, respectively, shall separately set

forth the amounts to be paid in accordance with clause "fifth" of Section 3.02 or 2.04(b), as the case may be (without giving effect to the pro rata sharing therein);

(ii) With respect to the Class B Certificates, if any are then Outstanding, the Class B Trustee shall separately set forth the amounts to be paid in accordance with clause "sixth" of Section 3.02 or 2.04(b), as the case may be;

(iii) With respect to the Class C Certificates, if any are then Outstanding, the Class C Trustee shall separately set forth the amounts to be paid in accordance with clause "seventh" of Section 3.02 or 2.04(b), as the case may be;

(iv) With respect to each Liquidity Facility, the Liquidity Provider thereunder shall separately set forth the amounts to be paid in accordance with clauses "first", "second", "third" and "fourth" of Section 3.02 or 2.04(b), as the case may be; and

(v) Each Trustee shall set forth the amounts to be paid in accordance with clause "ninth" of Section 3.02.

The notices required under this Section 3.01(a) may be in the form of a schedule or similar document provided to the Subordination Agent by the parties referenced therein or by any one of them, which schedule or similar document may state that, unless there has been a redemption, purchase or prepayment of the Equipment Notes, such schedule or similar document is to remain in effect until any substitute notice or amendment shall be given to the Subordination Agent by the party providing such notice.

(b) Following the occurrence of a Triggering Event, the Subordination Agent shall request the following information from the following Persons, and may from time to time thereafter again request such information from such Persons, and each of the following Persons shall, within five Business Days of such request of the Subordination Agent, deliver a Written Notice to the Subordination Agent setting forth for such Person the following information:

(i) With respect to the Class A-1 Certificates and the Class A-2 Certificates, if any are then Outstanding, the Class A-1 Trustee and the Class A-2 Trustee, respectively, shall separately set forth the amounts to be paid in accordance with clauses "first" (to reimburse payments made by the Class A-1 Certificateholders and the Class A-2 Certificateholders, respectively, pursuant to subclause (iii) of clause "first" of Section 3.03), "sixth" (to reimburse payments made by the Class A-1 Certificateholders and the Class A-2 Certificateholders pursuant to subclause (iii) of clause "sixth" of Section 3.03) and "seventh" of Section 3.03 (without giving effect to the pro rata sharing therein);

(ii) With respect to the Class B Certificates, if any are then Outstanding, the Class B Trustee shall separately set forth the amounts to be paid in accordance with clauses "first" (to reimburse payments made by the Class B Certificateholders pursuant to subclause (iii) of clause

"first" of Section 3.03), "sixth" (to reimburse payments made by the Class B Certificateholders pursuant to subclause (iii) of clause "sixth" of Section 3.03) and "eighth" of Section 3.03;

(iii) With respect to the Class C Certificates, if any are then Outstanding, the Class C Trustee shall separately set forth the amounts to be paid in accordance with clauses "first" (to reimburse payments made by the Class C Certificateholders pursuant to subclause (iii) of clause "first" of Section 3.03), "sixth" (to reimburse payments made by the Class C Certificateholders pursuant to subclause (iii) of clause "sixth" of Section 3.03) and "ninth" of Section 3.03;

(iv) With respect to each Liquidity Facility, the Liquidity Provider thereunder shall separately set forth the amounts to be paid to it in accordance with subclause (iii) of clause "first" of Section 3.03 and clauses "second", "third", "fourth" and "fifth" of Section 3.03; and

(v) Each Trustee shall set forth the amounts to be paid in accordance with subclause (ii) of clause "first" of Section 3.03 and subclause (ii) of clause "sixth" of Section 3.03.

(c) At such time as a Trustee or a Liquidity Provider shall have received all amounts owing to it (and, in the case of a Trustee, the Certificateholders for which it is acting) pursuant to Section 2.04, 3.02 or 3.03, as applicable, and, in the case of a Liquidity Provider, its commitment under the related Liquidity Facility shall have terminated or expired, such Person shall, by a Written Notice, so inform the Subordination Agent and each other party to this Agreement.

(d) As provided in Section 6.05, the Subordination Agent shall be fully protected in relying on any of the information set forth in a Written Notice provided by any Trustee or any Liquidity Provider pursuant to Sections 3.01(a), 3.01(b) and 3.01(c) above and shall have no independent obligation to verify, calculate or recalculate any amount set forth in any Written Notice delivered in accordance with such paragraphs.

(e) Any Written Notice delivered by a Trustee or a Liquidity Provider, as applicable, pursuant to Section 3.01(a), 3.01(b) or 3.01(c), if made prior to 10:00 A.M. (New York City time) on a given date that is a Business Day shall be effective on the date delivered (or if delivered later on such date or on a day that is not a Business Day shall be effective as of the next Business Day). Subject to the terms of this Agreement, the Subordination Agent shall as promptly as practicable comply with any such instructions; provided, however, that any transfer of funds pursuant to any instruction received after 10:00 A.M. (New York City time) on any Business Day may be made on the next succeeding Business Day.

(f) In the event the Subordination Agent shall not receive from any Person any information set forth in Section 3.01(a) or 3.01(b) that is required to enable the Subordination Agent to make a distribution to such Person pursuant to Section 2.04(b), 3.02 or 3.03, the Subordination Agent shall not make such distribution(s) to such Person. In such event, the Subordination Agent shall make distributions pursuant to clauses "first" through "ninth" of Section 2.04(b), clauses "first" through "tenth" of Section 3.02 and clauses "first" through "eleventh" of Section 3.03 to the

extent it shall have sufficient information to enable it to make such distributions, and shall continue to hold any funds remaining, after making such distributions, on the terms hereof (including Section 2.02(b)) until the Subordination Agent shall receive all necessary information to enable it to distribute any funds so withheld, and upon receipt of the information necessary to distribute any funds so withheld, the Subordination Agent shall distribute such funds.

(g) On such dates (but not more frequently than monthly) as any Liquidity Provider or any Trustee shall request, but in any event automatically at the end of each calendar quarter, the Subordination Agent shall send to such party a written statement reflecting all amounts on deposit with the Subordination Agent pursuant to Section 3.01(f).

Section 3.02. Distribution of Amounts on Deposit in the Collection Account. Except as otherwise provided in Sections 2.04, 3.01(f), 3.03, 3.04 and 3.06(b), amounts on deposit in the Collection Account (or, in the case of any amount described in Section 2.04(c), on deposit in the Special Payments Account) shall be promptly distributed on each Regular Distribution Date (or, in the case of any amount described in Section 2.04(c), on the Special Distribution Date thereof) in the following order of priority and in accordance with the information provided to the Subordination Agent pursuant to Section 3.01(a):

first, such amount as shall be required to pay in full all accrued and unpaid Liquidity Expenses owed shall be distributed to the Liquidity Providers pro rata on the basis of the amount of Liquidity Expenses owed to each Liquidity Provider;

second, such amount as shall be required to pay accrued and unpaid interest on the Liquidity Obligations as provided in the applicable Liquidity Facility shall be distributed to the Liquidity Providers pro rata on the basis of the amount of such accrued and unpaid interest owed to each Liquidity Provider;

third, such amount as shall be required (A) if any Cash Collateral Account has been previously funded as provided in Section 3.06(f), to fund such Cash Collateral Account up to its Required Amount shall be deposited in such Cash Collateral Account, (B) if any Liquidity Facility shall have become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such Liquidity Facility have reduced the Available Amount thereunder to zero, to deposit into the related Cash Collateral Account an amount equal to such Cash Collateral Account's Required Amount shall be deposited in such Cash Collateral Account, and (C) if, with respect to any particular Liquidity Facility, neither subclause (A) nor subclause (B) of this clause "third" is applicable, to pay or reimburse the Liquidity Provider in respect of such Liquidity Facility in an amount equal to the amount of all Liquidity Obligations then due under such Liquidity Facility (other than amounts payable pursuant to clause "first" or "second" of this Section 3.02) shall be distributed to such Liquidity Provider, in each case pro rata on the basis of the amounts of the required deposits and/or unreimbursed Liquidity Obligations;

fourth, if, with respect to any particular Liquidity Facility and the related Cash Collateral Account, any amounts are to be distributed pursuant to either subclause (A) or (B) of clause "third" above, then the Liquidity Provider with respect to such Liquidity Facility shall be paid the excess of (x) the aggregate outstanding amount of unreimbursed Advances (whether or not then due) under such Liquidity Facility over (y) the Required Amount for the relevant Class, pro rata on the basis of such amounts in respect of each Liquidity Provider;

fifth, if any Class A-1 Certificates or Class A-2 Certificates are Outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of the Class A-1 Certificates on such Distribution Date shall be distributed to the Class A-1 Trustee and such amount as shall be required to pay in full Expected Distributions to the holders of the Class A-2 Certificates on such Distribution Date shall be distributed to the Class A-2 Trustee, pro rata on the basis of such amounts in respect of each such Class of Certificates;

sixth, if any Class B Certificates are Outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of the Class B Certificates on such Distribution Date shall be distributed to the Class B Trustee;

seventh, if any Class C Certificates are Outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of the Class C Certificates on such Distribution Date shall be distributed to the Class C Trustee;

eighth, if the Class D Certificates have been issued and any Class D Certificates are outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to holders of Class D Certificates on such Distribution Date shall be distributed to the Class D Trustee; and

ninth, such amount as shall be required to pay in full (without duplication of any amounts otherwise payable hereunder or under any Operative Agreement) the aggregate unpaid amount of fees and expenses payable as of such Distribution Date to the Subordination Agent and each Trustee pursuant to the terms of this Agreement and the Trust Agreements, as the case may be, shall be distributed to the Subordination Agent and such Trustee; and

tenth, the balance, if any, of any such amount remaining thereafter shall be held in the Collection Account for later distribution in accordance with this Article III.

Section 3.03. Distribution of Amounts on Deposit Following a Triggering Event. Except as otherwise provided in Sections 3.01(f) and 3.06(b), upon the occurrence of a Triggering Event and at all times thereafter, all funds in the Collection Account or the Special Payments Account shall be promptly distributed by the Subordination Agent in the following order of priority:

first, such amount as shall be required to reimburse (i) the Subordination Agent for any out-of-pocket costs and expenses actually incurred by it (to the extent not previously reimbursed)

in the protection of, or the realization of the value of, the Equipment Notes or any Collateral, shall be applied by the Subordination Agent in reimbursement of such costs and expenses, (ii) each Trustee for any amounts of the nature described in clause (i) above actually incurred by it under the applicable Trust Agreement (to the extent not previously reimbursed), shall be distributed to such Trustee, and (iii) any Liquidity Provider or Certificateholder for payments, if any, made by it to the Subordination Agent or any Trustee in respect of amounts described in clause (i) above, shall be distributed to such Liquidity Provider or to the applicable Trustee for the account of such Certificateholder, in each such case, pro rata on the basis of all amounts described in clauses (i), (ii) and (iii) above;

second, such amount as shall be required to pay all accrued and unpaid Liquidity Expenses shall be distributed to the Liquidity Providers pro rata on the basis of the amount of Liquidity Expenses owed to each Liquidity Provider;

third, such amount as shall be required to pay accrued and unpaid interest on the Liquidity Obligations as provided in the applicable Liquidity Facilities shall be distributed to the Liquidity Providers pro rata on the basis of the amount of such accrued and unpaid interest owed to each Liquidity Provider;

fourth, such amount as shall be required (A) if any Cash Collateral Account has been previously funded as provided in Section 3.06(f), unless (i) a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Liquidity Facility or (ii) a Final Drawing shall have occurred with respect to such Liquidity Facility, to fund such Cash Collateral Account up to its Required Amount (less the amount of any repayments of Interest Drawings under such Liquidity Facility while subclause (A)(i) above is applicable) shall be deposited in such Cash Collateral Account, (B) if any Liquidity Facility shall have become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such Liquidity Facility have reduced the Available Amount thereunder to zero, unless (i) a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Liquidity Facility or (ii) a Final Drawing shall have occurred with respect to such Liquidity Facility, to deposit into the related Cash Collateral Account an amount equal to such Cash Collateral Account's Required Amount (less the amount of any repayments of Interest Drawings under such Liquidity Facility while subclause (B)(i) above is applicable) shall be deposited in such Cash Collateral Account, and (C) if, with respect to any particular Liquidity Facility, neither subclause (A) nor subclause (B) of this clause "fourth" is applicable, to pay in full the outstanding amount of all Liquidity Obligations then due under such Liquidity Facility (other than amounts payable pursuant to clause "second" or "third" of this Section 3.03) shall be distributed to such Liquidity Provider, in each case pro rata on the basis of the amounts of the required deposits and/or unreimbursed Liquidity Obligations;

fifth, if, with respect to any particular Liquidity Facility, any amounts are to be distributed pursuant to either subclause (A) or (B) of clause "fourth" above, then the Liquidity Provider with respect to such Liquidity Facility shall be paid the excess of (x) the aggregate outstanding amount

of unreimbursed Advances (whether or not then due) under such Liquidity Facility over (y) the Required Amount for the relevant Class (less the amount of any repayments of Interest Drawings under such Liquidity Facility while subclause (A) (i) or (B) (i), as the case may be, of clause "fourth" above is applicable), pro rata on the basis of such amounts in respect of each Liquidity Provider;

sixth, such amount as shall be required to reimburse or pay (i) the Subordination Agent for any Tax (other than Taxes imposed on compensation paid hereunder), expense, fee, charge or other loss incurred by, or any other amount payable to, the Subordination Agent in connection with the transactions contemplated hereby (to the extent not previously reimbursed), shall be applied by the Subordination Agent in reimbursement of such amount, (ii) each Trustee for any Tax (other than Taxes imposed on compensation paid under the applicable Trust Agreement), expense, fee, charge or other loss incurred by, or any other amount payable to, such Trustee under the applicable Trust Agreements (to the extent not previously reimbursed), shall be distributed to such Trustee, and (iii) each Certificateholder for payments, if any, made by it pursuant to Section 5.02 in respect of amounts described in clause (i) above (without duplication of any amounts distributed pursuant to subclause (iii) of clause "first" of this Section 3.03), shall be distributed to the applicable Trustee for the account of such Certificateholder, in each such case pro rata on the basis of all amounts described in clauses (i), (ii) and (iii) above;

seventh, if any Class A-1 Certificates or Class A-2 Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class A-1 Certificates shall be distributed to the Class A-1 Trustee and such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class A-2 Certificates shall be distributed to the Class A-2 Trustee, pro rata on the basis of such amounts in respect of each such Class of Certificates;

eighth, if any Class B Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class B Certificates shall be distributed to the Class B Trustee;

ninth, if any Class C Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class C Certificates shall be distributed to the Class C Trustee;

tenth, if the Class D Certificates have been issued and any Class D Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class D Certificates shall be distributed to the Class D Trustee; and

eleventh, (i) if any Class A-1 Certificates or Class A-2 Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class A-1 Certificates shall be distributed to the Class A-1 Trustee and such amount remaining as shall be required to pay Final Distributions on the Class A-2 Certificates shall be distributed to the Class A-2

Trustee, pro rata on the basis of the Pool Balance of each such Class of Certificates after giving effect to the distributions made on such Distribution Date pursuant to clause "seventh" of this Section 3.03(a); (ii) after giving effect to clause (i) if any Class B Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class B Certificates shall be distributed to the Class B Trustee; (iii) after giving effect to clauses (i) and (ii) if any Class C Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class C Certificates shall be distributed to the Class C Trustee and (iv) after giving effect to clauses (i), (ii) and (iii) if the Class D Certificates have been issued and any Class D Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class D Certificates shall be distributed to the Class D Trustee.

Section 3.04. Other Payments. (a) Any payments received by the Subordination Agent for which no provision as to the application thereof is made in this Agreement shall be distributed by the Subordination Agent in the order of priority specified in Section 3.03; provided, however, that to the extent any such payments are received or realized at any time after the Final Distributions for all Classes of Certificates have been made, such payments shall be distributed in the following order of priority: first, in the manner provided in clause "first" of Section 3.03 and second, in the manner provided in clause "tenth" of Section 3.02.

(b) On any Interest Payment Date under each Liquidity Facility which is not a Distribution Date, the Subordination Agent shall pay to the Liquidity Provider under such Liquidity Facility from, and to the extent of, amounts on deposit in the Collection Account, an amount equal to the amount of interest then due and payable to such Liquidity Provider under such Liquidity Facility.

(c) Except as otherwise provided in Section 3.03 or Sections 3.06(a) and 3.06(b), if the Subordination Agent receives any Scheduled Payment after the Scheduled Payment Date relating thereto, but prior to such payment becoming an Overdue Scheduled Payment, then the Subordination Agent shall deposit such Scheduled Payment in the Collection Account and promptly distribute such Scheduled Payment in accordance with the priority of distributions set forth in Section 3.02; provided that, for the purposes of this Section 3.04(c) only, each reference in clause "ninth" of Section 3.02 to "Distribution Date" shall be deemed to mean the actual date of payment of such Scheduled Payment and each reference in clause "fifth", "sixth", "seventh" or "eighth" of Section 3.02 to "Distribution Date" shall be deemed to refer to such Scheduled Payment Date.

Section 3.05. Payments to the Trustees and the Liquidity Providers. Any amounts distributed hereunder to any Liquidity Provider shall be paid to such Liquidity Provider by wire transfer of funds to the address such Liquidity Provider shall provide to the Subordination Agent. The Subordination Agent shall provide a Written Notice of any such transfer to the applicable Liquidity Provider at the time of such transfer. Any amounts distributed hereunder by the Subordination Agent to any Trustee that is not the same institution as the Subordination Agent shall be paid to such Trustee by wire transfer of funds at the address such Trustee shall provide to the Subordination Agent.

Section 3.06. Liquidity Facilities. (a) Interest Drawings. If on any Distribution Date, after giving effect to the subordination provisions of this Agreement, the Subordination Agent shall not have sufficient funds for the payment of any amounts due and owing in respect of accrued interest on the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates or the Class C Certificates (at the Stated Interest Rate for such Class of Certificates), then, prior to 1:00 p.m. (New York City time) on such Distribution Date, the Subordination Agent shall request a drawing (each such drawing, an "Interest Drawing") under the Liquidity Facility with respect to such Class of Certificates in an amount equal to the lesser of (i) an amount sufficient to pay the amount of such accrued interest (at the Stated Interest Rate for each such Class of Certificates) and (ii) the Available Amount under such Liquidity Facility, and shall upon receipt of such amount pay such amount to the Trustee with respect to each such Class of Certificates in payment of such accrued interest as provided in Section 3.06(b).

(b) Application of Interest Drawings. Notwithstanding anything to the contrary contained in this Agreement, (i) all payments received by the Subordination Agent in respect of an Interest Drawing under the Class A-1 Liquidity Facility and all amounts withdrawn by the Subordination Agent from the Class A-1 Cash Collateral Account, and payable in each case to the Class A-1 Certificateholders, shall be promptly distributed to the Class A-1 Trustee, (ii) all payments received by the Subordination Agent in respect of an Interest Drawing under the Class A-2 Liquidity Facility and all amounts withdrawn by the Subordination Agent from the Class A-2 Cash Collateral Account, and payable in each case to the Class A-2 Certificateholders, shall be promptly distributed to the Class A-2 Trustee, (iii) all payments received by the Subordination Agent in respect of an Interest Drawing under the Class B Liquidity Facility and all amounts withdrawn by the Subordination Agent from the Class B Cash Collateral Account, and payable in each case to the Class B Certificateholders, shall be promptly distributed to the Class B Trustee, and (iv) all payments received by the Subordination Agent in respect of an Interest Drawing under the Class C Liquidity Facility and all amounts withdrawn by the Subordination Agent from the Class C Cash Collateral Account, and payable in each case to the Class C Certificateholders, shall be promptly distributed to the Class C Trustee.

(c) Downgrade Drawings. The Liquidity Provider will promptly, but in any event within ten days of its receipt of notice thereof, deliver notice of any downgrading of its debt ratings to the Subordination Agent and American. If at any time the short-term unsecured debt rating of any Liquidity Provider issued by either Rating Agency (or, if such Liquidity Provider does not have a short-term unsecured debt rating issued by a given Rating Agency, the long-term unsecured debt rating of such Liquidity Provider issued by such Rating Agency) is lower than the applicable Threshold Rating, within 30 days after such Liquidity Provider receives notice of such downgrading (or within 45 days after its receipt of such notice solely in the event of a downgrading of such Liquidity Provider's short-term unsecured debt rating by S&P from A-1+ to A-1) (but not later than the expiration date of the Liquidity Facility issued by the downgraded Liquidity Provider (the "Downgraded Facility")), such Liquidity Provider or American may arrange for a Replacement Liquidity Provider to issue and deliver a Replacement Liquidity Facility to the Subordination Agent. If a Downgraded Facility has not been replaced in accordance with the terms of this paragraph, the

Subordination Agent shall, on such 30th (or 45th) day (or if such 30th (or 45th) day is not a Business Day, on the next succeeding Business Day) (or, if earlier, on the expiration date of such Downgraded Facility), request a drawing in accordance with and to the extent permitted by such Downgraded Facility (such drawing, a "Downgrade Drawing") of all available and undrawn amounts thereunder. Amounts drawn pursuant to a Downgrade Drawing shall be maintained and invested as provided in Section 3.06(f). Subject to Section 3.06(e)(iii), the Liquidity Provider may also arrange for a Replacement Liquidity Provider to issue and deliver a Replacement Liquidity Facility at any time after such Downgrade Drawing so long as such Downgrade Drawing has not been reimbursed in full to the Liquidity Provider.

(d) Non-Extension Drawings. If any Liquidity Facility with respect to any Class of Certificates is scheduled to expire on a date (the "Stated Expiration Date") prior to the date that is 15 days after the Final Legal Distribution Date for such Class of Certificates, then no earlier than the 60th day and no later than the 40th day prior to the then applicable Stated Expiration Date, the Subordination Agent shall request in writing that such Liquidity Provider extend the Stated Expiration Date to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for such Class of Certificates and (ii) the date that is the day immediately preceding the 364th day after the last day of the Consent Period (unless the obligations of such Liquidity Provider thereunder are earlier terminated in accordance with such Liquidity Facility). The Liquidity Provider shall by notice (the "Consent Notice") to the Subordination Agent during the period commencing on the date that is 60 days prior to the then effective Stated Expiration Date and ending on the date that is 25 days prior to such Stated Expiration Date (the "Consent Period") advise the Subordination Agent whether, in its sole discretion, it agrees to so extend the Stated Expiration Date; provided, however, that such extension shall not be effective with respect to such Liquidity Provider if, by notice (the "Withdrawal Notice") to the Subordination Agent prior to the end of the Consent Period, the Liquidity Provider revokes its Consent Notice. If the Liquidity Provider advises the Subordination Agent in the Consent Notice that such Stated Expiration Date shall not be so extended or gives a Withdrawal Notice to the Subordination Agent prior to the end of the Consent Period, or fails to irrevocably and unconditionally advise the Subordination Agent on or before the end of the Consent Period that such Stated Expiration Date shall be so extended (and, in each case, if the Liquidity Provider shall not have been replaced in accordance with Section 3.06(e)), the Subordination Agent shall, on the date on which the Consent Period ends (or as soon as possible thereafter but prior to the Stated Expiration Date), in accordance with and to the extent permitted by the terms of the expiring Liquidity Facility (a "Non-Extended Facility"), request a drawing under such expiring Liquidity Facility (such drawing, a "Non-Extension Drawing") of all available and undrawn amounts thereunder. Amounts drawn pursuant to a Non-Extension Drawing shall be maintained and invested in accordance with Section 3.06(f). If any amounts shall be drawn pursuant to a Non-Extension Drawing and, within 30 days thereafter, the Liquidity Provider shall not have been replaced, then at any time following the 30th day after such Non-Extension Drawing, the Liquidity Provider may, by written notice to the Subordination Agent, agree to reinstate the Liquidity Facility on the terms of the existing Liquidity Facility for a period ending on the 364th day after the end of the Consent Period; provided, however, that in such event the Liquidity Provider shall reimburse the Subordination Agent for any costs actually incurred by or on behalf of the Subordination Agent in

drawing pursuant to the Non-Extension Drawing and funding the Cash Collateral Account or otherwise in connection with the Non-Extension Drawing.

(e) Issuance of Replacement Liquidity Facility. (i) Subject to Section 3.06(e)(iii), at any time, American may, at its option, with cause or without cause, arrange for a Replacement Liquidity Facility to replace any Liquidity Facility for any Class of Certificates (including any Replacement Liquidity Facility provided pursuant to Section 3.06(e)(ii)); provided, however, that if the initial Liquidity Provider is replaced it shall be replaced with respect to all Liquidity Facilities under which it is a Liquidity Provider, and provided further, however, that the initial Liquidity Provider shall not be replaced by American as the Liquidity Provider with respect to any Class of Certificates prior to the fifth anniversary of the Closing Date unless (A) there shall have become due to the initial Liquidity Provider, or the initial Liquidity Provider shall have demanded, amounts pursuant to Section 3.01 or 3.03 of any Liquidity Facility and the replacement of the initial Liquidity Provider would reduce or eliminate the obligation to pay such amounts or American determines in good faith that there is a substantial likelihood that the initial Liquidity Provider will have the right to claim any such amounts within 180 days after the date of such determination (unless the initial Liquidity Provider waives, in writing, any right it may have to claim such amounts), which determination shall be set forth in a certificate delivered by American to the initial Liquidity Provider accompanied by an opinion of outside counsel selected by American and reasonably acceptable to such initial Liquidity Provider verifying the legal conclusions, if any, of such certificate relating to such basis, provided that in the case of any likely claim for amounts based upon any proposed, or proposed change in, law, rule, regulation, interpretation, directive, requirement, request or administrative practice, such opinion may assume the adoption or promulgation of such proposed matter, (B) it shall become unlawful or impossible for the initial Liquidity Provider to maintain or fund its LIBOR Advances as described in Section 3.10 of any Liquidity Facility, (C) the short-term unsecured debt rating of the initial Liquidity Provider is downgraded by S&P from A-1+ to A-1 and there is a resulting downgrade in the rating by either Rating Agency of any Class of Certificates, (D) any Liquidity Facility of such initial Liquidity Provider shall become a Downgraded Facility or a Non-Extended Facility or a Downgrade Drawing or a Non-Extension Drawing shall have occurred under any Liquidity Facility or (E) the initial Liquidity Provider shall have breached any of its payment (including, without limitation, funding) obligations under any Liquidity Facility. If such Replacement Liquidity Facility is provided at any time after a Downgrade Drawing or a Non-Extension Drawing has been made, all funds on deposit in the relevant Cash Collateral Account resulting from such Downgrade Drawing or Non-Extension Drawing will be returned to the Liquidity Provider being replaced.

(ii) If any Liquidity Provider shall determine not to extend its Liquidity Facility in accordance with Section 3.06(d), then such Liquidity Provider may, at its option, arrange for a Replacement Liquidity Facility to replace such Liquidity Facility during the period no earlier than 40 days and no later than 25 days prior to the then effective Stated Expiration Date of such Liquidity Facility.

(iii) No Replacement Liquidity Facility arranged by American or a Liquidity Provider in accordance with Section 3.06(c) or clause (i) or (ii) of this Section 3.06(e) shall become effective and no such Replacement Liquidity Facility shall be deemed a "Liquidity Facility" under the Operative Agreements, unless and until (A) each of the conditions referred to in Section 3.06(e) (iv) below shall have been satisfied and (B) in the case of a Replacement Liquidity Facility arranged by a Liquidity Provider under Section 3.06(c) or Section 3.06(e) (ii), such Replacement Liquidity Provider and such Replacement Liquidity Facility (including the fees and compensation and interest payable thereunder to the Replacement Liquidity Provider) are acceptable to American.

(iv) In connection with the issuance of each Replacement Liquidity Facility, the Subordination Agent shall (x) prior to the issuance of such Replacement Liquidity Facility, obtain written confirmation from each Rating Agency that such Replacement Liquidity Facility will not cause a reduction of any rating then in effect for any Class of Certificates by such Rating Agency (without regard to any downgrading of any rating of any Liquidity Provider being replaced pursuant to Section 3.06(c)), (y) pay all Liquidity Obligations then owing to the replaced Liquidity Provider (which payment shall be made first from available funds in the applicable Cash Collateral Account as described in Section 3.06(f) (ix), and thereafter from any other available source, including, without limitation, a drawing under the Replacement Liquidity Facility) and (z) cause the issuer of the Replacement Liquidity Facility to deliver the Replacement Liquidity Facility to the Subordination Agent, together with a legal opinion addressed to the Subordination Agent, the Trustees and American opining that such Replacement Liquidity Facility is an enforceable obligation of such Replacement Liquidity Provider.

(v) Upon satisfaction of the conditions set forth in Sections 3.06(e) (iii) and 3.06(e) (iv), (w) the replaced Liquidity Facility shall terminate, (x) the Subordination Agent shall, if and to the extent so requested by American or the Liquidity Provider being replaced, execute and deliver any certificate or other instrument required in order to terminate the replaced Liquidity Facility, shall surrender the replaced Liquidity Facility to the Liquidity Provider being replaced and shall execute and deliver the Replacement Liquidity Facility and any associated Fee Letter, (y) each of the parties hereto shall enter into any amendments to this Agreement necessary to give effect to (1) the replacement of the applicable Liquidity Provider with the applicable Replacement Liquidity Provider and (2) the replacement of the applicable Liquidity Facility with the applicable Replacement Liquidity Facility and (z) the applicable Replacement Liquidity Provider shall be deemed to be a Liquidity Provider with the rights and obligations of a Liquidity Provider hereunder and under the other Operative Agreements and such Replacement Liquidity Facility shall be deemed to be a Liquidity Facility hereunder and under the other Operative Agreements.

(f) Cash Collateral Accounts; Withdrawals; Investments. If the Subordination Agent shall draw all available amounts under the Class A-1 Liquidity Facility, the Class A-2 Liquidity Facility, the Class B Liquidity Facility or the Class C Liquidity Facility pursuant to Section 3.06(c), 3.06(d) or 3.06(i), or in the event amounts are to be deposited in the Cash Collateral Account pursuant to subclause (A) or (B) of clause "third" of Section 2.04(b), subclause (A) or (B) of clause "third" of Section 3.02 or subclause (A) or (B) of clause "fourth" of Section 3.03, amounts so drawn

or to be deposited, as the case may be, shall be deposited by the Subordination Agent in the Class A-1 Cash Collateral Account, the Class A-2 Cash Collateral Account, the Class B Cash Collateral Account or the Class C Cash Collateral Account, respectively. All amounts on deposit in each Cash Collateral Account shall be invested and reinvested in Eligible Investments in accordance with Section 2.02(b). On each Interest Payment Date (or, in the case of any Special Distribution Date occurring prior to the occurrence of a Triggering Event, on such Special Distribution Date), Investment Earnings on amounts on deposit in each Cash Collateral Account (or in the case of any Special Distribution Date occurring prior to the occurrence of a Triggering Event, an amount of such Investment Earnings on amounts of deposits in each Cash Collateral Account equal to the product of such Investment Earnings multiplied by a fraction, the numerator of which is the aggregate outstanding principal amount of Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date and the denominator of which is the aggregate outstanding principal amount of all Equipment Notes) shall be deposited in the Collection Account (or, in the case of any Special Distribution Date occurring prior to the occurrence of a Triggering Event, the Special Payments Account) and applied on such Interest Payment Date (or Special Distribution Date, as the case may be) in accordance with Section 2.04(b), 3.02, 3.03 or 3.04(b) (as applicable). The Subordination Agent shall deliver a written statement to American and the Liquidity Provider one day prior to each Interest Payment Date and Special Distribution Date setting forth the aggregate amount of Investment Earnings held in the Cash Collateral Accounts as of such date. In addition, from and after the date funds are so deposited, the Subordination Agent shall make withdrawals from such account as follows:

(i) on each Distribution Date, the Subordination Agent shall, to the extent it shall not have received funds to pay accrued and unpaid interest due and owing on the Class A-1 Certificates (at the Stated Interest Rate for the Class A-1 Certificates) from any other source, withdraw from the Class A-1 Cash Collateral Account, and pay to the Class A-1 Trustee, an amount equal to the lesser of (x) an amount necessary to pay accrued and unpaid interest (at the Stated Interest Rate for the Class A-1 Certificates) on such Class A-1 Certificates and (y) the amount on deposit in the Class A-1 Cash Collateral Account;

(ii) on each Distribution Date, the Subordination Agent shall, to the extent it shall not have received funds to pay accrued and unpaid interest due and owing on the Class A-2 Certificates (at the Stated Interest Rate for the Class A-2 Certificates) from any other source, withdraw from the Class A-2 Cash Collateral Account, and pay to the Class A-2 Trustee, an amount equal to the lesser of (x) an amount necessary to pay accrued and unpaid interest (at the Stated Interest Rate for the Class A-2 Certificates) on such Class A-2 Certificates and (y) the amount on deposit in the Class A-2 Cash Collateral Account;

(iii) on each Distribution Date, the Subordination Agent shall, to the extent it shall not have received funds to pay accrued and unpaid interest due and owing on the Class B Certificates (at the Stated Interest Rate for the Class B Certificates) from any other source, withdraw from the Class B Cash Collateral Account, and pay to the Class B Trustee, an amount equal to the lesser of (x) an amount necessary to pay accrued and unpaid interest (at the Stated Interest Rate for the

Class B Certificates) on such Class B Certificates and (y) the amount on deposit in the Class B Cash Collateral Account;

(iv) on each Distribution Date, the Subordination Agent shall, to the extent it shall not have received funds to pay accrued and unpaid interest due and owing on the Class C Certificates (at the Stated Interest Rate for the Class C Certificates) from any other source, withdraw from the Class C Cash Collateral Account, and pay to the Class C Trustee, an amount equal to the lesser of (x) an amount necessary to pay accrued and unpaid interest (at the Stated Interest Rate for the Class C Certificates) on such Class C Certificates and (y) the amount on deposit in the Class C Cash Collateral Account;

(v) on each date on which the Pool Balance of the Class A-1 Trust shall have been reduced by payments made to the Class A-1 Certificateholders pursuant to Section 2.04(b), 3.02 or 3.03, the Subordination Agent shall withdraw from the Class A-1 Cash Collateral Account such amount as is necessary so that, after giving effect to the reduction of such Pool Balance on such date (including any such reduction resulting from a prior withdrawal of amounts on deposit in the Class A-1 Cash Collateral Account on such date) and any transfer of Investment Earnings from such Class A-1 Cash Collateral Account to the Collection Account or the Special Payments Account on such date, an amount equal to the sum of the Required Amount (with respect to the Class A-1 Liquidity Facility) plus the remaining Investment Earnings on deposit in such Class A-1 Cash Collateral Account (if any) will be on deposit in the Class A-1 Cash Collateral Account and shall, first, pay such withdrawn amount to the relevant Class A-1 Liquidity Provider until the Liquidity Obligations (with respect to the Class A-1 Certificates) owing to such Class A-1 Liquidity Provider shall have been paid in full and, second, deposit any remaining amount in the Collection Account;

(vi) on each date on which the Pool Balance of the Class A-2 Trust shall have been reduced by payments made to the Class A-2 Certificateholders pursuant to Section 2.04(b), 3.02 or 3.03, the Subordination Agent shall withdraw from the Class A-2 Cash Collateral Account such amount as is necessary so that, after giving effect to the reduction of such Pool Balance on such date (including any such reduction resulting from a prior withdrawal of amounts on deposit in the Class A-2 Cash Collateral Account on such date) and any transfer of Investment Earnings from such Class A-2 Cash Collateral Account to the Collection Account or the Special Payments Account on such date, an amount equal to the sum of the Required Amount (with respect to the Class A-2 Liquidity Facility) plus the remaining Investment Earnings on deposit in such Class A-2 Cash Collateral Account (if any) will be on deposit in the Class A-2 Cash Collateral Account and shall, first, pay such withdrawn amount to the relevant Class A-2 Liquidity Provider until the Liquidity Obligations (with respect to the Class A-2 Certificates) owing to such Class A-2 Liquidity Provider shall have been paid in full and, second, deposit any remaining amount in the Collection Account;

(vii) on each date on which the Pool Balance of the Class B Trust shall have been reduced by payments made to the Class B Certificateholders pursuant to Section 2.04(b), 3.02 or 3.03, the Subordination Agent shall withdraw from the Class B Cash Collateral Account such amount as is necessary so that, after giving effect to the reduction of such Pool Balance on such date (including

any such reduction resulting from a prior withdrawal of amounts on deposit in the Class B Cash Collateral Account on such date) and any transfer of Investment Earnings from such Class B Cash Collateral Account to the Collection Account or the Special Payments Account on such date, an amount equal to the sum of the Required Amount (with respect to the Class B Liquidity Facility) plus the remaining Investment Earnings on deposit in such Class B Cash Collateral Account (if any) will be on deposit in the Class B Cash Collateral Account and shall, first, pay such withdrawn amount to the relevant Class B Liquidity Provider until the Liquidity Obligations (with respect to the Class B Certificates) owing to such Class B Liquidity Provider shall have been paid in full and, second, deposit any remaining amount in the Collection Account;

(viii) on each date on which the Pool Balance of the Class C Trust shall have been reduced by payments made to the Class C Certificateholders pursuant to Section 2.04(b), 3.02 or 3.03, the Subordination Agent shall withdraw from the Class C Cash Collateral Account such amount as is necessary so that, after giving effect to the reduction of such Pool Balance on such date (including any such reduction resulting from a prior withdrawal of amounts on deposit in the Class C Cash Collateral Account on such date) and any transfer of Investment Earnings from such Class C Cash Collateral Account to the Collection Account or the Special Payments Account on such date, an amount equal to the sum of the Required Amount (with respect to the Class C Liquidity Facility) plus the remaining Investment Earnings on deposit in such Class C Cash Collateral Account (if any) will be on deposit in the Class C Cash Collateral Account and shall, first, pay such withdrawn amount to the relevant Class C Liquidity Provider until the Liquidity Obligations (with respect to the Class C Certificates) owing to such Liquidity Provider shall have been paid in full and, second, deposit any remaining amount in the Collection Account;

(ix) if a Replacement Liquidity Facility for any Class of Certificates shall be delivered to the Subordination Agent following the date on which funds have been deposited into the Cash Collateral Account for such Class of Certificates, the Subordination Agent shall withdraw all amounts remaining on deposit in such Cash Collateral Account and shall pay such amounts to the replaced Liquidity Provider until all Liquidity Obligations owed to such Person shall have been paid in full, and deposit any remaining amount in the Collection Account; and

(x) following the payment of Final Distributions with respect to any Class of Certificates, on the date on which the Subordination Agent shall have been notified by the Liquidity Provider for such Class of Certificates that the Liquidity Obligations owed to such Liquidity Provider have been paid in full, the Subordination Agent shall withdraw all amounts on deposit in the Cash Collateral Account in respect of such Class of Certificates and deposit such amount in the Collection Account.

(g) Reinstatement. With respect to any Interest Drawing under the Liquidity Facility for any Trust, upon the reimbursement of the applicable Liquidity Provider for all or any part of the amount of such Interest Drawing, together with any accrued interest thereon, the Available Amount of such Liquidity Facility shall be reinstated by an amount equal to the amount of such Interest Drawing so reimbursed to the applicable Liquidity Provider but not to exceed the Stated Amount for such Liquidity Facility; provided, however, that the Available Amount of such Liquidity Facility

shall not be so reinstated in part or in full at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Liquidity Facility or (y) a Final Drawing shall have occurred with respect to such Liquidity Facility. In the event that, with respect to any particular Liquidity Facility, (i) funds are withdrawn from any Cash Collateral Account pursuant to clause (i), (ii), (iii) or (iv) of Section 3.06(f) or (ii) such Liquidity Facility shall become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under such Liquidity Facility have reduced the Available Amount thereunder to zero, then funds received by the Subordination Agent at any time, other than (x) any time when both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing with respect to such Liquidity Facility or (y) any time after a Final Drawing shall have occurred with respect to such Liquidity Facility, shall be deposited in such Cash Collateral Account as and to the extent provided in clause "third" of Section 2.04(b), clause "third" of Section 3.02 or clause "fourth" of Section 3.03, as applicable, and applied in accordance with Section 3.06(f).

(h) Reimbursement. The amount of each drawing under the Liquidity Facilities shall be due and payable, together with interest thereon, on the dates and at the rates, respectively, provided in the Liquidity Facilities.

(i) Final Drawing. Upon receipt from a Liquidity Provider of a Termination Notice with respect to any Liquidity Facility, the Subordination Agent shall, not later than the date specified in such Termination Notice, in accordance with and to the extent permitted by the terms of such Liquidity Facility, request a drawing under such Liquidity Facility of all available and undrawn amounts thereunder (a "Final Drawing"). Amounts drawn pursuant to a Final Drawing shall be maintained and invested in accordance with Section 3.06(f).

(j) Reduction of Stated Amount. Promptly following each date on which the Required Amount of the Liquidity Facility for a Class of Certificates is reduced as a result of a reduction in the Pool Balance with respect to such Certificates, the Subordination Agent shall, if any such Liquidity Facility provides for reductions of the Stated Amount of such Liquidity Facility and if such reductions are not automatic, request such Liquidity Provider for such Class of Certificates to reduce such Stated Amount to an amount equal to the Required Amount with respect to such Liquidity Facility (as calculated by the Subordination Agent after giving effect to such payment). Each such request shall be made in accordance with the provisions of the applicable Liquidity Facility.

(k) Relation to Subordination Provisions. Interest Drawings under the Liquidity Facilities and withdrawals from the Cash Collateral Accounts, in each case, in respect of interest on the Certificates of any Class, will be distributed to the Trustee for such Class of Certificates, notwithstanding Sections 2.04(b), 3.02, 3.03 and 3.06.

(l) Assignment of Liquidity Facility. The Subordination Agent agrees not to consent to the assignment by any Liquidity Provider of any of its rights or obligations under any Liquidity

Facility or any interest therein unless (i) American shall have consented to such assignment and (ii) each Rating Agency shall have provided a Ratings Confirmation in respect of such assignment.

ARTICLE IV

EXERCISE OF REMEDIES

Section 4.01. Directions from the Controlling Party. (a) (i) Following the occurrence and during the continuation of an Indenture Event of Default under any Indenture, the Controlling Party shall direct the Subordination Agent, which in turn shall direct the Loan Trustee under such Indenture, in the exercise of remedies available to the holders of the Equipment Notes issued pursuant to such Indenture, including, without limitation, the ability to vote all such Equipment Notes in favor of Accelerating such Equipment Notes in accordance with the provisions of such Indenture. If the Equipment Notes issued pursuant to any Indenture have been Accelerated following an Indenture Event of Default with respect thereto, the Controlling Party may direct the Subordination Agent to sell, assign, contract to sell or otherwise dispose of and deliver all (but not less than all) of such Equipment Notes to any Person at public or private sale, at any location at the option of the Controlling Party, all upon such terms and conditions as it may reasonably deem advisable and in accordance with applicable law.

(ii) So long as any Certificates remain Outstanding, during the period ending on the date which is nine months after the earlier of (x) the Acceleration of the Equipment Notes issued pursuant to any Indenture or (y) the occurrence of an American Bankruptcy Event, without the consent of each Trustee, no Aircraft subject to the Lien of such Indenture or such Equipment Notes may be sold if the net proceeds from such sale would be less than the Minimum Sale Price for such Aircraft or such Equipment Notes.

(iii) At the request of the Controlling Party, the Subordination Agent may from time to time during the continuance of an Indenture Event of Default (and before the occurrence of a Triggering Event) commission an LTV Appraisal with respect to the Aircraft subject to such Indenture.

(iv) After a Triggering Event occurs and any Equipment Note becomes a Non-Performing Equipment Note, the Subordination Agent shall obtain Appraisals with respect to all of the Aircraft (the "LTV Appraisals") as soon as practicable and additional LTV Appraisals on or prior to each anniversary of the date of such initial LTV Appraisals; provided that, if the Controlling Party reasonably objects to the appraised value of the Aircraft shown in such LTV Appraisals, the Controlling Party shall have the right to obtain or cause to be obtained substitute LTV Appraisals (including any LTV Appraisals based upon physical inspection of the Aircraft).

(b) To the extent permitted by applicable law, the Subordination Agent, at the direction of the Controlling Party, shall take such actions as it may reasonably deem most effectual to complete the sale or other disposition of such Aircraft or Equipment Notes. In addition, in lieu of

any sale, assignment, contract to sell or other disposition, if the Subordination Agent is so directed by the Controlling Party, the Subordination Agent may maintain possession of such Equipment Notes and continue to apply monies received in respect of such Equipment Notes in accordance with Section 2.04(b) and Article III. In addition, in lieu of such sale, assignment, contract to sell or other disposition, or in lieu of such maintenance of possession, the Controlling Party may direct the Subordination Agent to, subject to the terms and conditions of the related Indenture, instruct the Loan Trustee under such Indenture to foreclose on the Lien on the related Aircraft or take any other remedial action permitted by such Indenture or applicable law.

Section 4.02. Remedies Cumulative. Each and every right, power and remedy given to the Trustees, the Liquidity Providers, the Controlling Party or the Subordination Agent specifically or otherwise in this Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may, subject always to the terms and conditions hereof, be exercised from time to time and as often and in such order as may be deemed expedient by any Trustee, any Liquidity Provider, the Controlling Party or the Subordination Agent, as appropriate, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by any Trustee, any Liquidity Provider, the Controlling Party or the Subordination Agent in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default or to be an acquiescence therein.

Section 4.03. Discontinuance of Proceedings. In case any party to this Agreement (including the Controlling Party in such capacity) shall have instituted any Proceeding to enforce any right, power or remedy under this Agreement by foreclosure, entry or otherwise, and such Proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Person instituting such Proceeding, then and in every such case each such party shall, subject to any determination in such Proceeding, be restored to its former position and rights hereunder, and all rights, remedies and powers of such party shall continue as if no such Proceeding had been instituted.

Section 4.04. Right of Certificateholders to Receive Payments Not to Be Impaired. Subject to the provisions of this Agreement and each Trust Agreement, the right of any Certificateholder or any Liquidity Provider, respectively, to receive payments hereunder (including, without limitation, pursuant to Section 2.04, 3.02 or 3.03) when due, or to institute suit for the enforcement of any such payment on or after the applicable Distribution Date, shall not be impaired or affected without the consent of such Certificateholder or such Liquidity Provider, respectively.

ARTICLE V

DUTIES OF THE SUBORDINATION AGENT;
AGREEMENTS OF TRUSTEES, ETC.

Section 5.01. Notice of Indenture Event of Default or Triggering Event. (a) If the Subordination Agent shall have knowledge of an Indenture Event of Default or a Triggering Event, the Subordination Agent shall promptly give notice thereof to the Rating Agencies, American, the Liquidity Providers and the Trustees by telegram, cable, facsimile or telephone (to be promptly confirmed in writing), unless such Indenture Event of Default or Triggering Event shall have been cured or waived. For all purposes of this Agreement, in the absence of actual knowledge, the Subordination Agent shall not be deemed to have knowledge of any Indenture Event of Default or Triggering Event unless notified in writing by American, one or more Trustees, one or more Liquidity Providers or one or more Certificateholders; and "actual knowledge" (as used in the foregoing clause) of the Subordination Agent shall mean actual knowledge of an officer in the Corporate Trust Office of the Subordination Agent.

(b) Other Notices. The Subordination Agent will furnish to each Liquidity Provider and Trustee, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Subordination Agent as registered holder of the Equipment Notes or otherwise in its capacity as Subordination Agent to the extent the same shall not have been otherwise directly distributed to such Liquidity Provider or Trustee, as applicable, pursuant to any other Operative Agreement.

Section 5.02. Indemnification. The Subordination Agent shall not be required to take any action or refrain from taking any action under Article IV unless the Subordination Agent shall have received indemnification against any risks incurred in connection therewith in form and substance reasonably satisfactory to it, including, without limitation, adequate advances against costs that may be incurred by it in connection therewith. The Subordination Agent shall not be required to take any action under Article IV, nor shall any other provision of this Agreement or any other Operative Agreement be deemed to impose a duty on the Subordination Agent to take any action, if the Subordination Agent shall have been advised by outside counsel that such action is contrary to the terms hereof or is otherwise contrary to law.

Section 5.03. No Duties Except as Specified in Intercreditor Agreement. The Subordination Agent shall not have any duty or obligation to take or refrain from taking any action under, or in connection with, this Agreement, except as expressly provided by the terms of this Agreement; and no implied duties or obligations shall be read into this Agreement against the Subordination Agent. The Subordination Agent agrees that it will, in its individual capacity and at its own cost and expense (but without any right of indemnity in respect of any such cost or expense) promptly take such action as may be necessary duly to discharge all Liens on any of the Trust Accounts or any monies deposited therein that are attributable to the Subordination Agent in its individual capacity and that are unrelated to the transaction contemplated hereby and by the other Operative Agreements.

Section 5.04. Notice from the Liquidity Providers and Trustees. If any Liquidity Provider or Trustee has notice of an Indenture Event of Default or a Triggering Event, such Person shall promptly give notice thereof to all other Liquidity Providers and Trustees and to the Subordination Agent; provided, however, that no such Person shall have any liability hereunder as a result of its failure to deliver any such notice.

ARTICLE VI

THE SUBORDINATION AGENT

Section 6.01. Authorization; Acceptance of Trusts and Duties. Each of the Class A-1 Trustee, the Class A-2 Trustee, the Class B Trustee and the Class C Trustee hereby designates and appoints the Subordination Agent as the agent and trustee of such Trustee under the applicable Liquidity Facility and authorizes the Subordination Agent to enter into the applicable Liquidity Facility as agent and trustee for such Trustee. Each of the Liquidity Providers and the Trustees hereby designates and appoints the Subordination Agent as the Subordination Agent under this Agreement. State Street accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Agreement and agrees to receive, handle and disburse all monies received by it in accordance with the terms hereof. The Subordination Agent shall have no liability hereunder except (a) for its own willful misconduct or negligence, (b) as provided in Section 2.02 and the last sentence of Section 5.03, (c) for liabilities that may result from the inaccuracy of any representation or warranty of the Subordination Agent made in its individual capacity in any Operative Agreement and (d) as otherwise expressly provided herein or in the other Operative Agreements.

Section 6.02. Absence of Duties. The Subordination Agent shall have no duty to see to any recording or filing of this Agreement or any other document, or to see to the maintenance of any such recording or filing.

Section 6.03. No Representations or Warranties as to Documents. The Subordination Agent shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of this Agreement or any other Operative Agreement or as to the correctness of any statement contained herein or therein (other than the representations and warranties of the Subordination Agent made in its individual capacity under any Operative Agreement), except that the Subordination Agent hereby represents and warrants that each of said specified documents to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf. The Certificateholders, the Trustees and the Liquidity Providers make no representation or warranty hereunder whatsoever.

Section 6.04. No Segregation of Monies; No Interest. Any monies paid to or retained by the Subordination Agent pursuant to any provision hereof and not then required to be distributed to any Trustee or any Liquidity Provider as provided in Articles II and III or deposited into one or more

Trust Accounts need not be segregated in any manner except to the extent required by such Articles II and III and by law, and the Subordination Agent shall not (except as otherwise provided in Section 2.02) be liable for any interest thereon; provided, however, that any payments received or applied hereunder by the Subordination Agent shall be accounted for by the Subordination Agent so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

Section 6.05. Reliance; Agents; Advice of Counsel. The Subordination Agent shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. As to the Pool Balance of any Trust as of any date, the Subordination Agent may for all purposes hereof rely on a certificate signed by any Responsible Officer of the applicable Trustee, and such certificate shall constitute full protection to the Subordination Agent for any action taken or omitted to be taken by it in good faith in reliance thereon. As to any fact or matter relating to the Liquidity Providers or the Trustees the manner of ascertainment of which is not specifically described herein, the Subordination Agent may for all purposes hereof rely on a certificate, signed by any Responsible Officer of the applicable Liquidity Provider or Trustee, as the case may be, as to such fact or matter, and such certificate shall constitute full protection to the Subordination Agent for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Subordination Agent may (a) execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and (b) consult with counsel, accountants and other skilled Persons to be selected and retained by it. The Subordination Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons acting within such counsel's, accountants' or Person's area of competence (so long as the Subordination Agent shall have exercised reasonable care and judgment in selecting such Persons).

Section 6.06. Capacity in Which Acting. The Subordination Agent acts hereunder solely as agent and trustee herein and not in its individual capacity, except as otherwise expressly provided in the Operative Agreements.

Section 6.07. Compensation. The Subordination Agent shall be entitled to such compensation, including reasonable expenses and disbursements, for all services rendered hereunder as American and the Subordination Agent may agree from time to time in writing and shall have a priority claim to the extent set forth in Article III on all monies collected hereunder for the payment of such compensation, to the extent that such compensation shall not be paid by others. The Subordination Agent agrees that it shall have no right against any Trustee or Liquidity Provider for any fee as compensation for its services as agent under this Agreement. The provisions of this Section 6.07 shall survive the termination of this Agreement.

Section 6.08. May Become Certificateholder. The institution acting as Subordination Agent hereunder may become a Certificateholder and have all rights and benefits of a Certificateholder to the same extent as if it were not the institution acting as the Subordination Agent.

Section 6.09. Subordination Agent Required; Eligibility. There shall at all times be a Subordination Agent hereunder that is a Citizen of the United States, a bank, trust company or other financial institution organized and doing business under the laws of the United States or any state thereof and eligible to act as a trustee under Section 310(a) of the Trust Indenture Act of 1939, as amended, and that has a combined capital and surplus of at least \$75,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized under the laws of the United States or any State or territory thereof or the District of Columbia and having a combined capital and surplus of at least \$75,000,000). If such bank, trust company or other financial institution or such corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 6.09 the combined capital and surplus of such bank, trust company or other financial institution or such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published.

In case at any time the Subordination Agent shall cease to be eligible in accordance with the provisions of this Section 6.09, the Subordination Agent shall resign immediately in the manner and with the effect specified in Section 7.01.

Section 6.10. Money to Be Held in Trust. All Equipment Notes, monies and other property deposited with or held by the Subordination Agent pursuant to this Agreement shall be held in trust for the benefit of the parties entitled to such Equipment Notes, monies and other property.

ARTICLE VII

SUCCESSOR SUBORDINATION AGENT

Section 7.01. Replacement of Subordination Agent; Appointment of Successor. (a) The Subordination Agent or any successor thereto must resign if at any time it fails to comply with Section 6.09 and may resign at any time without cause by giving 60 days' prior written notice to American, the Trustees and the Liquidity Providers. The Controlling Party (or the party that would be the Controlling Party if an Indenture Event of Default had occurred) shall remove the Subordination Agent if:

(1) the Subordination Agent fails to comply with Section 6.09;

(2) the Subordination Agent is adjudged bankrupt or insolvent;

(3) a receiver of the Subordination Agent shall be appointed or any public officer shall take charge or control of the Subordination Agent or its property or affairs for the purpose of rehabilitation, conservation or liquidation; or

(4) the Subordination Agent otherwise becomes incapable of acting.

If the Subordination Agent resigns or is removed or if a vacancy exists in the office of Subordination Agent for any reason (the Subordination Agent in such event being referred to herein as the retiring Subordination Agent), the Controlling Party (or the party that would be the Controlling Party if an Indenture Event of Default had occurred) shall promptly appoint a successor Subordination Agent. If a successor Subordination Agent shall not have been appointed within 60 days after such notice of resignation or removal, the retiring Subordination Agent, one or more of the Trustees or one or more of the Liquidity Providers may petition any court of competent jurisdiction for the appointment of a successor Subordination Agent to act until such time, if any, as a successor shall have been appointed as provided above.

A successor Subordination Agent shall deliver (x) a written acceptance of its appointment as Subordination Agent hereunder to the retiring Subordination Agent and (y) a written assumption of its obligations hereunder and under each Liquidity Facility to each party hereto, upon which the resignation or removal of the retiring Subordination Agent shall become effective, and the successor Subordination Agent shall have all the rights, powers and duties of the Subordination Agent under this Agreement. The successor Subordination Agent shall mail a notice of its succession to the Liquidity Providers and the Trustees. The retiring Subordination Agent shall promptly transfer its rights under each of the Liquidity Facilities and all of the property and all books and records, or true, complete and correct copies thereof, held by it as Subordination Agent to the successor Subordination Agent.

If the Subordination Agent fails to comply with Section 6.09 (to the extent applicable), one or more of the Trustees or one or more of the Liquidity Providers may petition a court of competent jurisdiction for the removal of the Subordination Agent and the appointment of a successor Subordination Agent.

Notwithstanding the foregoing, no resignation or removal of the Subordination Agent shall be effective unless and until a successor has been appointed. No appointment of a successor Subordination Agent shall be effective unless and until the Rating Agencies shall have delivered a Ratings Confirmation.

(b) Any corporation into which the Subordination Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Subordination Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Subordination Agent, shall be the successor of the Subordination Agent hereunder, provided that such corporation shall be otherwise qualified and eligible under Section 6.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE VIII

SUPPLEMENTS AND AMENDMENTS

Section 8.01. Amendments, Waivers, Etc. (a) This Agreement may not be supplemented, amended or modified without the consent of each Trustee (acting, except in the case of any amendment pursuant to Section 3.06(e)(v)(y) or any amendment contemplated by the last sentence of this Section 8.01(a), with the consent of holders of Certificates of the related Class evidencing Fractional Undivided Interests in the related Trust aggregating not less than a majority in interest in such Trust or as otherwise authorized pursuant to the relevant Trust Agreement (including, without limitation, without the consent of the Certificateholders to the extent permitted thereby, Section 9.01 of the Basic Agreement)), the Subordination Agent and each Liquidity Provider; provided, however, that this Agreement may be supplemented, amended or modified without the consent of any Trustee in order (i) to cure any ambiguity or omission or to correct any mistake, (ii) to correct or supplement any provision, or (iii) to make any other provision in regard to matters or questions arising hereunder that will not materially adversely affect the interests of any Trustee or the holders of the related Class of Certificates, and without the consent of any Liquidity Provider if such supplement, amendment or modification is in accordance with Section 8.01(c); provided further, however, that, if such supplement, amendment or modification (x) would directly or indirectly amend, modify or supersede, or otherwise conflict with, Section 2.02(b), 3.06(c), 3.06(e), 3.06(f) (other than the last sentence thereof), 3.06(l), this proviso of 8.01(a), the last sentence of 8.01(a), 8.01(c) or 9.06 (collectively, the "American Provisions"), (y) would otherwise affect the interests of a potential Replacement Liquidity Provider or of American with respect to its ability to replace any Liquidity Facility or with respect to its payment obligations under any Operative Agreement or (z) is made pursuant to the last sentence of this Section 8.01(a) or pursuant to Section 8.01(c), then such supplement, amendment or modification shall not be effective without the additional written consent of American. Notwithstanding the foregoing, without the consent of each Certificateholder affected thereby and each Liquidity Provider, no supplement, amendment or modification of this Agreement may (i) reduce the percentage of the interest in any Trust evidenced by the Certificates issued by such Trust necessary to consent to modify or amend any provision of this Agreement or to waive compliance therewith or (ii), except as provided in the last sentence of this Section 8.01(a), modify Section 2.04, 3.02 or 3.03 hereof relating to the distribution of monies received by the Subordination Agent hereunder from the Equipment Notes or pursuant to the Liquidity Facilities. Nothing contained in this Section 8.01(a) shall require the consent of a Trustee at any time following the payment of Final Distributions with respect to the related Class of Certificates. If the Replacement Liquidity Facility for any Liquidity Facility is to be comprised of more than one instrument as contemplated by the definition of the term "Replacement Liquidity Facility", then each party hereto agrees to amend this Agreement and the other Operative Agreements to incorporate appropriate mechanics for multiple Liquidity Facilities for a single Trust.

(b) Subject to Section 2.06, if the Subordination Agent, as the registered holder of any Equipment Notes, receives a request for its consent to any amendment, modification, consent or waiver under such Equipment Notes, the Indenture pursuant to which such Equipment Notes were

issued or the related Participation Agreement or other related document, (i) if no Indenture Event of Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent shall request directions with respect to each series of such Equipment Notes from the Trustee of the Trust which holds such Equipment Notes and shall vote or consent in accordance with the directions of such Trustee and (ii) if any Indenture Event of Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent will exercise its voting rights as directed by the Controlling Party, subject to Section 4.01 and 4.04; provided that no such amendment, modification, consent or waiver shall, without the consent of each Liquidity Provider, reduce the amount of principal or interest payable by American under any Equipment Note.

(c) If Class D Certificates are issued, this Agreement shall be amended by written agreement of the Subordination Agent and the Trustees to provide for the subordination of such Class D Certificates to the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates substantially in the same manner as the Class C Certificates are subordinated hereunder to the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates. No such amendment shall materially adversely affect any Trustee. The amendment to this Agreement to give effect to the issuance of any Class D Certificates shall, without limitation:

(i) add the Class D Trustee as a party to this Agreement;

(ii) revise the definitions of "Cash Collateral Account", "Certificate", "Class", "Controlling Party", "Equipment Notes", "Final Legal Distribution Date", "Liquidity Facility", "Liquidity Provider", "LTV Ratio", "Stated Interest Rate", "Trust", "Trust Agreement" and "Trustee", as appropriate, to reflect the issuance of the Class D Certificates (and the subordination thereof); and

(iii) revise the provisions of this Agreement governing payments with respect to Certificates and related notices, including, without limitation, Sections 2.04, 3.01, 3.02, 3.03 and 3.06, if necessary, to provide for distributions on the Class D Certificates after payment of all relevant distributions on the Class C Certificates.

If, with respect to any Aircraft, Series D Equipment Notes are issued to any Person other than the Class D Trust, this Agreement shall be amended by written agreement of the indenture trustees of the equipment notes held by the Class D Trust, the Trustees and the Subordination Agent to (i) provide for each holder of a Series D Equipment Note to be bound by the provisions of Section 2.06(a) so that the Controlling Party, among other things, shall be entitled to direct the Loan Trustee under the applicable Indenture as provided in such Section 2.06(a) (and such Series D Equipment Notes shall make effective provision therefor so as to bind each holder thereof to such provisions of Section 2.06(a)) and (ii) to revise the definitions of "Controlling Party" and "Equipment Notes", as appropriate, to reflect the issuance of the Series D Equipment Notes (and the prior rights, as against the holders of such Series D Equipment Notes, of the Class A-1 Trustee, the Class A-2 Trustee, the Class B Trustee and the Class C Trustee to be such "Controlling Party"). No such amendment shall materially adversely affect any Trustee.

Section 8.02. Subordination Agent Protected. If, in the reasonable opinion of the institution acting as the Subordination Agent hereunder, any document required to be executed by it pursuant to the terms of Section 8.01 adversely affects any right, duty, immunity or indemnity with respect to such institution under this Agreement or any Liquidity Facility, the Subordination Agent may in its discretion decline to execute such document.

Section 8.03. Effect of Supplemental Agreements. Upon the execution of any amendment, consent or supplement hereto pursuant to the provisions hereof, this Agreement shall be and shall be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Agreement of the parties hereto and beneficiaries hereof shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental agreement shall be and be deemed to be part of the terms and conditions of this Agreement for any and all purposes. In executing or accepting any supplemental agreement permitted by this Article VIII, the Subordination Agent shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental agreement is authorized or permitted by this Agreement.

Section 8.04. Notice to Rating Agencies. Promptly following its receipt of each amendment, consent, modification, supplement or waiver contemplated by this Article VIII, the Subordination Agent shall send a copy thereof to each Rating Agency.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Termination of Intercreditor Agreement. Upon (or at any time after) payment of Final Distributions with respect to each Class of Certificates and the payment in full of all Liquidity Obligations to the Liquidity Providers and provided that there shall then be no other amounts due to the Certificateholders, the Trustees, the Liquidity Providers and the Subordination Agent hereunder or under the Trust Agreements, and that the commitment of the Liquidity Providers under the Liquidity Facilities shall have expired or been terminated, this Agreement shall terminate and shall be of no further force or effect. Except as aforesaid or otherwise provided, this Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 9.02. Intercreditor Agreement for Benefit of Trustees, Liquidity Providers and Subordination Agent. Subject to the second sentence of Section 9.06 and the provisions of Section 4.04, nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the Trustees, the Liquidity Providers and the Subordination Agent any legal or equitable right, remedy or claim under or in respect of this Agreement.

Section 9.03. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class United States mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received),

if to the Subordination Agent, to:

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

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

if to any Trustee, to:

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

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

if to the Liquidity Provider,

if by mail to:

Bayerische Landesbank Girozentrale
c/o Bayerische Landesbank Girozentrale, New York Branch
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

(with a copy to the address of the Liquidity Provider set forth below)

and if by other means of communication to:

Bayerische Landesbank Girozentrale
Brienner Strasse 18
D-80333 Munich, Germany
Attention: Aircraft Finance Department, 7650

Telephone: 49-89-2171-2360
Telecopy: 49-89-2171-3763

Any party hereto, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

Section 9.04. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.05. No Oral Modifications or Continuing Waivers. No terms or provisions of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party or other Person against whom enforcement of the change, waiver, discharge or termination is sought and any other party or other Person whose consent is required pursuant to this Agreement and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 9.06. Successors and Assigns. All covenants and agreements contained herein shall bind and inure to the benefit of, and be enforceable by, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. In addition, the American Provisions shall inure to the benefit of American and its successors and permitted assigns, and (without limitation of the foregoing) American is hereby constituted, and agreed to be, an express third party beneficiary of the American Provisions.

Section 9.07. Headings. The headings of the various Articles and Sections herein and in the Table of Contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 9.08. Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this Agreement including a signature page or pages executed by each of the parties hereto shall be an

original counterpart of this Agreement, but all of such counterparts together constitute one instrument.

Section 9.09. Subordination. (a) As among the Trustees, and as between the Liquidity Providers, on the one hand, and the Trustees and the Certificateholders, on the other hand, this Agreement shall be a subordination agreement for purposes of Section 510 of the United States Bankruptcy Code, as amended from time to time. In addition, as among the Trustees and the Certificateholders of each Class, this Agreement shall be a subordination agreement for purposes of such Section 510.

(b) Notwithstanding the provisions of this Agreement, if prior to the payment in full to the Liquidity Providers of all Liquidity Obligations then due and payable or prior to the distribution in full of any other amount distributable hereunder, any party hereto shall have received any payment or distribution in respect of Equipment Notes or any other amount under the Indentures or other Operative Agreements which, had the subordination provisions of this Agreement been properly applied to such payment, distribution or other amount, would not have been distributed to such Person, then such payment, distribution or other amount shall be received and held in trust by such Person and paid over or delivered to the Subordination Agent for application as provided herein.

(c) If any Trustee, any Liquidity Provider or the Subordination Agent receives any payment in respect of any obligations owing or amounts distributable hereunder (or, in the case of the Liquidity Providers, in respect of the Liquidity Obligations), which is subsequently invalidated, declared preferential, set aside and/or required to be repaid to a trustee, receiver or other party, then, to the extent of such payment, such obligations or amounts (or, in the case of the Liquidity Providers, such Liquidity Obligations) intended to be satisfied shall be revived and continue in full force and effect as if such payment had not been received.

(d) The Trustees (on behalf of themselves and the holders of Certificates), the Liquidity Providers and the Subordination Agent expressly confirm and agree that the payment priorities and subordination specified in Articles II and III shall apply in all circumstances, notwithstanding (x) the fact that the obligations owed to the Trustees are secured by certain assets and the Liquidity Obligations are not so secured and (y) the occurrence of an American Bankruptcy Event or any similar event or occurrence relating to any other Person (it being expressly agreed that the payment priorities and subordination specified in Articles II and III shall apply whether or not a claim for post-petition or post-filing interest is allowed in the proceedings resulting from such American Bankruptcy Event or other event or occurrence). The Trustees expressly agree (on behalf of themselves and the holders of Certificates) not to assert priority over the holders of Liquidity Obligations due to their status as secured creditors in any bankruptcy, insolvency or other legal proceeding.

(e) Each of the Trustees (on behalf of themselves and the holders of Certificates), the Liquidity Providers and the Subordination Agent may take any of the following actions without impairing its rights under this Agreement:

(i) obtain a Lien on any property to secure any amounts owing to it hereunder, including, in the case of the Liquidity Providers, the Liquidity Obligations;

(ii) obtain the primary or secondary obligation of any other obligor with respect to any amounts owing to it hereunder, including, in the case of the Liquidity Providers, any of the Liquidity Obligations;

(iii) renew, extend, increase, alter or exchange any amounts owing to it hereunder, including, in the case of the Liquidity Providers, any of the Liquidity Obligations, or release or compromise any obligation of any obligor with respect thereto;

(iv) refrain from exercising any right or remedy, or delay in exercising any right or remedy, which it may have; or

(v) take any other action which might discharge a subordinated party or a surety under applicable law;

provided, however, that the taking of any such actions by any of the Trustees, the Liquidity Providers or the Subordination Agent shall not prejudice the rights or adversely affect the obligations of any other party under this Agreement.

Section 9.10. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 9.11. Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity.

(a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Agreements hereby (a) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (b) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

(b) EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the parties warrants and represents that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with such legal counsel. THIS WAIVER IS IRREVOCABLE AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(c) Each Liquidity Provider hereby waives any immunity it may have from the jurisdiction of the courts of the United States or of any state thereof and waives any immunity any of its properties located in the United States may have from attachment or execution upon a judgment entered by any such court under the United States Foreign Sovereign Immunities Act of 1976 or any similar successor legislation.

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

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Trustee for each of the Trusts

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

BAYERISCHE LANDESBANK GIROZENTRALE,
as Class A-1 Liquidity Provider,
Class A-2 Liquidity Provider,
Class B Liquidity Provider and
Class C Liquidity Provider

By: /s/ BERND LONNER

Name: Bernd Lonner
Title: Vice President

By: /s/ RUDIGER FERN

Name: Rudiger Fern
Title: Senior Vice President

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

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

=====

REVOLVING CREDIT AGREEMENT
(1999-1A-1)

Dated as of October 6, 1999

between

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Subordination Agent,
as agent and trustee for the trustee of
American Airlines Pass Through Trust 1999-1A-1

as Borrower

and

BAYERISCHE LANDESBANK GIROZENTRALE,

as Liquidity Provider

=====

American Airlines Pass Through Trust 1999-1A-1
6.855% American Airlines
Pass Through Certificates,
Series 1999-1A-1

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of October 6, 1999, is made by and between STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Subordination Agent (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Intercreditor Agreement (as defined below), as agent and trustee for the Class A-1 Trustee (in such capacity, together with its successors in such capacity, the "Borrower"), and BAYERISCHE LANDESBANK GIROZENTRALE, a public law banking institution organized under the laws of the Free State of Bavaria, Germany (the "Liquidity Provider").

W I T N E S S E T H:

WHEREAS, pursuant to the Class A-1 Trust Agreement, the Class A-1 Trust is issuing the Class A-1 Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class A-1 Certificates in accordance with their terms, has requested the Liquidity Provider to enter into this Agreement, providing in part for the Borrower to request in specified circumstances that Advances be made hereunder;

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

"Applicable Margin" means with respect to any Unpaid Advance or Applied Provider Advance, 1.75%.

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

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

"Applied Provider Advance" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

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

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

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

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

"Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Dallas, Texas, or, so long as any Class A-1 Certificate is outstanding, the city and state in which the Class A-1 Trustee, the Borrower or any related Loan Trustee maintains its Corporate Trust Office or receives or disburses funds, and, if the applicable Business Day relates to any Advance or other amount bearing interest based on the LIBOR Rate, on which dealings are carried on in the London interbank market.

"Consent Notice" has the meaning specified in Section 2.10.

"Consent Period" has the meaning specified in Section 2.10.

"Covered Taxes" means any Taxes imposed by the United States or any political subdivision or taxing authority thereof or therein required by law to be deducted or withheld from any amounts payable to the Liquidity Provider under this Agreement other than (i) any Tax on, based on or measured by net income, franchises or conduct of business, (ii) any Tax imposed, levied, withheld or assessed as a result of any connection between the Liquidity Provider and the United States or such political subdivision or taxing authority, other than a connection arising solely from the Liquidity Provider's having executed, delivered, performed its obligations or received a payment under, or enforced, any Operative Agreement, (iii) any Tax attributable to the inaccuracy in or breach by the Liquidity Provider of any of its representations, warranties or covenants contained in any Operative Agreement to which it is a party or the inaccuracy of any form or document furnished pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and Germany or a change in the Code that overrides the provisions of such treaty or (v) any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld).

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

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

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

"Expiry Date" means October 4, 2000, initially, or any date to which the Expiry Date is extended pursuant to Section 2.10.

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

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

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

"Interest Advance" means an Advance made pursuant to Section 2.02(a).

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

(i) the period beginning on the third Business Day following either (A) the Liquidity Provider's receipt of the Notice of Borrowing for such LIBOR Advance or (B) the date of the withdrawal of funds from the Class A-1 Cash Collateral Account for the purpose of paying interest on the Class A-1 Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next Regular Distribution Date; and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the next Regular Distribution Date;

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

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

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

"LIBOR Rate" means, with respect to any Interest Period, (a) the interest rate per annum equal to the rate per annum at which deposits in Dollars are offered in the London interbank market as shown on Page 3750 of the Telerate Systems Incorporated screen service (or such other page as may replace Telerate Page 3750), or if such service is not available, Page LIBO of the Reuters Money Service Monitor System (or such other page as may replace Reuters Page LIBO) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period, for a period comparable to such Interest Period, or (b) if no such rate is published on either such service or if neither of such services is then available, the interest rate per

annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

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

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

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

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

"Maximum Commitment" means initially \$15,773,747.00, as the same may be reduced from time to time in accordance with Section 2.04(a).

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

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

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

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

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

"Permitted Transferee" means any Person that:

- (a) is not a commercial air carrier, American or any affiliate of American; and
- (b) is any one of:
 - (1) a commercial banking institution organized under the laws of the United States or any state thereof or the District of Columbia;
 - (2) a commercial banking institution that (x) is organized under the laws of France, Germany, The Netherlands, Switzerland or the United Kingdom, (y) is entitled on the date it acquires any Participation to a complete exemption from United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under an income tax treaty, as in effect on such date, between the United States and such jurisdiction of its organization and (z) is engaged in the active conduct of a banking business in such jurisdiction of its organization, holds its Participation in connection with such banking business in such jurisdiction and is regulated as a commercial banking institution by the appropriate regulatory authorities in such jurisdiction; or
 - (3) a commercial banking institution that (x) is organized under the laws of Canada, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Sweden, Switzerland or the United Kingdom and (y) is entitled on the date it acquires any Participation to a complete exemption from withholding of United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under laws as in effect on such date by reason of such income being effectively connected with the conduct of a trade or business within the United States.

"Prospectus Supplement" means the Prospectus Supplement dated September 23, 1999, relating to the Certificates, as such Prospectus Supplement may be amended or supplemented.

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

"Reference Banks" means the principal London offices of: National Westminster Bank, plc; Morgan Guaranty Trust Company of New York; The Chase Manhattan Bank; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the Liquidity Provider.

"Regulatory Change" means the enactment, adoption or promulgation, after the date of this Agreement, of any law or regulation by a United States federal or state government or by the government of the Liquidity Provider's jurisdiction of organization, or any change, after the date of this Agreement, in any such law or regulation, or in the interpretation thereof by any governmental authority, central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Liquidity Provider including, or by reason of, the Advances or (b) any capital adequacy requirement requiring the maintenance by the Liquidity Provider of additional capital in respect of any Advances or the Liquidity Provider's obligation to make any such Advances.

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

"Required Amount" means, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for the Class A-1 Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on the Class A-1 Certificates on each of the three successive semiannual Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding two semiannual Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class A-1 Certificates on such day and without regard to expected future distributions of principal on the Class A-1 Certificates.

"Termination Date" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class A-1 Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class A-1 Trust Agreement) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.06(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01; and (v) the date on which no Advance is or may (including by reason of reinstatement as herein provided) become available for a Borrowing hereunder.

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

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

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

"Withdrawal Notice" has the meaning specified in Section 2.10.

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

"Acceleration", "American", "American Bankruptcy Event", "Certificate", "Class A-1 Cash Collateral Account", "Class A-1 Certificates", "Class A-1 Certificateholders", "Class A-1 Trust", "Class A-1 Trust Agreement", "Class A-1 Trustee", "Class A-2 Certificates", "Class B Certificates", "Class C Certificates", "Closing Date", "Collection Account", "Controlling Party", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgraded Facility", "Equipment Notes", "Fee Letter", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Facility", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non-Extended Facility", "Operative Agreements", "Participation Agreements", "Performing Equipment Note", "Person", "Pool Balance", "Rating Agencies", "Ratings Confirmation", "Regular Distribution Date", "Replacement Liquidity Facility", "Responsible Officer", "Scheduled Payment", "Special Payment", "S&P", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Trust Agreement", "Trustee", "Underwriters", "Underwriting Agreement", "United States" and "Written Notice".

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01. The Advances. The Liquidity Provider hereby irrevocably agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until 12:00 noon (New York City time) on the Expiry Date (unless the obligations of the Liquidity Provider shall be earlier terminated in accordance with the terms of Section 2.04(b)) in an aggregate amount at any time outstanding not to exceed the Maximum Commitment.

Section 2.02. Making of Advances. (a) Each Interest Advance shall be made by the Liquidity Provider upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex I, signed by a Responsible Officer of the Borrower, such Interest Advance to be in an amount not exceeding the Maximum Available Commitment at such time and used solely for the payment when due of interest with respect to the Class A-1 Certificates at the Stated Interest Rate therefor in accordance with Section 3.06(a) and 3.06(b) of the Intercreditor Agreement. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Upon repayment to the Liquidity Provider in full or in part of the amount of any Interest Advance made pursuant to this Section 2.02(a), together with accrued interest thereon (as provided herein), the Maximum Available Commitment shall be reinstated by an amount equal

to the amount of such Interest Advance so repaid, but not to exceed the Maximum Commitment; provided, however, that the Maximum Available Commitment shall not be so reinstated at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Drawing shall have occurred.

(b) Subject to Section 2.10, a Non-Extension Advance shall be made by the Liquidity Provider if this Agreement is not extended in accordance with Section 3.06(d) of the Intercreditor Agreement (unless a Replacement Liquidity Facility to replace this Agreement shall have been delivered to the Borrower as contemplated by said Section 3.06(d) within the time period specified in such Section 3.06(d)) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex II, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A-1 Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement.

(c) A Downgrade Advance shall be made by the Liquidity Provider if at any time the short-term unsecured debt rating of the Liquidity Provider issued by either Rating Agency (or if the Liquidity Provider does not have a short-term unsecured debt rating issued by a given Rating Agency, the long-term unsecured debt rating of the Liquidity Provider issued by such Rating Agency) is lower than the applicable Threshold Rating (as provided for in Section 3.06(c) of the Intercreditor Agreement) unless a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with said Section 3.06(c), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex III, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A-1 Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement.

(d) A Final Advance shall be made by the Liquidity Provider following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01 upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex IV, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A-1 Cash Collateral Account (in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement).

(e) Each Borrowing shall be made on notice in writing (a "Notice of Borrowing") in substantially the form required by Section 2.02(a), 2.02(b), 2.02(c) or 2.02(d), as the case may be, given by the Borrower to the Liquidity Provider. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 1:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 4:00 p.m. (New York City time) on such Business Day or before 1:00 p.m. (New York City time) on such later Business Day specified in such Notice of Borrowing. If a Notice of

Borrowing is delivered by the Borrower in respect of any Borrowing after 1:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 1:00 p.m. (New York City time) on the first Business Day next following the day of receipt of such Notice of Borrowing or on such later Business Day specified by the Borrower in such Notice of Borrowing. Payments of proceeds of a Borrowing shall be made by wire transfer of immediately available funds to the Borrower in accordance with such wire transfer instructions as the Borrower shall furnish from time to time to the Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider's New York branch at the address specified in Section 7.02 hereof.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Liquidity Provider shall not thereafter be obligated to make any further Advances hereunder in respect of such Notice of Borrowing to the Borrower or to any other Person (including the Trustee or any Class A-1 Certificateholder). If the Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 12:00 noon (New York City time) on the second Business Day after the date of payment specified in said Section 2.02(e), the Liquidity Provider shall have fully discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) to fund the Class A-1 Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Class A-1 Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class A-1 Cash Collateral Account; provided that the foregoing shall not affect or impair the obligations of the Subordination Agent to make the distributions contemplated by Section 3.06(e) or 3.06(f) of the Intercreditor Agreement and provided further, that the foregoing shall not affect or impair the rights of the Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class A-1 Cash Collateral Account to the extent provided in Section 2.02(b) of the Intercreditor Agreement. By paying to the Borrower proceeds of Advances requested by the Borrower in accordance with the provisions of this Agreement, the Liquidity Provider makes no representation as to, and assumes no responsibility for, the correctness or sufficiency for any purpose of the amount of the Advances so made and requested.

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

Section 2.04. Reduction or Termination of the Maximum Commitment. (a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a reduction in the Pool Balance of the Class A-1 Certificates or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower). The Borrower shall give notice of any such automatic reduction of

the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Liquidity Provider to make further Advances hereunder shall automatically and irrevocably terminate, and the Borrower shall not be entitled to request any further Borrowing hereunder.

Section 2.05. Repayments of Interest Advances or the Final Advance. Subject to Sections 2.06, 2.07 and 2.09 hereof, the Borrower hereby agrees, without notice of an Advance or demand for repayment from the Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Liquidity Provider (a) on each date on which the Liquidity Provider shall make an Interest Advance or the Final Advance, an amount equal to the amount of such Advance (any such Advance, until repaid, is referred to herein as an "Unpaid Advance"), plus (b) interest on the amount of each such Unpaid Advance in the amounts and on the dates determined as provided in Section 3.07; provided that if (i) the Liquidity Provider shall make a Provider Advance at any time after making one or more Interest Advances which shall not have been repaid in accordance with this Section 2.05 or (ii) this Liquidity Facility shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero, then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)). The Borrower and the Liquidity Provider agree that the repayment in full of each Interest Advance and Final Advance on the date such Advance is made is intended to be a contemporaneous exchange for new value given to the Borrower by the Liquidity Provider. For the avoidance of doubt, interest payable on an Interest Advance or the Final Advance shall not be regarded as overdue unless such interest is not paid when due under Section 3.07.

Section 2.06. Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Class A-1 Cash Collateral Account and invested and withdrawn from the Class A-1 Cash Collateral Account as set forth in Sections 3.06(c), 3.06(d), 3.06(e) and 3.06(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Liquidity Provider, on each Regular Distribution Date, commencing on the first Regular Distribution Date after the making of a Provider Advance, interest on the principal amount of any such Provider Advance, in the amounts determined as provided in Section 3.07; provided, however, that amounts in respect of a Provider Advance withdrawn from the Class A-1 Cash Collateral Account for the purpose of paying interest on the Class A-1 Certificates in accordance with Section 3.06(f) of the Intercreditor Agreement (the amount of any such withdrawal being (y) in the case of a Downgrade Advance, an "Applied Downgrade Advance" and (z) in the case of a Non-Extension Advance, an "Applied Non-Extension Advance" and, together with an Applied

Downgrade Advance, an "Applied Provider Advance") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable; provided further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01, such Provider Advance shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable. Subject to Sections 2.07 and 2.09 hereof, immediately upon the withdrawal of any amounts from the Class A-1 Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount prepaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance (or any portion thereof) is outstanding, upon the deposit in the Class A-1 Cash Collateral Account of any amount pursuant to clause "third" of Section 2.04(b) of the Intercreditor Agreement, clause "third" of Section 3.02 of the Intercreditor Agreement or clause "fourth" of Section 3.03 of the Intercreditor Agreement (any such amount being a "Replenishment Amount") for the purpose of replenishing or increasing the balance thereof up to the Required Amount at such time, (i) the aggregate outstanding principal amount of all Applied Provider Advances (and of Provider Advances treated as an Interest Advance for purposes of determining the Applicable Liquidity Rate for interest payable thereon) shall be automatically reduced by the amount of such Replenishment Amount and (ii) the aggregate outstanding principal amount of all Unapplied Provider Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Liquidity Facility in replacement of this Agreement in accordance with Section 3.06(e) of the Intercreditor Agreement, as provided in Section 3.06(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class A-1 Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement shall be reimbursed to the Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the Liquidity Provider all amounts owing to it hereunder.

Section 2.07. Payments to the Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Liquidity Provider of any amounts hereunder, the Intercreditor Agreement provides that amounts available and referred to in Articles II and III of the Intercreditor Agreement, to the extent payable to the Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.06(f) of the Intercreditor Agreement), shall be paid to the Liquidity Provider in accordance with the terms thereof (but, for the avoidance of doubt, without duplication of or increase in any amounts payable hereunder). Amounts so paid to the Liquidity Provider shall be applied by the Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement and shall discharge in full the corresponding obligations of the Borrower hereunder.

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

Section 2.09. Payments from Available Funds Only. All payments to be made by the Borrower under this Agreement shall be made only from the amounts that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payment under Section 4.02 of the Participation Agreements and payments under Section 2.14 of the Indentures, and only to the extent that the Borrower shall have sufficient income or proceeds therefrom to enable the Borrower to make payments in accordance with the terms hereof after giving effect to the priority of payments provisions set forth in the Intercreditor Agreement. The Liquidity Provider agrees that it will look solely to such amounts to the extent available for distribution to it as provided in the Intercreditor Agreement and this Agreement and that the Borrower, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Agreement except as expressly provided in this Agreement, the Intercreditor Agreement or any Participation Agreement. Amounts on deposit in the Class A-1 Cash Collateral Account shall be available to the Borrower to make payments under this Agreement only to the extent and for the purposes expressly contemplated in Section 3.06(f) of the Intercreditor Agreement.

Section 2.10. Extension of the Expiry Date; Non-Extension Advance. If the Expiry Date is prior to the date that is 15 days after the Final Legal Distribution Date for the Class A-1 Certificates, then no earlier than the 60th day and no later than the 40th day prior to the then applicable Expiry Date, the Borrower may request in writing that the Liquidity Provider extend the Expiry Date to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for the Class A-1 Certificates and (ii) the date that is the day immediately preceding the 364th day after the last day of the Consent Period (unless the obligations of the Liquidity Provider hereunder are earlier terminated in accordance herewith). The Liquidity Provider shall by notice (the "Consent Notice") to the Borrower during the period commencing on the date that is 60 days prior to the then effective Expiry Date and ending on the date that is 25 days prior to the then effective Expiry Date (the "Consent Period") advise the Borrower whether, in its sole discretion, it agrees to so extend the Expiry Date; provided, however, that such extension shall not be effective with respect to the Liquidity Provider if, by notice (the "Withdrawal Notice") to the Borrower prior to the end of the Consent Period, the Liquidity Provider revokes its Consent Notice. If the Liquidity Provider advises the Borrower in the Consent Notice that such Expiry Date shall not be so extended, or gives a Withdrawal Notice to the Borrower prior to the end of the Consent Period, or fails to irrevocably and unconditionally advise the Borrower on or before the end of the Consent Period that such Expiry Date shall be so extended (and, in each case, if the Liquidity Provider shall not have been replaced in accordance with Section 3.06(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the date on which the Consent Period ends (but prior to the then effective Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor

Agreement. If any amounts shall be drawn pursuant to a Non-Extension Advance and, within 30 days thereafter, the Liquidity Provider shall not have been replaced, then at any time following the 30th day after such Non-Extension Advance, the Liquidity Provider may, by written notice to the Borrower, agree to reinstate the Liquidity Facility on the terms of the existing Liquidity Facility for a period ending on the 364th day after the end of the Consent Period; provided, however, that in such event the Liquidity Provider shall reimburse the Borrower for any costs actually incurred by or on behalf of the Borrower in drawing pursuant to the Non-Extension Advance and funding the Class A-1 Cash Collateral Account or otherwise in connection with the Non-Extension Advance.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01. Increased Costs. If as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Liquidity Provider to be material in the actual cost to the Liquidity Provider of making, funding or maintaining any Advances or its obligation to make any such Advances or there shall be any reduction by an amount reasonably deemed by the Liquidity Provider to be material in the amount receivable by the Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in case of either such an increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Liquidity Provider, from its breach of any of its representations, warranties, covenants or agreements contained herein or in the Intercreditor Agreement or from its failure to comply with any such Regulatory Change (any such increase or reduction being referred to herein as an "Increased Cost"), then the Borrower shall from time to time pay to the Liquidity Provider an amount equal to such Increased Cost within 15 Business Days after delivery to the Borrower and American of a certificate of an officer of the Liquidity Provider describing in reasonable detail the event by reason of which it claims such Increased Cost and the basis for the determination of the amount of such Increased Cost; provided that, the Borrower shall be obligated to pay amounts only with respect to any Increased Costs accruing from the date 45 days prior to the date of delivery of such certificate. Such certificate, in the absence of manifest error, shall be considered prima facie evidence of the amount for purposes of this Agreement; provided that any determinations and allocations by the Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the Advances are made on a reasonable basis. The Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Taxes. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation under this Section 3.01. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or minimize, to the greatest extent possible, any claim in respect of Increased Costs, including, without limitation, by designating a different Lending Office, if such designation or other action would avoid the need for, or reduce the amount of, any such claim; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Liquidity Provider therefor. If no such

designation or other action is effected, or, if effected, fails to avoid the need for any claim in respect of Increased Costs, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.06(e) of the Intercreditor Agreement.

Notwithstanding the foregoing provisions, in no event shall the Borrower be required to make payments under this Section 3.01: (a) in respect of any Regulatory Change proposed by any applicable governmental authority (including any branch of a legislature), central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization and pending as of the date of this Agreement (it being agreed that the consultative paper issued by the Basel Committee on Banking Supervision entitled "A New Capital Adequacy Framework" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect similarly organized commercial banking institutions in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) if the Liquidity Provider shall fail to comply with its obligations under this Section 3.01; or (d) if the Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions.

Section 3.02. [Intentionally omitted.]

Section 3.03. Withholding Taxes. (a) All payments made by the Borrower under this Agreement shall be made without deduction or withholding for or on account of any Taxes, unless such deduction or withholding is required by law. If any Taxes are so required to be withheld or deducted from any amounts payable to the Liquidity Provider under this Agreement, the Borrower shall pay to the relevant authorities the full amount so required to be deducted or withheld and, if such Taxes are Covered Taxes, pay to the Liquidity Provider such additional amounts as shall be necessary to ensure that the net amount actually received by the Liquidity Provider (after deduction or withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Liquidity Provider had no withholding or deduction of Covered Taxes been required. The Liquidity Provider agrees to use reasonable efforts (consistent with applicable legal and regulatory restrictions) to change the jurisdiction of its Lending Office if making such change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of the Liquidity Provider, be otherwise materially disadvantageous to the Liquidity Provider. If the Liquidity Provider receives a refund of, or realizes a net Tax benefit not otherwise available to it as a result of, any Taxes for which additional amounts were paid by the Borrower pursuant to this Section 3.03, the Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon) or net benefit.

The Liquidity Provider will (i) provide (on its behalf and on behalf of any participant holding a Participation pursuant to Section 7.08) to the Borrower (x) on or prior to the Effective Date two valid completed and executed copies of Internal Revenue Service Form W8-BEN, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such other form or documentation as may be applicable) covering all amounts receivable by it in connection with the

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

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

If any exemption from, or reduction in the rate of, any Taxes required to be borne by the Liquidity Provider under this Section 3.03(b) is reasonably available to the Borrower without providing any information regarding the holders or beneficial owners of the Certificates, the Borrower shall deliver the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reductions (but without any requirement to provide any information regarding the holders or beneficial owners of the Certificates) as the Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, such Taxes.

Section 3.04. Payments. The Borrower shall make or cause to be made each payment to the Liquidity Provider under this Agreement so as to cause the same to be received by the Liquidity Provider not later than 1:00 P.M. (New York City time) on the day when due. The Borrower shall make all such payments in Dollars, to the Liquidity Provider in immediately available funds, by wire transfer to First Union Bank International, Swift/BIC - Code: PNBPU33N NYC (Fedwire 0260 0509 2/CHIPS/ABA 0509) in favor of account number 2000 193534 122, Bayerische Landesbank Girozentrale, Munich, Swift/BIC - Code: BYLADEMM, Reference RCA American EETC 1999-1A- 1.

Section 3.05. Computations. All computations of interest based on the Base Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest

based on the LIBOR Rate shall be made on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable.

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

Section 3.07. Interest. (a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Class A-1 Cash Collateral Account to pay interest on the Class A-1 Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance, the date on which the Class A-1 Cash Collateral Account is fully replenished in respect of such Advance) and (ii) any other amount due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by law, installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such case, at the interest rate per annum for each day equal to the Applicable Liquidity Rate (as defined below) for such Advance or such other amount, as the case may be, as in effect for such day, but in no event at a rate per annum greater than the maximum rate permitted by applicable law, provided, however, that, if at any time the otherwise applicable interest rate as set forth in this Section 3.07 shall exceed the maximum rate permitted by applicable law, then to the maximum extent permitted by applicable law any subsequent reduction in such interest rate will not reduce the rate of interest payable pursuant to this Section 3.07 below the maximum rate permitted by applicable law until the total amount of interest accrued equals the absolute amount of interest that would have accrued (without additional interest thereon) if such otherwise applicable interest rate as set forth in this Section 3.07 had at all relevant times been in effect.

(b) Except as provided in Section 3.07(e), each Advance will be either a Base Rate Advance or a LIBOR Advance as provided in this Section 3.07. Each such Advance will be a Base Rate Advance for the period from the date of its borrowing to (but excluding) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance; provided that the Borrower (at the direction of the Controlling Party, so long as the Liquidity Provider is not the Controlling Party) may (x) convert the Final Advance into a Base Rate Advance on the last day of an Interest Period for such Advance by giving the Liquidity Provider no less than four Business Days' prior written notice of such election

or (y) elect to maintain the Final Advance as a Base Rate Advance by not requesting a conversion of the Final Advance to a LIBOR Advance under Clause (5) of the applicable Notice of Borrowing (or, if, pursuant to Section 2.06, such Final Advance is deemed to have been made without delivery of a Notice of Borrowing, by requesting, prior to 11:00 a.m. on the first Business Day immediately following the Borrower's receipt of the applicable Termination Notice, that such Final Advance not be converted from a Base Rate Advance to a LIBOR Advance).

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

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

(e) Each outstanding Unapplied Provider Advance shall bear interest in an amount equal to the Investment Earnings on amounts on deposit in the Class A-1 Cash Collateral Account for such Unapplied Provider Advance on the amount of such Unapplied Provider Advance from time to time, payable in arrears on each Regular Distribution Date.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by applicable law, installments of interest on Advances but excluding Advances) shall bear interest at a rate per annum equal to the Base Rate plus 1.75% per annum until paid.

(g) Each change in the Base Rate shall become effective immediately. The rates of interest specified in this Section 3.07 with respect to any Advance or other amount shall be referred to as the "Applicable Liquidity Rate".

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

Section 3.09. Funding Loss Indemnification. The Borrower shall pay to the Liquidity Provider, upon the request of the Liquidity Provider, such amount or amounts as shall be sufficient

(in the reasonable opinion of the Liquidity Provider) to compensate it for any loss, cost or expense incurred by reason of the liquidation or redeployment of deposits or other funds acquired by the Liquidity Provider to fund or maintain any LIBOR Advance (but excluding loss of the Applicable Margin or anticipated profits) incurred as a result of:

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

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

Section 3.10. Illegality. Notwithstanding any other provision in this Agreement, if any change in any law, rule or regulation applicable to or binding on the Liquidity Provider, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Liquidity Provider to maintain or fund its LIBOR Advances, then upon notice to the Borrower and American by the Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Liquidity Provider, requires immediate conversion; or (b) at the expiration of the last Interest Period to expire before the effective date of any such change or request. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event that will lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for avoiding the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided, that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for conversion of the LIBOR Advances to Base Rate Advances, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.06(e) of the Intercreditor Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

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

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

(i) This Agreement duly executed on behalf of the Borrower;

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

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the Closing Date (other than this Agreement and the Intercreditor Agreement);

(iv) A copy of the Prospectus Supplement and specimen copies of the Class A-1 Certificates;

(v) An executed copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Class A-1 Trust Agreement, the Intercreditor Agreement and the other Operative Agreements (in the case of each such opinion, either addressed to the Liquidity Provider or accompanied by a letter from the counsel rendering such opinion to the effect that the Liquidity Provider is entitled to rely on such opinion as of its date as if it were addressed to the Liquidity Provider); and

(vi) An agreement from American, pursuant to which (x) American agrees to provide copies of quarterly financial statements and audited annual financial statements to the Liquidity Provider and (y) American agrees to allow the Liquidity Provider to discuss such transactions with officers and employees of American.

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

(c) The filings referred to in Sections 3.01(d) and 3.01(f) of the Participation Agreements shall have been filed (or shall be in the process of being filed).

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

(e) All conditions precedent to the issuance of the Certificates under the Trust Agreement shall have been satisfied or waived, all conditions precedent to the effectiveness of the other

Liquidity Facilities shall have been satisfied or waived, and all conditions precedent to the purchase of the Certificates by the Underwriters under the Underwriting Agreement shall have been satisfied (unless any of such conditions precedent under the Underwriting Agreement shall have been waived by the Underwriters).

(f) The Borrower and American shall have received a certificate, dated the Effective Date signed by a duly authorized representative of the Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Liquidity Provider.

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

ARTICLE V

COVENANTS

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

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

(b) Reporting Requirements. Furnish to the Liquidity Provider with reasonable promptness, such other information and data with respect to the transactions contemplated by the Operative Agreements as from time to time may be reasonably requested by the Liquidity Provider; and permit the Liquidity Provider, upon reasonable notice, to inspect the Borrower's books and records with respect to such transactions and to meet with officers and employees of the Borrower to discuss such transactions.

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

Section 5.02. Negative Covenants of the Borrower. Subject to the first and second sentences and the fourth paragraph of Section 7.01(a) of the Intercreditor Agreement and Section 7.01(b) of the Intercreditor Agreement, so long as any Advance shall remain unpaid or the Liquidity

Provider shall have any Maximum Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will not appoint or permit or suffer to be appointed any successor Borrower without the prior written consent of the Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT

Section 6.01. Liquidity Events of Default. If (a) any Liquidity Event of Default has occurred and is continuing and (b) there is a Performing Note Deficiency, the Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) this Agreement to expire at the close of business on the fifth Business Day after the date on which such Termination Notice is received by the Borrower, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(d) hereof and Section 3.06(i) of the Intercreditor Agreement, (iii) all other outstanding Advances to be automatically converted into Final Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon and (iv) subject to Sections 2.07 and 2.09, all Advances, any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Liquidity Provider.

ARTICLE VII

MISCELLANEOUS

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

Section 7.02. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that the transmission was received),

If to the Borrower, to:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION
225 Asylum, Goodwin Square
Hartford, Connecticut 06103
Attention: Corporate Trust Division

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

If to the Liquidity Provider,

If by mail to:

BAYERISCHE LANDESBANK GIROZENTRALE
c/o Bayerische Landesbank Girozentrale, New York Branch
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

Telephone: (212) 310-9810
Telecopy: (212) 310-9930

(With a copy to the address of the Liquidity Provider set forth below)

If by other means of communication to:

BAYERISCHE LANDESBANK GIROZENTRALE
Brienner Strasse 18
D-80333 Munich, Germany
Attention: Aircraft Finance Department, 7650

Telephone: 49-89-2171-2360
Telecopy: 49-89-2171-3763

With a copy of any Notice of Borrowing to:

BAYERISCHE LANDESBANK GIROZENTRALE
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

Telephone: (212) 310-9810
Telecopy: (212) 310-9930

The Borrower or the Liquidity Provider, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

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

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

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

Section 7.06. Liability of the Liquidity Provider. (a) Neither the Liquidity Provider nor any of its officers, employees or directors shall be liable or responsible for: (i) the use which may be made of the Advances or any acts or omissions of the Borrower or any beneficiary or transferee in

connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) the making of Advances by the Liquidity Provider against delivery of a Notice of Borrowing and other documents which do not comply with the terms hereof; provided, however, that the Borrower shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower that were the result of (A) the Liquidity Provider's willful misconduct or gross negligence in determining whether documents presented hereunder comply with the terms hereof or (B) any breach by the Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing complying with the terms and conditions hereof.

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

Section 7.07. Certain Costs and Expenses. The Borrower agrees promptly to pay, or cause to be paid, (a) the reasonable fees, expenses and disbursements of Winthrop, Stimson, Putnam & Roberts, special counsel for the Liquidity Provider, and Schwarz Kurtze Schniewand Kelwing Wicke, special German counsel to the Liquidity Provider, in connection with the preparation, negotiation, execution, delivery, filing and recording of the Operative Agreements, any waiver or consent thereunder or any amendment thereof and (b) if a Liquidity Event of Default occurs, all out-of-pocket expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of counsel, in connection with such Liquidity Event of Default and any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith. In addition, the Borrower shall pay any and all recording, stamp and other similar taxes and fees payable or determined to be payable in the United States in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to save the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

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

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

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

Section 7.09. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such

prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.10. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 7.11. Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

(b) THE BORROWER AND THE LIQUIDITY PROVIDER EACH HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and the Liquidity Provider each warrant and represent that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with such legal counsel. THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(c) The Liquidity Provider hereby waives any immunity it may have from the jurisdiction of the courts of the United States or of any state thereof and waives any immunity any of its properties located in the United States may have from attachment or execution upon a judgment entered by any such court under the United States Foreign Sovereign Immunities Act of 1976 or any similar successor legislation.

Section 7.12. Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this

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

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

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

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

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

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL
ASSOCIATION, not in its individual
capacity but solely as
Subordination Agent, as agent and
trustee for the Class A-1 Trust, as
Borrower

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

BAYERISCHE LANDESBANK GIROZENTRALE,
as Liquidity Provider

By: /s/ BERND LONNER

Name: Bernd Lonner
Title: Vice President

By: /s/ RUDIGER FERN

Name: Rudiger Fern
Title: Senior Vice President

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1A-1), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

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

(2) The Borrower is delivering this Notice of Borrowing for the making of an Interest Advance by the Liquidity Provider to be used for the payment of the interest on the Class A-1 Certificates which is payable on _____, ____ (the "Distribution Date") in accordance with the terms and provisions of the Class A-1 Trust Agreement and the Class A-1 Certificates, which Advance is requested to be made on _____, _____. The Interest Advance should be remitted to [insert wire and account details].

(3) The amount of the Interest Advance requested hereby (i) is \$_____, to be applied in respect of the payment of the interest which is due and payable on the Class A-1 Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates or the Class C Certificates, or interest on the Class A-2 Certificates, the Class B Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class A-1 Certificates, the Class A-1 Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), (iv) does not exceed the Maximum Available Commitment on the date hereof and (v) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will apply the same in accordance with the terms of Section 3.06(b) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, the making of the Interest Advance as requested by this Notice of Borrowing shall automatically reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available Commitment by an amount equal to the amount of the Interest Advance requested to be made hereby

as set forth in clause (i) of paragraph (3) of this Certificate and such reduction shall automatically result in corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

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

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

By: _____
Name:
Title:

SCHEDULE I TO INTEREST ADVANCE NOTICE OF BORROWING

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

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1A-1), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

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

(2) The Borrower is delivering this Notice of Borrowing for the making of the Non-Extension Advance by the Liquidity Provider to be used for the funding of the Class A-1 Cash Collateral Account in accordance with Section 3.06(d) of the Intercreditor Agreement, which Advance is requested to be made on _____, _____. The Non-Extension Advance should be remitted to [insert wire and account details].

(3) The amount of the Non-Extension Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A-1 Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class A-1 Certificates, or principal of, or interest or premium on, the Class A-2 Certificates, the Class B Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class A-1 Certificates, the Class A-1 Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A-1 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

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

Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

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

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

By: _____

Name:

Title:

SCHEDULE I TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

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

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1A-1), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

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

(2) The Borrower is delivering this Notice of Borrowing for the making of the Downgrade Advance by the Liquidity Provider to be used for the funding of the Class A-1 Cash Collateral Account in accordance with Section 3.06(c) of the Intercreditor Agreement by reason of the downgrading of the short-term unsecured debt rating or long-term unsecured debt rating of the Liquidity Provider issued by either Rating Agency below the Threshold Rating, which Advance is requested to be made on _____, _____. The Downgrade Advance should be remitted to [insert wire and account details].

(3) The amount of the Downgrade Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A-1 Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class A-1 Certificates, or principal of, or interest or premium on, the Class A-2 Certificates, the Class B Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class A-1 Certificates, the Class A-1 Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A-1 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

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

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

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

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

By: _____

Name:
Title:

SCHEDULE I TO DOWNGRADE ADVANCE NOTICE OF BORROWING

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

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ANNEX IV to
REVOLVING CREDIT AGREEMENT

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1A-1), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

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

(2) The Borrower is delivering this Notice of Borrowing for the making of the Final Advance by the Liquidity Provider to be used for the funding of the Class A-1 Cash Collateral Account in accordance with Section 3.06(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on _____, _____. The Final Advance should be remitted to [insert wire and account details].

(3) The amount of the Final Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A-1 Cash Collateral Account in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A-1 Certificates, or principal of, or interest or premium on, the Class A-2 Certificates, the Class B Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class A-1 Certificates, the Class A-1 Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A-1 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

[(5) The Borrower hereby requests that the Advance requested hereby be a Base Rate Advance [and that such Base Rate Advance be converted into a LIBOR Advance on the third Business Day following your receipt of this notice]*.]

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

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

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

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

By: _____
Name:
Title:

[* Bracketed language may be included at Borrower's option.]

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

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

IV-3

NOTICE OF TERMINATION

[Date]

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

Re: Revolving Credit Agreement, dated as of October 6, 1999, between State
Street Bank and Trust Company of Connecticut, National Association, as
Subordination Agent, as agent and trustee for the American Airlines
Pass Through Trust 1999-1A-1, as Borrower, and Bayerische Landesbank
Girozentrale (the "Liquidity Agreement")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01 of the Liquidity
Agreement, by reason of the occurrence and continuance of a Liquidity Event of
Default and the existence of a Performing Note Deficiency (each as defined
therein), we are giving this notice to you in order to cause (i) our
obligations to make Advances (as defined therein) under such Liquidity
Agreement to terminate at the close of business on the fifth Business Day after
the date on which you receive this notice and (ii) you to request a Final
Advance under the Liquidity Agreement pursuant to Section 3.06(i) of the
Intercreditor Agreement (as defined in the Liquidity Agreement) as a
consequence of your receipt of this notice.

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

Very truly yours,

Bayerische Landesbank Girozentrale,
as Liquidity Provider

By: _____
Name:
Title:

cc: State Street Bank and Trust Company of Connecticut,
National Association, as Class A-1 Trustee

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]
Attention:

Re: Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 1999-1A-1, as Borrower, and Bayerische Landesbank Girozentrale (the "Liquidity Agreement")

Ladies and Gentlemen:

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

[Name of Transferee]

[Address of Transferee]

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

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

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

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

By: _____
Name:
Title:

=====

REVOLVING CREDIT AGREEMENT
(1999-1A-2)

Dated as of October 6, 1999

between

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Subordination Agent,
as agent and trustee for the trustee of
American Airlines Pass Through Trust 1999-1A-2

as Borrower

and

BAYERISCHE LANDESBANK GIROZENTRALE,
as Liquidity Provider

=====

American Airlines Pass Through Trust 1999-1A-2
7.024% American Airlines
Pass Through Certificates,
Series 1999-1A-2

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of October 6, 1999, is made by and between STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Subordination Agent (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Intercreditor Agreement (as defined below), as agent and trustee for the Class A-2 Trustee (in such capacity, together with its successors in such capacity, the "Borrower"), and BAYERISCHE LANDESBANK GIROZENTRALE, a public law banking institution organized under the laws of the Free State of Bavaria, Germany (the "Liquidity Provider").

W I T N E S S E T H:

WHEREAS, pursuant to the Class A-2 Trust Agreement, the Class A-2 Trust is issuing the Class A-2 Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class A-2 Certificates in accordance with their terms, has requested the Liquidity Provider to enter into this Agreement, providing in part for the Borrower to request in specified circumstances that Advances be made hereunder;

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

"Applicable Margin" means with respect to any Unpaid Advance or Applied Provider Advance, 1.75 %.

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

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

"Applied Provider Advance" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

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

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

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

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

"Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Dallas, Texas, or, so long as any Class A-2 Certificate is outstanding, the city and state in which the Class A-2 Trustee, the Borrower or any related Loan Trustee maintains its Corporate Trust Office or receives or disburses funds, and, if the applicable Business Day relates to any Advance or other amount bearing interest based on the LIBOR Rate, on which dealings are carried on in the London interbank market.

"Consent Notice" has the meaning specified in Section 2.10.

"Consent Period" has the meaning specified in Section 2.10.

"Covered Taxes" means any Taxes imposed by the United States or any political subdivision or taxing authority thereof or therein required by law to be deducted or withheld from any amounts payable to the Liquidity Provider under this Agreement other than (i) any Tax on, based on or measured by net income, franchises or conduct of business, (ii) any Tax imposed, levied, withheld or assessed as a result of any connection between the Liquidity Provider and the United States or such political subdivision or taxing authority, other than a connection arising solely from the Liquidity Provider's having executed, delivered, performed its obligations or received a payment under, or enforced, any Operative Agreement, (iii) any Tax attributable to the inaccuracy in or breach by the Liquidity Provider of any of its representations, warranties or covenants contained in any Operative Agreement to which it is a party or the inaccuracy of any form or document furnished pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and Germany or a change in the Code that overrides the provisions of such treaty or (v) any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld).

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

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

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

"Expiry Date" means October 4, 2000, initially, or any date to which the Expiry Date is extended pursuant to Section 2.10.

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

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

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

"Interest Advance" means an Advance made pursuant to Section 2.02(a).

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

(i) the period beginning on the third Business Day following either (A) the Liquidity Provider's receipt of the Notice of Borrowing for such LIBOR Advance or (B) the date of the withdrawal of funds from the Class A-2 Cash Collateral Account for the purpose of paying interest on the Class A-2 Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next Regular Distribution Date; and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the next Regular Distribution Date;

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

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

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

"LIBOR Rate" means, with respect to any Interest Period, (a) the interest rate per annum equal to the rate per annum at which deposits in Dollars are offered in the London interbank market as shown on Page 3750 of the Telerate Systems Incorporated screen service (or such other page as may replace Telerate Page 3750), or if such service is not available, Page LIBO of the Reuters Money Service Monitor System (or such other page as may replace Reuters Page LIBO) at

approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period, for a period comparable to such Interest Period, or (b) if no such rate is published on either such service or if neither of such services is then available, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

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

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

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

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

"Maximum Commitment" means initially \$33,952,451.00, as the same may be reduced from time to time in accordance with Section 2.04(a).

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

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

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

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

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

"Permitted Transferee" means any Person that:

(a) is not a commercial air carrier, American or any affiliate of American; and

(b) is any one of:

(1) a commercial banking institution organized under the laws of the United States or any state thereof or the District of Columbia;

(2) a commercial banking institution that (x) is organized under the laws of France, Germany, The Netherlands, Switzerland or the United Kingdom, (y) is entitled on the date it acquires any Participation to a complete exemption from United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under an income tax treaty, as in effect on such date, between the United States and such jurisdiction of its organization and (z) is engaged in the active conduct of a banking business in such jurisdiction of its organization, holds its Participation in connection with such banking business in such jurisdiction and is regulated as a commercial banking institution by the appropriate regulatory authorities in such jurisdiction; or

(3) a commercial banking institution that (x) is organized under the laws of Canada, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Sweden, Switzerland or the United Kingdom and (y) is entitled on the date it acquires any Participation to a complete exemption from withholding of United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under laws as in effect on such date by reason of such income being effectively connected with the conduct of a trade or business within the United States.

"Prospectus Supplement" means the Prospectus Supplement dated September 23, 1999, relating to the Certificates, as such Prospectus Supplement may be amended or supplemented.

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

"Reference Banks" means the principal London offices of: National Westminster Bank, plc; Morgan Guaranty Trust Company of New York; The Chase Manhattan Bank; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the Liquidity Provider.

"Regulatory Change" means the enactment, adoption or promulgation, after the date of this Agreement, of any law or regulation by a United States federal or state government or by the government of the Liquidity Provider's jurisdiction of organization, or any change, after the date of this Agreement, in any such law or regulation, or in the interpretation thereof by any governmental authority, central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Liquidity Provider including, or by reason of, the Advances or (b) any capital adequacy requirement requiring the maintenance by the Liquidity Provider of additional capital in respect of any Advances or the Liquidity Provider's obligation to make any such Advances.

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

"Required Amount" means, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for the Class A-2 Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on the Class A-2 Certificates on each of the three successive semiannual Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding two semiannual Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class A-2 Certificates on such day and without regard to expected future distributions of principal on the Class A-2 Certificates.

"Termination Date" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class A-2 Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class A-2 Trust Agreement) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.06(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01; and (v) the date on which no Advance is or may (including by reason of reinstatement as herein provided) become available for a Borrowing hereunder.

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

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

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

"Withdrawal Notice" has the meaning specified in Section 2.10.

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

"Acceleration", "American", "American Bankruptcy Event", "Certificate", "Class A-1 Certificates", "Class A-2 Cash Collateral Account", "Class A-2 Certificates", "Class A-2 Certificateholders", "Class A-2 Trust", "Class A-2 Trust Agreement", "Class A-2 Trustee", "Class B Certificates", "Class C Certificates", "Closing Date", "Collection Account", "Controlling Party", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgraded Facility", "Equipment Notes", "Fee Letter", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Facility", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non-Extended Facility", "Operative Agreements", "Participation Agreements", "Performing Equipment Note", "Person", "Pool Balance", "Rating Agencies", "Ratings Confirmation", "Regular Distribution Date", "Replacement Liquidity Facility", "Responsible Officer", "Scheduled Payment", "Special Payment", "S&P", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Trust Agreement", "Trustee", "Underwriters", "Underwriting Agreement", "United States" and "Written Notice".

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01. The Advances. The Liquidity Provider hereby irrevocably agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until 12:00 noon (New York City time) on the Expiry Date (unless the obligations of the Liquidity Provider shall be earlier terminated in accordance with the terms of Section 2.04(b)) in an aggregate amount at any time outstanding not to exceed the Maximum Commitment.

Section 2.02. Making of Advances. (a) Each Interest Advance shall be made by the Liquidity Provider upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex I, signed by a Responsible Officer of the Borrower,

such Interest Advance to be in an amount not exceeding the Maximum Available Commitment at such time and used solely for the payment when due of interest with respect to the Class A-2 Certificates at the Stated Interest Rate therefor in accordance with Section 3.06(a) and 3.06(b) of the Intercreditor Agreement. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Upon repayment to the Liquidity Provider in full or in part of the amount of any Interest Advance made pursuant to this Section 2.02(a), together with accrued interest thereon (as provided herein), the Maximum Available Commitment shall be reinstated by an amount equal to the amount of such Interest Advance so repaid, but not to exceed the Maximum Commitment; provided, however, that the Maximum Available Commitment shall not be so reinstated at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Drawing shall have occurred.

(b) Subject to Section 2.10, a Non-Extension Advance shall be made by the Liquidity Provider if this Agreement is not extended in accordance with Section 3.06(d) of the Intercreditor Agreement (unless a Replacement Liquidity Facility to replace this Agreement shall have been delivered to the Borrower as contemplated by said Section 3.06(d) within the time period specified in such Section 3.06(d)) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex II, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A-2 Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement.

(c) A Downgrade Advance shall be made by the Liquidity Provider if at any time the short-term unsecured debt rating of the Liquidity Provider issued by either Rating Agency (or if the Liquidity Provider does not have a short-term unsecured debt rating issued by a given Rating Agency, the long-term unsecured debt rating of the Liquidity Provider issued by such Rating Agency) is lower than the applicable Threshold Rating (as provided for in Section 3.06(c) of the Intercreditor Agreement) unless a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with said Section 3.06(c), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex III, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A-2 Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement.

(d) A Final Advance shall be made by the Liquidity Provider following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01 upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex IV, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class A-2 Cash Collateral Account (in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement).

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

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Liquidity Provider shall not thereafter be obligated to make any further Advances hereunder in respect of such Notice of Borrowing to the Borrower or to any other Person (including the Trustee or any Class A-2 Certificateholder). If the Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 12:00 noon (New York City time) on the second Business Day after the date of payment specified in said Section 2.02(e), the Liquidity Provider shall have fully discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) to fund the Class A-2 Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Class A-2 Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class A-2 Cash Collateral Account; provided that the foregoing shall not affect or impair the obligations of the Subordination Agent to make the distributions contemplated by Section 3.06(e) or 3.06(f) of the Intercreditor Agreement and provided further, that the foregoing shall not affect or impair the rights of the Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class A-2 Cash Collateral Account to the extent provided in Section 2.02(b) of the Intercreditor Agreement. By paying to the Borrower proceeds of Advances requested by the Borrower in accordance with the provisions of this

Agreement, the Liquidity Provider makes no representation as to, and assumes no responsibility for, the correctness or sufficiency for any purpose of the amount of the Advances so made and requested.

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

Section 2.04. Reduction or Termination of the Maximum Commitment. (a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a reduction in the Pool Balance of the Class A-2 Certificates or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower). The Borrower shall give notice of any such automatic reduction of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Liquidity Provider to make further Advances hereunder shall automatically and irrevocably terminate, and the Borrower shall not be entitled to request any further Borrowing hereunder.

Section 2.05. Repayments of Interest Advances or the Final Advance. Subject to Sections 2.06, 2.07 and 2.09 hereof, the Borrower hereby agrees, without notice of an Advance or demand for repayment from the Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Liquidity Provider (a) on each date on which the Liquidity Provider shall make an Interest Advance or the Final Advance, an amount equal to the amount of such Advance (any such Advance, until repaid, is referred to herein as an "Unpaid Advance"), plus (b) interest on the amount of each such Unpaid Advance in the amounts and on the dates determined as provided in Section 3.07; provided that if (i) the Liquidity Provider shall make a Provider Advance at any time after making one or more Interest Advances which shall not have been repaid in accordance with this Section 2.05 or (ii) this Liquidity Facility shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero, then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)). The Borrower and the Liquidity Provider agree that the repayment in full of each Interest Advance and Final Advance on the date such Advance is made is intended to be a contemporaneous exchange for new value given to the Borrower by the Liquidity Provider. For the avoidance of doubt, interest payable on an Interest Advance or the Final Advance shall not be regarded as overdue unless such interest is not paid when due under Section 3.07.

Section 2.06. Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Class A-2 Cash Collateral Account and invested and withdrawn from the Class A-2 Cash Collateral Account as set forth in Sections 3.06(c), 3.06(d), 3.06(e) and 3.06(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Liquidity Provider, on each Regular Distribution Date, commencing on the first Regular Distribution Date after the making of a Provider Advance, interest on the principal amount of any such Provider Advance, in the amounts determined as provided in Section 3.07; provided, however, that amounts in respect of a Provider Advance withdrawn from the Class A-2 Cash Collateral Account for the purpose of paying interest on the Class A-2 Certificates in accordance with Section 3.06(f) of the Intercreditor Agreement (the amount of any such withdrawal being (y) in the case of a Downgrade Advance, an "Applied Downgrade Advance" and (z) in the case of a Non-Extension Advance, an "Applied Non-Extension Advance" and, together with an Applied Downgrade Advance, an "Applied Provider Advance") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable; provided further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01, such Provider Advance shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable. Subject to Sections 2.07 and 2.09 hereof, immediately upon the withdrawal of any amounts from the Class A-2 Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount prepaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance (or any portion thereof) is outstanding, upon the deposit in the Class A-2 Cash Collateral Account of any amount pursuant to clause "third" of Section 2.04(b) of the Intercreditor Agreement, clause "third" of Section 3.02 of the Intercreditor Agreement or clause "fourth" of Section 3.03 of the Intercreditor Agreement (any such amount being a "Replenishment Amount") for the purpose of replenishing or increasing the balance thereof up to the Required Amount at such time, (i) the aggregate outstanding principal amount of all Applied Provider Advances (and of Provider Advances treated as an Interest Advance for purposes of determining the Applicable Liquidity Rate for interest payable thereon) shall be automatically reduced by the amount of such Replenishment Amount and (ii) the aggregate outstanding principal amount of all Unapplied Provider Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Liquidity Facility in replacement of this Agreement in accordance with Section 3.06(e) of the Intercreditor Agreement, as provided in Section 3.06(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class A-2 Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such

replacement shall be reimbursed to the Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the Liquidity Provider all amounts owing to it hereunder.

Section 2.07. Payments to the Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Liquidity Provider of any amounts hereunder, the Intercreditor Agreement provides that amounts available and referred to in Articles II and III of the Intercreditor Agreement, to the extent payable to the Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.06(f) of the Intercreditor Agreement), shall be paid to the Liquidity Provider in accordance with the terms thereof (but, for the avoidance of doubt, without duplication of or increase in any amounts payable hereunder). Amounts so paid to the Liquidity Provider shall be applied by the Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement and shall discharge in full the corresponding obligations of the Borrower hereunder.

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

Section 2.09. Payments from Available Funds Only. All payments to be made by the Borrower under this Agreement shall be made only from the amounts that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payment under Section 4.02 of the Participation Agreements and payments under Section 2.14 of the Indentures, and only to the extent that the Borrower shall have sufficient income or proceeds therefrom to enable the Borrower to make payments in accordance with the terms hereof after giving effect to the priority of payments provisions set forth in the Intercreditor Agreement. The Liquidity Provider agrees that it will look solely to such amounts to the extent available for distribution to it as provided in the Intercreditor Agreement and this Agreement and that the Borrower, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Agreement except as expressly provided in this Agreement, the Intercreditor Agreement or any Participation Agreement. Amounts on deposit in the Class A-2 Cash Collateral Account shall be available to the Borrower to make payments under this Agreement only to the extent and for the purposes expressly contemplated in Section 3.06(f) of the Intercreditor Agreement.

Section 2.10. Extension of the Expiry Date; Non-Extension Advance. If the Expiry Date is prior to the date that is 15 days after the Final Legal Distribution Date for the Class A-2 Certificates, then no earlier than the 60th day and no later than the 40th day prior to the then applicable Expiry Date, the Borrower may request in writing that the Liquidity Provider extend the Expiry Date to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for the Class A-2 Certificates and (ii) the date that is the day immediately preceding the 364th day after the last day of

the Consent Period (unless the obligations of the Liquidity Provider hereunder are earlier terminated in accordance herewith). The Liquidity Provider shall by notice (the "Consent Notice") to the Borrower during the period commencing on the date that is 60 days prior to the then effective Expiry Date and ending on the date that is 25 days prior to the then effective Expiry Date (the "Consent Period") advise the Borrower whether, in its sole discretion, it agrees to so extend the Expiry Date; provided, however, that such extension shall not be effective with respect to the Liquidity Provider if, by notice (the "Withdrawal Notice") to the Borrower prior to the end of the Consent Period, the Liquidity Provider revokes its Consent Notice. If the Liquidity Provider advises the Borrower in the Consent Notice that such Expiry Date shall not be so extended, or gives a Withdrawal Notice to the Borrower prior to the end of the Consent Period, or fails to irrevocably and unconditionally advise the Borrower on or before the end of the Consent Period that such Expiry Date shall be so extended (and, in each case, if the Liquidity Provider shall not have been replaced in accordance with Section 3.06(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the date on which the Consent Period ends (but prior to the then effective Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor Agreement. If any amounts shall be drawn pursuant to a Non-Extension Advance and, within 30 days thereafter, the Liquidity Provider shall not have been replaced, then at any time following the 30th day after such Non-Extension Advance, the Liquidity Provider may, by written notice to the Borrower, agree to reinstate the Liquidity Facility on the terms of the existing Liquidity Facility for a period ending on the 364th day after the end of the Consent Period; provided, however, that in such event the Liquidity Provider shall reimburse the Borrower for any costs actually incurred by or on behalf of the Borrower in drawing pursuant to the Non-Extension Advance and funding the Class A-2 Cash Collateral Account or otherwise in connection with the Non-Extension Advance.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01. Increased Costs. If as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Liquidity Provider to be material in the actual cost to the Liquidity Provider of making, funding or maintaining any Advances or its obligation to make any such Advances or there shall be any reduction by an amount reasonably deemed by the Liquidity Provider to be material in the amount receivable by the Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in case of either such an increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Liquidity Provider, from its breach of any of its representations, warranties, covenants or agreements contained herein or in the Intercreditor Agreement or from its failure to comply with any such Regulatory Change (any such increase or reduction being referred to herein as an "Increased Cost"), then the Borrower shall from time to time pay to the Liquidity Provider an amount equal to such Increased Cost within 15 Business Days after delivery to the Borrower and American of a certificate of an officer of the Liquidity Provider describing in reasonable detail the event by reason of which it claims such Increased Cost and the basis for the determination of the amount of such Increased Cost; provided

that, the Borrower shall be obligated to pay amounts only with respect to any Increased Costs accruing from the date 45 days prior to the date of delivery of such certificate. Such certificate, in the absence of manifest error, shall be considered prima facie evidence of the amount for purposes of this Agreement; provided that any determinations and allocations by the Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the Advances are made on a reasonable basis. The Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Taxes. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation under this Section 3.01. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or minimize, to the greatest extent possible, any claim in respect of Increased Costs, including, without limitation, by designating a different Lending Office, if such designation or other action would avoid the need for, or reduce the amount of, any such claim; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for any claim in respect of Increased Costs, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.06(e) of the Intercreditor Agreement.

Notwithstanding the foregoing provisions, in no event shall the Borrower be required to make payments under this Section 3.01: (a) in respect of any Regulatory Change proposed by any applicable governmental authority (including any branch of a legislature), central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization and pending as of the date of this Agreement (it being agreed that the consultative paper issued by the Basel Committee on Banking Supervision entitled "A New Capital Adequacy Framework" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect similarly organized commercial banking institutions in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) if the Liquidity Provider shall fail to comply with its obligations under this Section 3.01; or (d) if the Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions.

Section 3.02. [Intentionally omitted.]

Section 3.03. Withholding Taxes. (a) All payments made by the Borrower under this Agreement shall be made without deduction or withholding for or on account of any Taxes, unless such deduction or withholding is required by law. If any Taxes are so required to be withheld or deducted from any amounts payable to the Liquidity Provider under this Agreement, the Borrower shall pay to the relevant authorities the full amount so required to be deducted or withheld and, if such Taxes are Covered Taxes, pay to the Liquidity Provider such additional amounts as shall be

necessary to ensure that the net amount actually received by the Liquidity Provider (after deduction or withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Liquidity Provider had no withholding or deduction of Covered Taxes been required. The Liquidity Provider agrees to use reasonable efforts (consistent with applicable legal and regulatory restrictions) to change the jurisdiction of its Lending Office if making such change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of the Liquidity Provider, be otherwise materially disadvantageous to the Liquidity Provider. If the Liquidity Provider receives a refund of, or realizes a net Tax benefit not otherwise available to it as a result of, any Taxes for which additional amounts were paid by the Borrower pursuant to this Section 3.03, the Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon) or net benefit.

The Liquidity Provider will (i) provide (on its behalf and on behalf of any participant holding a Participation pursuant to Section 7.08) to the Borrower (x) on or prior to the Effective Date two valid completed and executed copies of Internal Revenue Service Form W8-BEN, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such other form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the Liquidity Provider and (ii) provide timely notice to the Borrower if any such form or documentation is or becomes inaccurate. The Liquidity Provider shall deliver to the Borrower such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that payments hereunder are exempt from or entitled to a reduced rate of Covered Taxes.

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

If any exemption from, or reduction in the rate of, any Taxes required to be borne by the Liquidity Provider under this Section 3.03(b) is reasonably available to the Borrower without

providing any information regarding the holders or beneficial owners of the Certificates, the Borrower shall deliver the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reductions (but without any requirement to provide any information regarding the holders or beneficial owners of the Certificates) as the Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, such Taxes.

Section 3.04. Payments. The Borrower shall make or cause to be made each payment to the Liquidity Provider under this Agreement so as to cause the same to be received by the Liquidity Provider not later than 1:00 P.M. (New York City time) on the day when due. The Borrower shall make all such payments in Dollars, to the Liquidity Provider in immediately available funds, by wire transfer to First Union Bank International, Swift/BIC - Code: PNBPUS3N NYC (Fedwire 0260 0509 2/CHIPS/ABA 0509) in favor of account number 2000 193534 122, Bayerische Landesbank Girozentrale, Munich, Swift/BIC - Code: BYLADEMM, Reference RCA American EETC 1999-1A-2.

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

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

Section 3.07. Interest. (a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Class A-2 Cash Collateral Account to pay interest on the Class A-2 Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance, the date on which the Class A-2 Cash Collateral Account is fully replenished in respect of such Advance) and (ii) any other amount due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by law, installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such case, at the

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

(b) Except as provided in Section 3.07(e), each Advance will be either a Base Rate Advance or a LIBOR Advance as provided in this Section 3.07. Each such Advance will be a Base Rate Advance for the period from the date of its borrowing to (but excluding) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance; provided that the Borrower (at the direction of the Controlling Party, so long as the Liquidity Provider is not the Controlling Party) may (x) convert the Final Advance into a Base Rate Advance on the last day of an Interest Period for such Advance by giving the Liquidity Provider no less than four Business Days' prior written notice of such election or (y) elect to maintain the Final Advance as a Base Rate Advance by not requesting a conversion of the Final Advance to a LIBOR Advance under Clause (5) of the applicable Notice of Borrowing (or, if, pursuant to Section 2.06, such Final Advance is deemed to have been made without delivery of a Notice of Borrowing, by requesting, prior to 11:00 a.m. on the first Business Day immediately following the Borrower's receipt of the applicable Termination Notice, that such Final Advance not be converted from a Base Rate Advance to a LIBOR Advance).

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

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

(e) Each outstanding Unapplied Provider Advance shall bear interest in an amount equal to the Investment Earnings on amounts on deposit in the Class A-2 Cash Collateral Account for such Unapplied Provider Advance on the amount of such Unapplied Provider Advance from time to time, payable in arrears on each Regular Distribution Date.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by applicable law, installments of interest on Advances but excluding Advances) shall bear interest at a rate per annum equal to the Base Rate plus 1.75% per annum until paid.

(g) Each change in the Base Rate shall become effective immediately. The rates of interest specified in this Section 3.07 with respect to any Advance or other amount shall be referred to as the "Applicable Liquidity Rate".

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

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

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

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

Section 3.10. Illegality. Notwithstanding any other provision in this Agreement, if any change in any law, rule or regulation applicable to or binding on the Liquidity Provider, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Liquidity Provider to maintain or fund its LIBOR Advances, then upon notice to the Borrower and American by the Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Liquidity Provider, requires immediate conversion; or (b) at the expiration of the last Interest Period to expire before the

effective date of any such change or request. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event that will lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for avoiding the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided, that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for conversion of the LIBOR Advances to Base Rate Advances, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.06(e) of the Intercreditor Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

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

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

(i) This Agreement duly executed on behalf of the Borrower;

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

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the Closing Date (other than this Agreement and the Intercreditor Agreement);

(iv) A copy of the Prospectus Supplement and specimen copies of the Class A-2 Certificates;

(v) An executed copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Class A-2 Trust Agreement, the Intercreditor Agreement and the other Operative Agreements (in the case of each such opinion, either addressed to the Liquidity Provider or accompanied

by a letter from the counsel rendering such opinion to the effect that the Liquidity Provider is entitled to rely on such opinion as of its date as if it were addressed to the Liquidity Provider); and

(vi) An agreement from American, pursuant to which (x) American agrees to provide copies of quarterly financial statements and audited annual financial statements to the Liquidity Provider and (y) American agrees to allow the Liquidity Provider to discuss such transactions with officers and employees of American.

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

(c) The filings referred to in Sections 3.01(d) and 3.01(f) of the Participation Agreements shall have been filed (or shall be in the process of being filed).

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

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

(f) The Borrower and American shall have received a certificate, dated the Effective Date signed by a duly authorized representative of the Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Liquidity Provider.

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

ARTICLE V

COVENANTS

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

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

(b) Reporting Requirements. Furnish to the Liquidity Provider with reasonable promptness, such other information and data with respect to the transactions contemplated by the Operative Agreements as from time to time may be reasonably requested by the Liquidity Provider; and permit the Liquidity Provider, upon reasonable notice, to inspect the Borrower's books and records with respect to such transactions and to meet with officers and employees of the Borrower to discuss such transactions.

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

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

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT

Section 6.01. Liquidity Events of Default. If (a) any Liquidity Event of Default has occurred and is continuing and (b) there is a Performing Note Deficiency, the Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) this Agreement to expire at the close of business on the fifth Business Day after the date on which such Termination Notice is received by the Borrower, (ii) the Borrower to promptly request, and the

Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(d) hereof and Section 3.06(i) of the Intercreditor Agreement, (iii) all other outstanding Advances to be automatically converted into Final Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon and (iv) subject to Sections 2.07 and 2.09, all Advances, any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Liquidity Provider.

ARTICLE VII

MISCELLANEOUS

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

Section 7.02. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that the transmission was received),

If to the Borrower, to:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION
225 Asylum, Goodwin Square
Hartford, Connecticut 06103
Attention: Corporate Trust Division

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

If to the Liquidity Provider,

If by mail to:

BAYERISCHE LANDESBANK GIROZENTRALE
c/o Bayerische Landesbank Girozentrale, New York Branch
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

Telephone: (212) 310-9810
Telecopy: (212) 310-9930

(With a copy to the address of the Liquidity Provider set forth below)

If by other means of communication to:

BAYERISCHE LANDESBANK GIROZENTRALE
Brienner Strasse 18
D-80333 Munich, Germany
Attention: Aircraft Finance Department, 7650

Telephone: 49-89-2171-2360
Telecopy: 49-89-2171-3763

With a copy of any Notice of Borrowing to:

BAYERISCHE LANDESBANK GIROZENTRALE
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

Telephone: (212) 310-9810
Telecopy: (212) 310-9930

The Borrower or the Liquidity Provider, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

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

Section 7.04. Further Assurances. The Borrower agrees to do such further acts and things and to execute and deliver to the Liquidity Provider such additional assignments, agreements, powers

and instruments as the Liquidity Provider may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the other Operative Agreements or to better assure and confirm unto the Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

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

Section 7.06. Liability of the Liquidity Provider. (a) Neither the Liquidity Provider nor any of its officers, employees or directors shall be liable or responsible for: (i) the use which may be made of the Advances or any acts or omissions of the Borrower or any beneficiary or transferee in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) the making of Advances by the Liquidity Provider against delivery of a Notice of Borrowing and other documents which do not comply with the terms hereof; provided, however, that the Borrower shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower that were the result of (A) the Liquidity Provider's willful misconduct or gross negligence in determining whether documents presented hereunder comply with the terms hereof or (B) any breach by the Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing complying with the terms and conditions hereof.

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

Section 7.07. Certain Costs and Expenses. The Borrower agrees promptly to pay, or cause to be paid, (a) the reasonable fees, expenses and disbursements of Winthrop, Stimson, Putnam & Roberts, special counsel for the Liquidity Provider, and Schwarz Kurtze Schniewand Kelwing Wicke, special German counsel to the Liquidity Provider, in connection with the preparation, negotiation, execution, delivery, filing and recording of the Operative Agreements, any waiver or consent thereunder or any amendment thereof and (b) if a Liquidity Event of Default occurs, all out-of-pocket expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of counsel, in connection with such Liquidity Event of Default and any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith. In addition, the Borrower shall pay any and all recording, stamp and other similar taxes and fees payable or determined to be payable in the United States in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to save the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

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

(b) The Liquidity Provider agrees that it will not grant any participation (including, without limitation, a "risk participation") (any such participation, a "Participation") in or to all or a portion of its rights and obligations hereunder or under the other Operative Agreements, unless all of the following conditions are satisfied: (i) such Participation is to a Permitted Transferee, (ii) such Participation is made in accordance with all applicable laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, and any other applicable laws relating to the transfer of similar interests and (iii) such Participation shall not be made under circumstances that require registration under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended. Notwithstanding any such Participation, the Liquidity Provider agrees that (1) the Liquidity Provider's obligations under the Operative Agreements shall remain unchanged, and such participant

shall have no rights or benefits as against American or the Borrower or under any Operative Agreement, (2) the Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Liquidity Provider shall remain the maker of any Advances, and the other parties to the Operative Agreements shall continue to deal solely and directly with the Liquidity Provider in connection with the Advances and the Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Liquidity Provider shall be solely responsible for any withholding Taxes or any filing or reporting requirements relating to such Participation and shall hold the Borrower and American and their respective successors, permitted assigns, affiliates, agents and servants harmless against the same and (5) neither American nor the Borrower shall be required to pay to the Liquidity Provider any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. The Liquidity Provider may, in connection with any Participation or proposed Participation pursuant to this Section 7.08(b), disclose to the participant or proposed participant any information relating to the Operative Agreements or to the parties thereto furnished to the Liquidity Provider thereunder or in connection therewith and permitted to be disclosed by the Liquidity Provider; provided, however, that prior to any such disclosure, the participant or proposed participant shall agree in writing for the express benefit of the Borrower and American to preserve the confidentiality of any confidential information included therein (subject to customary exceptions).

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

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

Section 7.10. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 7.11. Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

(b) THE BORROWER AND THE LIQUIDITY PROVIDER EACH HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and the Liquidity Provider each warrant and represent that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with such legal counsel. THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(c) The Liquidity Provider hereby waives any immunity it may have from the jurisdiction of the courts of the United States or of any state thereof and waives any immunity any of its properties located in the United States may have from attachment or execution upon a judgment entered by any such court under the United States Foreign Sovereign Immunities Act of 1976 or any similar successor legislation.

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

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

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

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

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

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL
ASSOCIATION, not in its individual
capacity but solely as Subordination
Agent, as agent and trustee for the
Class A-2 Trust, as Borrower

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

BAYERISCHE LANDESBANK GIROZENTRALE,
as Liquidity Provider

By: /s/ BERND LONNER

Name: Bernd Lonner
Title: Vice President

By: /s/ RUDIGER FERN

Name: Rudiger Fern
Title: Senior Vice President

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1A-2), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

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

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

(3) The amount of the Interest Advance requested hereby (i) is \$_____, to be applied in respect of the payment of the interest which is due and payable on the Class A-2 Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates or the Class C Certificates, or interest on the Class A-1 Certificates, the Class B Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class A-2 Certificates, the Class A-2 Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), (iv) does not exceed the Maximum Available Commitment on the date hereof and (v) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will apply the same in accordance with the terms of Section 3.06(b) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, the making of the Interest Advance as requested by this Notice of Borrowing shall automatically reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available

Commitment by an amount equal to the amount of the Interest Advance requested to be made hereby as set forth in clause (i) of paragraph (3) of this Certificate and such reduction shall automatically result in corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

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

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

By: _____
Name:
Title:

SCHEDULE I TO INTEREST ADVANCE NOTICE OF BORROWING

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

ANNEX II to
REVOLVING CREDIT AGREEMENT

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1A-2), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

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

(2) The Borrower is delivering this Notice of Borrowing for the making of the Non-Extension Advance by the Liquidity Provider to be used for the funding of the Class A-2 Cash Collateral Account in accordance with Section 3.06(d) of the Intercreditor Agreement, which Advance is requested to be made on _____, _____. The Non-Extension Advance should be remitted to [insert wire and account details].

(3) The amount of the Non-Extension Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A-2 Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class A-2 Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class B Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class A-2 Certificates, the Class A-2 Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A-2 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

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

Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

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

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

By: _____

Name:

Title:

SCHEDULE I TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

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

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1A-2), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

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

(2) The Borrower is delivering this Notice of Borrowing for the making of the Downgrade Advance by the Liquidity Provider to be used for the funding of the Class A-2 Cash Collateral Account in accordance with Section 3.06(c) of the Intercreditor Agreement by reason of the downgrading of the short-term unsecured debt rating or long-term unsecured debt rating of the Liquidity Provider issued by either Rating Agency below the Threshold Rating, which Advance is requested to be made on _____, _____. The Downgrade Advance should be remitted to [insert wire and account details].

(3) The amount of the Downgrade Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A-2 Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class A-2 Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class B Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class A-2 Certificates, the Class A-2 Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A-2 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

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

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

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

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

By: _____

Name:

Title:

SCHEDULE I TO DOWNGRADE ADVANCE NOTICE OF BORROWING

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

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ANNEX IV to
REVOLVING CREDIT AGREEMENT

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1A-2), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

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

(2) The Borrower is delivering this Notice of Borrowing for the making of the Final Advance by the Liquidity Provider to be used for the funding of the Class A-2 Cash Collateral Account in accordance with Section 3.06(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on _____, _____. The Final Advance should be remitted to [insert wire and account details].

(3) The amount of the Final Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class A-2 Cash Collateral Account in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A-2 Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class B Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class A-2 Certificates, the Class A-2 Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class A-2 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

[(5) The Borrower hereby requests that the Advance requested hereby be a Base Rate Advance [and that such Base Rate Advance be converted into a LIBOR Advance on the third Business Day following your receipt of this notice]*.]

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

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

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

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

By: _____
Name:
Title:

[* Bracketed language may be included at Borrower's option.]

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

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

NOTICE OF TERMINATION

[Date]

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

Re: Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 1999-1A-2, as Borrower, and Bayerische Landesbank Girozentrale (the "Liquidity Agreement")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01 of the Liquidity Agreement, by reason of the occurrence and continuance of a Liquidity Event of Default and the existence of a Performing Note Deficiency (each as defined therein), we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined therein) under such Liquidity Agreement to terminate at the close of business on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Final Advance under the Liquidity Agreement pursuant to Section 3.06(i) of the Intercreditor Agreement (as defined in the Liquidity Agreement) as a consequence of your receipt of this notice.

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

Very truly yours,

Bayerische Landesbank Girozentrale,
as Liquidity Provider

By:

Name:
Title:

cc: State Street Bank and Trust Company of Connecticut,
National Association, as Class A-2 Trustee

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]
Attention:

Re: Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 1999-1A-2, as Borrower, and Bayerische Landesbank Girozentrale (the "Liquidity Agreement")

Ladies and Gentlemen:

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

[Name of Transferee]

[Address of Transferee]

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

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

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

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

By: _____
Name:
Title:

=====

REVOLVING CREDIT AGREEMENT
(1999-1B)

Dated as of October 6, 1999

between

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Subordination Agent,
as agent and trustee for the trustee of
American Airlines Pass Through Trust 1999-1B

as Borrower

and

BAYERISCHE LANDESBANK GIROZENTRALE,

as Liquidity Provider

=====

American Airlines Pass Through Trust 1999-1B
7.324% American Airlines
Pass Through Certificates,
Series 1999-1B

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of October 6, 1999, is made by and between STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Subordination Agent (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Intercreditor Agreement (as defined below), as agent and trustee for the Class B Trustee (in such capacity, together with its successors in such capacity, the "Borrower"), and BAYERISCHE LANDESBANK GIROZENTRALE, a public law banking institution organized under the laws of the Free State of Bavaria, Germany (the "Liquidity Provider").

WITNESSETH:

WHEREAS, pursuant to the Class B Trust Agreement, the Class B Trust is issuing the Class B Certificates; and

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

"Applicable Margin" means with respect to any Unpaid Advance or Applied Provider Advance, 1.75 %.

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

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

"Applied Provider Advance" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

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

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

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

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

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

"Consent Notice" has the meaning specified in Section 2.10.

"Consent Period" has the meaning specified in Section 2.10.

"Covered Taxes" means any Taxes imposed by the United States or any political subdivision or taxing authority thereof or therein required by law to be deducted or withheld from any amounts payable to the Liquidity Provider under this Agreement other than (i) any Tax on, based on or measured by net income, franchises or conduct of business, (ii) any Tax imposed, levied, withheld or assessed as a result of any connection between the Liquidity Provider and the United States or such political subdivision or taxing authority, other than a connection arising solely from the Liquidity Provider's having executed, delivered, performed its obligations or received a payment under, or enforced, any Operative Agreement, (iii) any Tax attributable to the inaccuracy in or breach by the Liquidity Provider of any of its representations, warranties or covenants contained in any Operative Agreement to which it is a party or the inaccuracy of any form or document furnished pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and Germany or a change in the Code that overrides the provisions of such treaty or (v) any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld).

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

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

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

"Expiry Date" means October 4, 2000, initially, or any date to which the Expiry Date is extended pursuant to Section 2.10.

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

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

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

"Interest Advance" means an Advance made pursuant to Section 2.02(a).

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

(i) the period beginning on the third Business Day following either (A) the Liquidity Provider's receipt of the Notice of Borrowing for such LIBOR Advance or (B) the date of the withdrawal of funds from the Class B Cash Collateral Account for the purpose of paying interest on the Class B Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next Regular Distribution Date; and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the next Regular Distribution Date;

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

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

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

"LIBOR Rate" means, with respect to any Interest Period, (a) the interest rate per annum equal to the rate per annum at which deposits in Dollars are offered in the London interbank market as shown on Page 3750 of the Telerate Systems Incorporated screen service (or such other page as may replace Telerate Page 3750), or if such service is not available, Page LIBO of the Reuters Money Service Monitor System (or such other page as may replace Reuters Page LIBO) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period, for a period comparable to such Interest Period, or (b) if no such rate is published on either such service or if neither of such services is then available, the interest rate per

annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

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

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

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

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

"Maximum Commitment" means initially \$9,440,682.00, as the same may be reduced from time to time in accordance with Section 2.04(a).

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

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

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

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

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

"Permitted Transferee" means any Person that:

(a) is not a commercial air carrier, American or any affiliate of American; and

(b) is any one of:

(1) a commercial banking institution organized under the laws of the United States or any state thereof or the District of Columbia;

(2) a commercial banking institution that (x) is organized under the laws of France, Germany, The Netherlands, Switzerland or the United Kingdom, (y) is entitled on the date it acquires any Participation to a complete exemption from United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under an income tax treaty, as in effect on such date, between the United States and such jurisdiction of its organization and (z) is engaged in the active conduct of a banking business in such jurisdiction of its organization, holds its Participation in connection with such banking business in such jurisdiction and is regulated as a commercial banking institution by the appropriate regulatory authorities in such jurisdiction; or

(3) a commercial banking institution that (x) is organized under the laws of Canada, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Sweden, Switzerland or the United Kingdom and (y) is entitled on the date it acquires any Participation to a complete exemption from withholding of United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under laws as in effect on such date by reason of such income being effectively connected with the conduct of a trade or business within the United States.

"Prospectus Supplement" means the Prospectus Supplement dated September 23, 1999, relating to the Certificates, as such Prospectus Supplement may be amended or supplemented.

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

"Reference Banks" means the principal London offices of: National Westminster Bank, plc; Morgan Guaranty Trust Company of New York; The Chase Manhattan Bank; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the Liquidity Provider.

"Regulatory Change" means the enactment, adoption or promulgation, after the date of this Agreement, of any law or regulation by a United States federal or state government or by the government of the Liquidity Provider's jurisdiction of organization, or any change, after the date of this Agreement, in any such law or regulation, or in the interpretation thereof by any governmental authority, central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Liquidity Provider including, or by reason of, the Advances or (b) any capital adequacy requirement requiring the maintenance by the Liquidity Provider of additional capital in respect of any Advances or the Liquidity Provider's obligation to make any such Advances.

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

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

"Termination Date" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class B Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class B Trust Agreement) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.06(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01; and (v) the date on which no Advance is or may (including by reason of reinstatement as herein provided) become available for a Borrowing hereunder.

"Termination Notice" means the Notice of Termination substantially in the form of Annex V to this Agreement.

"Unapplied Provider Advance" means any Provider Advance other than an Applied Provider Advance.

"Unpaid Advance" has the meaning specified in Section 2.05.

"Withdrawal Notice" has the meaning specified in Section 2.10.

(e) For the purposes of this Agreement, the following terms shall have the respective meanings specified in the Intercreditor Agreement:

"Acceleration", "American", "American Bankruptcy Event", "Certificate", "Class A-1 Certificates", "Class A-2 Certificates", "Class B Certificates", "Class B Cash Collateral Account", "Class B Certificates", "Class B Certificateholders", "Class B Trust", "Class B Trust Agreement", "Class B Trustee", "Class C Certificates", "Closing Date", "Collection Account", "Controlling Party", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgraded Facility", "Equipment Notes", "Fee Letter", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Facility", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non-Extended Facility", "Operative Agreements", "Participation Agreements", "Performing Equipment Note", "Person", "Pool Balance", "Rating Agencies", "Ratings Confirmation", "Regular Distribution Date", "Replacement Liquidity Facility", "Responsible Officer", "Scheduled Payment", "Special Payment", "S&P", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Trust Agreement", "Trustee", "Underwriters", "Underwriting Agreement", "United States" and "Written Notice".

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01. The Advances. The Liquidity Provider hereby irrevocably agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until 12:00 noon (New York City time) on the Expiry Date (unless the obligations of the Liquidity Provider shall be earlier terminated in accordance with the terms of Section 2.04(b)) in an aggregate amount at any time outstanding not to exceed the Maximum Commitment.

Section 2.02. Making of Advances. (a) Each Interest Advance shall be made by the Liquidity Provider upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex I, signed by a Responsible Officer of the Borrower, such Interest Advance to be in an amount not exceeding the Maximum Available Commitment at such time and used solely for the payment when due of interest with respect to the Class B Certificates at the Stated Interest Rate therefor in accordance with Section 3.06(a) and 3.06(b) of the Intercreditor Agreement. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Upon repayment to the Liquidity Provider in full or in part of the amount of any Interest Advance made pursuant to this Section 2.02(a), together with accrued interest thereon (as provided herein), the Maximum Available Commitment shall be reinstated by an amount equal

to the amount of such Interest Advance so repaid, but not to exceed the Maximum Commitment; provided, however, that the Maximum Available Commitment shall not be so reinstated at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Drawing shall have occurred.

(b) Subject to Section 2.10, a Non-Extension Advance shall be made by the Liquidity Provider if this Agreement is not extended in accordance with Section 3.06(d) of the Intercreditor Agreement (unless a Replacement Liquidity Facility to replace this Agreement shall have been delivered to the Borrower as contemplated by said Section 3.06(d) within the time period specified in such Section 3.06(d)) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex II, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class B Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement.

(c) A Downgrade Advance shall be made by the Liquidity Provider if at any time the short-term unsecured debt rating of the Liquidity Provider issued by either Rating Agency (or if the Liquidity Provider does not have a short-term unsecured debt rating issued by a given Rating Agency, the long-term unsecured debt rating of the Liquidity Provider issued by such Rating Agency) is lower than the applicable Threshold Rating (as provided for in Section 3.06(c) of the Intercreditor Agreement) unless a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with said Section 3.06(c), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex III, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class B Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement.

(d) A Final Advance shall be made by the Liquidity Provider following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01 upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex IV, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class B Cash Collateral Account (in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement).

(e) Each Borrowing shall be made on notice in writing (a "Notice of Borrowing") in substantially the form required by Section 2.02(a), 2.02(b), 2.02(c) or 2.02(d), as the case may be, given by the Borrower to the Liquidity Provider. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 1:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 4:00 p.m. (New York City time) on such Business Day or before 1:00 p.m. (New York City time) on such later Business Day specified in such Notice of Borrowing. If a Notice of

Borrowing is delivered by the Borrower in respect of any Borrowing after 1:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 1:00 p.m. (New York City time) on the first Business Day next following the day of receipt of such Notice of Borrowing or on such later Business Day specified by the Borrower in such Notice of Borrowing. Payments of proceeds of a Borrowing shall be made by wire transfer of immediately available funds to the Borrower in accordance with such wire transfer instructions as the Borrower shall furnish from time to time to the Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider's New York branch at the address specified in Section 7.02 hereof.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Liquidity Provider shall not thereafter be obligated to make any further Advances hereunder in respect of such Notice of Borrowing to the Borrower or to any other Person (including the Trustee or any Class B Certificateholder). If the Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 12:00 noon (New York City time) on the second Business Day after the date of payment specified in said Section 2.02(e), the Liquidity Provider shall have fully discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) to fund the Class B Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Class B Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class B Cash Collateral Account; provided that the foregoing shall not affect or impair the obligations of the Subordination Agent to make the distributions contemplated by Section 3.06(e) or 3.06(f) of the Intercreditor Agreement and provided further, that the foregoing shall not affect or impair the rights of the Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class B Cash Collateral Account to the extent provided in Section 2.02(b) of the Intercreditor Agreement. By paying to the Borrower proceeds of Advances requested by the Borrower in accordance with the provisions of this Agreement, the Liquidity Provider makes no representation as to, and assumes no responsibility for, the correctness or sufficiency for any purpose of the amount of the Advances so made and requested.

Section 2.03. Fees. The Borrower agrees to pay to the Liquidity Provider the fees set forth in the Fee Letter.

Section 2.04. Reduction or Termination of the Maximum Commitment. (a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a reduction in the Pool Balance of the Class B Certificates or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower). The Borrower shall give notice of any such automatic reduction of the Maximum

Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Liquidity Provider to make further Advances hereunder shall automatically and irrevocably terminate, and the Borrower shall not be entitled to request any further Borrowing hereunder.

Section 2.05. Repayments of Interest Advances or the Final Advance. Subject to Sections 2.06, 2.07 and 2.09 hereof, the Borrower hereby agrees, without notice of an Advance or demand for repayment from the Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Liquidity Provider (a) on each date on which the Liquidity Provider shall make an Interest Advance or the Final Advance, an amount equal to the amount of such Advance (any such Advance, until repaid, is referred to herein as an "Unpaid Advance"), plus (b) interest on the amount of each such Unpaid Advance in the amounts and on the dates determined as provided in Section 3.07; provided that if (i) the Liquidity Provider shall make a Provider Advance at any time after making one or more Interest Advances which shall not have been repaid in accordance with this Section 2.05 or (ii) this Liquidity Facility shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero, then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)). The Borrower and the Liquidity Provider agree that the repayment in full of each Interest Advance and Final Advance on the date such Advance is made is intended to be a contemporaneous exchange for new value given to the Borrower by the Liquidity Provider. For the avoidance of doubt, interest payable on an Interest Advance or the Final Advance shall not be regarded as overdue unless such interest is not paid when due under Section 3.07.

Section 2.06. Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Class B Cash Collateral Account and invested and withdrawn from the Class B Cash Collateral Account as set forth in Sections 3.06(c), 3.06(d), 3.06(e) and 3.06(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Liquidity Provider, on each Regular Distribution Date, commencing on the first Regular Distribution Date after the making of a Provider Advance, interest on the principal amount of any such Provider Advance, in the amounts determined as provided in Section 3.07; provided, however, that amounts in respect of a Provider Advance withdrawn from the Class B Cash Collateral Account for the purpose of paying interest on the Class B Certificates in accordance with Section 3.06(f) of the Intercreditor Agreement (the amount of any such withdrawal being (y) in the case of a Downgrade Advance, an "Applied Downgrade Advance" and (z) in the case of a Non-Extension Advance, an "Applied Non-Extension Advance" and, together with an Applied

Downgrade Advance, an "Applied Provider Advance") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable; provided further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01, such Provider Advance shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable. Subject to Sections 2.07 and 2.09 hereof, immediately upon the withdrawal of any amounts from the Class B Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount prepaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance (or any portion thereof) is outstanding, upon the deposit in the Class B Cash Collateral Account of any amount pursuant to clause "third" of Section 2.04(b) of the Intercreditor Agreement, clause "third" of Section 3.02 of the Intercreditor Agreement or clause "fourth" of Section 3.03 of the Intercreditor Agreement (any such amount being a "Replenishment Amount") for the purpose of replenishing or increasing the balance thereof up to the Required Amount at such time, (i) the aggregate outstanding principal amount of all Applied Provider Advances (and of Provider Advances treated as an Interest Advance for purposes of determining the Applicable Liquidity Rate for interest payable thereon) shall be automatically reduced by the amount of such Replenishment Amount and (ii) the aggregate outstanding principal amount of all Unapplied Provider Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Liquidity Facility in replacement of this Agreement in accordance with Section 3.06(e) of the Intercreditor Agreement, as provided in Section 3.06(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class B Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement shall be reimbursed to the Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the Liquidity Provider all amounts owing to it hereunder.

Section 2.07. Payments to the Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Liquidity Provider of any amounts hereunder, the Intercreditor Agreement provides that amounts available and referred to in Articles II and III of the Intercreditor Agreement, to the extent payable to the Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.06(f) of the Intercreditor Agreement), shall be paid to the Liquidity Provider in accordance with the terms thereof (but, for the avoidance of doubt, without duplication of or increase in any amounts payable hereunder). Amounts so paid to the Liquidity Provider shall be applied by the Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement and shall discharge in full the corresponding obligations of the Borrower hereunder.

Section 2.08. Book Entries. The Liquidity Provider shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower resulting from Advances made from time to time and the amounts of principal and interest payable hereunder and paid from time to time in respect thereof; provided, however, that the failure by the Liquidity Provider to maintain such account or accounts shall not affect the obligations of the Borrower in respect of Advances.

Section 2.09. Payments from Available Funds Only. All payments to be made by the Borrower under this Agreement shall be made only from the amounts that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payment under Section 4.02 of the Participation Agreements and payments under Section 2.14 of the Indentures, and only to the extent that the Borrower shall have sufficient income or proceeds therefrom to enable the Borrower to make payments in accordance with the terms hereof after giving effect to the priority of payments provisions set forth in the Intercreditor Agreement. The Liquidity Provider agrees that it will look solely to such amounts to the extent available for distribution to it as provided in the Intercreditor Agreement and this Agreement and that the Borrower, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Agreement except as expressly provided in this Agreement, the Intercreditor Agreement or any Participation Agreement. Amounts on deposit in the Class B Cash Collateral Account shall be available to the Borrower to make payments under this Agreement only to the extent and for the purposes expressly contemplated in Section 3.06(f) of the Intercreditor Agreement.

Section 2.10. Extension of the Expiry Date; Non-Extension Advance. If the Expiry Date is prior to the date that is 15 days after the Final Legal Distribution Date for the Class B Certificates, then no earlier than the 60th day and no later than the 40th day prior to the then applicable Expiry Date, the Borrower may request in writing that the Liquidity Provider extend the Expiry Date to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for the Class B Certificates and (ii) the date that is the day immediately preceding the 364th day after the last day of the Consent Period (unless the obligations of the Liquidity Provider hereunder are earlier terminated in accordance herewith). The Liquidity Provider shall by notice (the "Consent Notice") to the Borrower during the period commencing on the date that is 60 days prior to the then effective Expiry Date and ending on the date that is 25 days prior to the then effective Expiry Date (the "Consent Period") advise the Borrower whether, in its sole discretion, it agrees to so extend the Expiry Date; provided, however, that such extension shall not be effective with respect to the Liquidity Provider if, by notice (the "Withdrawal Notice") to the Borrower prior to the end of the Consent Period, the Liquidity Provider revokes its Consent Notice. If the Liquidity Provider advises the Borrower in the Consent Notice that such Expiry Date shall not be so extended, or gives a Withdrawal Notice to the Borrower prior to the end of the Consent Period, or fails to irrevocably and unconditionally advise the Borrower on or before the end of the Consent Period that such Expiry Date shall be so extended (and, in each case, if the Liquidity Provider shall not have been replaced in accordance with Section 3.06(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the date on which the Consent Period ends (but prior to the then effective Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor

Agreement. If any amounts shall be drawn pursuant to a Non-Extension Advance and, within 30 days thereafter, the Liquidity Provider shall not have been replaced, then at any time following the 30th day after such Non-Extension Advance, the Liquidity Provider may, by written notice to the Borrower, agree to reinstate the Liquidity Facility on the terms of the existing Liquidity Facility for a period ending on the 364th day after the end of the Consent Period; provided, however, that in such event the Liquidity Provider shall reimburse the Borrower for any costs actually incurred by or on behalf of the Borrower in drawing pursuant to the Non-Extension Advance and funding the Class B Cash Collateral Account or otherwise in connection with the Non-Extension Advance.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01. Increased Costs. If as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Liquidity Provider to be material in the actual cost to the Liquidity Provider of making, funding or maintaining any Advances or its obligation to make any such Advances or there shall be any reduction by an amount reasonably deemed by the Liquidity Provider to be material in the amount receivable by the Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in case of either such an increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Liquidity Provider, from its breach of any of its representations, warranties, covenants or agreements contained herein or in the Intercreditor Agreement or from its failure to comply with any such Regulatory Change (any such increase or reduction being referred to herein as an "Increased Cost"), then the Borrower shall from time to time pay to the Liquidity Provider an amount equal to such Increased Cost within 15 Business Days after delivery to the Borrower and American of a certificate of an officer of the Liquidity Provider describing in reasonable detail the event by reason of which it claims such Increased Cost and the basis for the determination of the amount of such Increased Cost; provided that, the Borrower shall be obligated to pay amounts only with respect to any Increased Costs accruing from the date 45 days prior to the date of delivery of such certificate. Such certificate, in the absence of manifest error, shall be considered prima facie evidence of the amount for purposes of this Agreement; provided that any determinations and allocations by the Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the Advances are made on a reasonable basis. The Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Taxes. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation under this Section 3.01. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or minimize, to the greatest extent possible, any claim in respect of Increased Costs, including, without limitation, by designating a different Lending Office, if such designation or other action would avoid the need for, or reduce the amount of, any such claim; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Liquidity Provider therefor. If no such

designation or other action is effected, or, if effected, fails to avoid the need for any claim in respect of Increased Costs, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.06(e) of the Intercreditor Agreement.

Notwithstanding the foregoing provisions, in no event shall the Borrower be required to make payments under this Section 3.01: (a) in respect of any Regulatory Change proposed by any applicable governmental authority (including any branch of a legislature), central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization and pending as of the date of this Agreement (it being agreed that the consultative paper issued by the Basel Committee on Banking Supervision entitled "A New Capital Adequacy Framework" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect similarly organized commercial banking institutions in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) if the Liquidity Provider shall fail to comply with its obligations under this Section 3.01; or (d) if the Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions.

Section 3.02. [Intentionally omitted.]

Section 3.03. Withholding Taxes. (a) All payments made by the Borrower under this Agreement shall be made without deduction or withholding for or on account of any Taxes, unless such deduction or withholding is required by law. If any Taxes are so required to be withheld or deducted from any amounts payable to the Liquidity Provider under this Agreement, the Borrower shall pay to the relevant authorities the full amount so required to be deducted or withheld and, if such Taxes are Covered Taxes, pay to the Liquidity Provider such additional amounts as shall be necessary to ensure that the net amount actually received by the Liquidity Provider (after deduction or withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Liquidity Provider had no withholding or deduction of Covered Taxes been required. The Liquidity Provider agrees to use reasonable efforts (consistent with applicable legal and regulatory restrictions) to change the jurisdiction of its Lending Office if making such change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of the Liquidity Provider, be otherwise materially disadvantageous to the Liquidity Provider. If the Liquidity Provider receives a refund of, or realizes a net Tax benefit not otherwise available to it as a result of, any Taxes for which additional amounts were paid by the Borrower pursuant to this Section 3.03, the Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon) or net benefit.

The Liquidity Provider will (i) provide (on its behalf and on behalf of any participant holding a Participation pursuant to Section 7.08) to the Borrower (x) on or prior to the Effective Date two valid completed and executed copies of Internal Revenue Service Form W8-BEN, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such other form or documentation as may be applicable) covering all amounts receivable by it in connection with the

transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the Liquidity Provider and (ii) provide timely notice to the Borrower if any such form or documentation is or becomes inaccurate. The Liquidity Provider shall deliver to the Borrower such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that payments hereunder are exempt from or entitled to a reduced rate of Covered Taxes.

(b) All payments (including, without limitation, Advances) made by the Liquidity Provider under this Agreement shall be made free and clear of, and without reduction for or on account of, any Taxes. If any Taxes are required to be withheld or deducted from any amounts payable to the Borrower under this Agreement, the Liquidity Provider shall (i) within the time prescribed therefor by applicable law pay to the appropriate governmental or taxing authority the full amount of any such Taxes (and any additional Taxes in respect of the additional amounts payable under clause (ii) hereof) and make such reports or returns in connection therewith at the time or times and in the manner prescribed by applicable law, and (ii) pay to the Borrower an additional amount which (after deduction of all such Taxes) will be sufficient to yield to the Borrower the full amount which would have been received by it had no such withholding or deduction been made. Within 30 days after the date of each payment hereunder, the Liquidity Provider shall furnish to the Borrower the original or a certified copy of (or other documentary evidence of) the payment of the Taxes applicable to such payment.

If any exemption from, or reduction in the rate of, any Taxes required to be borne by the Liquidity Provider under this Section 3.03(b) is reasonably available to the Borrower without providing any information regarding the holders or beneficial owners of the Certificates, the Borrower shall deliver the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reductions (but without any requirement to provide any information regarding the holders or beneficial owners of the Certificates) as the Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, such Taxes.

Section 3.04. Payments. The Borrower shall make or cause to be made each payment to the Liquidity Provider under this Agreement so as to cause the same to be received by the Liquidity Provider not later than 1:00 P.M. (New York City time) on the day when due. The Borrower shall make all such payments in Dollars, to the Liquidity Provider in immediately available funds, by wire transfer to First Union Bank International, Swift/BIC - Code: PNBPUS3N NYC (Fedwire 0260 0509 2/CHIPS/ABA 0509) in favor of account number 2000 193534 122, Bayerische Landesbank Girozentrale, Munich, Swift/BIC - Code: BYLADEMM, Reference RCA American EETC 1999-1B.

Section 3.05. Computations. All computations of interest based on the Base Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the LIBOR Rate shall be made on the basis of a year of 360 days, in each case for the actual

number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable.

Section 3.06. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next interest payment date for such Advance.

Section 3.07. Interest. (a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Class B Cash Collateral Account to pay interest on the Class B Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance, the date on which the Class B Cash Collateral Account is fully replenished in respect of such Advance) and (ii) any other amount due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by law, installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such case, at the interest rate per annum for each day equal to the Applicable Liquidity Rate (as defined below) for such Advance or such other amount, as the case may be, as in effect for such day, but in no event at a rate per annum greater than the maximum rate permitted by applicable law, provided, however, that, if at any time the otherwise applicable interest rate as set forth in this Section 3.07 shall exceed the maximum rate permitted by applicable law, then to the maximum extent permitted by applicable law any subsequent reduction in such interest rate will not reduce the rate of interest payable pursuant to this Section 3.07 below the maximum rate permitted by applicable law until the total amount of interest accrued equals the absolute amount of interest that would have accrued (without additional interest thereon) if such otherwise applicable interest rate as set forth in this Section 3.07 had at all relevant times been in effect.

(b) Except as provided in Section 3.07(e), each Advance will be either a Base Rate Advance or a LIBOR Advance as provided in this Section 3.07. Each such Advance will be a Base Rate Advance for the period from the date of its borrowing to (but excluding) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance; provided that the Borrower (at the direction of the Controlling Party, so long as the Liquidity Provider is not the Controlling Party) may (x) convert the Final Advance into a Base Rate Advance on the last day of an Interest Period for such Advance by giving the Liquidity Provider no less than four Business Days' prior written notice of such election or (y) elect to maintain the Final Advance as a Base Rate Advance by not requesting a conversion

of the Final Advance to a LIBOR Advance under Clause (5) of the applicable Notice of Borrowing (or, if, pursuant to Section 2.06, such Final Advance is deemed to have been made without delivery of a Notice of Borrowing, by requesting, prior to 11:00 a.m. on the first Business Day immediately following the Borrower's receipt of the applicable Termination Notice, that such Final Advance not be converted from a Base Rate Advance to a LIBOR Advance).

(c) Each LIBOR Advance shall bear interest during each Interest Period at a rate per annum equal to the LIBOR Rate for such Interest Period plus the Applicable Margin for such LIBOR Advance, payable in arrears on the last day of such Interest Period and, in the event of the payment of principal of such LIBOR Advance on a day other than such last day, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(d) Each Base Rate Advance shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin for such Base Rate Advance, payable in arrears on each Regular Distribution Date and, in the event of the payment of principal of such Base Rate Advance on a day other than a Regular Distribution Date, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(e) Each outstanding Unapplied Provider Advance shall bear interest in an amount equal to the Investment Earnings on amounts on deposit in the Class B Cash Collateral Account for such Unapplied Provider Advance on the amount of such Unapplied Provider Advance from time to time, payable in arrears on each Regular Distribution Date.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by applicable law, installments of interest on Advances but excluding Advances) shall bear interest at a rate per annum equal to the Base Rate plus 1.75% per annum until paid.

(g) Each change in the Base Rate shall become effective immediately. The rates of interest specified in this Section 3.07 with respect to any Advance or other amount shall be referred to as the "Applicable Liquidity Rate".

Section 3.08. Replacement of Borrower. Subject to Section 5.02, from time to time and subject to the successor Borrower's meeting the eligibility requirements set forth in Section 6.09 of the Intercreditor Agreement applicable to the Subordination Agent, upon the effective date and time specified in a written and completed Notice of Replacement Subordination Agent in substantially the form of Annex VI (a "Notice of Replacement Subordination Agent") delivered to the Liquidity Provider by the then Borrower, the successor Borrower designated therein shall become the Borrower for all purposes hereunder.

Section 3.09. Funding Loss Indemnification. The Borrower shall pay to the Liquidity Provider, upon the request of the Liquidity Provider, such amount or amounts as shall be sufficient (in the reasonable opinion of the Liquidity Provider) to compensate it for any loss, cost or expense

incurred by reason of the liquidation or redeployment of deposits or other funds acquired by the Liquidity Provider to fund or maintain any LIBOR Advance (but excluding loss of the Applicable Margin or anticipated profits) incurred as a result of:

(1) Any repayment of a LIBOR Advance on a date other than the last day of the Interest Period for such Advance; or

(2) Any failure by the Borrower to borrow a LIBOR Advance on the date for borrowing specified in the relevant notice under Section 2.02.

Section 3.10. Illegality. Notwithstanding any other provision in this Agreement, if any change in any law, rule or regulation applicable to or binding on the Liquidity Provider, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Liquidity Provider to maintain or fund its LIBOR Advances, then upon notice to the Borrower and American by the Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Liquidity Provider, requires immediate conversion; or (b) at the expiration of the last Interest Period to expire before the effective date of any such change or request. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event that will lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for avoiding the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided, that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for conversion of the LIBOR Advances to Base Rate Advances, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.06(e) of the Intercreditor Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied (or waived by the appropriate party or parties):

(a) The Liquidity Provider shall have received on or before the Closing Date each of the following, and in the case of each document delivered pursuant to paragraphs (i), (ii) and (iii), each in form and substance satisfactory to the Liquidity Provider:

(i) This Agreement duly executed on behalf of the Borrower;

(ii) The Intercreditor Agreement duly executed on behalf of each of the parties thereto (other than the Liquidity Provider);

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the Closing Date (other than this Agreement and the Intercreditor Agreement);

(iv) A copy of the Prospectus Supplement and specimen copies of the Class B Certificates;

(v) An executed copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Class B Trust Agreement, the Intercreditor Agreement and the other Operative Agreements (in the case of each such opinion, either addressed to the Liquidity Provider or accompanied by a letter from the counsel rendering such opinion to the effect that the Liquidity Provider is entitled to rely on such opinion as of its date as if it were addressed to the Liquidity Provider); and

(vi) An agreement from American, pursuant to which (x) American agrees to provide copies of quarterly financial statements and audited annual financial statements to the Liquidity Provider and (y) American agrees to allow the Liquidity Provider to discuss such transactions with officers and employees of American.

(b) On and as of the Effective Date no event shall have occurred and be continuing, or would result from the entering into of this Agreement or the making of any Advance, which constitutes a Liquidity Event of Default.

(c) The filings referred to in Sections 3.01(d) and 3.01(f) of the Participation Agreements shall have been filed (or shall be in the process of being filed).

(d) The Liquidity Provider shall have received payment in full of the fees and other sums required to be paid to or for the account of the Liquidity Provider on or prior to the Effective Date pursuant to the Fee Letter.

(e) All conditions precedent to the issuance of the Certificates under the Trust Agreement shall have been satisfied or waived, all conditions precedent to the effectiveness of the other Liquidity Facilities shall have been satisfied or waived, and all conditions precedent to the purchase

of the Certificates by the Underwriters under the Underwriting Agreement shall have been satisfied (unless any of such conditions precedent under the Underwriting Agreement shall have been waived by the Underwriters).

(f) The Borrower and American shall have received a certificate, dated the Effective Date signed by a duly authorized representative of the Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Liquidity Provider.

Section 4.02. Conditions Precedent to Borrowing. The obligation of the Liquidity Provider to make an Advance on the occasion of each Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and, prior to the time of such Borrowing, the Borrower shall have delivered a Notice of Borrowing which conforms to the terms and conditions of this Agreement.

ARTICLE V

COVENANTS

Section 5.01. Affirmative Covenants of the Borrower. So long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will, unless the Liquidity Provider shall otherwise consent in writing:

(a) Performance of Agreements. Punctually pay or cause to be paid all amounts payable by it under this Agreement and the Intercreditor Agreement and observe and perform in all material respects the conditions, covenants and requirements applicable to it contained in this Agreement and the Intercreditor Agreement.

(b) Reporting Requirements. Furnish to the Liquidity Provider with reasonable promptness, such other information and data with respect to the transactions contemplated by the Operative Agreements as from time to time may be reasonably requested by the Liquidity Provider; and permit the Liquidity Provider, upon reasonable notice, to inspect the Borrower's books and records with respect to such transactions and to meet with officers and employees of the Borrower to discuss such transactions.

(c) Certain Operative Agreements. Furnish to the Liquidity Provider with reasonable promptness, such Operative Agreements entered into after the date hereof as from time to time may be reasonably requested by the Liquidity Provider.

Section 5.02. Negative Covenants of the Borrower. Subject to the first and second sentences and the fourth paragraph of Section 7.01(a) of the Intercreditor Agreement and Section 7.01(b) of the Intercreditor Agreement, so long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Commitment hereunder or the Borrower shall have any obligation

to pay any amount to the Liquidity Provider hereunder, the Borrower will not appoint or permit or suffer to be appointed any successor Borrower without the prior written consent of the Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT

Section 6.01. Liquidity Events of Default. If (a) any Liquidity Event of Default has occurred and is continuing and (b) there is a Performing Note Deficiency, the Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) this Agreement to expire at the close of business on the fifth Business Day after the date on which such Termination Notice is received by the Borrower, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(d) hereof and Section 3.06(i) of the Intercreditor Agreement, (iii) all other outstanding Advances to be automatically converted into Final Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon and (iv) subject to Sections 2.07 and 2.09, all Advances, any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Liquidity Provider.

ARTICLE VII

MISCELLANEOUS

Section 7.01. No Oral Modifications or Continuing Waivers. No terms or provisions of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Borrower and the Liquidity Provider and any other Person whose consent is required pursuant to this Agreement; provided that no such change or other action shall affect the payment obligations of American Airlines without American's prior written consent; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 7.02. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that the transmission was received),

If to the Borrower, to:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION
225 Asylum, Goodwin Square
Hartford, Connecticut 06103
Attention: Corporate Trust Division

Telephone: (860) 244-1844
Telecopy: (860) 244-1881

If to the Liquidity Provider,

If by mail to:

BAYERISCHE LANDESBANK GIROZENTRALE
c/o Bayerische Landesbank Girozentrale, New York Branch
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

Telephone: (212) 310-9810
Telecopy: (212) 310-9930

(With a copy to the address of the Liquidity Provider set forth below)

If by other means of communication to:

BAYERISCHE LANDESBANK GIROZENTRALE
Brienner Strasse 18
D-80333 Munich, Germany
Attention: Aircraft Finance Department, 7650

Telephone: 49-89-2171-2360
Telecopy: 49-89-2171-3763

With a copy of any Notice of Borrowing to:

BAYERISCHE LANDESBANK GIROZENTRALE
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

Telephone: (212) 310-9810
Telecopy: (212) 310-9930

The Borrower or the Liquidity Provider, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

Section 7.03. No Waiver; Remedies. No failure on the part of the Liquidity Provider to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.04. Further Assurances. The Borrower agrees to do such further acts and things and to execute and deliver to the Liquidity Provider such additional assignments, agreements, powers and instruments as the Liquidity Provider may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the other Operative Agreements or to better assure and confirm unto the Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

Section 7.05. Indemnification; Survival of Certain Provisions. The Liquidity Provider shall be indemnified hereunder to the extent and in the manner described in Section 4.02 of the Participation Agreements. In addition, the Borrower agrees to indemnify, protect, defend and hold harmless each Liquidity Indemnitee from and against all Expenses of any kind or nature whatsoever (other than any Expenses of the nature described in Sections 3.01 or 7.07 or in the Fee Letter (regardless of whether indemnified against pursuant to said Sections or in such Fee Letter)), that may be imposed on or incurred by such Liquidity Indemnitee, in any way relating to, resulting from, or arising out of or in connection with, any action, suit or proceeding by any third party against such Liquidity Indemnitee and relating to this Agreement, the Fee Letter, the Intercreditor Agreement or any Participation Agreement; provided, however, that the Borrower shall not be required to indemnify, protect, defend and hold harmless any Liquidity Indemnitee in respect of any Expense of such Liquidity Indemnitee to the extent such Expense is (i) attributable to the negligence or willful misconduct of such Liquidity Indemnitee or any other Liquidity Indemnitee, (ii) an ordinary and usual operating overhead expense, (iii) attributable to the failure by such Liquidity Indemnitee or any other Liquidity Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed in this Agreement, the Intercreditor Agreement, the Fee Letter or any other Operative Agreement to which it is a party or (iv) otherwise excluded from the indemnification provisions contained in Section 4.02 of the Participation Agreements. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 and the indemnities contained in Section 4.02 of the Participation Agreements shall survive the termination of this Agreement.

Section 7.06. Liability of the Liquidity Provider. (a) Neither the Liquidity Provider nor any of its officers, employees or directors shall be liable or responsible for: (i) the use which may be made of the Advances or any acts or omissions of the Borrower or any beneficiary or transferee in

connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) the making of Advances by the Liquidity Provider against delivery of a Notice of Borrowing and other documents which do not comply with the terms hereof; provided, however, that the Borrower shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower that were the result of (A) the Liquidity Provider's willful misconduct or gross negligence in determining whether documents presented hereunder comply with the terms hereof or (B) any breach by the Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing complying with the terms and conditions hereof.

(b) Neither the Liquidity Provider nor any of its officers, employees or directors or affiliates shall be liable or responsible in any respect for (i) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with this Agreement or any Notice of Borrowing delivered hereunder or (ii) any action, inaction or omission which may be taken by it in good faith, absent willful misconduct or negligence (in which event the extent of the Liquidity Provider's potential liability to the Borrower shall be limited as set forth in the immediately preceding paragraph), in connection with this Agreement or any Notice of Borrowing.

Section 7.07. Certain Costs and Expenses. The Borrower agrees promptly to pay, or cause to be paid, (a) the reasonable fees, expenses and disbursements of Winthrop, Stimson, Putnam & Roberts, special counsel for the Liquidity Provider, and Schwarz Kurtze Schniewand Kelwing Wicke, special German counsel to the Liquidity Provider, in connection with the preparation, negotiation, execution, delivery, filing and recording of the Operative Agreements, any waiver or consent thereunder or any amendment thereof and (b) if a Liquidity Event of Default occurs, all out-of-pocket expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of counsel, in connection with such Liquidity Event of Default and any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith. In addition, the Borrower shall pay any and all recording, stamp and other similar taxes and fees payable or determined to be payable in the United States in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to save the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

Section 7.08. Binding Effect; Participations. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower and the Liquidity Provider and their respective successors and permitted assigns, except that neither the Liquidity Provider (except as otherwise provided in this Section 7.08) nor (except as contemplated by Section 3.08) the Borrower shall have the right to assign, pledge or otherwise transfer its rights or obligations hereunder or any interest herein, subject to the Liquidity Provider's right to grant Participations pursuant to Section 7.08(b).

(b) The Liquidity Provider agrees that it will not grant any participation (including, without limitation, a "risk participation") (any such participation, a "Participation") in or to all or a portion of its rights and obligations hereunder or under the other Operative Agreements, unless all of the following conditions are satisfied: (i) such Participation is to a Permitted Transferee, (ii) such Participation is made in accordance with all applicable laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, and any other applicable laws relating to the transfer of similar interests and (iii) such Participation shall not be made under circumstances that require registration under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended. Notwithstanding any such Participation, the Liquidity Provider agrees that (1) the Liquidity Provider's obligations under the Operative Agreements shall remain unchanged, and such participant shall have no rights or benefits as against American or the Borrower or under any Operative Agreement, (2) the Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Liquidity Provider shall remain the maker of any Advances, and the other parties to the Operative Agreements shall continue to deal solely and directly with the Liquidity Provider in connection with the Advances and the Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Liquidity Provider shall be solely responsible for any withholding Taxes or any filing or reporting requirements relating to such Participation and shall hold the Borrower and American and their respective successors, permitted assigns, affiliates, agents and servants harmless against the same and (5) neither American nor the Borrower shall be required to pay to the Liquidity Provider any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. The Liquidity Provider may, in connection with any Participation or proposed Participation pursuant to this Section 7.08(b), disclose to the participant or proposed participant any information relating to the Operative Agreements or to the parties thereto furnished to the Liquidity Provider thereunder or in connection therewith and permitted to be disclosed by the Liquidity Provider; provided, however, that prior to any such disclosure, the participant or proposed participant shall agree in writing for the express benefit of the Borrower and American to preserve the confidentiality of any confidential information included therein (subject to customary exceptions).

(c) Notwithstanding the other provisions of this Section 7.08, the Liquidity Provider may assign and pledge all or any portion of the Advances owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, provided that any payment in respect of such assigned Advances made by the Borrower to the Liquidity Provider in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such assigned Advance to the extent of such payment. No such assignment shall release the Liquidity Provider from its obligations hereunder.

Section 7.09. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such

prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.10. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 7.11. Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

(b) THE BORROWER AND THE LIQUIDITY PROVIDER EACH HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and the Liquidity Provider each warrant and represent that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with such legal counsel. THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(c) The Liquidity Provider hereby waives any immunity it may have from the jurisdiction of the courts of the United States or of any state thereof and waives any immunity any of its properties located in the United States may have from attachment or execution upon a judgment entered by any such court under the United States Foreign Sovereign Immunities Act of 1976 or any similar successor legislation.

Section 7.12. Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this

Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts together shall constitute one instrument.

Section 7.13. Entirety. This Agreement and the Intercreditor Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements of such parties.

Section 7.14. Headings. The headings of the various Articles and Sections herein and in the Table of Contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 7.15. Liquidity Provider's Obligation to Make Advances. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OBLIGATIONS OF THE LIQUIDITY PROVIDER TO MAKE ADVANCES HEREUNDER, AND THE BORROWER'S RIGHTS TO DELIVER NOTICES OF BORROWING REQUESTING THE MAKING OF ADVANCES HEREUNDER, SHALL BE ABSOLUTE, UNCONDITIONAL AND IRREVOCABLE, AND SHALL BE PAID OR PERFORMED, IN EACH CASE STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL
ASSOCIATION, not in its individual
capacity but solely as Subordination
Agent, as agent and trustee for the
Class B Trust, as Borrower

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

BAYERISCHE LANDESBANK GIROZENTRALE,
as Liquidity Provider

By: /s/ BERND LONNER

Name: Bernd Lonner
Title: Vice President

By: /s/ RUDIGER FERN

Name: Rudiger Fern
Title: Senior Vice President

ANNEX I to
REVOLVING CREDIT AGREEMENT

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1B), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of an Interest Advance by the Liquidity Provider to be used for the payment of the interest on the Class B Certificates which is payable on _____, ____ (the "Distribution Date") in accordance with the terms and provisions of the Class B Trust Agreement and the Class B Certificates, which Advance is requested to be made on _____, _____. The Interest Advance should be remitted to [insert wire and account details].

(3) The amount of the Interest Advance requested hereby (i) is \$_____, to be applied in respect of the payment of the interest which is due and payable on the Class B Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates or the Class C Certificates, or interest on the Class A-1 Certificates, the Class A-2 Certificates, or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class B Certificates, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), (iv) does not exceed the Maximum Available Commitment on the date hereof and (v) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will apply the same in accordance with the terms of Section 3.06(b) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, the making of the Interest Advance as requested by this Notice of Borrowing shall automatically reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available Commitment by an amount equal to the amount of the Interest Advance requested to be made hereby

as set forth in clause (i) of paragraph (3) of this Certificate and such reduction shall automatically result in corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO INTEREST ADVANCE NOTICE OF BORROWING

[Insert Copy of Computations in accordance with Interest Advance
Notice of Borrowing]

ANNEX II to
REVOLVING CREDIT AGREEMENT

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1B), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Non-Extension Advance by the Liquidity Provider to be used for the funding of the Class B Cash Collateral Account in accordance with Section 3.06(d) of the Intercreditor Agreement, which Advance is requested to be made on _____, _____. The Non-Extension Advance should be remitted to [insert wire and account details].

(3) The amount of the Non-Extension Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class B Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class B Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class A-2 Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class B Certificates, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class B Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Non-Extension Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Non-Extension

Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

[Insert Copy of computations in accordance with Non-Extension
Advance Notice of Borrowing]

ANNEX III to
REVOLVING CREDIT AGREEMENT

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1B), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Downgrade Advance by the Liquidity Provider to be used for the funding of the Class B Cash Collateral Account in accordance with Section 3.06(c) of the Intercreditor Agreement by reason of the downgrading of the short-term unsecured debt rating or long-term unsecured debt rating of the Liquidity Provider issued by either Rating Agency below the Threshold Rating, which Advance is requested to be made on _____, _____. The Downgrade Advance should be remitted to [insert wire and account details].

(3) The amount of the Downgrade Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class B Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class B Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class A-2 Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class B Certificates, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class B Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Downgrade Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the

Liquidity Agreement and (B) following the making by the Liquidity Provider of the Downgrade Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO DOWNGRADE ADVANCE NOTICE OF BORROWING

[Insert Copy of computations in accordance with Downgrade
Advance Notice of Borrowing]

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FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1B), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Final Advance by the Liquidity Provider to be used for the funding of the Class B Cash Collateral Account in accordance with Section 3.06(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on _____, _____. The Final Advance should be remitted to [insert wire and account details].

(3) The amount of the Final Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class B Cash Collateral Account in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class B Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class A-2 Certificates or the Class C Certificates, (iii) was computed in accordance with the provisions of the Class B Certificates, the Class B Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class B Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

[(5) The Borrower hereby requests that the Advance requested hereby be a Base Rate Advance [and that such Base Rate Advance be converted into a LIBOR Advance on the third Business Day following your receipt of this notice]*.]

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Final Advance as requested by this Notice of Borrowing shall automatically and irrevocably

terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Final Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

[* Bracketed language may be included at Borrower's option.]

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

[Insert Copy of Computations in accordance with Final
Advance Notice of Borrowing]

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ANNEX V to
REVOLVING CREDIT AGREEMENT

NOTICE OF TERMINATION

[Date]

State Street Bank and Trust Company of Connecticut, National Association,
as Subordination Agent, as Borrower
225 Asylum Street, Goodwin Square
Hartford, Connecticut 06103
Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of October 6, 1999, between State
Street Bank and Trust Company of Connecticut, National Association, as
Subordination Agent, as agent and trustee for the American Airlines Pass
Through Trust 1999-1B, as Borrower, and Bayerische Landesbank Girozentrale
(the "Liquidity Agreement")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01 of the Liquidity
Agreement, by reason of the occurrence and continuance of a Liquidity Event of
Default and the existence of a Performing Note Deficiency (each as defined
therein), we are giving this notice to you in order to cause (i) our obligations
to make Advances (as defined therein) under such Liquidity Agreement to
terminate at the close of business on the fifth Business Day after the date on
which you receive this notice and (ii) you to request a Final Advance under the
Liquidity Agreement pursuant to Section 3.06(i) of the Intercreditor Agreement
(as defined in the Liquidity Agreement) as a consequence of your receipt of this
notice.

THIS NOTICE IS THE "NOTICE OF TERMINATION" PROVIDED FOR UNDER THE
LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY
AGREEMENT WILL TERMINATE AT THE CLOSE OF BUSINESS ON THE FIFTH BUSINESS DAY
AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

Bayerische Landesbank Girozentrale,
as Liquidity Provider

By: _____
Name:
Title:

cc: State Street Bank and Trust Company of Connecticut,
National Association, as Class B Trustee

ANNEX VI to
REVOLVING CREDIT AGREEMENT

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]
Attention:

Re: Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 1999-1B, as Borrower, and Bayerische Landesbank Girozentrale (the "Liquidity Agreement")

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

[Name of Transferee]

[Address of Transferee]

all rights and obligations of the undersigned as Borrower under the Liquidity Agreement referred to above. The transferee has succeeded the undersigned as Subordination Agent under the Intercreditor Agreement referred to in the first paragraph of the Liquidity Agreement, pursuant to the terms of Section 7.01 of the Intercreditor Agreement.

By this transfer, all rights of the undersigned as Borrower under the Liquidity Agreement are transferred to the transferee and the transferee shall hereafter have the sole rights and obligations as Borrower thereunder. The undersigned shall pay any costs and expenses of such transfer, including, but not limited to, transfer taxes or governmental charges.

This transfer shall be effective as of [specify time and date].

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

=====

REVOLVING CREDIT AGREEMENT
(1999-1C)

Dated as of October 6, 1999

between

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Subordination Agent,
as agent and trustee for the trustee of
American Airlines Pass Through Trust 1999-1C

as Borrower

and

BAYERISCHE LANDESBANK GIROZENTRALE,

as Liquidity Provider

=====

American Airlines Pass Through Trust 1999-1C
7.155% American Airlines
Pass Through Certificates,
Series 1999-1C

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of October 6, 1999, is made by and between STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Subordination Agent (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Intercreditor Agreement (as defined below), as agent and trustee for the Class C Trustee (in such capacity, together with its successors in such capacity, the "Borrower"), and BAYERISCHE LANDESBANK GIROZENTRALE, a public law banking institution organized under the laws of the Free State of Bavaria, Germany (the "Liquidity Provider").

W I T N E S S E T H:

WHEREAS, pursuant to the Class C Trust Agreement, the Class C Trust is issuing the Class C Certificates; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class C Certificates in accordance with their terms, has requested the Liquidity Provider to enter into this Agreement, providing in part for the Borrower to request in specified circumstances that Advances be made hereunder;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and of other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. (a) The definitions stated herein apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections", "Annexes" and other subdivisions are to the designated Article, Section, Annex or other subdivision of this Agreement, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Annex or other subdivision.

(d) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without limitation".

(e) For the purposes of this Agreement, unless the context otherwise requires, the following capitalized terms shall have the following meanings:

"Advance" means an Interest Advance, a Final Advance, a Provider Advance, an Applied Provider Advance or an Unpaid Advance, as the case may be.

"Agreement" means this Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Applicable Liquidity Rate" has the meaning specified in Section 3.07(g).

"Applicable Margin" means with respect to any Unpaid Advance or Applied Provider Advance, 1.75%.

"Applied Downgrade Advance" has the meaning specified in Section 2.06(a).

"Applied Non-Extension Advance" has the meaning specified in Section 2.06(a).

"Applied Provider Advance" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Liquidity Provider from three Federal funds brokers of recognized standing selected by it (and reasonably satisfactory to American) plus one-quarter of one percent (0.25%).

"Base Rate Advance" means an Advance that bears interest at a rate based upon the Base Rate.

"Borrower" has the meaning specified in the introductory paragraph to this Agreement.

"Borrowing" means the making of Advances requested by delivery of a Notice of Borrowing.

"Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Dallas, Texas, or, so long as any Class C Certificate is outstanding, the city and state in which the Class C Trustee, the Borrower or any related Loan Trustee maintains its Corporate Trust Office or receives or disburses funds, and, if the applicable Business Day relates to any Advance or other amount bearing interest based on the LIBOR Rate, on which dealings are carried on in the London interbank market.

"Consent Notice" has the meaning specified in Section 2.10.

"Consent Period" has the meaning specified in Section 2.10.

"Covered Taxes" means any Taxes imposed by the United States or any political subdivision or taxing authority thereof or therein required by law to be deducted or withheld from any amounts payable to the Liquidity Provider under this Agreement other than (i) any Tax on, based on or measured by net income, franchises or conduct of business, (ii) any Tax imposed, levied, withheld or assessed as a result of any connection between the Liquidity Provider and the United States or such political subdivision or taxing authority, other than a connection arising solely from the Liquidity Provider's having executed, delivered, performed its obligations or received a payment under, or enforced, any Operative Agreement, (iii) any Tax attributable to the inaccuracy in or breach by the Liquidity Provider of any of its representations, warranties or covenants contained in any Operative Agreement to which it is a party or the inaccuracy of any form or document furnished pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and Germany or a change in the Code that overrides the provisions of such treaty or (v) any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld).

"Downgrade Advance" means an Advance made pursuant to Section 2.02(c).

"Effective Date" has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(f) shall be conclusive evidence that the Effective Date has occurred.

"Expenses" means liabilities, losses, damages, costs and expenses (including, without limitation, reasonable fees and disbursements of legal counsel), provided that Expenses shall not include any Taxes other than sales, use and V.A.T. taxes imposed on fees and expenses payable pursuant to Section 7.07.

"Expiry Date" means October 4, 2000, initially, or any date to which the Expiry Date is extended pursuant to Section 2.10.

"Final Advance" means an Advance made pursuant to Section 2.02(d).

"Increased Cost" has the meaning specified in Section 3.01.

"Intercreditor Agreement" means the Intercreditor Agreement, dated as of the date hereof, among the Trustees, the Liquidity Provider, the liquidity provider under each Liquidity Facility (other than this Agreement) and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Interest Advance" means an Advance made pursuant to Section 2.02(a).

"Interest Period" means, with respect to any LIBOR Advance, each of the following periods:

(i) the period beginning on the third Business Day following either (A) the Liquidity Provider's receipt of the Notice of Borrowing for such LIBOR Advance or (B) the date of the withdrawal of funds from the Class C Cash Collateral Account for the purpose of paying interest on the Class C Certificates as contemplated by Section 2.06(a) hereof and, in each case, ending on the next Regular Distribution Date; and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the next Regular Distribution Date;

provided, however, that if (x) the Final Advance shall have been made pursuant to Section 2.02(d) or (y) other outstanding Advances shall have been converted into the Final Advance pursuant to Section 6.01, then the Interest Periods shall be successive periods of one month beginning on the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Final Advance (in the case of clause (x) above) or the Regular Distribution Date following such conversion (in the case of clause (y) above).

"Lending Office" means the lending office of the Liquidity Provider presently located at Munich, Germany, or such other lending office as the Liquidity Provider from time to time shall notify the Borrower as its lending office hereunder; provided that the Liquidity Provider shall not change its Lending Office without the prior written consent of American (such consent not to be unreasonably withheld).

"LIBOR Advance" means an Advance bearing interest at a rate based upon the LIBOR Rate.

"LIBOR Rate" means, with respect to any Interest Period, (a) the interest rate per annum equal to the rate per annum at which deposits in Dollars are offered in the London interbank market as shown on Page 3750 of the Telerate Systems Incorporated screen service (or such other page as may replace Telerate Page 3750), or if such service is not available, Page LIBO of the Reuters Money Service Monitor System (or such other page as may replace Reuters Page LIBO) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period, for a period comparable to such Interest Period, or (b) if no such rate is published on either such service or if neither of such services is then available, the interest rate per

annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

"Liquidity Event of Default" means the occurrence of either (a) the Acceleration of all of the Equipment Notes or (b) an American Bankruptcy Event.

"Liquidity Indemnitee" means the Liquidity Provider, its directors, officers, employees and agents, and its successors and permitted assigns.

"Liquidity Provider" has the meaning specified in the introductory paragraph to this Agreement.

"Maximum Available Commitment" means, subject to the proviso contained in the third sentence of Section 2.02(a), at any time of determination, (a) the Maximum Commitment at such time less (b) the aggregate amount of each Interest Advance outstanding at such time; provided that following a Provider Advance or a Final Advance, the Maximum Available Commitment shall be zero.

"Maximum Commitment" means initially \$5,195,669.00, as the same may be reduced from time to time in accordance with Section 2.04(a).

"Non-Extension Advance" means an Advance made pursuant to Section 2.02(b).

"Notice of Borrowing" has the meaning specified in Section 2.02(e).

"Notice of Replacement Subordination Agent" has the meaning specified in Section 3.08.

"Participation" has the meaning specified in Section 7.08(b).

"Performing Note Deficiency" means any time that less than 65% of the then aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes.

"Permitted Transferee" means any Person that:

(a) is not a commercial air carrier, American or any affiliate of American; and

(b) is any one of:

(1) a commercial banking institution organized under the laws of the United States or any state thereof or the District of Columbia;

(2) a commercial banking institution that (x) is organized under the laws of France, Germany, The Netherlands, Switzerland or the United Kingdom, (y) is entitled on the date it acquires any Participation to a complete exemption from United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under an income tax treaty, as in effect on such date, between the United States and such jurisdiction of its organization and (z) is engaged in the active conduct of a banking business in such jurisdiction of its organization, holds its Participation in connection with such banking business in such jurisdiction and is regulated as a commercial banking institution by the appropriate regulatory authorities in such jurisdiction; or

(3) a commercial banking institution that (x) is organized under the laws of Canada, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Sweden, Switzerland or the United Kingdom and (y) is entitled on the date it acquires any Participation to a complete exemption from withholding of United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under laws as in effect on such date by reason of such income being effectively connected with the conduct of a trade or business within the United States.

"Prospectus Supplement" means the Prospectus Supplement dated September 23, 1999, relating to the Certificates, as such Prospectus Supplement may be amended or supplemented.

"Provider Advance" means a Downgrade Advance or a Non-Extension Advance.

"Reference Banks" means the principal London offices of: National Westminster Bank, plc; Morgan Guaranty Trust Company of New York; The Chase Manhattan Bank; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the Liquidity Provider.

"Regulatory Change" means the enactment, adoption or promulgation, after the date of this Agreement, of any law or regulation by a United States federal or state government or by the government of the Liquidity Provider's jurisdiction of organization, or any change, after the date of this Agreement, in any such law or regulation, or in the interpretation thereof by any governmental authority, central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization charged with responsibility for the administration or application thereof, that shall impose, modify or deem applicable (a) any reserve, special deposit or similar requirement against extensions of credit or other assets of, or deposits with or other liabilities of, the Liquidity Provider including, or by reason of, the Advances or (b) any capital adequacy requirement requiring the maintenance by the Liquidity Provider of additional capital in respect of any Advances or the Liquidity Provider's obligation to make any such Advances.

"Replenishment Amount" has the meaning specified in Section 2.06(b).

"Required Amount" means, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for the Class C Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on the Class C Certificates on each of the three successive semiannual Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding two semiannual Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the Class C Certificates on such day and without regard to expected future distributions of principal on the Class C Certificates.

"Termination Date" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that all of the Class C Certificates have been paid in full (or provision has been made for such payment in accordance with the Intercreditor Agreement and the Class C Trust Agreement) or are otherwise no longer entitled to the benefits of this Agreement; (iii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that a Replacement Liquidity Facility has been substituted for this Agreement in full pursuant to Section 3.06(e) of the Intercreditor Agreement; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01; and (v) the date on which no Advance is or may (including by reason of reinstatement as herein provided) become available for a Borrowing hereunder.

"Termination Notice" means the Notice of Termination substantially in the form of Annex V to this Agreement.

"Unapplied Provider Advance" means any Provider Advance other than an Applied Provider Advance.

"Unpaid Advance" has the meaning specified in Section 2.05.

"Withdrawal Notice" has the meaning specified in Section 2.10.

(e) For the purposes of this Agreement, the following terms shall have the respective meanings specified in the Intercreditor Agreement:

"Acceleration", "American", "American Bankruptcy Event", "Certificate", "Class A-1 Certificates", "Class A-2 Certificates", "Class B Certificates", "Class C Cash Collateral Account", "Class C Certificates", "Class C Certificateholders", "Class C Trust", "Class C Trust Agreement", "Class C Trustee", "Closing Date", "Collection Account", "Controlling Party", "Corporate Trust Office", "Distribution Date", "Dollars", "Downgraded Facility", "Equipment Notes", "Fee Letter", "Final Legal Distribution Date", "Indenture", "Interest Payment Date", "Investment Earnings", "Liquidity Facility", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non-Extended Facility", "Operative Agreements", "Participation Agreements", "Performing Equipment Note", "Person", "Pool Balance", "Rating Agencies", "Ratings Confirmation", "Regular Distribution Date", "Replacement Liquidity Facility", "Responsible Officer", "Scheduled Payment", "Special Payment", "S&P", "Stated Interest Rate", "Subordination Agent", "Taxes", "Threshold Rating", "Trust Agreement", "Trustee", "Underwriters", "Underwriting Agreement", "United States" and "Written Notice".

ARTICLE II

AMOUNT AND TERMS OF THE COMMITMENT

Section 2.01. The Advances. The Liquidity Provider hereby irrevocably agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until 12:00 noon (New York City time) on the Expiry Date (unless the obligations of the Liquidity Provider shall be earlier terminated in accordance with the terms of Section 2.04(b)) in an aggregate amount at any time outstanding not to exceed the Maximum Commitment.

Section 2.02. Making of Advances. (a) Each Interest Advance shall be made by the Liquidity Provider upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex I, signed by a Responsible Officer of the Borrower, such Interest Advance to be in an amount not exceeding the Maximum Available Commitment at such time and used solely for the payment when due of interest with respect to the Class C Certificates at the Stated Interest Rate therefor in accordance with Section 3.06(a) and 3.06(b) of the Intercreditor Agreement. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Upon repayment to the Liquidity Provider in full or in part of the amount of any Interest Advance made pursuant to this Section 2.02(a), together with accrued interest thereon (as provided herein), the Maximum Available Commitment shall be reinstated by an amount equal

to the amount of such Interest Advance so repaid, but not to exceed the Maximum Commitment; provided, however, that the Maximum Available Commitment shall not be so reinstated at any time if (x) both a Performing Note Deficiency exists and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Drawing shall have occurred.

(b) Subject to Section 2.10, a Non-Extension Advance shall be made by the Liquidity Provider if this Agreement is not extended in accordance with Section 3.06(d) of the Intercreditor Agreement (unless a Replacement Liquidity Facility to replace this Agreement shall have been delivered to the Borrower as contemplated by said Section 3.06(d) within the time period specified in such Section 3.06(d)) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex II, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class C Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement.

(c) A Downgrade Advance shall be made by the Liquidity Provider if at any time the short-term unsecured debt rating of the Liquidity Provider issued by either Rating Agency (or if the Liquidity Provider does not have a short-term unsecured debt rating issued by a given Rating Agency, the long-term unsecured debt rating of the Liquidity Provider issued by such Rating Agency) is lower than the applicable Threshold Rating (as provided for in Section 3.06(c) of the Intercreditor Agreement) unless a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with said Section 3.06(c), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex III, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class C Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement.

(d) A Final Advance shall be made by the Liquidity Provider following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01 upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex IV, signed by a Responsible Officer of the Borrower, in an amount equal to the Maximum Available Commitment at such time, and shall be used to fund the Class C Cash Collateral Account (in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement).

(e) Each Borrowing shall be made on notice in writing (a "Notice of Borrowing") in substantially the form required by Section 2.02(a), 2.02(b), 2.02(c) or 2.02(d), as the case may be, given by the Borrower to the Liquidity Provider. If a Notice of Borrowing is delivered by the Borrower in respect of any Borrowing no later than 1:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 4:00 p.m. (New York City time) on such Business Day or before 1:00 p.m. (New York City time) on such later Business Day specified in such Notice of Borrowing. If a Notice of

Borrowing is delivered by the Borrower in respect of any Borrowing after 1:00 p.m. (New York City time) on a Business Day, upon satisfaction of the conditions precedent set forth in Section 4.02 with respect to a requested Borrowing, the Liquidity Provider shall make available to the Borrower, in accordance with its payment instructions, the amount of such Borrowing in Dollars and immediately available funds, before 1:00 p.m. (New York City time) on the first Business Day next following the day of receipt of such Notice of Borrowing or on such later Business Day specified by the Borrower in such Notice of Borrowing. Payments of proceeds of a Borrowing shall be made by wire transfer of immediately available funds to the Borrower in accordance with such wire transfer instructions as the Borrower shall furnish from time to time to the Liquidity Provider for such purpose. Each Notice of Borrowing shall be irrevocable and binding on the Borrower. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider's New York branch at the address specified in Section 7.02 hereof.

(f) Upon the making of any Advance requested pursuant to a Notice of Borrowing in accordance with the Borrower's payment instructions, the Liquidity Provider shall be fully discharged of its obligation hereunder with respect to such Notice of Borrowing, and the Liquidity Provider shall not thereafter be obligated to make any further Advances hereunder in respect of such Notice of Borrowing to the Borrower or to any other Person (including the Trustee or any Class C Certificateholder). If the Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 12:00 noon (New York City time) on the second Business Day after the date of payment specified in said Section 2.02(e), the Liquidity Provider shall have fully discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) to fund the Class C Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Class C Cash Collateral Account, such Advance or any other amounts from time to time on deposit in the Class C Cash Collateral Account; provided that the foregoing shall not affect or impair the obligations of the Subordination Agent to make the distributions contemplated by Section 3.06(e) or 3.06(f) of the Intercreditor Agreement and provided further, that the foregoing shall not affect or impair the rights of the Liquidity Provider to provide written instructions with respect to the investment and reinvestment of amounts in the Class C Cash Collateral Account to the extent provided in Section 2.02(b) of the Intercreditor Agreement. By paying to the Borrower proceeds of Advances requested by the Borrower in accordance with the provisions of this Agreement, the Liquidity Provider makes no representation as to, and assumes no responsibility for, the correctness or sufficiency for any purpose of the amount of the Advances so made and requested.

Section 2.03. Fees. The Borrower agrees to pay to the Liquidity Provider the fees set forth in the Fee Letter.

Section 2.04. Reduction or Termination of the Maximum Commitment. (a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a reduction in the Pool Balance of the Class C Certificates or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower). The Borrower shall give notice of any such automatic reduction of the Maximum

Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance or Final Advance hereunder or the occurrence of the Termination Date, the obligation of the Liquidity Provider to make further Advances hereunder shall automatically and irrevocably terminate, and the Borrower shall not be entitled to request any further Borrowing hereunder.

Section 2.05. Repayments of Interest Advances or the Final Advance. Subject to Sections 2.06, 2.07 and 2.09 hereof, the Borrower hereby agrees, without notice of an Advance or demand for repayment from the Liquidity Provider (which notice and demand are hereby waived by the Borrower), to pay, or to cause to be paid, to the Liquidity Provider (a) on each date on which the Liquidity Provider shall make an Interest Advance or the Final Advance, an amount equal to the amount of such Advance (any such Advance, until repaid, is referred to herein as an "Unpaid Advance"), plus (b) interest on the amount of each such Unpaid Advance in the amounts and on the dates determined as provided in Section 3.07; provided that if (i) the Liquidity Provider shall make a Provider Advance at any time after making one or more Interest Advances which shall not have been repaid in accordance with this Section 2.05 or (ii) this Liquidity Facility shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero, then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the Liquidity Provider in accordance with Section 2.06 and for the purposes of Section 2.06(b)). The Borrower and the Liquidity Provider agree that the repayment in full of each Interest Advance and Final Advance on the date such Advance is made is intended to be a contemporaneous exchange for new value given to the Borrower by the Liquidity Provider. For the avoidance of doubt, interest payable on an Interest Advance or the Final Advance shall not be regarded as overdue unless such interest is not paid when due under Section 3.07.

Section 2.06. Repayments of Provider Advances. (a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Class C Cash Collateral Account and invested and withdrawn from the Class C Cash Collateral Account as set forth in Sections 3.06(c), 3.06(d), 3.06(e) and 3.06(f) of the Intercreditor Agreement. Subject to Sections 2.07 and 2.09, the Borrower agrees to pay to the Liquidity Provider, on each Regular Distribution Date, commencing on the first Regular Distribution Date after the making of a Provider Advance, interest on the principal amount of any such Provider Advance, in the amounts determined as provided in Section 3.07; provided, however, that amounts in respect of a Provider Advance withdrawn from the Class C Cash Collateral Account for the purpose of paying interest on the Class C Certificates in accordance with Section 3.06(f) of the Intercreditor Agreement (the amount of any such withdrawal being (y) in the case of a Downgrade Advance, an "Applied Downgrade Advance" and (z) in the case of a Non-Extension Advance, an "Applied Non-Extension Advance" and, together with an Applied

Downgrade Advance, an "Applied Provider Advance") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable; provided further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01, such Provider Advance shall thereafter be treated as a Final Advance under this Agreement for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable. Subject to Sections 2.07 and 2.09 hereof, immediately upon the withdrawal of any amounts from the Class C Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay to the Liquidity Provider a portion of the Provider Advances in a principal amount equal to such reduction, plus interest on the principal amount prepaid as provided in Section 3.07.

(b) At any time when an Applied Provider Advance (or any portion thereof) is outstanding, upon the deposit in the Class C Cash Collateral Account of any amount pursuant to clause "third" of Section 2.04(b) of the Intercreditor Agreement, clause "third" of Section 3.02 of the Intercreditor Agreement or clause "fourth" of Section 3.03 of the Intercreditor Agreement (any such amount being a "Replenishment Amount") for the purpose of replenishing or increasing the balance thereof up to the Required Amount at such time, (i) the aggregate outstanding principal amount of all Applied Provider Advances (and of Provider Advances treated as an Interest Advance for purposes of determining the Applicable Liquidity Rate for interest payable thereon) shall be automatically reduced by the amount of such Replenishment Amount and (ii) the aggregate outstanding principal amount of all Unapplied Provider Advances shall be automatically increased by the amount of such Replenishment Amount.

(c) Upon the provision of a Replacement Liquidity Facility in replacement of this Agreement in accordance with Section 3.06(e) of the Intercreditor Agreement, as provided in Section 3.06(f) of the Intercreditor Agreement, amounts remaining on deposit in the Class C Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement shall be reimbursed to the Liquidity Provider, but only to the extent such amounts are necessary to repay in full to the Liquidity Provider all amounts owing to it hereunder.

Section 2.07. Payments to the Liquidity Provider Under the Intercreditor Agreement. In order to provide for payment or repayment to the Liquidity Provider of any amounts hereunder, the Intercreditor Agreement provides that amounts available and referred to in Articles II and III of the Intercreditor Agreement, to the extent payable to the Liquidity Provider pursuant to the terms of the Intercreditor Agreement (including, without limitation, Section 3.06(f) of the Intercreditor Agreement), shall be paid to the Liquidity Provider in accordance with the terms thereof (but, for the avoidance of doubt, without duplication of or increase in any amounts payable hereunder). Amounts so paid to the Liquidity Provider shall be applied by the Liquidity Provider in the order of priority required by the applicable provisions of Articles II and III of the Intercreditor Agreement and shall discharge in full the corresponding obligations of the Borrower hereunder.

Section 2.08. Book Entries. The Liquidity Provider shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower resulting from Advances made from time to time and the amounts of principal and interest payable hereunder and paid from time to time in respect thereof; provided, however, that the failure by the Liquidity Provider to maintain such account or accounts shall not affect the obligations of the Borrower in respect of Advances.

Section 2.09. Payments from Available Funds Only. All payments to be made by the Borrower under this Agreement shall be made only from the amounts that constitute Scheduled Payments, Special Payments and other payments under the Operative Agreements, including payment under Section 4.02 of the Participation Agreements and payments under Section 2.14 of the Indentures, and only to the extent that the Borrower shall have sufficient income or proceeds therefrom to enable the Borrower to make payments in accordance with the terms hereof after giving effect to the priority of payments provisions set forth in the Intercreditor Agreement. The Liquidity Provider agrees that it will look solely to such amounts to the extent available for distribution to it as provided in the Intercreditor Agreement and this Agreement and that the Borrower, in its individual capacity, is not personally liable to it for any amounts payable or liability under this Agreement except as expressly provided in this Agreement, the Intercreditor Agreement or any Participation Agreement. Amounts on deposit in the Class C Cash Collateral Account shall be available to the Borrower to make payments under this Agreement only to the extent and for the purposes expressly contemplated in Section 3.06(f) of the Intercreditor Agreement.

Section 2.10. Extension of the Expiry Date; Non-Extension Advance. If the Expiry Date is prior to the date that is 15 days after the Final Legal Distribution Date for the Class C Certificates, then no earlier than the 60th day and no later than the 40th day prior to the then applicable Expiry Date, the Borrower may request in writing that the Liquidity Provider extend the Expiry Date to the earlier of (i) the date that is 15 days after the Final Legal Distribution Date for the Class C Certificates and (ii) the date that is the day immediately preceding the 364th day after the last day of the Consent Period (unless the obligations of the Liquidity Provider hereunder are earlier terminated in accordance herewith). The Liquidity Provider shall by notice (the "Consent Notice") to the Borrower during the period commencing on the date that is 60 days prior to the then effective Expiry Date and ending on the date that is 25 days prior to the then effective Expiry Date (the "Consent Period") advise the Borrower whether, in its sole discretion, it agrees to so extend the Expiry Date; provided, however, that such extension shall not be effective with respect to the Liquidity Provider if, by notice (the "Withdrawal Notice") to the Borrower prior to the end of the Consent Period, the Liquidity Provider revokes its Consent Notice. If the Liquidity Provider advises the Borrower in the Consent Notice that such Expiry Date shall not be so extended, or gives a Withdrawal Notice to the Borrower prior to the end of the Consent Period, or fails to irrevocably and unconditionally advise the Borrower on or before the end of the Consent Period that such Expiry Date shall be so extended (and, in each case, if the Liquidity Provider shall not have been replaced in accordance with Section 3.06(e) of the Intercreditor Agreement), the Borrower shall be entitled on and after the date on which the Consent Period ends (but prior to the then effective Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor

Agreement. If any amounts shall be drawn pursuant to a Non-Extension Advance and, within 30 days thereafter, the Liquidity Provider shall not have been replaced, then at any time following the 30th day after such Non-Extension Advance, the Liquidity Provider may, by written notice to the Borrower, agree to reinstate the Liquidity Facility on the terms of the existing Liquidity Facility for a period ending on the 364th day after the end of the Consent Period; provided, however, that in such event the Liquidity Provider shall reimburse the Borrower for any costs actually incurred by or on behalf of the Borrower in drawing pursuant to the Non-Extension Advance and funding the Class C Cash Collateral Account or otherwise in connection with the Non-Extension Advance.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01. Increased Costs. If as a result of any Regulatory Change there shall be any increase by an amount reasonably deemed by the Liquidity Provider to be material in the actual cost to the Liquidity Provider of making, funding or maintaining any Advances or its obligation to make any such Advances or there shall be any reduction by an amount reasonably deemed by the Liquidity Provider to be material in the amount receivable by the Liquidity Provider under this Agreement or the Intercreditor Agreement in respect thereof, and in case of either such an increase or reduction, such event does not arise from the gross negligence or willful misconduct of the Liquidity Provider, from its breach of any of its representations, warranties, covenants or agreements contained herein or in the Intercreditor Agreement or from its failure to comply with any such Regulatory Change (any such increase or reduction being referred to herein as an "Increased Cost"), then the Borrower shall from time to time pay to the Liquidity Provider an amount equal to such Increased Cost within 15 Business Days after delivery to the Borrower and American of a certificate of an officer of the Liquidity Provider describing in reasonable detail the event by reason of which it claims such Increased Cost and the basis for the determination of the amount of such Increased Cost; provided that, the Borrower shall be obligated to pay amounts only with respect to any Increased Costs accruing from the date 45 days prior to the date of delivery of such certificate. Such certificate, in the absence of manifest error, shall be considered prima facie evidence of the amount for purposes of this Agreement; provided that any determinations and allocations by the Liquidity Provider of the effect of any Regulatory Change on the costs of maintaining the Advances are made on a reasonable basis. The Liquidity Provider shall not be entitled to assert any claim under this Section 3.01 in respect of or attributable to Taxes. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation under this Section 3.01. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for reducing any Increased Costs and to use all commercially reasonable efforts to avoid or minimize, to the greatest extent possible, any claim in respect of Increased Costs, including, without limitation, by designating a different Lending Office, if such designation or other action would avoid the need for, or reduce the amount of, any such claim; provided that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Liquidity Provider therefor. If no such

designation or other action is effected, or, if effected, fails to avoid the need for any claim in respect of Increased Costs, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.06(e) of the Intercreditor Agreement.

Notwithstanding the foregoing provisions, in no event shall the Borrower be required to make payments under this Section 3.01: (a) in respect of any Regulatory Change proposed by any applicable governmental authority (including any branch of a legislature), central bank or comparable agency of the United States or the Liquidity Provider's jurisdiction of organization and pending as of the date of this Agreement (it being agreed that the consultative paper issued by the Basel Committee on Banking Supervision entitled "A New Capital Adequacy Framework" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect similarly organized commercial banking institutions in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) if the Liquidity Provider shall fail to comply with its obligations under this Section 3.01; or (d) if the Liquidity Provider is not also seeking payment for similar increased costs in other similarly situated transactions.

Section 3.02. [Intentionally omitted.]

Section 3.03. Withholding Taxes. (a) All payments made by the Borrower under this Agreement shall be made without deduction or withholding for or on account of any Taxes, unless such deduction or withholding is required by law. If any Taxes are so required to be withheld or deducted from any amounts payable to the Liquidity Provider under this Agreement, the Borrower shall pay to the relevant authorities the full amount so required to be deducted or withheld and, if such Taxes are Covered Taxes, pay to the Liquidity Provider such additional amounts as shall be necessary to ensure that the net amount actually received by the Liquidity Provider (after deduction or withholding of all Covered Taxes) shall be equal to the full amount that would have been received by the Liquidity Provider had no withholding or deduction of Covered Taxes been required. The Liquidity Provider agrees to use reasonable efforts (consistent with applicable legal and regulatory restrictions) to change the jurisdiction of its Lending Office if making such change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of the Liquidity Provider, be otherwise materially disadvantageous to the Liquidity Provider. If the Liquidity Provider receives a refund of, or realizes a net Tax benefit not otherwise available to it as a result of, any Taxes for which additional amounts were paid by the Borrower pursuant to this Section 3.03, the Liquidity Provider shall pay to the Borrower (for deposit into the Collection Account) the amount of such refund (and any interest thereon) or net benefit.

The Liquidity Provider will (i) provide (on its behalf and on behalf of any participant holding a Participation pursuant to Section 7.08) to the Borrower (x) on or prior to the Effective Date two valid completed and executed copies of Internal Revenue Service Form W8-BEN, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such other form or documentation as may be applicable) covering all amounts receivable by it in connection with the

transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the Liquidity Provider and (ii) provide timely notice to the Borrower if any such form or documentation is or becomes inaccurate. The Liquidity Provider shall deliver to the Borrower such other forms or documents as may be reasonably requested by the Borrower or required by applicable law to establish that payments hereunder are exempt from or entitled to a reduced rate of Covered Taxes.

(b) All payments (including, without limitation, Advances) made by the Liquidity Provider under this Agreement shall be made free and clear of, and without reduction for or on account of, any Taxes. If any Taxes are required to be withheld or deducted from any amounts payable to the Borrower under this Agreement, the Liquidity Provider shall (i) within the time prescribed therefor by applicable law pay to the appropriate governmental or taxing authority the full amount of any such Taxes (and any additional Taxes in respect of the additional amounts payable under clause (ii) hereof) and make such reports or returns in connection therewith at the time or times and in the manner prescribed by applicable law, and (ii) pay to the Borrower an additional amount which (after deduction of all such Taxes) will be sufficient to yield to the Borrower the full amount which would have been received by it had no such withholding or deduction been made. Within 30 days after the date of each payment hereunder, the Liquidity Provider shall furnish to the Borrower the original or a certified copy of (or other documentary evidence of) the payment of the Taxes applicable to such payment.

If any exemption from, or reduction in the rate of, any Taxes required to be borne by the Liquidity Provider under this Section 3.03(b) is reasonably available to the Borrower without providing any information regarding the holders or beneficial owners of the Certificates, the Borrower shall deliver the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reductions (but without any requirement to provide any information regarding the holders or beneficial owners of the Certificates) as the Liquidity Provider may reasonably identify to the Borrower as being required as a condition to exemption from, or reduction in the rate of, such Taxes.

Section 3.04. Payments. The Borrower shall make or cause to be made each payment to the Liquidity Provider under this Agreement so as to cause the same to be received by the Liquidity Provider not later than 1:00 P.M. (New York City time) on the day when due. The Borrower shall make all such payments in Dollars, to the Liquidity Provider in immediately available funds, by wire transfer to First Union Bank International, Swift/BIC - Code: PNBPU33N NYC (Fedwire 0260 0509 2/CHIPS/ABA 0509) in favor of account number 2000 193534 122, Bayerische Landesbank Girozentrale, Munich, Swift/BIC - Code: BYLADEMM, Reference RCA American EETC 1999-1B.

Section 3.05. Computations. All computations of interest based on the Base Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the LIBOR Rate shall be made on the basis of a year of 360 days, in each case for the actual

number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable.

Section 3.06. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next interest payment date for such Advance.

Section 3.07. Interest. (a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Class C Cash Collateral Account to pay interest on the Class C Certificates) to but excluding the date such principal amount shall be paid in full (or, in the case of an Applied Provider Advance, the date on which the Class C Cash Collateral Account is fully replenished in respect of such Advance) and (ii) any other amount due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by law, installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such case, at the interest rate per annum for each day equal to the Applicable Liquidity Rate (as defined below) for such Advance or such other amount, as the case may be, as in effect for such day, but in no event at a rate per annum greater than the maximum rate permitted by applicable law, provided, however, that, if at any time the otherwise applicable interest rate as set forth in this Section 3.07 shall exceed the maximum rate permitted by applicable law, then to the maximum extent permitted by applicable law any subsequent reduction in such interest rate will not reduce the rate of interest payable pursuant to this Section 3.07 below the maximum rate permitted by applicable law until the total amount of interest accrued equals the absolute amount of interest that would have accrued (without additional interest thereon) if such otherwise applicable interest rate as set forth in this Section 3.07 had at all relevant times been in effect.

(b) Except as provided in Section 3.07(e), each Advance will be either a Base Rate Advance or a LIBOR Advance as provided in this Section 3.07. Each such Advance will be a Base Rate Advance for the period from the date of its borrowing to (but excluding) the third Business Day following the Liquidity Provider's receipt of the Notice of Borrowing for such Advance. Thereafter, such Advance shall be a LIBOR Advance; provided that the Borrower (at the direction of the Controlling Party, so long as the Liquidity Provider is not the Controlling Party) may (x) convert the Final Advance into a Base Rate Advance on the last day of an Interest Period for such Advance by giving the Liquidity Provider no less than four Business Days' prior written notice of such election or (y) elect to maintain the Final Advance as a Base Rate Advance by not requesting a conversion

of the Final Advance to a LIBOR Advance under Clause (5) of the applicable Notice of Borrowing (or, if, pursuant to Section 2.06, such Final Advance is deemed to have been made without delivery of a Notice of Borrowing, by requesting, prior to 11:00 a.m. on the first Business Day immediately following the Borrower's receipt of the applicable Termination Notice, that such Final Advance not be converted from a Base Rate Advance to a LIBOR Advance).

(c) Each LIBOR Advance shall bear interest during each Interest Period at a rate per annum equal to the LIBOR Rate for such Interest Period plus the Applicable Margin for such LIBOR Advance, payable in arrears on the last day of such Interest Period and, in the event of the payment of principal of such LIBOR Advance on a day other than such last day, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(d) Each Base Rate Advance shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin for such Base Rate Advance, payable in arrears on each Regular Distribution Date and, in the event of the payment of principal of such Base Rate Advance on a day other than a Regular Distribution Date, on the date of such payment (to the extent of interest accrued on the amount of principal repaid).

(e) Each outstanding Unapplied Provider Advance shall bear interest in an amount equal to the Investment Earnings on amounts on deposit in the Class C Cash Collateral Account for such Unapplied Provider Advance on the amount of such Unapplied Provider Advance from time to time, payable in arrears on each Regular Distribution Date.

(f) Each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts or, to the extent permitted by applicable law, installments of interest on Advances but excluding Advances) shall bear interest at a rate per annum equal to the Base Rate plus 1.75% per annum until paid.

(g) Each change in the Base Rate shall become effective immediately. The rates of interest specified in this Section 3.07 with respect to any Advance or other amount shall be referred to as the "Applicable Liquidity Rate".

Section 3.08. Replacement of Borrower. Subject to Section 5.02, from time to time and subject to the successor Borrower's meeting the eligibility requirements set forth in Section 6.09 of the Intercreditor Agreement applicable to the Subordination Agent, upon the effective date and time specified in a written and completed Notice of Replacement Subordination Agent in substantially the form of Annex VI (a "Notice of Replacement Subordination Agent") delivered to the Liquidity Provider by the then Borrower, the successor Borrower designated therein shall become the Borrower for all purposes hereunder.

Section 3.09. Funding Loss Indemnification. The Borrower shall pay to the Liquidity Provider, upon the request of the Liquidity Provider, such amount or amounts as shall be sufficient (in the reasonable opinion of the Liquidity Provider) to compensate it for any loss, cost or expense

incurred by reason of the liquidation or redeployment of deposits or other funds acquired by the Liquidity Provider to fund or maintain any LIBOR Advance (but excluding loss of the Applicable Margin or anticipated profits) incurred as a result of:

(1) Any repayment of a LIBOR Advance on a date other than the last day of the Interest Period for such Advance; or

(2) Any failure by the Borrower to borrow a LIBOR Advance on the date for borrowing specified in the relevant notice under Section 2.02.

Section 3.10. Illegality. Notwithstanding any other provision in this Agreement, if any change in any law, rule or regulation applicable to or binding on the Liquidity Provider, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Liquidity Provider with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Liquidity Provider to maintain or fund its LIBOR Advances, then upon notice to the Borrower and American by the Liquidity Provider, the outstanding principal amount of the LIBOR Advances shall be converted to Base Rate Advances (a) immediately upon demand of the Liquidity Provider, if such change or compliance with such request, in the reasonable judgment of the Liquidity Provider, requires immediate conversion; or (b) at the expiration of the last Interest Period to expire before the effective date of any such change or request. The Liquidity Provider will notify the Borrower and American as promptly as practicable of any event that will lead to the conversion of LIBOR Advances to Base Rate Advances under this Section 3.10. The Liquidity Provider agrees to investigate all commercially reasonable alternatives for avoiding the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided, that the foregoing shall not obligate the Liquidity Provider to take any action that would, in its reasonable judgment, cause the Liquidity Provider to incur any material loss or cost, unless the Borrower or American agrees to reimburse the Liquidity Provider therefor. If no such designation or other action is effected, or, if effected, fails to avoid the need for conversion of the LIBOR Advances to Base Rate Advances, American may arrange for a Replacement Liquidity Facility in accordance with Section 3.06(e) of the Intercreditor Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Effectiveness of Section 2.01. Section 2.01 of this Agreement shall become effective on and as of the first date (the "Effective Date") on which the following conditions precedent have been satisfied (or waived by the appropriate party or parties):

(a) The Liquidity Provider shall have received on or before the Closing Date each of the following, and in the case of each document delivered pursuant to paragraphs (i), (ii) and (iii), each in form and substance satisfactory to the Liquidity Provider:

(i) This Agreement duly executed on behalf of the Borrower;

(ii) The Intercreditor Agreement duly executed on behalf of each of the parties thereto (other than the Liquidity Provider);

(iii) Fully executed copies of each of the Operative Agreements executed and delivered on or before the Closing Date (other than this Agreement and the Intercreditor Agreement);

(iv) A copy of the Prospectus Supplement and specimen copies of the Class C Certificates;

(v) An executed copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Class C Trust Agreement, the Intercreditor Agreement and the other Operative Agreements (in the case of each such opinion, either addressed to the Liquidity Provider or accompanied by a letter from the counsel rendering such opinion to the effect that the Liquidity Provider is entitled to rely on such opinion as of its date as if it were addressed to the Liquidity Provider); and

(vi) An agreement from American, pursuant to which (x) American agrees to provide copies of quarterly financial statements and audited annual financial statements to the Liquidity Provider and (y) American agrees to allow the Liquidity Provider to discuss such transactions with officers and employees of American.

(b) On and as of the Effective Date no event shall have occurred and be continuing, or would result from the entering into of this Agreement or the making of any Advance, which constitutes a Liquidity Event of Default.

(c) The filings referred to in Sections 3.01(d) and 3.01(f) of the Participation Agreements shall have been filed (or shall be in the process of being filed).

(d) The Liquidity Provider shall have received payment in full of the fees and other sums required to be paid to or for the account of the Liquidity Provider on or prior to the Effective Date pursuant to the Fee Letter.

(e) All conditions precedent to the issuance of the Certificates under the Trust Agreement shall have been satisfied or waived, all conditions precedent to the effectiveness of the other Liquidity Facilities shall have been satisfied or waived, and all conditions precedent to the purchase

of the Certificates by the Underwriters under the Underwriting Agreement shall have been satisfied (unless any of such conditions precedent under the Underwriting Agreement shall have been waived by the Underwriters).

(f) The Borrower and American shall have received a certificate, dated the Effective Date signed by a duly authorized representative of the Liquidity Provider, certifying that all conditions precedent specified in this Section 4.01 have been satisfied or waived by the Liquidity Provider.

Section 4.02. Conditions Precedent to Borrowing. The obligation of the Liquidity Provider to make an Advance on the occasion of each Borrowing shall be subject to the conditions precedent that the Effective Date shall have occurred and, prior to the time of such Borrowing, the Borrower shall have delivered a Notice of Borrowing which conforms to the terms and conditions of this Agreement.

ARTICLE V

COVENANTS

Section 5.01. Affirmative Covenants of the Borrower. So long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Commitment hereunder or the Borrower shall have any obligation to pay any amount to the Liquidity Provider hereunder, the Borrower will, unless the Liquidity Provider shall otherwise consent in writing:

(a) Performance of Agreements. Punctually pay or cause to be paid all amounts payable by it under this Agreement and the Intercreditor Agreement and observe and perform in all material respects the conditions, covenants and requirements applicable to it contained in this Agreement and the Intercreditor Agreement.

(b) Reporting Requirements. Furnish to the Liquidity Provider with reasonable promptness, such other information and data with respect to the transactions contemplated by the Operative Agreements as from time to time may be reasonably requested by the Liquidity Provider; and permit the Liquidity Provider, upon reasonable notice, to inspect the Borrower's books and records with respect to such transactions and to meet with officers and employees of the Borrower to discuss such transactions.

(c) Certain Operative Agreements. Furnish to the Liquidity Provider with reasonable promptness, such Operative Agreements entered into after the date hereof as from time to time may be reasonably requested by the Liquidity Provider.

Section 5.02. Negative Covenants of the Borrower. Subject to the first and second sentences and the fourth paragraph of Section 7.01(a) of the Intercreditor Agreement and Section 7.01(b) of the Intercreditor Agreement, so long as any Advance shall remain unpaid or the Liquidity Provider shall have any Maximum Commitment hereunder or the Borrower shall have any obligation

to pay any amount to the Liquidity Provider hereunder, the Borrower will not appoint or permit or suffer to be appointed any successor Borrower without the prior written consent of the Liquidity Provider, which consent shall not be unreasonably withheld or delayed.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT

Section 6.01. Liquidity Events of Default. If (a) any Liquidity Event of Default has occurred and is continuing and (b) there is a Performing Note Deficiency, the Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) this Agreement to expire at the close of business on the fifth Business Day after the date on which such Termination Notice is received by the Borrower, (ii) the Borrower to promptly request, and the Liquidity Provider to promptly make, a Final Advance in accordance with Section 2.02(d) hereof and Section 3.06(i) of the Intercreditor Agreement, (iii) all other outstanding Advances to be automatically converted into Final Advances for purposes of determining the Applicable Liquidity Rate for interest payable thereon and (iv) subject to Sections 2.07 and 2.09, all Advances, any accrued interest thereon and any other amounts outstanding hereunder to become immediately due and payable to the Liquidity Provider.

ARTICLE VII

MISCELLANEOUS

Section 7.01. No Oral Modifications or Continuing Waivers. No terms or provisions of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Borrower and the Liquidity Provider and any other Person whose consent is required pursuant to this Agreement; provided that no such change or other action shall affect the payment obligations of American Airlines without American's prior written consent; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 7.02. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class U.S. mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that the transmission was received),

If to the Borrower, to:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION
225 Asylum, Goodwin Square
Hartford, Connecticut 06103
Attention: Corporate Trust Division

Telephone: (860) 244-1844
Telecopy: (860) 244-1881

If to the Liquidity Provider,

If by mail to:

BAYERISCHE LANDESBANK GIROZENTRALE
c/o Bayerische Landesbank Girozentrale, New York Branch
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

Telephone: (212) 310-9810
Telecopy: (212) 310-9930

(With a copy to the address of the Liquidity Provider set forth below)

If by other means of communication to:

BAYERISCHE LANDESBANK GIROZENTRALE
Brienner Strasse 18
D-80333 Munich, Germany
Attention: Aircraft Finance Department, 7650

Telephone: 49-89-2171-2360
Telecopy: 49-89-2171-3763

With a copy of any Notice of Borrowing to:

BAYERISCHE LANDESBANK GIROZENTRALE
560 Lexington Avenue
New York, New York 10022
Attention: Patricia Sanchez

Telephone: (212) 310-9810
Telecopy: (212) 310-9930

The Borrower or the Liquidity Provider, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

Section 7.03. No Waiver; Remedies. No failure on the part of the Liquidity Provider to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.04. Further Assurances. The Borrower agrees to do such further acts and things and to execute and deliver to the Liquidity Provider such additional assignments, agreements, powers and instruments as the Liquidity Provider may reasonably require or deem advisable to carry into effect the purposes of this Agreement and the other Operative Agreements or to better assure and confirm unto the Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Agreements.

Section 7.05. Indemnification; Survival of Certain Provisions. The Liquidity Provider shall be indemnified hereunder to the extent and in the manner described in Section 4.02 of the Participation Agreements. In addition, the Borrower agrees to indemnify, protect, defend and hold harmless each Liquidity Indemnitee from and against all Expenses of any kind or nature whatsoever (other than any Expenses of the nature described in Sections 3.01 or 7.07 or in the Fee Letter (regardless of whether indemnified against pursuant to said Sections or in such Fee Letter)), that may be imposed on or incurred by such Liquidity Indemnitee, in any way relating to, resulting from, or arising out of or in connection with, any action, suit or proceeding by any third party against such Liquidity Indemnitee and relating to this Agreement, the Fee Letter, the Intercreditor Agreement or any Participation Agreement; provided, however, that the Borrower shall not be required to indemnify, protect, defend and hold harmless any Liquidity Indemnitee in respect of any Expense of such Liquidity Indemnitee to the extent such Expense is (i) attributable to the negligence or willful misconduct of such Liquidity Indemnitee or any other Liquidity Indemnitee, (ii) an ordinary and usual operating overhead expense, (iii) attributable to the failure by such Liquidity Indemnitee or any other Liquidity Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed in this Agreement, the Intercreditor Agreement, the Fee Letter or any other Operative Agreement to which it is a party or (iv) otherwise excluded from the indemnification provisions contained in Section 4.02 of the Participation Agreements. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 and the indemnities contained in Section 4.02 of the Participation Agreements shall survive the termination of this Agreement.

Section 7.06. Liability of the Liquidity Provider. (a) Neither the Liquidity Provider nor any of its officers, employees or directors shall be liable or responsible for: (i) the use which may be made of the Advances or any acts or omissions of the Borrower or any beneficiary or transferee in

connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (iii) the making of Advances by the Liquidity Provider against delivery of a Notice of Borrowing and other documents which do not comply with the terms hereof; provided, however, that the Borrower shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Borrower, to the extent of any damages suffered by the Borrower that were the result of (A) the Liquidity Provider's willful misconduct or gross negligence in determining whether documents presented hereunder comply with the terms hereof or (B) any breach by the Liquidity Provider of any of the terms of this Agreement or the Intercreditor Agreement, including, but not limited to, the Liquidity Provider's failure to make lawful payment hereunder after the delivery to it by the Borrower of a Notice of Borrowing complying with the terms and conditions hereof.

(b) Neither the Liquidity Provider nor any of its officers, employees or directors or affiliates shall be liable or responsible in any respect for (i) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with this Agreement or any Notice of Borrowing delivered hereunder or (ii) any action, inaction or omission which may be taken by it in good faith, absent willful misconduct or negligence (in which event the extent of the Liquidity Provider's potential liability to the Borrower shall be limited as set forth in the immediately preceding paragraph), in connection with this Agreement or any Notice of Borrowing.

Section 7.07. Certain Costs and Expenses. The Borrower agrees promptly to pay, or cause to be paid, (a) the reasonable fees, expenses and disbursements of Winthrop, Stimson, Putnam & Roberts, special counsel for the Liquidity Provider, and Schwarz Kurtze Schniewand Kelwing Wicke, special German counsel to the Liquidity Provider, in connection with the preparation, negotiation, execution, delivery, filing and recording of the Operative Agreements, any waiver or consent thereunder or any amendment thereof and (b) if a Liquidity Event of Default occurs, all out-of-pocket expenses incurred by the Liquidity Provider, including reasonable fees and disbursements of counsel, in connection with such Liquidity Event of Default and any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith. In addition, the Borrower shall pay any and all recording, stamp and other similar taxes and fees payable or determined to be payable in the United States in connection with the execution, delivery, filing and recording of this Agreement, any other Operative Agreement and such other documents, and agrees to save the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

Section 7.08. Binding Effect; Participations. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower and the Liquidity Provider and their respective successors and permitted assigns, except that neither the Liquidity Provider (except as otherwise provided in this Section 7.08) nor (except as contemplated by Section 3.08) the Borrower shall have the right to assign, pledge or otherwise transfer its rights or obligations hereunder or any interest herein, subject to the Liquidity Provider's right to grant Participations pursuant to Section 7.08(b).

(b) The Liquidity Provider agrees that it will not grant any participation (including, without limitation, a "risk participation") (any such participation, a "Participation") in or to all or a portion of its rights and obligations hereunder or under the other Operative Agreements, unless all of the following conditions are satisfied: (i) such Participation is to a Permitted Transferee, (ii) such Participation is made in accordance with all applicable laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, and any other applicable laws relating to the transfer of similar interests and (iii) such Participation shall not be made under circumstances that require registration under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended. Notwithstanding any such Participation, the Liquidity Provider agrees that (1) the Liquidity Provider's obligations under the Operative Agreements shall remain unchanged, and such participant shall have no rights or benefits as against American or the Borrower or under any Operative Agreement, (2) the Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Liquidity Provider shall remain the maker of any Advances, and the other parties to the Operative Agreements shall continue to deal solely and directly with the Liquidity Provider in connection with the Advances and the Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Liquidity Provider shall be solely responsible for any withholding Taxes or any filing or reporting requirements relating to such Participation and shall hold the Borrower and American and their respective successors, permitted assigns, affiliates, agents and servants harmless against the same and (5) neither American nor the Borrower shall be required to pay to the Liquidity Provider any amount under Section 3.01 or Section 3.03 greater than it would have been required to pay had there not been any grant of a Participation by the Liquidity Provider. The Liquidity Provider may, in connection with any Participation or proposed Participation pursuant to this Section 7.08(b), disclose to the participant or proposed participant any information relating to the Operative Agreements or to the parties thereto furnished to the Liquidity Provider thereunder or in connection therewith and permitted to be disclosed by the Liquidity Provider; provided, however, that prior to any such disclosure, the participant or proposed participant shall agree in writing for the express benefit of the Borrower and American to preserve the confidentiality of any confidential information included therein (subject to customary exceptions).

(c) Notwithstanding the other provisions of this Section 7.08, the Liquidity Provider may assign and pledge all or any portion of the Advances owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, provided that any payment in respect of such assigned Advances made by the Borrower to the Liquidity Provider in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such assigned Advance to the extent of such payment. No such assignment shall release the Liquidity Provider from its obligations hereunder.

Section 7.09. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such

prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.10. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 7.11. Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity. (a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

(b) THE BORROWER AND THE LIQUIDITY PROVIDER EACH HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP THAT IS BEING ESTABLISHED, including, without limitation, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and the Liquidity Provider each warrant and represent that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with such legal counsel. THIS WAIVER IS IRREVOCABLE, AND CANNOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(c) The Liquidity Provider hereby waives any immunity it may have from the jurisdiction of the courts of the United States or of any state thereof and waives any immunity any of its properties located in the United States may have from attachment or execution upon a judgment entered by any such court under the United States Foreign Sovereign Immunities Act of 1976 or any similar successor legislation.

Section 7.12. Counterparts. This Agreement may be executed in any number of counterparts (and each party shall not be required to execute the same counterpart). Each counterpart of this

Agreement including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Agreement, but all of such counterparts together shall constitute one instrument.

Section 7.13. Entirety. This Agreement and the Intercreditor Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements of such parties.

Section 7.14. Headings. The headings of the various Articles and Sections herein and in the Table of Contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 7.15. Liquidity Provider's Obligation to Make Advances. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OBLIGATIONS OF THE LIQUIDITY PROVIDER TO MAKE ADVANCES HEREUNDER, AND THE BORROWER'S RIGHTS TO DELIVER NOTICES OF BORROWING REQUESTING THE MAKING OF ADVANCES HEREUNDER, SHALL BE ABSOLUTE, UNCONDITIONAL AND IRREVOCABLE, AND SHALL BE PAID OR PERFORMED, IN EACH CASE STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL
ASSOCIATION, not in its individual
capacity but solely as Subordination
Agent, as agent and trustee for the
Class C Trust, as Borrower

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

BAYERISCHE LANDESBANK GIROZENTRALE,
as Liquidity Provider

By: /s/ BERND LONNER

Name: Bernd Lonner
Title: Vice President

By: /s/ RUDIGER FERN

Name: Rudiger Fern
Title: Senior Vice President

ANNEX I to
REVOLVING CREDIT AGREEMENT

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1C), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of an Interest Advance by the Liquidity Provider to be used for the payment of the interest on the Class C Certificates which is payable on _____, _____ (the "Distribution Date") in accordance with the terms and provisions of the Class C Trust Agreement and the Class C Certificates, which Advance is requested to be made on _____, _____. The Interest Advance should be remitted to [insert wire and account details].

(3) The amount of the Interest Advance requested hereby (i) is \$_____, to be applied in respect of the payment of the interest which is due and payable on the Class C Certificates on the Distribution Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates or the Class C Certificates, or interest on the Class A-1 Certificates, the Class A-2 Certificates or the Class B Certificates, (iii) was computed in accordance with the provisions of the Class C Certificates, the Class C Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I), (iv) does not exceed the Maximum Available Commitment on the date hereof and (v) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will apply the same in accordance with the terms of Section 3.06(b) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, the making of the Interest Advance as requested by this Notice of Borrowing shall automatically reduce, subject to reinstatement in accordance with the terms of the Liquidity Agreement, the Maximum Available Commitment by an amount equal to the amount of the Interest Advance requested to be made hereby

as set forth in clause (i) of paragraph (3) of this Certificate and such reduction shall automatically result in corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: -----

Name:
Title:

SCHEDULE I TO INTEREST ADVANCE NOTICE OF BORROWING

[Insert Copy of Computations in accordance with
Interest Advance Notice of Borrowing]

ANNEX II to
REVOLVING CREDIT AGREEMENT

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1C), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Non-Extension Advance by the Liquidity Provider to be used for the funding of the Class C Cash Collateral Account in accordance with Section 3.06(d) of the Intercreditor Agreement, which Advance is requested to be made on _____, _____. The Non-Extension Advance should be remitted to [insert wire and account details].

(3) The amount of the Non-Extension Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class C Cash Collateral Account in accordance with Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class C Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class A-2 Certificates or the Class B Certificates, (iii) was computed in accordance with the provisions of the Class C Certificates, the Class C Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class C Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(d) and 3.06(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Non-Extension Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Non-Extension

Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO NON-EXTENSION ADVANCE NOTICE OF BORROWING

[Insert Copy of computations in accordance with
Non-Extension Advance Notice of Borrowing]

ANNEX III to
REVOLVING CREDIT AGREEMENT

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1C), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Downgrade Advance by the Liquidity Provider to be used for the funding of the Class C Cash Collateral Account in accordance with Section 3.06(c) of the Intercreditor Agreement by reason of the downgrading of the short-term unsecured debt rating or long-term unsecured debt rating of the Liquidity Provider issued by either Rating Agency below the Threshold Rating, which Advance is requested to be made on _____, _____. The Downgrade Advance should be remitted to [insert wire and account details].

(3) The amount of the Downgrade Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class C Cash Collateral Account in accordance with Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class C Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class A-2 Certificates or the Class B Certificates, (iii) was computed in accordance with the provisions of the Class C Certificates, the Class C Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing under the Liquidity Agreement.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class C Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(c) and 3.06(f) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Downgrade Advance as requested by this Notice of Borrowing shall automatically and irrevocably terminate the obligation of the Liquidity Provider to make further Advances under the

Liquidity Agreement and (B) following the making by the Liquidity Provider of the Downgrade Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO DOWNGRADE ADVANCE NOTICE OF BORROWING

[Insert Copy of computations in accordance with
Downgrade Advance Notice of Borrowing]

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ANNEX IV to
REVOLVING CREDIT AGREEMENT

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Bayerische Landesbank Girozentrale (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (1999-1C), dated as of October 6, 1999, between the Borrower and the Liquidity Provider (the "Liquidity Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined or referenced), that:

(1) The Borrower is the Subordination Agent under the Intercreditor Agreement.

(2) The Borrower is delivering this Notice of Borrowing for the making of the Final Advance by the Liquidity Provider to be used for the funding of the Class C Cash Collateral Account in accordance with Section 3.06(i) of the Intercreditor Agreement by reason of the receipt by the Borrower of a Termination Notice from the Liquidity Provider with respect to the Liquidity Agreement, which Advance is requested to be made on _____, _____. The Final Advance should be remitted to [insert wire and account details].

(3) The amount of the Final Advance requested hereby (i) is \$_____, which equals the Maximum Available Commitment on the date hereof and is to be applied in respect of the funding of the Class C Cash Collateral Account in accordance with Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class C Certificates, or principal of, or interest or premium on, the Class A-1 Certificates, the Class A-2 Certificates or the Class B Certificates, (iii) was computed in accordance with the provisions of the Class C Certificates, the Class C Trust Agreement and the Intercreditor Agreement (a copy of which computation is attached hereto as Schedule I) and (iv) has not been and is not the subject of a prior or contemporaneous Notice of Borrowing.

(4) Upon receipt by or on behalf of the Borrower of the amount requested hereby, (a) the Borrower will deposit such amount in the Class C Cash Collateral Account and apply the same in accordance with the terms of Sections 3.06(f) and 3.06(i) of the Intercreditor Agreement, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

[(5) The Borrower hereby requests that the Advance requested hereby be a Base Rate Advance [and that such Base Rate Advance be converted into a LIBOR Advance on the third Business Day following your receipt of this notice]*.]

The Borrower hereby acknowledges that, pursuant to the Liquidity Agreement, (A) the making of the Final Advance as requested by this Notice of Borrowing shall automatically and irrevocably

terminate the obligation of the Liquidity Provider to make further Advances under the Liquidity Agreement and (B) following the making by the Liquidity Provider of the Final Advance requested by this Notice of Borrowing, the Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice of Borrowing as of the ____ day of _____, ____.

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

[* Bracketed language may be included at Borrower's option.]

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

[Insert Copy of Computations in accordance
with Final Advance Notice of Borrowing]

ANNEX V to
REVOLVING CREDIT AGREEMENT

NOTICE OF TERMINATION

[Date]

State Street Bank and Trust Company of Connecticut, National Association,
as Subordination Agent, as Borrower
225 Asylum Street, Goodwin Square
Hartford, Connecticut 06103
Attention: Corporate Trust Division

Re: Revolving Credit Agreement, dated as of October 6, 1999, between State
Street Bank and Trust Company of Connecticut, National Association, as
Subordination Agent, as agent and trustee for the American Airlines
Pass Through Trust 1999-1C, as Borrower, and Bayerische Landesbank
Girozentrale (the "Liquidity Agreement")

Ladies and Gentlemen:

You are hereby notified that pursuant to Section 6.01 of the Liquidity
Agreement, by reason of the occurrence and continuance of a Liquidity Event of
Default and the existence of a Performing Note Deficiency (each as defined
therein), we are giving this notice to you in order to cause (i) our obligations
to make Advances (as defined therein) under such Liquidity Agreement to
terminate at the close of business on the fifth Business Day after the date on
which you receive this notice and (ii) you to request a Final Advance under the
Liquidity Agreement pursuant to Section 3.06(i) of the Intercreditor Agreement
(as defined in the Liquidity Agreement) as a consequence of your receipt of this
notice.

THIS NOTICE IS THE "NOTICE OF TERMINATION" PROVIDED FOR UNDER THE
LIQUIDITY AGREEMENT. OUR OBLIGATIONS TO MAKE ADVANCES UNDER THE LIQUIDITY
AGREEMENT WILL TERMINATE AT THE CLOSE OF BUSINESS ON THE FIFTH BUSINESS DAY
AFTER THE DATE ON WHICH YOU RECEIVE THIS NOTICE.

Very truly yours,

Bayerische Landesbank Girozentrale,
as Liquidity Provider

By: _____
Name:
Title:

cc: State Street Bank and Trust Company of Connecticut,
National Association, as Class C Trustee

ANNEX VI to
REVOLVING CREDIT AGREEMENT

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]
Attention:

Re: Revolving Credit Agreement, dated as of October 6, 1999, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent, as agent and trustee for the American Airlines Pass Through Trust 1999-1C, as Borrower, and Bayerische Landesbank Girozentrale (the "Liquidity Agreement")

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

[Name of Transferee]

[Address of Transferee]

all rights and obligations of the undersigned as Borrower under the Liquidity Agreement referred to above. The transferee has succeeded the undersigned as Subordination Agent under the Intercreditor Agreement referred to in the first paragraph of the Liquidity Agreement, pursuant to the terms of Section 7.01 of the Intercreditor Agreement.

By this transfer, all rights of the undersigned as Borrower under the Liquidity Agreement are transferred to the transferee and the transferee shall hereafter have the sole rights and obligations as Borrower thereunder. The undersigned shall pay any costs and expenses of such transfer, including, but not limited to, transfer taxes or governmental charges.

This transfer shall be effective as of [specify time and date].

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent, as Borrower

By: _____
Name:
Title:

PARTICIPATION AGREEMENT
(N908AN)

Dated as of October 6, 1999

among

AMERICAN AIRLINES, INC.

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Pass Through Trustee under each of the
Pass Through Trust Agreements

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Subordination Agent

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Loan Trustee

and

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
in its individual capacity as set forth herein

One Boeing 737-823 Aircraft
U.S. Registration No. N908AN

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PARTICIPATION AGREEMENT
(N908AN)

This PARTICIPATION AGREEMENT (N908AN), dated as of October 6, 1999, is made by and among AMERICAN AIRLINES, INC., a Delaware corporation (together with its successors and permitted assigns, the "Company"), STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association (in its individual capacity, together with its successors and permitted assigns, "State Street"), not in its individual capacity except as otherwise expressly provided in any of the Operative Documents or the Pass Through Documents, but solely as trustee (in such capacity together with any successor or other trustee in such capacity, the "Pass Through Trustee") under each of the Pass Through Trust Agreements (such term and other capitalized terms used herein without definition being defined as provided in Section 1.01), STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, as subordination agent and trustee (in such capacity, together with any successor trustee in such capacity, the "Subordination Agent") under the Intercreditor Agreement, and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, as loan trustee (in such capacity, together with any successor trustee in such capacity, the "Loan Trustee") under the Indenture.

W I T N E S S E T H:

WHEREAS, the Company is the owner of that certain Boeing Model 737-823 aircraft more particularly described in the Indenture Supplement originally executed and delivered under the Indenture;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Company and the Loan Trustee are entering into the Indenture, pursuant to which, among other things, the Company will issue four (and in certain circumstances five) series of Equipment Notes, which Equipment Notes are to be secured by a security interest in all right, title and interest of the Company in and to the Aircraft and certain other property described in the Indenture;

WHEREAS, pursuant to the Basic Pass Through Trust Agreement and each of the Trust Supplements set forth in Schedule II hereto, concurrently with the execution and delivery of this Agreement, separate Pass Through Trusts are being created to facilitate certain of the transactions contemplated hereby, including, without limitation, the issuance and sale of Pass Through Certificates;

WHEREAS, pursuant to the Intercreditor Agreement, the Subordination Agent will hold the Equipment Notes on behalf of the Pass Through Trusts;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements herein contained, and of other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. For the purposes of this Agreement, unless the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02 Other Definitional Provisions. (a) The definitions stated herein and in Annex A apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision of this Agreement, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision.

(d) All references in this Agreement to a "government" are to such government and any instrumentality or agency thereof.

(e) Unless the context otherwise requires, whenever the words "including", "include" or "includes" are used herein, they shall be deemed to be followed by the phrase "without limitation".

ARTICLE II

THE LOANS

Section 2.01. The Loans. Subject to the terms and conditions of this Agreement and the Indenture, on the Closing Date the Pass Through Trustee for each Pass Through Trust shall make a loan to the Company by paying to the Company the aggregate original principal amounts of the Equipment Notes being issued to such Pass Through Trust as set forth on Schedule I opposite

the name of such Pass Through Trust. The Pass Through Trustees, on behalf of the Pass Through Trusts, shall make such loans to the Company no later than 10:00 a.m. (New York City time) on the Closing Date by transferring such amount in immediately available funds to the Company at its account at The Chase Manhattan Bank (ABA No. 021000021), Account Number 910-1-019884, Attention: Tina DoCampo.

Section 2.02. Issuance of Equipment Notes. Upon the occurrence of the above payments by the Pass Through Trustee for each Pass Through Trust to the Company, the Company shall issue, pursuant to and in accordance with Article II of the Indenture, to the Subordination Agent as agent and trustee for the Pass Through Trustee for each Pass Through Trust, one or more Equipment Notes of the maturity and aggregate principal amount and bearing the interest rate set forth in Schedule I opposite the name of such Pass Through Trust. Each such Equipment Note shall be duly authenticated by the Loan Trustee pursuant to the Indenture, registered in the name of the Subordination Agent and dated the Closing Date and shall be delivered by the Loan Trustee to the Subordination Agent.

Section 2.03. The Closing. The closing (the "Closing") of the transactions contemplated hereby shall take place at the offices of Debevoise & Plimpton, 875 Third Avenue, New York, New York at 9:30 a.m. (New York City time) on October 6, 1999, or at such other time or place as the parties shall agree.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Obligations of the Pass Through Trustees. The obligation of each Pass Through Trustee to make the loan contemplated by Article II is subject to the fulfillment (or the waiver by such Pass Through Trustee) prior to or on the Closing Date of the following conditions precedent:

(a) The Company shall have tendered the Equipment Notes to the Loan Trustee for authentication, and the Loan Trustee shall have authenticated such Equipment Notes and shall have tendered the Equipment Notes to the Subordination Agent on behalf of the applicable Pass Through Trustee in accordance with Section 2.02.

(b) No change shall have occurred after the date of this Agreement in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities or any court that would make it a violation of law or governmental regulations for the Pass Through Trustees to make the loans contemplated by Section 2.01 or to acquire the Equipment Notes.

(c) This Agreement and the following documents shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than the Pass Through Trustees or the Loan Trustee), shall be in full force and effect and executed counterparts (or copies thereof where indicated) thereof shall have been delivered to each Pass Through Trustee:

(i) the Intercreditor Agreement;

(ii) the Liquidity Facilities;

(iii) the Pass Through Trust Agreements;

(iv) the Indenture and the Indenture Supplement covering the Aircraft and dated the Closing Date;

(v) the Manufacturer's Consent;

(vi) a copy of the FAA Bill of Sale; and

(vii) a copy of the Warranty Bill of Sale.

(d) A Uniform Commercial Code financing statement or statements covering the security interest created by the Indenture shall have been executed and delivered by the Company, as debtor, and by the Loan Trustee, as secured party, and such financing statement or statements shall have been duly filed in all places necessary or desirable within the State of Texas.

(e) Each Pass Through Trustee shall have received the following:

(i) a certificate dated the Closing Date of the Secretary or an Assistant Secretary of the Company, certifying as to (A) a copy of the resolutions of the Board of Directors of the Company or the executive committee thereof duly authorizing the transactions contemplated hereby and the execution, delivery and performance by the Company of this Agreement and the Indenture and each other document required to be executed and delivered by the Company in accordance with the provisions hereof or thereof and (B) a copy of the certificate of incorporation and by-laws of the Company, as in effect on the Closing Date;

(ii) a certificate or other evidence from the Secretary of State of the State of Delaware, dated as of a date reasonably near the Closing Date, as to the due incorporation and good standing of the Company in such state;

(iii) an incumbency certificate of the Company as to the person or persons authorized to execute and deliver this Agreement, the Indenture and each other document to be executed by the Company in connection with the transactions contemplated hereby and thereby, and the specimen signatures of such person or persons; and

(iv) one or more certificates of the Loan Trustee and the Subordination Agent certifying to the reasonable satisfaction of the Pass Through Trustees as to the due authorization, execution, delivery and performance by the Loan Trustee and the Subordination Agent of each of the Operative Documents to which the Loan Trustee or the Subordination Agent is or will be a party and any other documents to be executed by or on behalf of the Loan Trustee or Subordination Agent in connection with the transactions contemplated hereby or thereby.

(f) On the Closing Date, the following statements shall be correct: (i) the representations and warranties herein of the Company are correct in all material respects as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties are correct on and as of such earlier date) and (ii) no event has occurred and is continuing that constitutes an Event of Default or an Event of Loss or would constitute an Event of Default or Event of Loss but for the requirement that notices be given or time elapse or both.

(g) Each Pass Through Trustee and the Loan Trustee shall have received an opinion addressed to it from Anne H. McNamara, Esq., Senior Vice President and General Counsel of the Company (or such other internal counsel to the Company as shall be reasonably satisfactory to the Pass Through Trustees) substantially in the form set forth in Exhibit A.

(h) Each Pass Through Trustee and the Loan Trustee shall have received an opinion addressed to it from Bingham Dana LLP, special counsel for State Street, the Loan Trustee and the Subordination Agent, substantially in the form set forth in Exhibit B.

(i) Each Pass Through Trustee and the Loan Trustee shall have received an opinion addressed to it from Crowe & Dunlevy, P.C., special FAA counsel in Oklahoma City, Oklahoma, substantially in the form set forth in Exhibit C.

(j) Each Pass Through Trustee and the Loan Trustee shall have received a certificate or certificates signed by the chief financial or accounting officer, any Senior Vice President, the Treasurer, any Vice President or any Assistant Treasurer (or any other Responsible Officer) of the Company, dated the Closing Date, certifying as to the correctness of each of the matters stated in Section 3.01(f).

(k) Each Pass Through Trustee shall have received a certificate from State Street in its individual capacity and as Loan Trustee and Subordination Agent, as applicable, dated the Closing Date, signed by an authorized officer of State Street in its individual capacity and as Loan Trustee and Subordination Agent, as applicable, certifying for each such entity that no Loan Trustee Liens or Other Party Liens attributable to it, as applicable, exist, and further certifying as to the correctness of each of the matters stated in Section 5.01.

(l) [intentionally left blank]

(m) Each Pass Through Trustee shall have received opinions addressed to it from Winthrop, Stimpson, Putnam & Roberts, counsel for the Liquidity Provider, substantially in the form set forth in Exhibit D-1, and from Schwarz Kurtze Shniewind Kelwig Wicke, German counsel for the Liquidity Provider, substantially in the form set forth in Exhibit D-2.

(n) The Loan Trustee shall have received an insurance report of an independent insurance broker and the related certificates of insurance, each in form and substance reasonably satisfactory to the Loan Trustee, as to the compliance with the terms of Section 7.06 of the Indenture relating to insurance with respect to the Aircraft.

(o) No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(p) The Company shall have entered into the Underwriting Agreement, the Pass Through Certificates shall have been issued and sold pursuant to the Underwriting Agreement and the Underwriters shall have transferred to the Pass Through Trustees in immediately available funds an amount at least equal to the aggregate purchase price of the Equipment Notes to be purchased from the Company.

(q) The Loan Trustee shall have received an executed copy of the Manufacturer's Consent substantially in the form set forth in Exhibit E.

Promptly upon the recording of the Indenture (with the Indenture Supplement attached) pursuant to the Transportation Code, the Company will cause Crowe & Dunlevy, P.C., special FAA counsel in Oklahoma City, Oklahoma to deliver to the Subordination Agent on behalf of the Pass Through Trustees, to the Loan Trustee and to the Company an opinion as to the due recording of such instrument and the lack of filing of any intervening documents with respect to the Aircraft.

Section 3.02. Conditions Precedent to Obligations of the Company. The obligation of the Company to issue and sell the Equipment Notes is subject to the fulfillment (or waiver by the Company) prior to or on the Closing Date of the following conditions precedent:

(a) No change shall have occurred after the date of this Agreement in applicable law or regulations thereunder or interpretations thereof by appropriate regulatory authorities or any court that would make it a violation of law or governmental regulations for the Company to enter into any transaction contemplated by the Operative Documents or the Pass Through Trust Agreements.

(b) The documents referred to in Section 3.01(c) shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than the Company), shall be in full force and effect and executed counterparts (or copies thereof where indicated) thereof shall have been delivered to the Company, and the Company shall have received such documents and evidence with respect to State Street, the Liquidity Provider, the Loan Trustee, the Subordination Agent and each Pass Through Trustee as the Company may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement, the taking of all corporate and other proceedings in connection therewith and compliance with the conditions herein set forth.

(c) The Indenture (with the Indenture Supplement covering the Aircraft attached) shall have been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code.

(d) On the Closing Date, the representations and warranties herein of State Street, the Loan Trustee, the Subordination Agent and the Pass Through Trustees shall be correct as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall have been correct on and as of such earlier date), and, insofar as such representations and warranties concern State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee, such party shall have so certified to the Company.

(e) The Company shall have received each opinion referred to in Subsections 3.01(h), 3.01(i) and 3.01(m), each such opinion (other than 3.01(m)) addressed to the Company or accompanied by a letter from the counsel rendering such opinion authorizing the Company to rely on such opinion as if it were addressed to the Company, and the certificates referred to in Subsections 3.01(e)(iv) and 3.01(k).

(f) The Company shall have received an opinion addressed to it from Bingham Dana LLP, special counsel for the Pass Through Trustees, substantially in the form set forth in Exhibit F.

(g) No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(h) The Company shall have received a certificate from State Street dated the Closing Date, signed by an authorized officer of State Street, certifying for each Pass Through Trustee that no Other Party Liens attributable to it exist and further certifying as to the correctness of each of the matters stated in Section 5.01.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND INDEMNITIES OF THE COMPANY

Section 4.01. Representations and Warranties of the Company.

The Company represents and warrants that:

(a) The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware, is a Certificated Air Carrier, is a Citizen of the United States, has the corporate power and authority to own or hold under lease its properties and to enter into and perform its obligations under the Operative Documents to which it is a party and is duly qualified to do business as a foreign corporation in good standing in each state in which it has intrastate routes or has a principal office or a major overhaul facility (other than states where the failure to so qualify would not have a material adverse effect on the consolidated financial condition of the Company and its subsidiaries, considered as a whole), and its chief executive office (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the State of Texas) is located in Fort Worth, Texas.

(b) The execution, delivery and performance by the Company of this Agreement and the other Operative Documents to which the Company is a party have been duly authorized by all necessary corporate action on the part of the Company, do not require any stockholder approval or approval or consent of any trustee or holder of any indebtedness or obligations of the Company, except such as have been duly obtained and are in full force and effect, and do not contravene any law, governmental rule, regulation, judgment or order binding on the Company or the certificate of incorporation or by-laws of the Company or contravene or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under the Indenture) upon the property of the Company under, any material indenture, mortgage, contract or other

agreement to which the Company is a party or by which it or any of its properties may be bound or affected .

(c) Neither the execution and delivery by the Company of this Agreement and the other Operative Documents to which it is a party, nor the consummation by the Company of any of the transactions contemplated hereby or thereby, requires the authorization, consent or approval of, the giving of notice to, the filing or registration with or the taking of any other action in respect of, the Department of Transportation, the FAA or any other federal or state governmental authority or agency, except for (i) the registration of the Pass Through Certificates under the Securities Act of 1933, as amended, and under the securities laws of any state in which the Pass Through Certificates may be offered for sale if the laws of such state require such action, (ii) the qualification of the Pass Through Trust Agreements under the Trust Indenture Act of 1939, as amended, (iii) the filings referred to in Section 4.01(e) and (iv) consents, approvals, notices, registrations and other actions required to be obtained, given, made or taken only after the date hereof.

(d) This Agreement and each other Operative Document to which the Company is a party have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity and except, in the case of the Indenture, as limited by applicable laws that may affect the remedies provided in the Indenture, which laws, however, do not make the remedies provided in the Indenture inadequate for the practical realization of the rights and benefits intended to be provided thereby.

(e) Except for (i) the filing for recordation pursuant to the Transportation Code of the Indenture (with the Indenture Supplement covering the Aircraft attached) and (ii) with respect to the security interests created by such documents, the filing of financing statements (and continuation statements at periodic intervals) under the Uniform Commercial Code of Texas, no further filing or recording of any document is necessary or advisable under the laws of the United States or any state thereof as of the Closing Date in order to establish and perfect the security interest in the Aircraft created under the Indenture in favor of the Loan Trustee as against the Company and any third parties in any applicable jurisdiction in the United States.

(f) The Company is not an investment company or a company controlled by an investment company within the meaning of the Investment Company Act of 1940, as amended.

(g) As of the Closing Date, (i) the Company has good title to the Aircraft, free and clear of Liens other than Permitted Liens, (ii) the Aircraft has been duly certified by the FAA as to type and airworthiness in accordance with the terms of the Indenture, (iii) the Indenture (with

the Indenture Supplement covering the Aircraft attached) has been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code and (iv) the Aircraft is duly registered with the FAA in the name of the Company.

Section 4.02. General Indemnity. (a) Claims Defined. For the purposes of this Section 4.02, "Claims" shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs or expenses of whatsoever kind and nature (whether or not on the basis of negligence, strict or absolute liability or liability in tort) that may be imposed on, incurred by, suffered by or asserted against an Indemnitee, as defined herein, and, except as otherwise expressly provided in this Section 4.02, shall include all reasonable out-of-pocket costs, disbursements and expenses (including reasonable out-of-pocket legal fees and expenses) of an Indemnitee in connection therewith or related thereto.

(b) Indemnitee Defined. For the purposes of this Section 4.02, "Indemnitee" means (i) State Street and the Loan Trustee, (ii) so long as it holds any Equipment Notes as agent and trustee of any Pass Through Trustee, the Subordination Agent, (iii) so long as it is the holder of any Equipment Notes, each Pass Through Trustee, (iv) the Liquidity Provider and (v) each of their respective successors and permitted assigns in such capacities, agents, servants, officers, employees and directors (the respective agents, servants, officers, employees and directors of each of the foregoing Indemnitees, as applicable, together with such Indemnitee, being referred to herein collectively as the "Related Indemnitee Group" of such Indemnitee); provided that such Persons shall, to the extent they are not signatories to this Agreement, have expressly agreed in writing to be bound by the terms of this Section 4.02 prior to, or concurrently with, the making of a Claim hereunder. If an Indemnitee fails to comply with any duty or obligation under this Section 4.02 with respect to any Claim, such Indemnitee shall not, to the extent such failure was prejudicial to the Company, be entitled to any indemnity with respect to such Claim under this Section 4.02. No holder of a Pass Through Certificate in its capacity as such holder shall be an Indemnitee for purposes hereof.

(c) Claims Indemnified. Subject to the exclusions stated in Subsection 4.02(d), the Company agrees to indemnify, protect, defend and hold harmless on an after-Tax basis each Indemnitee against Claims resulting from or arising out of the sale, purchase, acceptance, non-acceptance or rejection of the Aircraft under the Purchase Agreement or the ownership, possession, use, non-use, substitution, airworthiness, control, maintenance, repair, operation, registration, re-registration, condition, sale, lease, sublease, storage, modification, alteration, return, transfer or other disposition of the Aircraft, the Airframe, any Engine or any Part (including, without limitation, latent or other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement) by the Company, any Permitted Lessee or any other Person. Without limiting the foregoing and subject to, and without duplication of, the provisions of Section 6.01(a), the Company agrees to pay the reasonable ongoing fees, and the reasonable out-of-pocket costs and

expenses (including, without limitation, reasonable attorney's fees and disbursements and, to the extent payable as provided in the Indenture, reasonable compensation and expenses of the Loan Trustee's agents), of the Loan Trustee in connection with the transactions contemplated hereby.

(d) Claims Excluded. The following are excluded from the Company's agreement to indemnify an Indemnitee under this Section 4.02:

(i) any Claim to the extent such Claim is attributable to acts or events occurring after (x) the Equipment Notes shall have been paid in full or (y) the transfer of possession of the Aircraft pursuant to Article IV of the Indenture unless such Claim is attributable to acts occurring in connection with the exercise of remedies pursuant to Section 4.02 of the Indenture following the occurrence and continuance of an Event of Default;

(ii) any Claim to the extent such Claim is, or is attributable to, a Tax;

(iii) any Claim to the extent such Claim is attributable to the negligence or willful misconduct of such Indemnitee or such Indemnitee's Related Indemnitee Group;

(iv) any Claim to the extent such Claim is attributable to the noncompliance by such Indemnitee or such Indemnitee's Related Indemnitee Group with any of the terms of, or any misrepresentation by an Indemnitee or its Related Indemnitee Group contained in, this Agreement, any other Operative Document or any Pass Through Document to which such Indemnitee or any of such Related Indemnitee Group is a party or any agreement relating hereto or thereto;

(v) any Claim to the extent such Claim constitutes a Permitted Lien attributable to such Indemnitee;

(vi) any Claim to the extent such Claim is attributable to the offer, sale, assignment, transfer, participation or other disposition (whether voluntary or involuntary) by or on behalf of such Indemnitee or its Related Indemnitee Group other than during the occurrence and continuance of an Event of Default (provided that any such offer, sale, assignment, transfer, participation or other disposition during the occurrence and continuation of an Event of Default shall not be subject to indemnification unless it is made in accordance with the Indenture and applicable law) of any Equipment Note or Pass Through Certificate, all or any part of such Indemnitee's interest in the Operative Documents or the Pass Through Documents or any interest in the Collateral or any similar security;

(vii) any Claim to the extent such Claim is attributable to (A) a failure on the part of the Loan Trustee to distribute in accordance with this Agreement or the Indenture any

amounts received and distributable by it hereunder or thereunder, (B) a failure on the part of the Subordination Agent to distribute in accordance with the Intercreditor Agreement any amounts received and distributable by it thereunder or (C) a failure on the part of any Pass Through Trustee to distribute in accordance with the Pass Through Trust Agreement to which it is a party any amounts received and distributable by it thereunder;

(viii) any Claim to the extent such Claim is attributable to the authorization or giving or withholding of any future amendments, supplements, waivers or consents with respect to any Operative Document or any Pass Through Document, other than such as have been requested by the Company or that occur as the result of an Event of Default, or such as are expressly required or contemplated by the provisions of the Operative Documents or the Pass Through Documents;

(ix) any Claim to the extent such Claim is payable or borne by (a) the Company pursuant to any indemnification, compensation or reimbursement provision of any other Operative Document or any Pass Through Document or (b) a Person other than the Company pursuant to any provision of any Operative Document or any Pass Through Document;

(x) any Claim to the extent such Claim is an ordinary and usual operating or overhead expense;

(xi) any Claim to the extent such Claim is incurred by or asserted as a result of any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code; and

(xii) any Claim to the extent such Claim is attributable to one or more of the other aircraft financed through the offering of Pass Through Certificates (in the event of doubt, any Claim shall be allocated between the Aircraft and such other aircraft in the same proportion that the then outstanding Equipment Notes bear to the then outstanding equipment notes issued with respect to the other aircraft and held by the Pass Through Trustees).

(e) Insured Claims. In the case of any Claim indemnified by the Company hereunder that is covered by a policy of insurance maintained by the Company, each Indemnitee agrees to cooperate, at the Company's expense, with the insurers in the exercise of their rights to investigate, defend or compromise such Claim.

(f) Claims Procedure. An Indemnitee shall promptly notify the Company of any Claim as to which indemnification is sought; provided that the failure to provide such prompt notice shall not release the Company from any of its obligations to indemnify hereunder, except to

the extent that the Company is prejudiced by such failure or the Company's indemnification obligations are increased as a result of such failure. Such Indemnitee shall promptly submit to the Company all additional information in such Indemnitee's possession to substantiate such request for payment to the Company as the Company shall reasonably request. Subject to the rights of insurers under policies of insurance maintained by the Company, the Company shall have the right, at its sole cost and expense, to investigate, and the right in its sole discretion to defend or compromise, any Claim for which indemnification is sought under this Section 4.02, and, at the Company's expense, the Indemnitee shall cooperate with all reasonable requests of the Company in connection therewith. Such Indemnitee shall not enter into a settlement or other compromise with respect to any Claim without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed, unless such Indemnitee waives its right to be indemnified with respect to such Claim under this Section 4.02. Where the Company or the insurers under a policy of insurance maintained by the Company undertake the defense of an Indemnitee with respect to a Claim, no additional legal fees or expenses of such Indemnitee in connection with the defense of such Claim shall be indemnified hereunder unless such fees or expenses were incurred at the written request of the Company or such insurers. Subject to the requirements of any policy of insurance, an Indemnitee may participate at its own expense in any judicial proceeding controlled by the Company pursuant to the preceding provisions; provided that such party's participation does not, in the opinion of the counsel appointed by the Company or its insurers to conduct such proceedings, interfere with such control; and such participation shall not constitute a waiver of the indemnification provided in this Section 4.02. Notwithstanding anything to the contrary contained herein, the Company shall not under any circumstances be liable for the fees and expenses of more than one counsel for all Indemnitees.

(g) Subrogation. To the extent that a Claim indemnified by the Company under this Section 4.02 is in fact paid in full by the Company or an insurer under a policy of insurance maintained by the Company, the Company or such insurer, as the case may be, shall, without any further action, be subrogated to the rights and remedies of the Indemnitee on whose behalf such Claim was paid with respect to the transaction or event giving rise to such Claim. Such Indemnitee shall give such further assurances or agreements and shall cooperate with the Company or such insurer, as the case may be, to permit the Company or such insurer to pursue such rights and remedies, if any, to the extent reasonably requested by the Company. So long as no Event of Default shall have occurred and be continuing, if an Indemnitee receives any payment from any party other than the Company or its insurers, in whole or in part, with respect to any Claim paid by the Company or its insurers hereunder, it shall promptly pay over to the Company the amount received (but not an amount in excess of the amount the Company or any of its insurers has paid in respect of such Claim). Any amount referred to in the preceding sentence that is payable to the Company shall not be paid to the Company, or, if it has been previously paid directly to the Company, shall not be retained by the Company, if at the time of such payment an Event of Default shall have occurred and be continuing, but shall be paid to and held by the Loan Trustee as security for the obligations of the Company under this Agreement, the Indenture and the other Operative

Documents, and, if the Company agrees, shall be applied against the Company's obligations hereunder and thereunder when and as they become due and payable and, at such time as there shall not be continuing any such Event of Default, such amount, to the extent not previously so applied against the Company's obligations, shall be paid to the Company; provided that if any such amount has been so held by the Loan Trustee as security for more than 90 days after any such Event of Default shall have occurred, during which period (i) the Loan Trustee shall not have been limited by operation of law or otherwise from exercising remedies under the Indenture and (ii) the Loan Trustee shall not have exercised any remedy available to it under Section 4.02 of the Indenture, then such amount, to the extent not previously so applied against the Company's payment obligations, shall be paid to the Company.

(h) No Guaranty. Nothing set forth in this Section 4.02 shall constitute a guaranty by the Company that the Aircraft shall at any time have any particular value, useful life or residual value.

(i) Payments; Interest. Any amount payable to any Indemnitee pursuant to this Section 4.02 shall be paid within 30 days after receipt of a written demand therefor from such Indemnitee accompanied by a written statement describing in reasonable detail the Claims that are the subject of and basis for such indemnity and the computation of the amount payable. Any payments made pursuant to this Section 4.02 directly to an Indemnitee or to the Company, as the case may be, shall be made in immediately available funds at such bank or to such account as is specified by the payee in written directions to the payor or, if no such directions shall have been given, by check of the payor payable to the order of the payee and mailed to the payee by certified mail, return receipt requested, postage prepaid to its address referred to in Section 7.01. To the extent permitted by applicable law, interest at the Past Due Rate shall be paid, on demand, on any amount or indemnity not paid when due pursuant to this Section 4.02 until the same shall be paid. Such interest shall be paid in the same manner as the unpaid amount in respect of which such interest is due.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS OF STATE STREET

Section 5.01. Representations, Warranties and Covenants of State Street. State Street, generally, and each of the Loan Trustee, the Subordination Agent and the Pass Through Trustee as it relates to it, represents, warrants and covenants that:

(a) State Street is a national banking association duly organized and validly existing in good standing under the laws of the United States, is eligible to be the Loan Trustee

under Section 8.01(a) of the Indenture, will promptly comply with Section 8.01(a) of the Indenture and has full power, authority and legal right to enter into and perform its obligations under each of the Operative Documents and the Pass Through Documents to which State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party and, in its capacity as Loan Trustee and Pass Through Trustee, respectively, to authenticate the Equipment Notes and the Pass Through Certificates, respectively. State Street is qualified to act as Loan Trustee under Section 8.01(c) of the Indenture.

(b) The execution, delivery and performance by State Street, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of this Agreement, each of the other Operative Documents and each of the Pass Through Documents to which State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party, and the authentication of the Equipment Notes and the Pass Through Certificates, respectively, to be delivered on the Closing Date, have been duly authorized by all necessary action on the part of State Street, the Loan Trustee, the Subordination Agent and each Pass Through Trustee, as the case may be, and do not violate any law or regulation of the United States or of the state of the United States in which State Street is located and which governs the banking and trust powers of State Street or any order, writ, judgment or decree of any court, arbitrator or governmental authority applicable to State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee or any of their assets, will not violate any provision of the articles of association or by-laws of State Street and will not violate any provision of, or constitute a default under, any mortgage, indenture, contract, agreement or undertaking to which any of State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party or by which any of them or their respective properties may be bound or affected.

(c) Neither the execution and delivery by State Street, individually or in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, of this Agreement, any other Operative Document or any Pass Through Document to which State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party, nor the consummation by State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee of any of the transactions contemplated hereby or thereby, requires the authorization, consent or approval of, the giving of notice to, the filing or registration with, or the taking of any other action in respect of, any governmental authority or agency of the United States or the state of the United States where State Street is located and regulating the banking and trust powers of State Street.

(d) This Agreement, each other Operative Document and each Pass Through Document to which State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee is a party have been duly executed and delivered by State Street, individually and in its capacity as Loan Trustee, Subordination Agent or Pass Through Trustee, as the case may be, and constitute the legal, valid and binding obligations of State Street, the Loan Trustee, the

Subordination Agent and such Pass Through Trustee, as it shall be a party thereto, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(e) It unconditionally agrees with and for the benefit of the parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Loan Trustee Lien or Other Party Lien attributable to it, and it agrees that it will, at its own cost and expense, promptly take such action as may be necessary to discharge and satisfy in full any such Lien; and it shall indemnify, protect, defend and hold harmless each Indemnitee and the Company against Claims in any way resulting from or arising out of a breach by it of its obligations under this Section 5.01(e).

(f) The Equipment Notes to be issued to the Subordination Agent pursuant hereto are being acquired by it to be held under the Intercreditor Agreement.

(g) Each of State Street, the Loan Trustee, the Subordination Agent and each Pass Through Trustee agrees that it will not impose any lifting charge, cable charge, remittance charge or any other charge or fee on any transfer by the Company of funds to, through or by State Street, the Loan Trustee, the Subordination Agent or such Pass Through Trustee pursuant to this Agreement, any other Operative Document or any Pass Through Document, except as may be otherwise agreed to in writing by the Company.

(h) Each of State Street, the Loan Trustee, the Subordination Agent and any Pass Through Trustee agrees to be bound by the terms of Section 10.16 of the Indenture.

(i) There are no Taxes payable by State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee imposed by the State of Connecticut or any political subdivision or taxing authority thereof in connection with the execution, delivery or performance by State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee of any Operative Document or any Pass Through Document (other than franchise or other taxes based on or measured by any fees or compensation received by any such Person for services rendered in connection with the transactions contemplated by the Operative Documents or the Pass Through Documents), and there are no Taxes payable by any Pass Through Trustee imposed by the State of Connecticut or any political subdivision thereof in connection with the acquisition, possession or ownership by such Pass Through Trustee of any of the Equipment Notes (other than franchise or other taxes based on or measured by any fees or compensation received by such Pass Through Trustee for services rendered in connection with the transactions contemplated by the Operative Documents or the Pass Through Documents) and, assuming that the Pass Through Trusts will not be taxable for Federal income tax purposes as corporations, but, rather, will be characterized for such purposes as grantor trusts or partnerships, the Pass Through Trusts will not be subject to any Taxes imposed by the State of Connecticut or any political subdivision thereof.

(j) Except with the consent of the Company, which shall not be unreasonably withheld, State Street will act as Pass Through Trustee solely through its offices within the State of

Connecticut, except for such services that may be performed for it by various agents, but not directly by it, in other states.

(k) There are no pending or, to its knowledge, threatened actions or proceedings against the State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee before any court or administrative agency which individually or in the aggregate, if determined adversely to it, would materially adversely affect the ability of State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee to perform its obligations under any Operative Document or any Pass Through Document.

(l) The representations and warranties contained in Section 7.15 of each Pass Through Trust Agreement are true, complete and correct as of the Closing Date.

ARTICLE VI

OTHER COVENANTS AND AGREEMENTS

Section 6.01. Other Agreements. (a) The Company agrees promptly to pay (without duplication of any other obligation the Company may have to pay such amounts) (A) the initial and annual fees and (to the extent the Loan Trustee is entitled to be reimbursed for its reasonable expenses) the reasonable expenses of the Loan Trustee in connection with the transactions contemplated hereby and (B) the following expenses incurred by the Loan Trustee, the Subordination Agent and the Pass Through Trustees in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Operative Documents and the other documents or instruments referred to herein or therein:

(i) the reasonable fees, expenses and disbursements of (x) Bingham Dana LLP, special counsel for the Loan Trustee, the Subordination Agent and the Pass Through Trustees and (y) Crowe & Dunlevy, P.C., special FAA counsel in Oklahoma City, Oklahoma; and

(ii) all reasonable expenses incurred in connection with printing and document production or reproduction expenses, the filing of Uniform Commercial Code financing statements.

(b) The Loan Trustee, the Noteholders, the Subordination Agent and each Pass Through Trustee agree to execute and deliver, at the Company's expense, all such documents as the Company may reasonably request for the purpose of continuing the registration of the Aircraft at the FAA in the Company's name. In addition, each of the Loan Trustee, the Subordination Agent, each Pass Through Trustee and any other Noteholder agrees, for the benefit of the Company, to cooperate with the Company in effecting any foreign registration of the Aircraft pursuant to Section 7.02(e) of the Indenture; provided that prior to any such change in the country of registry of the Aircraft the conditions set forth in Section 7.02(e) of the Indenture are met to the reasonable satisfaction of, or waived by, the Loan Trustee.

(c) Each of State Street, the Loan Trustee, the Subordination Agent, each Pass Through Trustee and any other Noteholder, and, by entering into the Liquidity Facilities, the Liquidity

Provider, agrees that, unless an Event of Default shall have occurred and be continuing (and then only in accordance with the Indenture), it shall not take any action contrary to, or otherwise in any way interfere with or disturb, the quiet enjoyment of the use and possession of the Aircraft, the Airframe, any Engine or any Part by the Company or any transferee of any interest in any thereof permitted under the Indenture.

(d) Each Noteholder, including, without limitation, the Subordination Agent and each Pass Through Trustee, unconditionally agrees with and for the benefit of the parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Noteholder Liens, and such Noteholder agrees that it will, at its own cost and expense, promptly take such action as may be necessary to discharge and satisfy in full any such Noteholder Lien; and each Noteholder hereby agrees to indemnify, protect, defend and hold harmless each Indemnitee and the Company against Claims in any way resulting from or arising out of a breach by it of its obligations under this Section 6.01(d).

(e) By its acceptance of its Equipment Notes, each Noteholder unconditionally agrees for the benefit of the Company and the Loan Trustee to be bound by and to perform and comply with all of the terms of such Equipment Notes, the Indenture and this Agreement applicable to such Noteholder.

Section 6.02. Certain Covenants of the Company. The Company covenants and agrees with the Loan Trustee as follows:

(a) On and after the Closing, the Company will cause to be done, executed, acknowledged and delivered such further acts, conveyances and assurances as the Loan Trustee shall reasonably request for accomplishing the purposes of this Agreement and the other Operative Documents; provided that any instrument or other document so executed by the Company will not expand any obligations or limit any rights of the Company in respect of the transactions contemplated by the Operative Documents.

(b) The Company will cause the Indenture (with the Indenture Supplement covering the Aircraft attached) to be promptly filed and recorded, or filed for recording, with the FAA to the extent permitted under the Transportation Code and the rules and regulations of the FAA thereunder.

(c) The Company, at its expense, will take, or cause to be taken, such action with respect to the recording, filing, re-recording and refiling of the Indenture and any financing statements or other instruments as are necessary to maintain, so long as the Indenture is in effect, the perfection of the security interests created by the Indenture or will furnish the Loan Trustee timely notice of the necessity of such action, together with such instruments, in execution form, and such other information as may be required to enable the Loan Trustee to take such action. In addition, the Company will pay any and all recording, stamp and other similar taxes payable in the United States, and in any other jurisdiction where the Aircraft is registered, in connection with the execution, delivery, recording, filing, re-recording and refiling of the Indenture or any such financing statements or other instruments. The Company will notify the Loan Trustee of any change in the location of its chief executive office (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the State of Texas) promptly after making such change or in any event within the period of time

necessary under applicable law to prevent the lapse of perfection (absent refiling) of financing statements filed under the Operative Documents.

(d) The Company shall at all times maintain its corporate existence except as permitted by Section 6.02(e).

(e) The Company shall not consolidate with or merge into any other Person or convey, transfer or lease substantially all of its assets as an entirety to any Person, unless:

(i) the Person formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety shall, if and to the extent required under Section 1110 in order that the Loan Trustee shall continue to be entitled to any benefits of Section 1110 with respect to the Aircraft, be a Citizen of the United States and a Certificated Air Carrier and shall execute and deliver to the Loan Trustee an agreement containing the assumption by such successor Person of the due and punctual performance and observance of each covenant and condition of the Operative Documents to which the Company is a party to be performed or observed by the Company;

(ii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing; and

(iii) the Company shall have delivered to the Loan Trustee a certificate signed by a Responsible Officer of the Company, and an opinion of counsel (which may be the Company's General Counsel or such other internal counsel to the Company as shall be reasonably satisfactory to the Loan Trustee), each stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement mentioned in clause (i) above comply with this Section 6.02(e) and that all conditions precedent herein provided relating to such transaction have been complied with (except that such opinion need not cover the matters referred to in clause (ii) above and may rely, as to factual matters, on a certificate of an officer of the Company) and, in the case of such opinion, that such assumption agreement has been duly authorized, executed and delivered by such successor Person and is enforceable against such successor Person in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of the Company as an entirety in accordance with this Section 6.02(e), the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement and the other Operative Documents with the same effect as if such successor Person had been named as the Company herein.

(f) The Company shall, for as long as and to the extent required under Section 1110 in order that the Loan Trustee shall be entitled to any of the benefits of Section 1110 with respect to the Aircraft, remain a Certificated Air Carrier.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed three Business Days after deposit, postage prepaid in the first class United States mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received),

if to the Company, to:

American Airlines, Inc.
4333 Amon Carter Blvd.
Maildrop 5662
Fort Worth, Texas 76155
Attention: Treasurer

Telephone: (817) 963-1234
Facsimile: (817) 967-4318

if to State Street, the Loan Trustee, the Subordination Agent or any Pass Through Trustee, to:

State Street Bank And Trust Company of Connecticut,
National Association
225 Asylum Street
Goodwin Square
Hartford, Connecticut 06103
Attention: Corporate Trust Division

Telephone: (860) 244-1844
Facsimile: (860) 244-1881

or if to any subsequent Noteholder, addressed to such Noteholder at its address set forth in the Equipment Note Register maintained pursuant to Section 2.07 of the Indenture.

Any party, by notice to the other parties hereto, may designate additional or different addresses for subsequent notices or communications.

Section 7.02. Survival of Representations, Warranties, Indemnities, Covenants and Agreements. Except as otherwise provided for herein, the representations, warranties, indemnities, covenants and agreements of the Company, State Street, the Loan Trustee, the Subordination Agent, each Pass Through Trustee and the Noteholders provided for in this Agreement, and each of their

obligations hereunder, shall survive the making of the loans and the expiration or termination (to the extent arising out of acts or events occurring prior to such expiration) of any Operative Documents.

Section 7.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 7.04. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.05. No Oral Modifications or Continuing Waivers; Consents. Subject to Section 9.03 of the Indenture, no terms or provisions of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought; provided that no such change, waiver, discharge or termination shall be effective unless a signed copy thereof is delivered to the Loan Trustee. Each Pass Through Trustee and, by its acceptance of an Equipment Note, each subsequent Noteholder covenants and agrees that it shall not unreasonably withhold its consent to any consent of the Loan Trustee requested by the Company under the terms of the Indenture.

Section 7.06. Effect of Headings and Table of Contents. The headings of the various Articles and Sections herein and in the Table of Contents are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 7.07. Successors and Assigns. All covenants, agreements, representations and warranties in this Agreement by the Company, by State Street, individually or as Loan Trustee, Subordination Agent or Pass Through Trustee, or by any Noteholder, shall bind and inure to the benefit of and be enforceable by the Company, and subject to the terms of Section 6.02(e), its successors and permitted assigns, each Pass Through Trustee and any successor or other trustee under the Pass Through Trust Agreement to which it is a party, the Subordination Agent and its successor under the Intercreditor Agreement and the Loan Trustee and its successor under the Indenture, whether so expressed or not.

Section 7.08. Benefits of Agreement. Nothing in this Agreement, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement, except as provided expressly herein.

Section 7.09. Counterparts. This Agreement may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Agreement including a signature page or pages executed by each of the

parties hereto shall be an original counterpart of this Agreement, but all of such counterparts shall together constitute one instrument.

Section 7.10. Submission to Jurisdiction. Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Documents hereby (a) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto, or their successors or permitted assigns and (b) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ JEFFREY C. CAMPBELL

Name: Jeffrey C. Campbell
Title: Vice President - Corporate
Development and Treasurer

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Pass Through Trustee under each of the Pass
Through Trust Agreements

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Subordination Agent

By: /s/ JOHN G. CORREIA

Name: John G. Correia
Title: Assistant Secretary

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Loan Trustee

By: /s/ ALISON DELLA BELLA

Name: Alison Della Bella
Title:

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
in its individual capacity as set forth herein

By: /s/ JOHN G. CORREIA

Name: John G. Correia

Title: Assistant Secretary:

SCHEDULE I to
PARTICIPATION AGREEMENT

EQUIPMENT NOTES,
PURCHASERS AND ORIGINAL PRINCIPAL AMOUNTS

Purchaser -----	Description of Equipment Notes -----	Maturity -----	Interest Rate -----	Original Principal Amount -----
American Airlines Pass Through Trust 1999-1A-1	Series 1999-1A-1 Equipment Note EN-1A1-001	April 15, 2009	6.855%	\$7,169,266.67
American Airlines Pass Through Trust 1999-1A-2	Series 1999-1A-2 Equipment Note EN-1A2-001	October 15, 2009	7.024%	\$14,569,800.00
American Airlines Pass Through Trust 1999-1B	Series 1999-1B Equipment Note EN-1B-001	October 15, 2009	7.324%	\$3,885,280.00
American Airlines Pass Through Trust 1999-1C	Series 1999-1C Equipment Note EN-1C-001	October 15, 2004	7.155%	\$2,191,886.68

SCHEDULE II to
PARTICIPATION AGREEMENT

TRUST SUPPLEMENTS

Trust Supplement No. 1999-1A-1, dated as of October 6, 1999, between the Company and the Pass Through Trustee in respect of American Airlines Pass Through Trust 1999-1A-1.

Trust Supplement No. 1999-1A-2, dated as of October 6, 1999, between the Company and the Pass Through Trustee in respect of American Airlines Pass Through Trust 1999-1A-2.

Trust Supplement No. 1999-1B, dated as of October 6, 1999, between the Company and the Pass Through Trustee in respect of American Airlines Pass Through Trust 1999-1B.

Trust Supplement No. 1999-1C, dated as of October 6, 1999, between the Company and the Pass Through Trustee in respect of American Airlines Pass Through Trust 1999-1C.

EXHIBIT A to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
COUNSEL FOR THE COMPANY

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EXHIBIT B to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
SPECIAL COUNSEL FOR THE LOAN TRUSTEE, THE SUBORDINATION AGENT
AND STATE STREET

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EXHIBIT C to
PARTICIPATION AGREEMENT

FORM OF OPINION OF
SPECIAL FAA COUNSEL

C-1

EXHIBIT D-1 to
PARTICIPATION AGREEMENT

FORM OF OPINION OF COUNSEL FOR THE LIQUIDITY PROVIDER

D-1

EXHIBIT D-2 to
PARTICIPATION AGREEMENT

FORM OF OPINION OF GERMAN COUNSEL FOR THE LIQUIDITY PROVIDER

D-2

EXHIBIT E to
PARTICIPATION AGREEMENT

FORM OF MANUFACTURER'S CONSENT

E-1

EXHIBIT F TO
PARTICIPATION AGREEMENT

FORM OF OPINION
SPECIAL COUNSEL FOR THE PASS THROUGH TRUSTEES

F-1

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INDENTURE AND SECURITY AGREEMENT
(N908AN)

Dated as of October 6, 1999

between

AMERICAN AIRLINES, INC.,

and

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
as Loan Trustee

One Boeing 737-823 Aircraft
U.S. Registration No. N908AN

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INDENTURE AND SECURITY AGREEMENT
(N908AN)

This INDENTURE AND SECURITY AGREEMENT (N908AN), dated as of October 6, 1999, is made by and between AMERICAN AIRLINES, INC., a Delaware corporation (together with its successors and permitted assigns, the "Company"), and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, as Loan Trustee hereunder (together with its permitted successors hereunder, the "Loan Trustee").

W I T N E S S E T H:

WHEREAS, the parties desire by this Indenture (such term and other capitalized terms used herein without definition being defined as provided in Article I), among other things, to provide for (i) the issuance by the Company of the Equipment Notes and (ii) the assignment, mortgage and pledge by the Company to the Loan Trustee, as part of the Collateral hereunder, among other things, of all of the Company's estate, right, title and interest in and to the Aircraft, as security for, among other things, the Company's obligations to the Loan Trustee, for the ratable benefit and security of the Noteholders, subject to Section 2.13 and Article III;

WHEREAS, all things have been done to make the Equipment Notes, when executed by the Company and authenticated and delivered by the Loan Trustee hereunder, the valid, binding and enforceable obligations of the Company; and

WHEREAS, all things necessary to make this Indenture a legal, valid and binding obligation of the Company for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have occurred;

GRANTING CLAUSE

NOW, THEREFORE, to secure the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, Make-Whole Amount, if any, and interest on, the Equipment Notes and all other amounts payable by the Company under the Operative Documents and the performance and observance by the Company of all the agreements and covenants to be performed or observed by the Company for the benefit of the Noteholders and the Indenture Indemnitees contained in the Operative Documents, and in consideration of the premises and of the covenants contained in the Operative Documents, and for other good and valuable consideration given by the Loan Trustee, the Noteholders and the Indenture Indemnitees to the Company at or before the Closing Date, the receipt of which is hereby acknowledged, the Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto the Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of the Loan Trustee, the Noteholders and the Indenture Indemnitees, a first priority security interest

in, and mortgage lien on, all estate, right, title and interest of the Company in, to and under, all and singular, the following described properties, rights, interests and privileges whether now or hereafter acquired (hereinafter sometimes referred to as the "Collateral"):

(1) the Aircraft, including the Airframe and the Engines, whether or not any such Engine may from time to time be installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided herein, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than any substitutions, replacements, additions, improvements, accessions and accumulations that constitute items excluded from the definition of Parts by clauses (b), (c) and (d) thereof) relating thereto (such Airframe and Engines as more particularly described in the Indenture Supplement executed and delivered with respect to the Aircraft on the Closing Date or with respect to any substitutions or replacements therefor), and together with all flight records, logs, manuals, maintenance data and inspection, modification and overhaul records and other documents at any time required to be maintained with respect to the foregoing, in accordance with the rules and regulations of the FAA if the Aircraft is registered under the laws of the United States or the rules and regulations of the government of the country of registry if the Aircraft is registered under the laws of a jurisdiction other than the United States;

(2) the Warranty Rights, together with all rights, powers, privileges, options and other benefits of the Company under the same;

(3) all requisition proceeds with respect to the Aircraft or any Part thereof, and all insurance proceeds with respect to the Aircraft or any Part thereof, but excluding all proceeds of, and rights under, any insurance maintained by the Company and not required under Section 7.06(b);

(4) all moneys and securities now or hereafter paid or deposited or required to be paid or deposited to or with the Loan Trustee by or for the account of the Company pursuant to any term of any Operative Document and held or required to be held by the Loan Trustee hereunder or thereunder; and

(5) all proceeds of the foregoing;

PROVIDED, HOWEVER, that notwithstanding any of the foregoing provisions, so long as no Event of Default shall have occurred and be continuing, the Company shall have the right, to the exclusion of the Loan Trustee, (i) to quiet enjoyment of the Aircraft, the Airframe, the Parts and the Engines, and to possess, use, retain and control the Aircraft, the Airframe, the Parts and the Engines and all revenues, income and profits derived therefrom and (ii) with respect to the Warranty Rights, to exercise in the Company's name all rights and powers of the Buyer (as defined

in the Purchase Agreement) under the Warranty Rights and to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity or other obligation under the Warranty Rights; provided, further, that notwithstanding the occurrence and continuation of an Event of Default, the Loan Trustee shall not enter into any amendment or modification of the Purchase Agreement that would alter the rights, benefits or obligations of the Company thereunder;

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Loan Trustee, and its successors and permitted assigns, in trust for the ratable benefit and security of the Noteholders and the Indenture Indemnitees, except as otherwise provided in this Indenture, including Section 2.13 and Article III, without any preference, distinction or priority of any one Equipment Note over any other by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any reason whatsoever, and for the uses and purposes and in all cases and as to all property specified in paragraphs (1) through (5) inclusive above, subject to the terms and provisions set forth in this Indenture.

It is expressly agreed that notwithstanding anything herein to the contrary, the Company shall remain liable under the Purchase Agreement to perform all of its obligations thereunder, and, except to the extent expressly provided in any Operative Document, none of the Loan Trustee, any Noteholders or any Indenture Indemnitee shall be required or obligated in any manner to perform or fulfill any obligations of the Company under or pursuant to any thereof, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim or take any action to collect or enforce the payment of any amount that may have been assigned to it or to which it may be entitled at any time or times.

Notwithstanding anything herein to the contrary (but without in any way releasing the Company from any of its duties or obligations under the Purchase Agreement), the Loan Trustee, the Noteholders and the Indenture Indemnitees confirm for the benefit of the Manufacturer that in exercising any rights under the Warranty Rights, or in making any claim with respect to the Aircraft or other goods and services delivered or to be delivered pursuant to the Purchase Agreement, the terms and conditions of the Purchase Agreement relating to the Warranty Rights, including, without limitation, the warranty disclaimer provisions for the benefit of the Manufacturer, shall apply to and be binding upon the Loan Trustee, the Noteholders and the Indenture Indemnitees to the same extent as the Company. The Company hereby directs the Manufacturer, so long as an Event of Default shall have occurred and be continuing, to pay all amounts, if any, payable to the Company pursuant to the Warranty Rights directly to the Loan Trustee to be held and applied as provided herein. Nothing contained herein shall subject the Manufacturer to any liability to which it would not otherwise be subject under the Purchase Agreement or modify in any respect the contract rights of the Manufacturer thereunder except as provided in the Manufacturer's Consent.

The Company does hereby constitute the Loan Trustee the true and lawful attorney of the Company (which appointment is coupled with an interest) with full power (in the name of

the Company or otherwise) to ask, require, demand and receive any and all monies and claims for monies (in each case including insurance and requisition proceeds) due and to become due to the Company under or arising out of the Purchase Agreement (to the extent assigned hereby), and all other property which now or hereafter constitutes part of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or to institute any proceedings which the Loan Trustee may deem to be necessary or advisable in the premises; provided that the Loan Trustee shall not exercise any such rights except during the continuance of an Event of Default. The Company agrees that promptly upon receipt thereof, to the extent required by the Operative Documents, it will transfer to the Loan Trustee any and all monies from time to time received by the Company constituting part of the Collateral, for distribution by the Loan Trustee pursuant to this Indenture.

The Company does hereby warrant and represent that it has not sold, assigned or pledged, and hereby covenants and agrees that it will not sell, assign or pledge, so long as this Indenture shall remain in effect and the Lien hereof shall not have been released pursuant to the provisions hereof, any of its estate, right, title or interest hereby assigned, to any Person other than the Loan Trustee, except as otherwise provided in or permitted by any Operative Document.

The Company agrees that at any time and from time to time, upon the written request of the Loan Trustee, the Company shall promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents as the Loan Trustee may reasonably deem necessary to perfect, preserve or protect the mortgage, security interests and assignments created or intended to be created hereby or to obtain for the Loan Trustee the full benefit of the assignment hereunder and of the rights and powers herein granted, provided that any instrument or other document so executed by the Company will not expand any obligations or limit any rights of the Company in respect of the transactions contemplated by the Operative Documents.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. For all purposes of this Indenture, unless the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02 Other Definitional Provisions. (a) The definitions stated herein and in Annex A apply equally to both the singular and the plural forms of the terms defined.

(b) All references in this Indenture to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision of this Indenture, unless otherwise specifically stated.

(c) The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision.

(d) Unless the context otherwise, requires, whenever the words "including", "include" or "includes" are used herein, it shall be deemed to be followed by the phrase "without" limitation".

(e) All references in this Indenture to a "government" are to such government and any instrumentality or agency thereof.

ARTICLE II

THE EQUIPMENT NOTES

Section 2.01. Form of Equipment Notes. The Equipment Notes shall be substantially in the form set forth below:

THIS EQUIPMENT NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR PURSUANT TO THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. ACCORDINGLY, THIS EQUIPMENT NOTE MAY NOT BE OFFERED FOR SALE OR SOLD UNLESS EITHER REGISTERED UNDER THE ACT AND SUCH APPLICABLE STATE OR OTHER LAWS OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE.

AMERICAN AIRLINES, INC.
SERIES 1999 [] EQUIPMENT NOTE DUE []
ISSUED IN CONNECTION WITH THE BOEING [] AIRCRAFT
BEARING UNITED STATES REGISTRATION NUMBER N[]AN

No. _____ Date: [], [] \$ _____

INTEREST RATE [] MATURITY DATE [], []

AMERICAN AIRLINES, INC. (together with its successors and permitted assigns, the "Company") hereby promises to pay to _____, or the registered assignee thereof, the principal amount of _____ Dollars (\$_____) [on _____] (1) [in installments on the Payment Dates set forth in Schedule I hereto, each such installment to be in an amount computed by multiplying the original principal amount of this Equipment Note by the percentage set forth in Schedule I hereto opposite the Payment Date on which such installment is due,] (2) and to pay interest in arrears on each Payment Date at the Debt Rate on the principal amount remaining unpaid from time to time (calculated on the basis of a year of 360 days comprised of twelve 30-day months) from the date hereof until paid in full. [Notwithstanding the foregoing, the final payment made on this Equipment Note shall be in an amount sufficient to discharge in full the unpaid principal amount and all accrued and unpaid interest on, and any other amounts due under, this Equipment Note.] (2) Notwithstanding anything to the contrary contained herein, if any date on which a payment under this Equipment Note becomes due and payable is not a Business Day, then such payment shall not be made on such scheduled date but shall be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date, and if such payment is made on such next succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date.

For purposes hereof, the term "Indenture" means the Indenture and Security Agreement (N____AN), dated as of October 6, 1999, between the Company and State Street Bank and Trust Company of Connecticut, National Association, as Loan Trustee (the "Loan Trustee"), as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms. All capitalized terms used in this Equipment Note and not defined herein, unless the context otherwise requires, shall have the respective meanings set forth or incorporated by reference, and shall be construed and interpreted in the manner described, in the Indenture.

This Equipment Note shall bear interest, payable on demand, at the Past Due Rate (and not the Debt Rate) (calculated on the basis of a year of 360 days comprised of twelve 30-day months) on any principal amount and (to the extent permitted by applicable law) Make-Whole Amount, if any, interest and any other amounts payable hereunder not paid when due for any period during which the

1 To be inserted in non-installment Equipment Notes.

2 To be inserted in installment Equipment Notes.

same shall be overdue, in each case for the period the same is overdue. Amounts shall be overdue if not paid in the manner provided herein or in the Indenture when due (whether at stated maturity, by acceleration or otherwise).

There shall be maintained an Equipment Note Register for the purpose of registering transfers and exchanges of Equipment Notes at the Corporate Trust Office of the Loan Trustee, or at the office of any successor trustee, in the manner provided in Section 2.07 of the Indenture.

The principal amount and interest and other amounts due hereunder shall be payable in Dollars in immediately available funds at the Corporate Trust Office of the Loan Trustee, or as otherwise provided in the Indenture. The Company shall not have any responsibility for the distribution of any such payment to the Noteholder of this Equipment Note. Each such payment shall be made on the date such payment is due and without any presentment or surrender of this Equipment Note, except that in the case of any final payment with respect to this Equipment Note, the Equipment Note shall be surrendered to the Loan Trustee for cancellation.

The holder hereof, by its acceptance of this Equipment Note, agrees that, except as provided in the Indenture, including the subordination provisions referred to below, each payment of an installment of principal amount, Make-Whole Amount, if any, and interest received by it hereunder shall be applied: first, to the payment of accrued interest on this Equipment Note (as well as any interest on any overdue principal amount, and, to the extent permitted by law, any overdue Make-Whole Amount, if any, any overdue interest and other overdue amounts hereunder) to the date of such payment; second, to the payment of Make-Whole Amount, if any, and third, to the payment of the principal amount of this Equipment Note (or portion hereof) then due.

This Equipment Note is one of the Equipment Notes referred to in the Indenture which have been or are to be issued by the Company pursuant to the terms of the Indenture. The Collateral is held by the Loan Trustee as security, in part, for the Equipment Notes. The provisions of this Equipment Note are subject to the Indenture and the Participation Agreement. Reference is hereby made to the Indenture and the Participation Agreement for a complete statement of the rights and obligations of the holder of, and the nature and extent of the security for, this Equipment Note and the rights and obligations of the holders of, and the nature and extent of the security for, any other Equipment Notes executed and delivered under the Indenture, to all of which terms and conditions in the Indenture and the Participation Agreement each holder hereof agrees by its acceptance of this Equipment Note.

As provided in the Indenture and subject to certain limitations therein set forth, this Equipment Note is exchangeable for a like aggregate principal amount of Equipment Notes of the same Series of different authorized denominations, as requested by the holder surrendering the same. Prior to the due presentment for registration of transfer of this Equipment Note, the Company and the Loan Trustee shall deem and treat the Person in whose name this Equipment Note is registered on the Equipment Note Register as the absolute owner and holder hereof for the purpose of receiving all amounts payable with respect to this Equipment Note and for all purposes, and neither of the Company nor the Loan Trustee shall be affected by notice to the contrary.

This Equipment Note is subject to redemption as provided in Sections 2.10 and 2.11 of the Indenture but not otherwise.

The indebtedness evidenced by this Equipment Note [shall rank in right of payment equally with all Series A-2 Equipment Notes and all other Series A-1 Equipment Notes.](1) [shall rank in right of payment equally with all Series A-1 Equipment Notes and all other Series A-2 Equipment Notes.](2) [is, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations (as defined in the Indenture) in respect of [Series A-1 Equipment Notes and Series A-2 Equipment Notes](3) [Series A-1 Equipment Notes, Series A-2 Equipment Notes and Series B Equipment Notes](4) [Series A-1 Equipment Notes, Series A-2 Equipment Notes, Series B Equipment Notes and Series C Equipment Notes](5), and this Equipment Note is issued subject to such provisions. The Noteholder of this Equipment Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Loan Trustee on such Noteholder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Loan Trustee such Noteholder's attorney-in-fact for such purpose.

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- 1 To be inserted in the case of a Series A-1 Equipment Note.
 - 2 To be inserted in the case of a Series A-2 Equipment Note.
 - 3 To be inserted in the case of a Series B Equipment Note.
 - 4 To be inserted in the case of a Series C Equipment Note.
 - 5 To be inserted in the case of a Series D Equipment Note.

Without limiting the foregoing, the] (1) [The] (2) Noteholder of this Equipment Note, by accepting the same, agrees that if such Noteholder, in its capacity as a Noteholder, shall receive any payment or distribution on any Secured Obligation in respect of this Equipment Note that it is not entitled to receive under Section 2.13 or Article III of the Indenture, it shall hold any amount so received in trust for the Loan Trustee and forthwith turn over such amount to the Loan Trustee in the form received to be applied as provided in Article III of the Indenture.

Unless the certificate of authentication hereon has been executed by or on behalf of the Loan Trustee by manual signature, this Equipment Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

THIS EQUIPMENT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

IN WITNESS WHEREOF, the Company has caused this Equipment Note to be executed in its corporate name by its officer thereunto duly authorized on the date hereof.

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

LOAN TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Notes referred to in the within-mentioned Indenture.

- - - - -

- 1 To be inserted in the case of a Series B Equipment Note, a Series C Equipment Note or a Series D Equipment Note.
- 2 To be inserted in the case of a Series A-1 Equipment Note or a Series A-2 Equipment Note.

[_____]

not in its individual capacity but
solely as Loan Trustee

By: _____
Name:
Title:

SCHEDULE I(1)

EQUIPMENT NOTE AMORTIZATION

	Percentage of Original
Payment Date	Principal Amount
-----	to be Paid

[SEE "EQUIPMENT NOTES AMORTIZATION" ON SCHEDULE I TO
INDENTURE WHICH IS TO BE INSERTED UPON ISSUANCE]

* * *

Section 2.02. Issuance and Terms of Equipment Notes. The Equipment Notes shall be dated the date of issuance thereof, shall be issued in (a) four (or if the Series D Equipment Notes are issued, five) separate series consisting of Series A-1 Equipment Notes, Series A-2 Equipment Notes, Series B Equipment Notes, Series C Equipment Notes and, if issued, Series D Equipment Notes and (b) the maturities and principal amounts and shall bear interest at the applicable Debt Rates specified in Schedule I (or, in the case of a Series D Equipment Note issued after the Closing Date, as specified in an amendment to this Indenture). On the Closing Date, each Series A-1 Equipment Note, Series A-2 Equipment Note, Series B Equipment Note and Series C Equipment Note shall be issued to the Subordination Agent on behalf of each of the Pass Through Trustees for the Pass Through Trusts created under the Pass Through Trust Agreements referred to in Schedule II. The Company shall have the option to issue Series D Equipment Notes at or after the Closing Date. The Equipment Notes shall be issued in registered form only. The Equipment Notes shall be issued in denominations of \$1,000 and integral multiples thereof, except that one Equipment Note of each Series may be in an amount that is not an integral multiple of \$1,000.

1 To be inserted on installment Equipment Notes.

Each Equipment Note shall bear interest at the Debt Rate (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable in arrears on each Payment Date on the unpaid principal amount thereof from time to time outstanding until such principal amount is paid in full, as further provided in the form of Equipment Note set forth in Section 2.01. The principal amount of each Series A-1 Equipment Note shall be payable in installments on the Payment Dates set forth in Schedule I to such Equipment Note, each such installment to be in an amount computed by multiplying the original principal amount of such Equipment Note by the percentage set forth in Schedule I hereto, the applicable portion of which shall be attached as Schedule I to such Equipment Note, opposite the Payment Date on which such installment is due. The principal amount of each Series A-2 Equipment Note and Series B Equipment Note shall be due in a single payment on October 15, 2009. The principal amount of each Series C Equipment Note shall be due in a single payment on October 15, 2004. Each Series D Equipment Note shall be payable in installments or in a single payment as set forth in an amendment to this Indenture, and if payable in installments, such installments shall be calculated as set forth in the third preceding sentence. Notwithstanding the foregoing, the final payment made under each Series A-1 Equipment Note shall be in an amount sufficient to discharge in full the unpaid principal amount and all accrued and unpaid interest on, and any other amounts due under, such Equipment Note. Each Equipment Note shall bear interest, payable on demand, at the Past Due Rate (and not at the Debt Rate) (calculated on the basis of a year of 360 days comprised of twelve 30-day months) on any principal amount and (to the extent permitted by applicable law) Make-Whole Amount, if any, interest and any other amounts payable thereunder not paid when due for any period during which the same shall be overdue, in each case for the period the same is overdue. Amounts shall be overdue under an Equipment Note if not paid in the manner provided therein or in this Indenture when due (whether at stated maturity, by acceleration or otherwise). Notwithstanding anything to the contrary contained herein, if any date on which a payment hereunder or under any Equipment Note becomes due and payable is not a Business Day, then such payment shall not be made on such scheduled date but shall be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date, and if such payment is made on such next succeeding Business Day, no interest shall accrue on the amount of such payment from and after such scheduled date.

The Equipment Notes shall be executed on behalf of the Company by the manual or facsimile signature of one of its authorized officers. Equipment Notes bearing the signatures of individuals who were at the time of execution the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Equipment Notes or did not hold such offices at the respective dates of such Equipment Notes. No Equipment Note shall be secured by or entitled to any benefit under this Indenture or be valid or obligatory for any purposes unless there appears on such Equipment Note a certificate of authentication in the form provided herein executed by the Loan Trustee by the manual signature of one of its authorized officers, and such certificate upon any Equipment Notes shall be conclusive evidence, and the only evidence, that such Equipment Note has been duly authenticated and delivered hereunder.

Section 2.03. Method of Payment. The principal amount of, interest on, Make-Whole Amount, if any, and, except to the extent expressly provided herein, all other amounts due to any Noteholder under each Equipment Note or otherwise payable hereunder shall be payable by the Company in Dollars by wire transfer of immediately available funds not later than 10:00 a.m. (New York City time) on the due date of payment to the Loan Trustee at the Corporate Trust Office for distribution among the Noteholders in the manner provided herein. The Company shall not have any responsibility for the distribution of such payment to any Noteholder. Notwithstanding the foregoing or any provision in any Equipment Note to the contrary, the Loan Trustee will use reasonable efforts to pay or cause to be paid, if so directed in writing by any Noteholder (with a copy to the Company), all amounts paid by the Company hereunder and under such Noteholder's Equipment Note or Equipment Notes to such Noteholder or a nominee therefor (including all amounts distributed pursuant to Article III) by transferring, or causing to be transferred, by wire transfer of immediately available funds in Dollars, prior to 12:00 p.m. (New York City time) on the due date of payment, to an account maintained by such Noteholder with a bank located in the continental United States the amount to be distributed to such Noteholder, for credit to the account of such Noteholder maintained at such bank; provided that, in the event the Equipment Notes are not held by the Subordination Agent on behalf of the Pass Through Trustees, the Loan Trustee may at its option pay such amounts by check mailed to the Noteholder's address as it appears on the Equipment Note Register. If, after its receipt of funds at the place and prior to the time specified above in the immediately preceding sentence, the Loan Trustee shall fail (other than as a result of a failure of the Noteholder to provide it with wire transfer instructions) to make any such payment required to be paid by wire transfer as provided in the immediately preceding sentence on the Business Day it receives such funds, the Loan Trustee, in its individual capacity and not as trustee, agrees to compensate such Noteholders for loss of use of funds at the Federal Funds Rate until such payment is made and the Loan Trustee shall be entitled to any interest earned on such funds until such payment is made. Any payment made hereunder shall be made without any presentment or surrender of any Equipment Note, except that, in the case of the final payment in respect of any Equipment Note, such Equipment Note shall be surrendered to the Loan Trustee for cancellation. Notwithstanding any other provision of this Indenture to the contrary, the Loan Trustee shall not be required to make, or cause to be made, wire transfers as aforesaid prior to the first Business Day on which it is practicable for the Loan Trustee to do so in view of the time of day when the funds to be so transferred were received by it if such funds were received after 1:00 p.m. (New York City time) at the place of payment.

Section 2.04. Withholding Taxes. The Loan Trustee shall exclude and withhold at the appropriate rate from each payment of principal amount of, interest on, Make-Whole Amount, if any, and other amounts due hereunder or under each Equipment Note (which exclusion and withholding shall constitute payment of such amounts payable hereunder or in respect of such Equipment Notes, as applicable) any and all withholding taxes applicable thereto as required by law. The Loan Trustee agrees to act as such withholding agent and, in connection therewith, whenever any present or future taxes or similar charges are required to be withheld with respect to any amounts payable hereunder or in respect of the Equipment Notes, to withhold such amounts

(which withholding shall constitute payment of such amounts payable hereunder or in respect of such Equipment Notes, as applicable) and timely pay the same to the appropriate authority in the name of and on behalf of the Noteholders, that it will file any necessary withholding tax returns or statements when due, and that as promptly as possible after the payment thereof it will deliver to each Noteholder (with a copy to the Company) appropriate documentation showing the payment thereof, together with such additional documentary evidence as any such Noteholder may reasonably request from time to time. The Loan Trustee agrees to file any other information reports as it may be required to file under United States law.

Section 2.05. Application of Payments. Subject always to Section 2.13 and except as otherwise provided in Article III, in the case of each Equipment Note, each payment of an installment of principal amount, Make-Whole Amount, if any, and interest paid thereon shall be applied:

first, to the payment of accrued interest on such Equipment Note (as well as any interest on any overdue principal amount and (to the extent permitted by law) any overdue Make-Whole Amount, if any, any overdue interest and any other overdue amounts thereunder) to the date of such payment;

second, to the payment of Make-Whole Amount, if any; and

third, to the payment of principal amount of such Equipment Note (or portion thereof) then due thereunder.

Section 2.06. Termination of Interest in Collateral. No Noteholder or Indenture Indemnitee shall, as such, have any further interest in, or other right with respect to, the Collateral when and if the principal amount of, Make-Whole Amount, if any, and interest (including interest on any overdue amounts) on and all other amounts due under all Equipment Notes held by such Noteholder and all other sums then payable to such Noteholder or Indenture Indemnitee, as the case may be, hereunder and under the Participation Agreement by the Company (collectively, "Secured Obligations") shall have been paid in full.

Section 2.07. Registration, Transfer and Exchange of Equipment Notes. The Loan Trustee shall keep a register or registers (the "Equipment Note Register") in which the Loan Trustee shall provide for the registration of Equipment Notes and the registration of transfers of Equipment Notes. No such transfer shall be given effect unless and until registration hereunder shall have occurred. The Equipment Note Register shall be kept at the Corporate Trust Office of the Loan Trustee. The Loan Trustee is hereby appointed "Equipment Note Registrar" for the purpose of registering Equipment Notes and transfers of Equipment Notes as herein provided. A holder of any Equipment Note intending to exchange or transfer such Equipment Note shall surrender such Equipment Note to the Loan Trustee at the Corporate Trust Office, together with a written request from the registered holder thereof for the issuance of a new Equipment Note of the

same Series, specifying, in the case of a surrender for transfer, the name and address of the new holder or holders. Upon surrender for registration of transfer of any Equipment Note and subject to satisfaction of Section 2.09, the Company shall execute, and the Loan Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Equipment Notes of a like aggregate principal amount and of the same Series. At the option of the Noteholder, Equipment Notes may be exchanged for other Equipment Notes of the same Series of any authorized denominations of a like aggregate principal amount, upon surrender of the Equipment Notes to be exchanged to the Loan Trustee at the Corporate Trust Office. Whenever any Equipment Notes are so surrendered for exchange, the Company shall execute, and the Loan Trustee shall authenticate and deliver, the Equipment Notes which the Noteholder making the exchange is entitled to receive. All Equipment Notes issued upon any registration of transfer or exchange of Equipment Notes (whether under this Section 2.07 or under Section 2.08 or otherwise under this Indenture) shall be the valid obligations of the Company evidencing the same respective obligations, and entitled to the same security and benefits under this Indenture, as the Equipment Notes surrendered upon such registration of transfer or exchange. Every Equipment Note presented or surrendered for registration of transfer, shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Loan Trustee, duly executed by the Noteholder or such Noteholder's attorney duly authorized in writing, and the Loan Trustee shall require evidence satisfactory to it as to the compliance of any such transfer with the Securities Act of 1933, as amended, and the securities laws of any applicable state or jurisdiction. The Loan Trustee shall make a notation on each new Equipment Note of the amount of all payments of principal amount previously made on the old Equipment Note or Equipment Notes with respect to which such new Equipment Note is issued and the date to which interest on such old Equipment Note or Equipment Notes has been paid. Principal, interest and all other amounts shall be deemed to have been paid on such new Equipment Note to the date on which such amounts shall have been paid on such old Equipment Note. The Company shall not be required to exchange any surrendered Equipment Notes as provided above (a) during the ten-day period preceding the due date of any payment on such Equipment Note or (b) that has been called for redemption. The Company and the Loan Trustee shall in all cases deem and treat the Person in whose name any Equipment Note shall have been issued and registered on the Equipment Note Register as the absolute owner and Noteholder of such Equipment Note for the purpose of receiving payment of all amounts payable with respect to such Equipment Note and for all other purposes, and neither the Company nor the Loan Trustee shall be affected by any notice to the contrary. The Loan Trustee will promptly notify the Company of each registration of a transfer of an Equipment Note. Any such transferee of an Equipment Note, by its acceptance of an Equipment Note, agrees to the provisions of the Operative Documents applicable to Noteholders, and shall be deemed to have represented, warranted and covenanted to the parties to the Participation Agreement as to the matters represented, warranted and covenanted by the Noteholders, including the Pass Through Trustees, in the Participation Agreement. Subject to compliance by the Noteholder and its transferee (if any) of the requirements set forth in this Section 2.07 and in Section 2.09, the Loan Trustee and the Company shall use all reasonable efforts to issue new Equipment Notes upon

transfer or exchange within ten Business Days of the date an Equipment Note is surrendered for transfer or exchange.

Section 2.08. Mutilated, Destroyed, Lost or Stolen Equipment Notes. If any Equipment Note becomes mutilated, destroyed, lost or stolen, the Company shall, upon the written request of the holder of such Equipment Note and subject to satisfaction of this Section 2.08 and of Section 2.09, execute and the Loan Trustee shall authenticate and deliver in replacement thereof a new Equipment Note of the same Series, payable in the same principal amount, dated the same date and captioned as issued in connection with the Aircraft. If the Equipment Note being replaced has become mutilated, such Equipment Note shall be surrendered to the Loan Trustee, and a photocopy thereof shall be furnished to the Company. If the Equipment Note being replaced has been destroyed, lost or stolen, the holder of such Equipment Note shall furnish to the Company and the Loan Trustee such security or indemnity as may be required by them to save the Company and the Loan Trustee harmless and evidence satisfactory to the Company and the Loan Trustee of the destruction, loss or theft of such Equipment Note and of the ownership thereof.

Section 2.09. Payment of Expenses on Transfer; Cancellation. (a) No service charge shall be made to a Noteholder for any registration of transfer or exchange of Equipment Notes, but the Loan Trustee, as Equipment Note Registrar, may require payment of a sum sufficient to cover any Tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Equipment Notes.

(b) The Loan Trustee shall cancel all Equipment Notes surrendered for replacement, redemption, transfer, exchange, payment or cancellation and shall destroy the canceled Equipment Notes.

Section 2.10. Mandatory Redemption of Equipment Notes. The Company shall redeem the Equipment Notes in whole in connection with an Event of Loss in respect of the Airframe or the Airframe and the Engines installed thereon (unless the Company shall have performed the option set forth in Section 7.05(a)(i) with respect thereto) on or before the Loss Payment Date at a redemption price equal to 100% of the unpaid principal amount thereof, together with all accrued interest thereon to (but excluding) the date of redemption, but without any Make-Whole Amount.

Section 2.11. Voluntary Redemption of Equipment Notes. All, but not less than all, of the Equipment Notes may be redeemed in whole by the Company upon at least 20 days' revocable prior written notice to the Loan Trustee at a redemption price equal to 100% of the unpaid principal amount of the Equipment Notes being redeemed, together with accrued interest thereon to (but excluding) the date of redemption and all other amounts payable hereunder or under the Participation Agreement to the Noteholders plus the Make-Whole Amount, if any. Any notice shall become irrevocable three days before the redemption date if not previously revoked.

Section 2.12. Redemptions; Notice of Redemptions; Repurchases. (a) No redemption of any Equipment Note may be made except to the extent and in the manner expressly permitted by this Indenture. At such time as no Pass Through Certificates are outstanding, the Company may at any time repurchase any of the Equipment Notes at any price in the open market and may hold, resell or surrender such Equipment Notes to the Loan Trustee for cancellation.

(b) Notice of redemption with respect to the Equipment Notes shall be given by the Loan Trustee by first-class mail, postage prepaid, mailed not less than 15 nor more than 60 days prior to the applicable redemption date, to each Noteholder at such Noteholder's address appearing in the Equipment Note Register. All notices of redemption shall state: (1) the redemption date, (2) the applicable basis for determining the redemption price, (3) that on the redemption date, the redemption price will become due and payable upon each such Equipment Note, and that, if any such Equipment Notes are then outstanding, interest on such Equipment Notes shall cease to accrue on and after such redemption date and (4) the place or places where such Equipment Notes are to be surrendered for payment of the redemption price.

(c) On or before the redemption date, the Company (or any person on behalf of the Company) shall, to the extent an amount equal to the redemption price for the Equipment Notes to be redeemed on the redemption date shall not then be held in the Collateral, deposit or cause to be deposited with the Loan Trustee by 11:00 a.m. (New York City time) on the redemption date in immediately available funds the redemption price of the Equipment Notes to be redeemed.

(d) Notice of redemption having been given as aforesaid (and not revoked as permitted by Section 2.11), the Equipment Notes to be redeemed shall, on the redemption date, become due and payable at the Corporate Trust Office of the Loan Trustee, and from and after such redemption date (unless there shall be a default in the deposit of the redemption price pursuant to Section 2.12(c)) any such Equipment Notes then outstanding shall cease to bear interest. Upon surrender of any such Equipment Note for redemption in accordance with said notice, such Equipment Note shall be redeemed at the redemption price.

Section 2.13. Subordination. (a) The indebtedness evidenced by the Series A-1 Equipment Notes and Series A-2 Equipment Notes shall rank in right of payment equally with all other Series A-1 Equipment Notes and Series A-2 Equipment Notes. The indebtedness evidenced by the Series B Equipment Notes is, to the extent and in the manner provided in this Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series A-1 Equipment Notes and Series A-2 Equipment Notes, and the Series B Equipment Notes are issued subject to such provisions. The indebtedness evidenced by the Series C Equipment Notes is, to the extent and in the manner provided in this Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series A-1 Equipment Notes, the Series A-2 Equipment Notes and the Series B Equipment Notes, and the Series C Equipment Notes are issued subject to such provisions. The indebtedness evidenced by the Series D Equipment Notes, if issued, shall be, to the extent and in the manner

provided in this Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series A-1 Equipment Notes, the Series A-2 Equipment Notes, the Series B Equipment Notes and the Series C Equipment Notes, and the Series D Equipment Notes, if issued, shall be issued subject to such provisions. By acceptance of its Equipment Notes of any Series, each Noteholder of such Series (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Loan Trustee on such Noteholder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Indenture and (c) appoints the Loan Trustee as such Noteholder's attorney-in-fact for such purpose.

(b) The Company, the Loan Trustee and, by acceptance of its Equipment Notes of any Series, each Noteholder of such Series, hereby agree that no payment or distribution shall be made on or in respect of the Secured Obligations owed to such Noteholder of such Series, including any payment or distribution of cash, property or securities, after the occurrence of any of the events referred to in Section 4.01(f) or after the commencement of any proceedings of the type referred to in Sections 4.01(g), (h) or (i), except as expressly provided in Article III.

(c) By the acceptance of its Equipment Notes of any Series, each Noteholder of such Series agrees that if such Noteholder, in its capacity as a Noteholder, shall receive any payment or distribution on any Secured Obligations in respect of such Series that it is not entitled to receive under this Section 2.13 or Article III hereof, it will hold any amount so received in trust for the Loan Trustee and forthwith turn over such amount to the Loan Trustee in the form received to be applied as provided in Article III.

Section 2.14. Certain Payments. The Company agrees to pay to the Loan Trustee for distribution in accordance with Section 3.04:

(a) an amount or amounts equal to the fees payable to the Liquidity Provider under Section 2.03 of each Liquidity Facility and the related Fee Letter (as defined in the Intercreditor Agreement), multiplied by a fraction, the numerator of which shall be the sum of the then outstanding aggregate principal amount of the Series A-1 Equipment Notes, Series A-2 Equipment Notes, Series B Equipment Notes and Series C Equipment Notes and the denominator of which shall be the sum of the then outstanding aggregate principal amount of all "Series A-1 Equipment Notes," "Series A-2 Equipment Notes," "Series B Equipment Notes" and "Series C Equipment Notes" (in each case as defined in the Intercreditor Agreement);

(b) the amount equal to interest on any Downgrade Advance (other than any Applied Downgrade Advance) payable under Section 3.07 of each Liquidity Facility minus Investment Earnings from such Downgrade Advance, multiplied by the fraction specified in the foregoing clause (a);

(c) the amount equal to interest on any Non-Extension Advance (other than any Applied Non-Extension Advance) payable under Section 3.07 of each Liquidity Facility minus

Investment Earnings from such Non-Extension Advance, multiplied by the fraction specified in the foregoing clause (a);

(d) if any payment default shall have occurred and be continuing with respect to interest on any Series A-1 Equipment Notes, Series A-2 Equipment Note, Series B Equipment Note or Series C Equipment Note, (x) the excess, if any, of (1) the amount equal to the sum of interest on any Unpaid Advance or Applied Provider Advance payable under Section 3.07 of each Liquidity Facility plus any other amounts payable in respect of such Unpaid Advance or Applied Provider Advance under Section 3.01, 3.03 or 3.09 of the Liquidity Facility under which such Unpaid Advance or Applied Provider Advance was made over (2) the sum of Investment Earnings from any Final Advance plus any amount of interest at the Past Due Rate actually payable (whether or not in fact paid) by the Company in respect of the overdue scheduled interest on the Equipment Notes in respect of which such Unpaid Advance or Applied Provider Advance was made, multiplied by (y) a fraction, the numerator of which shall be the then aggregate overdue amounts of interest on the Series A-1 Equipment Notes, Series A-2 Equipment Notes, Series B Equipment Notes and Series C Equipment Notes (other than interest becoming due and payable solely as a result of acceleration of any such Equipment Notes) and the denominator of which shall be the then aggregate overdue amounts of interest on all "Series A-1 Equipment Notes", "Series A-2 Equipment Notes", "Series B Equipment Notes" and "Series C Equipment Notes" (in each case as defined in the Intercreditor Agreement) (other than interest becoming due and payable solely as a result of acceleration of any such "Equipment Notes");

(e) any amounts owed to the Liquidity Provider by the Subordination Agent as borrower under Section 3.01 (other than in respect of an Unpaid Advance or Applied Provider Advance), 3.03 (other than in respect of an Unpaid Advance or Applied Provider Advance), 7.05 and 7.07 of each Liquidity Facility (or similar provisions of any Replacement Liquidity Facility) multiplied by the fraction specified in the foregoing clause (a); and

(f) an amount or amounts equal to the compensation, including reasonable expenses and disbursements, payable to the Subordination Agent under Section 6.07 of the Intercreditor Agreement, multiplied by the fraction specified in the foregoing clause (a) (but in any event without duplication of any amount or amounts payable by the Company in respect of such compensation under any other Operative Document or Pass Through Document).

For purposes of this paragraph, the terms "Advance", "Applied Downgrade Advance", "Applied Non-Extension Advance", "Applied Provider Advance", "Cash Collateral Account", "Downgrade Advance", "Final Advance", "Investment Earnings", "Non-Extension Advance", "Replacement Liquidity Facility" and "Unpaid Advance" shall have the meanings specified in each Liquidity Facility or the Intercreditor Agreement.

Section 2.15. Repayment of Monies for Equipment Note Payments Held by the Loan Trustee. Any money held by the Loan Trustee in trust for any payment of the principal of,

Make-Whole Amount, if any, or interest or any other amounts due on, any Equipment Note, including, without limitation, any money deposited pursuant to Section 2.12(c) or Section 10.01, and remaining unclaimed for two years after the due date for such payment (or such lesser time as the Loan Trustee shall be satisfied, after 60 days' notice from the Company, is one month prior to the escheat period provided under applicable state law) shall be paid to the Company. The Noteholders of any outstanding Equipment Notes shall thereafter, as unsecured general creditors, look only to the Company for payment thereof, and all liability of the Loan Trustee with respect to such trust money shall thereupon cease; provided that the Loan Trustee, before being required to make any such repayment, may at the expense of the Company cause to be mailed to each such Noteholder notice that such money remains unclaimed and that, after a date specified therein which shall not be less than 30 days from the date of mailing, any unclaimed balance of such money then remaining will be repaid to the Company as provided herein.

Section 2.16. Directions by Subordination Agent. So long as the Subordination Agent is a Noteholder, notwithstanding anything contained herein or in any other Operative Document to the contrary, in exercising its right to vote the Equipment Notes held by it, or in giving or taking any direction, consent, request, demand, instruction, authorization, notice, waiver or other action provided by this Indenture or in respect of the Equipment Notes to be given or taken by a Noteholder (each such vote or other action, a "Direction") in respect of such Equipment Notes, the Subordination Agent may act in accordance with any votes, directions, consents, requests, demands, instructions, authorizations, notices, waivers or other actions given or taken by any applicable Pass Through Trustee or the Controlling Party pursuant to the Intercreditor Agreement, including without limitation pursuant to Section 2.06, Article IV or Section 8.01(b) thereof. The Subordination Agent shall be permitted (x) to give a Direction with respect to less than the entire principal amount of any single Equipment Note held by it, and (y) to give different Directions with respect to different portions of the principal amount of any single Equipment Note held by it. Any Direction given by the Subordination Agent at any time with respect to more than a majority in aggregate unpaid principal amount of all of the Equipment Notes issued and then outstanding hereunder shall be deemed to have been given by a Majority in Interest of Noteholders.

ARTICLE III

RECEIPT, DISTRIBUTION AND APPLICATION OF INCOME FROM THE COLLATERAL

Section 3.01. Basic Distributions. Except as otherwise provided in Sections 3.02, 3.03 and 3.04, each periodic payment by the Company of regularly scheduled installments of principal or interest on the Equipment Notes received by the Loan Trustee shall be promptly distributed in the following order of priority:

first, so much of such payment as shall be required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Series A-1 Equipment Notes and Series A-2 Equipment Notes shall be distributed to the Noteholders of Series A-1 Equipment Notes and Series A-2 Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series A-1 Equipment Note or Series A-2 Equipment Note bears to the aggregate amount of the payments then due under all Series A-1 Equipment Notes and Series A-2 Equipment Notes;

second, after giving effect to clause "first" above, so much of such payment remaining as shall be required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and other overdue amounts) then due under all Series B Equipment Notes shall be distributed to the Noteholders of Series B Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series B Equipment Note bears to the aggregate amount of the payments then due under all Series B Equipment Notes;

third, after giving effect to clause "second" above, so much of such payment remaining as shall be required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Series C Equipment Notes shall be distributed to the Noteholders of Series C Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series C Equipment Note bears to the aggregate amount of the payments then due under all Series C Equipment Notes;

fourth, after giving effect to clause "third" above, so much of such payment remaining as shall be required to pay in full the aggregate amount of the payment or payments of principal amount and interest (as well as any interest on any overdue principal amount and, to the extent permitted by applicable law, on any overdue interest and any other overdue amounts) then due under all Series D Equipment Notes shall be distributed to the Noteholders of Series D Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series D Equipment Note bears to the aggregate amount of the payments then due under all Series D Equipment Notes; and

fifth, the balance, if any, of such installment remaining thereafter shall be distributed to the Company.

Section 3.02. Event of Loss; Optional Redemption. Except as otherwise provided in Sections 3.03 and 3.04 and subject to the following proviso, any payments received by the Loan Trustee with respect to the Aircraft as the result of (a) an Event of Loss (including amounts paid by the Company pursuant to Section 2.10) or (b) an optional redemption of the Equipment Notes pursuant to Section 2.11 shall be applied to redemption of the Equipment Notes pursuant to Section 2.10 or Section 2.11, as applicable, and to payment of all other Secured Obligations by applying such funds in the following order of priority:

first, (i) to reimburse the Loan Trustee and the Noteholders for any reasonable costs or expenses incurred in connection with such redemption for which they are entitled to reimbursement, or indemnity by the Company, under the Operative Documents; and then (ii) to pay any other amounts then due (except as provided in clause "second" below) to the Loan Trustee, the Noteholders and the Indenture Indemnitees under this Indenture, the Participation Agreement or the Equipment Notes;

second, (i) to pay the amounts specified in subclause (i) of clause "third" of Section 3.03 plus Make-Whole Amount, if any, then due and payable in respect of the Series A-1 Equipment Notes and the Series A-2 Equipment Notes; (ii) after giving effect to subclause (i) above, to pay the amounts specified in subclause (ii) of clause "third" of Section 3.03 plus Make-Whole Amount, if any, then due and payable in respect of the Series B Equipment Notes; (iii) after giving effect to subclause (ii) above, to pay the amounts specified in subclause (iii) of clause "third" of Section 3.03 plus Make-Whole Amount, if any, then due and payable in respect of the Series C Equipment Notes; and (iv) after giving effect to subclause (iii) above, to pay the amounts specified in subclause (iv) of clause "third" of Section 3.03 plus Make-Whole Amount, if any, then due and payable in respect of the Series D Equipment Notes; and

third, the balance, if any, of such payments shall be distributed to the Company.

provided, however, that any insurance, condemnation or similar proceeds resulting from an Event of Loss that are received by the Loan Trustee shall be held or disbursed by the Loan Trustee as provided by Sections 7.05(c) and 7.06(d) (provided that such money held by the Loan Trustee shall be invested as provided in Section 5.06).

No Make-Whole Amount shall be payable on the Equipment Notes in connection with their redemption as a result of an Event of Loss in respect of the Airframe.

Section 3.03. Payments after Event of Default. Except as otherwise provided in Section 3.04, all payments received and amounts held or realized by the Loan Trustee (including

any amounts realized by the Loan Trustee from the exercise of any remedies pursuant to Article IV) after both an Event of Default shall have occurred and be continuing and the Equipment Notes shall have become due and payable pursuant to Section 4.02(a), as well as all payments or amounts then held by the Loan Trustee as part of the Collateral, shall be promptly distributed by the Loan Trustee in the following order of priority:

first, so much of such payments or amounts as shall be required to (i) reimburse the Loan Trustee, to the extent the Loan Trustee is entitled to be reimbursed or indemnified under the Operative Documents, for any Tax, expense or other loss (including, without limitation, all amounts to be expended at the expense of, or charged upon the tolls, rents, revenues, issues, products and profits of, the Collateral and every part thereof pursuant to Section 4.02(a)) incurred by the Loan Trustee (to the extent not previously reimbursed), the expenses of any sale, taking or other proceeding, reasonable attorneys' fees and expenses, court costs and any other expenditures incurred or expenditures or advances made by the Loan Trustee or the Noteholders in the protection, exercise or enforcement of any right, power or remedy or any damages sustained by the Loan Trustee or any Noteholder, liquidated or otherwise, upon such Event of Default shall be applied by the Loan Trustee as between itself and the Noteholders in reimbursement of such expenses and any other expenses for which the Loan Trustee or the Noteholders are entitled to reimbursement under any Operative Document, and (ii) to pay all amounts payable (except as provided in clauses "second" and "third" below) to the other Indenture Indemnitees hereunder and under the Participation Agreement; and in case the aggregate amount so to be distributed is insufficient to pay as aforesaid, then ratably, without priority of one over the other, in proportion to the amounts owed each hereunder;

second, so much of such payments or amounts remaining as shall be required to reimburse the then existing or prior Noteholders for payments made pursuant to Section 5.03 (to the extent not previously reimbursed) shall be distributed to such then existing or prior Noteholders ratably, without priority of one over the other, in accordance with the amount of the payment or payments made by each such then existing or prior Noteholder pursuant to Section 5.03;

third, (i) so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Series A-1 Equipment Notes and Series A-2 Equipment Notes and the accrued but unpaid interest and all other Secured Obligations in respect of the Series A-1 Equipment Notes and Series A-2 Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series A-1 Equipment Notes and Series A-2 Equipment Notes ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series A-1 Equipment Notes and Series A-2 Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series A-1 Equipment Notes and

Series A-2 Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; (ii) after giving effect to subclause (i) above, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Series B Equipment Notes and the accrued but unpaid interest and all other Secured Obligations in respect of the Series B Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series B Equipment Notes ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series B Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series B Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; (iii) after giving effect to subclause (ii) above, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Series C Equipment Notes and the accrued but unpaid interest and all other Secured Obligations in respect of the Series C Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series C Equipment Notes ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series C Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series C Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; and (iv) after giving effect to subclause (iii) above, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Series D Equipment Notes and the accrued but unpaid interest and all other Secured Obligations in respect of the Series D Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series D Equipment Notes, ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series D Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series D Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; and

fourth, the balance, if any, of such payments or amounts shall be distributed to the Company.

No Make-Whole Amount shall be payable on the Equipment Notes as a consequence of or in connection with an Event of Default or the acceleration of the Equipment Notes.

Section 3.04. Certain Payments. (a) Any payments received by the Loan Trustee for which provision as to the application thereof is made in this Indenture other than in this

Article III shall be applied as provided in those provisions. Without limiting the foregoing, any payments received by the Loan Trustee which are payable to the Company pursuant to any of the provisions of this Indenture other than those set forth in this Article III (including Sections 5.06, 7.05 and 7.06 hereof) shall be so paid to the Company. Any payments received by the Loan Trustee for which no provision as to the application thereof is made in this Indenture and for which such provision is made in any other Operative Document shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of such other Operative Document.

(b) The Loan Trustee will distribute promptly upon receipt any indemnity payment received by it from the Company pursuant to Section 4.02 of the Participation Agreement in respect of (i) State Street and the Loan Trustee, (ii) the Subordination Agent, (iii) the Pass Through Trustees and (iv) the Liquidity Provider, in each case, directly to the Person entitled thereto. Any payment received by the Loan Trustee from the Company under Section 2.14 shall be distributed to the Subordination Agent to be distributed in accordance with Section 2.03(c) of the Intercreditor Agreement.

(c) Any payments received by the Loan Trustee not constituting part of the Collateral or otherwise for which no provision as to the application thereof is made in any Operative Document shall be distributed by the Loan Trustee to the Company. Further, and except as otherwise provided in Sections 3.02, 3.03 and 3.04, all payments received and amounts realized by the Loan Trustee with respect to the Aircraft, to the extent received or realized at any time after payment in full of all Secured Obligations or after the conditions set forth in Section 10.01(a)(ii) for the defeasance of this Indenture have been satisfied, as well as any amounts remaining as part of the Collateral after the occurrence of such payment in full or defeasance, shall be distributed by the Loan Trustee to the Company.

Section 3.05. Payments to the Company. Any amounts distributed hereunder by the Loan Trustee to the Company shall be paid to the Company (within the time limits contemplated by Section 2.03(a)) by wire transfer of funds of the type received by the Loan Trustee at such office and to such account or accounts of such entity or entities as shall be designated by notice from the Company to the Loan Trustee from time to time.

ARTICLE IV

EVENTS OF DEFAULT; REMEDIES OF LOAN TRUSTEE

Section 4.01. Events of Default. Each of the following events shall constitute an "Event of Default" whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body and each

such Event of Default shall be deemed to exist and continue so long as, but only as long as, it shall not have been remedied:

(a) the Company shall fail to make any payment within 15 days after the same shall have become due of principal amount of, Make-Whole Amount, if any, or interest on, any Equipment Note;

(b) the Company shall fail to make payment when the same shall become due of any amount (other than amounts referred to in Section 4.01(a)) due hereunder, under any Equipment Note or under any other Operative Document, and such failure shall continue unremedied for 30 days after the receipt by the Company of written notice thereof from the Loan Trustee or any Noteholder;

(c) the Company shall fail to carry and maintain insurance or indemnity on or with respect to the Aircraft in accordance with the provisions of Section 7.06; provided that no such failure to carry and maintain insurance shall constitute an Event of Default until the earlier of (i) the date such failure shall have continued unremedied for a period of 30 days after receipt by the Loan Trustee of the notice of cancellation or lapse referred to in Section 7.06 or (ii) the date such insurance is not in effect as to the Loan Trustee;

(d) the Company shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under any Operative Document, and such failure shall continue unremedied for a period of 60 days after receipt by the Company of written notice thereof from the Loan Trustee or any Noteholder; provided that, if such failure is capable of being remedied, no such failure shall constitute an Event of Default for a period of one year after such notice is received by the Company so long as the Company is diligently proceeding to remedy such failure;

(e) any representation or warranty made by the Company in any Operative Document shall prove to have been incorrect in any material respect at the time made, and such incorrectness shall continue to be material to the transactions contemplated hereby and continue unremedied for a period of 60 days after receipt by the Company of written notice thereof from the Loan Trustee or any Noteholder; provided that, if such incorrectness is capable of being remedied, no such incorrectness shall constitute an Event of Default for a period of one year after such notice is received by the Company so long as the Company is diligently proceeding to remedy such incorrectness;

(f) the Company shall consent to the appointment of or the taking of possession by a receiver, trustee or liquidator of itself or of a substantial part of its property, shall admit in writing its inability to pay its debts generally as they come due or shall make a general assignment for the benefit of creditors;

(g) the Company shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief in a case under any bankruptcy laws or insolvency laws (as in effect at such time) or an answer admitting the material allegations of a petition filed against the Company in any such case, or the Company shall seek relief by voluntary petition, answer or consent, under the provisions of any other bankruptcy or other similar law providing for the reorganization or winding-up of corporations (as in effect at such time), or the Company shall seek an agreement, composition, extension or adjustment with its creditors under such laws;

(h) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Company, a receiver, trustee or liquidator of the Company or of any substantial part of its property, or any substantial part of its property shall be sequestered, or granting any other relief in respect of the Company as a debtor under any bankruptcy laws or insolvency laws (as in effect at such time), and any such order, judgment or decree of appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of 90 days after the date of entry thereof; or

(i) a petition against the Company in a case under the federal bankruptcy laws or other insolvency laws (as in effect at such time) is filed and not withdrawn or dismissed within 90 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations that may apply to the Company, any court of competent jurisdiction assumes jurisdiction, custody or control of the Company or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unexpired for a period of 90 days;

provided, however, that notwithstanding anything to the contrary contained in this Section 4.01, any failure of the Company to perform or observe any covenant, condition or agreement shall not constitute an Event of Default if such failure arises by reason of an event referred to in the definition of "Event of Loss" so long as the Company is continuing to comply with all of the terms of Section 7.05.

Section 4.02. Remedies. (a) If an Event of Default shall have occurred and be continuing and so long as the same shall continue unremedied, then and in every such case the Loan Trustee may, and upon the written instructions of a Majority in Interest of Noteholders, the Loan Trustee shall, do one or more of the following to the extent permitted by, and subject to compliance with the requirements of, applicable law then in effect (provided, however, that during any period the Aircraft is subject to the CRAF Program and is in possession of or being operated under the direction of the United States government or an agency or instrumentality of the United States, the Loan Trustee shall not, on account of any Event of Default, be entitled to exercise or pursue any of the powers, rights or remedies described in this Section 4.02 in such manner as to limit the Company's control under this Indenture (or any Permitted Lessee's control under any Lease) of the Airframe or any Engines installed thereon, unless at least 60 days' (or such lesser

period as may then be applicable under the Military Airlift Command Program of the United States government) prior written notice of default hereunder shall have been given by the Loan Trustee by registered or certified mail to the Company (and any such Permitted Lessee) with a copy addressed to the Contracting Office Representative or other appropriate person for the Military Airlift Command of the United States Air Force under any contract with the Company relating to the Aircraft):

(i) declare by written notice to the Company all the Equipment Notes to be due and payable, whereupon the aggregate unpaid principal amount of all Equipment Notes then outstanding, together with accrued but unpaid interest thereon and other amounts due thereunder (but for the avoidance of doubt, without Make-Whole Amount), shall immediately become due and payable without presentment, demand, protest or notice, all of which are hereby waived; provided that if an Event of Default referred to in Subsections 4.01(f), (g), (h) or (i) shall have occurred and be continuing, then and in every such case the unpaid principal amount then outstanding, together with accrued but unpaid interest and all other amounts due thereunder (but for the avoidance of doubt, without Make-Whole Amount) shall immediately and without further act become due and payable without presentment, demand, protest or notice, all of which are hereby waived; and, following such declaration or deemed declaration:

(ii) (A) cause the Company, upon the written demand of the Loan Trustee, at the Company's expense, to deliver promptly, and the Company shall deliver promptly, all or such part of the Airframe or any Engine as the Loan Trustee may so demand to the Loan Trustee or its order, or, if the Company shall have failed to so deliver the Airframe or any Engine after such demand, the Loan Trustee, at its option, may enter upon the premises where all or any part of the Airframe or any Engine are located and take immediate possession of and remove the same together with any engine which is not an Engine but which is installed on the Airframe, subject to all of the rights of the owner, lessor, lienor or secured party of such engine; provided that the Airframe with an engine (which is not an Engine) installed thereon may be flown or returned only to a location within the continental United States, and such engine shall be held for the account of any such owner, lessor, lienor, secured party or, if such engine is owned by the Company, may at the option of the Company with the consent of the Loan Trustee (which will not be unreasonably withheld) or at the option of the Loan Trustee with the consent of the Company (which will not be unreasonably withheld), be exchanged with the Company for an Engine in accordance with the provisions of Section 7.05(b); (B) sell all or any part of the Airframe and any Engine at public or private sale, whether or not the Loan Trustee shall at the time have possession thereof, as the Loan Trustee may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any part of the Airframe or such Engine as the Loan Trustee, in its sole discretion, may determine, all free and clear of any rights or claims of the Company, and the proceeds of such sale or disposition shall be

applied as set forth in Section 3.03; or (C) exercise any other remedy of a secured party under the Uniform Commercial Code of the State of New York (whether or not in effect in the jurisdiction in which enforcement is sought).

Upon every such taking of possession of Collateral under this Section 4.02, the Loan Trustee may, from time to time, at the expense of the Collateral, make all such expenditures for maintenance, insurance, repairs, alterations, additions and improvements to and of the Collateral as it may deem proper. In each such case, the Loan Trustee shall have the right to maintain, use, operate, store, lease, control or manage the Collateral and to exercise all rights and powers of the Company relating to the Collateral as the Loan Trustee shall reasonably deem best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, leasing, control, management or disposition of the Collateral or any part thereof as the Loan Trustee may reasonably determine; and the Loan Trustee shall be entitled to collect and receive directly all tolls, rents, revenues, issues, income, products and profits of the Collateral and every part thereof. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of the use, operation, storage, leasing, control, management or disposition of the Collateral, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments that the Loan Trustee may be required or may elect to make, if any, for Taxes, insurance or other proper charges assessed against or otherwise imposed upon the Collateral or any part thereof, and all other payments which the Loan Trustee may be required or expressly authorized to make under any provision of this Indenture, as well as just and reasonable compensation for the services of the Loan Trustee, and shall otherwise be applied in accordance with Article III.

If an Event of Default shall have occurred and be continuing and the Equipment Notes shall either have been accelerated pursuant to this Section 4.02 or have become due at maturity and the Loan Trustee shall be entitled to exercise rights hereunder, at the request of the Loan Trustee, the Company shall promptly execute and deliver to the Loan Trustee such instruments of title and other documents as the Loan Trustee may reasonably deem necessary or advisable to enable the Loan Trustee or an agent or representative designated by the Loan Trustee, at such time or times and place or places as the Loan Trustee may specify, to obtain possession of all or any part of the Collateral to which the Loan Trustee shall at the time be entitled hereunder. If the Company shall for any reason fail to execute and deliver such instruments and documents after such request by the Loan Trustee, the Loan Trustee may obtain a judgment conferring on the Loan Trustee the right to immediate possession and requiring the Company to execute and deliver such instruments and documents to the Loan Trustee, to the entry of which judgment the Company hereby specifically consents to the fullest extent it may lawfully do so.

(b) The Loan Trustee shall give the Company at least 30 days' prior written notice of any public sale or of the date on or after which any private sale will be held, which notice the Company hereby agrees to the extent permitted by applicable law is reasonable notice. Any Noteholder or Noteholders shall be entitled to bid for and become the purchaser of any Collateral

offered for sale pursuant to this Section 4.02 and to credit against the purchase price bid at such sale by such Noteholders all or any part of the unpaid amounts owing to such Noteholders under the Operative Documents and secured by the Lien of this Indenture (but only to the extent that such purchase price would have been paid to such Noteholders pursuant to Article III if such purchase price were paid in cash and the foregoing provision of this Section 4.02(b) were not given effect). The Loan Trustee may exercise such right without possession or production of the Equipment Notes or proof of ownership thereof, and as a representative of the Noteholders may exercise such right without notice to the Noteholders as parties to any suit or proceeding relating to the foreclosure of any Collateral. The Company shall also be entitled to bid for and become the purchaser of any Collateral offered for sale pursuant to this Section 4.02.

(c) To the extent permitted by applicable law, the Company irrevocably appoints, while an Event of Default has occurred and is continuing, the Loan Trustee the true and lawful attorney-in-fact of the Company (which appointment is coupled with an interest) in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of the Lien of this Indenture, whether pursuant to foreclosure or power of sale, or otherwise, to execute and deliver all such bills of sale, assignments and other instruments as may be necessary or appropriate, with full power of substitution, the Company hereby ratifying and confirming all that such attorney or any substitute shall do by virtue hereof in accordance with applicable law; provided that if so requested by the Loan Trustee or any purchaser, the Company shall ratify and confirm any such sale, assignment or transfer of delivery, by executing and delivering to the Loan Trustee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

(d) At any time after the Loan Trustee has declared the unpaid principal amount of all Equipment Notes then outstanding to be due and payable and prior to the sale of any part of the Collateral pursuant to this Article IV, a Majority in Interest of Noteholders, by written notice to the Company and the Loan Trustee, may rescind and annul such declaration and its consequences if: (i) there has been paid to or deposited with the Loan Trustee an amount sufficient to pay all overdue installments of principal amount of, and interest on, the Equipment Notes, and all other amounts owing under the Operative Documents, that have become due otherwise than by such declaration of acceleration and (ii) all other Events of Default, other than nonpayment of principal amount or interest on the Equipment Notes that have become due solely because of such acceleration, have been cured or waived.

(e) Notwithstanding anything contained herein, so long as the Pass Through Trustee under any Pass Through Trust Agreement or the Subordination Agent on its behalf is a Noteholder, the Loan Trustee will not be authorized or empowered to acquire title to any Collateral or take any action with respect to any Collateral so acquired by it if such acquisition or action would cause any Pass Through Trust to fail to qualify as a "grantor trust" for federal income tax purposes.

Section 4.03. Remedies Cumulative. To the extent permitted under applicable law, each and every right, power and remedy specifically given to the Loan Trustee herein or otherwise in this Indenture shall be cumulative and shall be in addition to every other right, power and remedy specifically given herein or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically given herein or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Loan Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Loan Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall, to the extent permitted by applicable law, impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Company or to be an acquiescence therein.

Section 4.04. Discontinuance of Proceedings. In case the Loan Trustee shall have instituted any proceedings to enforce any right, power or remedy under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Loan Trustee, then and in every such case the Company and the Loan Trustee shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Loan Trustee shall continue as if no such proceedings had been undertaken (but otherwise without prejudice).

Section 4.05. Waiver of Past Defaults. Upon written instruction from a Majority in Interest of Noteholders, the Loan Trustee shall waive any past default hereunder and its consequences, and upon any such waiver such default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Operative Documents, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon; provided, however, that in the absence of written instructions from each of the affected Noteholders, the Loan Trustee shall not waive any default (i) in the payment of the principal amount, Make-Whole Amount, if any, or interest due under any Equipment Note then outstanding (other than with the consent of the holder thereof), or (ii) in respect of a covenant or provision hereof which, under Article IX, cannot be modified or amended without the consent of each such affected Noteholder.

Section 4.06. Noteholders May Not Bring Suit Except Under Certain Conditions. A Noteholder of any Series shall not have the right to institute any suit, action or proceeding at law or in equity or otherwise with respect to this Indenture for the appointment of a receiver or for the enforcement of any other remedy under this Indenture, unless:

- (1) such Noteholder previously shall have given written notice to the Loan Trustee of a continuing Event of Default;

- (2) A Majority in Interest of Noteholders shall have requested the Loan Trustee in writing to institute such action, suit or proceeding and shall have offered to the Loan Trustee indemnity as provided in Section 5.03;
- (3) the Loan Trustee shall have refused or neglected to institute any such action, suit or proceeding for 60 days after receipt of such notice, request and offer of indemnity; and
- (4) no direction inconsistent with such written request shall have been given to the Loan Trustee during such 60-day period by a Majority in Interest of Noteholders.

Except to the extent provided in the Intercreditor Agreement or in any Indenture Supplement, it is understood and intended that no one or more of the Noteholders of any Series shall have any right in any manner whatsoever hereunder or under the Indenture Supplement or under the Equipment Notes of such Series to (i) surrender, impair, waive, affect, disturb or prejudice any Collateral, or the Lien of the Indenture on any Collateral, or the rights of the Noteholders of such Series, (ii) obtain or seek to obtain priority over or preference with respect to any other such Noteholder of such Series or (iii) enforce any right under this Indenture, except in the manner provided in this Indenture and for the equal, ratable and common benefit of all the Noteholders of such Series subject to the provisions of this Indenture.

ARTICLE V

DUTIES OF THE LOAN TRUSTEE

Section 5.01. Notice of Event of Default. If the Loan Trustee shall have knowledge of an Event of Default or of a default arising from a failure by the Company to pay when due any payment of principal amount, interest or Make-Whole Amount, if any, due and payable under any Equipment Note, the Loan Trustee shall promptly give notice thereof to the Company and each Noteholder by telegram, cable, facsimile or telephone (to be promptly confirmed in writing); provided, however, that except in the case of a default in the payment of the principal amount, interest or Make-Whole Amount, if any, due and payable under any Equipment Note, the Loan Trustee shall be protected in withholding the notice to the Noteholders required in the foregoing part of this sentence if and so long as the executive committee or trust committee of directors of the Loan Trustee and/or trust officers thereof in good faith determine that withholding such notice is in the interest of the Noteholders. Subject to the terms of Sections 4.02, 4.05, 5.02 and 5.03, the Loan Trustee shall take such action, or refrain from taking such action, with respect to such Event of Default (including with respect to the exercise of any rights or remedies hereunder) as the Loan Trustee shall be instructed in writing by a Majority in Interest of Noteholders. Subject to the provisions of Section 5.03, if the Loan Trustee shall not have received instructions as above

provided within 20 Business Days after giving notice of such Event of Default to the Noteholders, the Loan Trustee may, subject to instructions thereafter received pursuant to the preceding provisions of this Section 5.01, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Event of Default as it shall reasonably determine to be advisable in the best interests of the Noteholders and shall use the same degree of care and skill in connection therewith as a prudent person would use under the circumstances in the conduct of his or her own affairs; provided that the Loan Trustee may not sell the Airframe or any Engine without the consent of a Majority in Interest of Noteholders.

For all purposes of this Indenture, in the absence of actual knowledge, the Loan Trustee shall not be deemed to have knowledge of a default or an Event of Default unless notified in writing by the Company or one or more Noteholders; and "actual knowledge" (as used in the foregoing clause) of the Loan Trustee shall mean actual knowledge of an officer in the Corporate Trust Division of the Loan Trustee; provided, however, that the Loan Trustee shall be deemed to have actual knowledge of (i) the failure of the Company to pay any principal amount of, or interest on, the Equipment Notes directly to the Loan Trustee when the same shall become due or (ii) the failure of the Company to maintain insurance as required under Section 7.06 if the Loan Trustee receives written notice thereof from an insurer or insurance broker.

Section 5.02. Action upon Instructions; Certain Rights and Limitations. Subject to the terms of Article IV and this Article V, upon the written instructions at any time of a Majority in Interest of Noteholders, the Loan Trustee shall promptly (i) give such notice, direction, consent, waiver or approval or exercise such right, remedy or power hereunder in respect of all or any part of the Collateral or (ii) take such other action, as shall be specified in such instructions.

The Loan Trustee will cooperate with the Company in connection with the recording, filing, re-recording and refiling of the Indenture and any supplements to it and any financing statements or other documents as is necessary to maintain the perfection hereof or otherwise protect the security interests created hereby. The Loan Trustee shall furnish to the Company upon request such information and copies of such documents as the Loan Trustee may have and as are necessary for the Company to perform its duties under Article II hereof.

Section 5.03. Indemnification. The Loan Trustee shall not be required to take any action or refrain from taking any action under Sections 5.01 (other than the first sentence thereof) or 5.02 or Article IV unless it shall have received indemnification against any risks incurred in connection therewith in form and substance reasonably satisfactory to it, including, without limitation, adequate advances against costs that may be incurred by it in connection therewith. The Loan Trustee shall not be required to take any action under Section 5.01 (other than the first sentence thereof) or 5.02 or Article IV, nor shall any other provision of any Operative Document be deemed to impose a duty on the Loan Trustee to take any action, if the Loan Trustee shall have been advised by outside counsel that such action is contrary to the terms hereof or is otherwise contrary to law.

Section 5.04. No Duties Except as Specified in Indenture or Instructions. The Loan Trustee shall not have any duty or obligation to manage, control, lease, use, sell, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Collateral, or to otherwise take or refrain from taking any action under, or in connection with, this Indenture, except as expressly provided by the terms of this Indenture or the Participation Agreement or as expressly provided in written instructions received pursuant to the terms of Section 5.01 or 5.02; and no implied duties or obligations shall be read into this Indenture against the Loan Trustee.

Section 5.05. No Action Except under Indenture or Instructions. The Loan Trustee agrees that it will not manage, control, use, sell, lease, operate, store, dispose of or otherwise deal with the Aircraft or any other part of the Collateral except in accordance with the powers granted to, or the authority conferred upon, the Loan Trustee pursuant to this Indenture and in accordance with the express terms hereof.

Section 5.06. Investment of Amounts Held by the Loan Trustee. Any monies (including for the purpose of this Section 5.06 any cash deposited with the Loan Trustee by the Company, any cash received by the Loan Trustee pursuant to Sections 7.05(c) or 7.06(d) or otherwise) or Permitted Investments purchased by the use of such cash pursuant to this Section 5.06 or any cash constituting the proceeds of the maturity, sale or other disposition of any Permitted Investments) held by the Loan Trustee hereunder as part of the Collateral, until paid out by the Loan Trustee as herein provided, (i) subject to clause (ii) below, may be carried by the Loan Trustee on deposit with itself or on deposit to its account with any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of a least \$75,000,000, and the Loan Trustee shall not have any liability for interest upon any such monies except as otherwise agreed in writing with the Company, or (ii) at any time and from time to time, so long as no Event of Default shall have occurred and be continuing, at the request of the Company, shall be invested and reinvested in Permitted Investments as specified in such request (if such investments are reasonably available for purchase) and sold, in any case at such prices, including accrued interest or its equivalent, as are set forth in such request, and such Permitted Investments shall be held by the Loan Trustee in trust as part of the Collateral until so sold; provided that the Company shall upon demand pay to the Loan Trustee the amount of any loss realized upon maturity, sale or other disposition of any such Permitted Investment and, so long as no Event of Default or Payment Default shall have occurred and be continuing, the Company shall be entitled to receive from the Loan Trustee, and the Loan Trustee shall promptly pay to the Company, any profit, income, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment. If an Event of Default or Payment Default shall have occurred and be continuing, any net income, profit, interest, dividend or gain realized upon maturity, sale or other disposition of any Permitted Investment shall be held as part of the Collateral and shall be applied by the Loan Trustee at the same time, on the same conditions and in the same manner as the amounts in respect of which such income, profit, interest, dividend or gain was realized are required to be distributed in accordance with the provisions hereof pursuant to

which such amounts were required to be held. The Loan Trustee shall not be responsible for any losses on any investments or sales of Permitted Investments made pursuant to the procedure specified in this Section 5.06 other than by reason of its willful misconduct or negligence. If any moneys or investments are held by the Loan Trustee solely because an Event of Default has occurred and is continuing and such moneys or investments have been held for a period of 90 consecutive days during which such Event of Default is continuing without any remedial action being taken by the Loan Trustee in respect of such Event of Default pursuant to Section 4.02 hereof, and provided that there is no stay, moratorium or injunction in effect preventing the taking of such action, then, notwithstanding any other provision of the Operative Documents, all such moneys and investments held by the Loan Trustee shall be released to the Company on such 90th day, or as soon thereafter as practicable.

ARTICLE VI

THE LOAN TRUSTEE

Section 6.01. Acceptance of Trusts and Duties. State Street accepts the trusts and duties hereby created and applicable to it and agrees to perform such duties, but only upon the terms of this Indenture and agrees to receive, handle and disburse all monies received by it as Loan Trustee constituting part of the Collateral in accordance with the terms hereof. State Street shall have no liability hereunder except (a) for its own willful misconduct or negligence, (b) as provided in the fourth sentence of Section 2.03(a) and the penultimate sentence of Section 5.06, (c) for liabilities that may result from the inaccuracy of any representation or warranty of State Street in the Participation Agreement or expressly made hereunder and (d) as otherwise expressly provided in the Operative Documents.

Section 6.02. Absence of Certain Duties. Except in accordance with written instructions furnished pursuant to Sections 5.01, 5.02 or 6.06, and except as provided in, and without limiting the generality of, Sections 5.02, 5.03 and 5.04, the Loan Trustee, shall have no duty (a) to see to any registration of the Aircraft or any recording or filing of this Indenture or any other document, or to see to the maintenance of any such registration, recording or filing, (b) to see to any insurance on the Aircraft or to effect or maintain any such insurance, whether or not the Company shall be in default with respect thereto, (c) to confirm, verify or inquire into the failure to receive any financial statements of the Company or (d) to inspect the Aircraft at any time or ascertain or inquire as to the performance or observance of any of the Company's covenants hereunder with respect to the Aircraft.

Section 6.03. No Representations or Warranties as to the Documents. Except as provided in Article V of the Participation Agreement, the Loan Trustee shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of any Operative Document or any other document or instrument, or as to the correctness of any statement (other

than a statement by the Loan Trustee) contained herein or therein, except that the Loan Trustee hereby represents and warrants that each of said specified documents to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf.

Section 6.04. No Segregation of Monies; No Interest. Subject to Section 5.06 hereof, all moneys received by the Loan Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law, and neither the Loan Trustee nor any agent of the Loan Trustee shall be under any liability for interest on any moneys received by it hereunder; provided, however, that any payments received, or applied hereunder, by the Loan Trustee shall be accounted for by the Loan Trustee so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

Section 6.05. Reliance; Agents; Advice of Counsel. The Loan Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. The Loan Trustee may accept a copy of a resolution of the Board of Directors of any party to the Participation Agreement, certified by the Secretary or an Assistant Secretary of such party as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Loan Trustee may for all purposes hereof rely on a certificate, signed by a duly authorized officer of the Company, as to such fact or matter, and such certificate shall constitute full protection to the Loan Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Loan Trustee may, with the consent of the Company (such consent not to be unreasonably withheld), (a) execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents (including paying agents or registrars) or attorneys, and (b) at the expense of the Collateral, consult with counsel, accountants and other skilled Persons to be selected and retained by it. The Loan Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled Persons acting within such counsel's, accountants' or Person's area of competence (so long as the Loan Trustee shall have exercised reasonable care and judgment in selecting such Persons).

Section 6.06. Instructions from Noteholders. In the administration of the trusts created hereunder, the Loan Trustee shall have the right to seek instructions from a Majority in Interest of Noteholders should any provision of this Indenture appear to conflict with any other provision herein or any other Operative Document or Pass Through Document or should the Loan Trustee's duties or obligations hereunder be unclear, and the Loan Trustee shall incur no liability in refraining from acting until it receives such instructions. The Loan Trustee shall be fully protected for acting in accordance with any instructions received under this Section 6.06.

ARTICLE VII

OPERATING COVENANTS OF THE COMPANY

Section 7.01. Liens. The Company will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Aircraft, its title thereto or any of its interest therein, except:

(a) the respective rights of the Loan Trustee and the Company as provided in the Operative Documents, the Lien of this Indenture, the rights of any Permitted Lessee under a Lease permitted hereunder and the rights of any Person existing pursuant to the Operative Documents or the Pass Through Documents;

(b) the rights of others under agreements or arrangements to the extent expressly permitted by this Indenture;

(c) Loan Trustee Liens, Noteholder Liens and Other Party Liens;

(d) Liens for Taxes either not yet due or payable or being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine or the Loan Trustee's interest therein or materially impair the Lien of this Indenture;

(e) materialmen's, mechanics', workers', repairmen's, employees' or other like Liens arising in the ordinary course of business (including those arising under maintenance agreements entered into in the ordinary course of business) securing obligations that either are not yet overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine or the Loan Trustee's interest therein or materially impair the Lien of this Indenture;

(f) Liens arising out of any judgment or award, so long as such judgment shall, within 60 days after the entry thereof, have been discharged, vacated or reversed, or execution thereof stayed pending appeal or other judicial review or shall have been discharged, vacated or reversed within 60 days after the expiration of such stay;

(g) any other Lien with respect to which the Company shall have provided a bond, cash collateral or other security adequate in the reasonable opinion of the Loan Trustee;

(h) salvage or similar rights of insurers under insurance policies maintained by the Company; and

(i) Liens approved in writing by the Loan Trustee with the consent of a Majority in Interest of the Noteholders.

Liens described in clauses (a) through (i) above are referred to herein as "Permitted Liens". The Company shall promptly, at its own expense, take (or cause to be taken) such action as may be necessary duly to discharge (by bonding or otherwise) any Lien other than a Permitted Lien arising at any time with respect to the Aircraft, its title thereto or any of its interest therein.

Section 7.02. Possession, Operation and Use, Maintenance and Registration. (a) Possession. The Company shall not, without the prior written consent of the Loan Trustee, lease or otherwise in any manner deliver, transfer or relinquish possession of the Airframe or any Engine or install any Engine, or permit any Engine to be installed, on any airframe other than the Airframe; provided that, so long as the Company shall comply with the provisions of Section 7.06, the Company may without the prior written consent of the Loan Trustee:

(i) subject the Airframe to interchange agreements or subject any Engine to interchange or pooling agreements or arrangements, in each case customary in the airline industry and entered into by the Company in the ordinary course of its business; provided that (A) no such agreement or arrangement contemplates or requires the transfer of title to the Airframe and (B) if the Company's title to any such Engine shall be divested under any such agreement or arrangement, such divestiture shall be deemed to be an Event of Loss with respect to such Engine, and the Company shall comply with Section 7.05(b) in respect thereof;

(ii) deliver possession of the Airframe or any Engine to any Person for testing, service, repair, maintenance, overhaul work or other similar purposes or for alterations, modifications or additions to the Airframe or such Engine to the extent required or permitted by the terms hereof;

(iii) transfer or permit the transfer of possession of the Airframe or any Engine to any Government pursuant to a lease, contract or other instrument;

(iv) subject the Airframe or any Engine to the CRAF Program or transfer possession of the Airframe or any Engine to the United States government in accordance with applicable laws, rulings, regulations or orders (including, without limitation, any transfer of possession pursuant to the CRAF Program); provided, that the Company (A) shall promptly notify the Loan Trustee upon transferring possession of the Airframe or any Engine pursuant to this clause (iv) and (B) in the case of a transfer of possession pursuant to the CRAF Program, shall notify the Loan Trustee of the name and address of the responsible

Contracting Office Representative for the Military Airlift Command of the United States Air Force or other appropriate Person to whom notices must be given and to whom requests or claims must be made to the extent applicable under the CRAF Program;

(v) install an Engine on an airframe owned by the Company (or any Permitted Lessee) free and clear of all Liens, except (A) Permitted Liens and Liens that apply only to the engines (other than Engines), appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment (other than Parts) installed on such airframe (but not to the airframe as an entirety) and (B) the rights of third parties under interchange agreements or pooling or similar arrangements that would be permitted under clause (i) above;

(vi) install an Engine on an airframe leased to the Company (or any Permitted Lessee) or purchased or owned by the Company (or any Permitted Lessee) subject to a conditional sale or other security agreement; provided that (A) such airframe is free and clear of all Liens except (1) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe, or their successors and assigns, and (2) Liens of the type permitted by clause (v) of this Section 7.02(a) and (B) either (1) the Company shall have obtained from the lessor or secured party of such airframe a written agreement (which may be the lease, conditional sale or other security agreement covering such airframe), in form and substance satisfactory to the Loan Trustee (it being understood that an agreement from such lessor or secured party substantially in the form of the final sentence of the penultimate paragraph of this Section 7.02(a) shall be deemed to be satisfactory to the Loan Trustee), whereby such lessor or secured party expressly agrees that neither it nor its successors or assigns will acquire or claim any right, title or interest in any Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to the Lien of this Indenture or (2) such lease, conditional sale or other security agreement provides that such Engine shall not become subject to the Lien of such lease, conditional sale or other security agreement at any time while such Engine is subject to the Lien of this Indenture, notwithstanding the installation thereof on such airframe;

(vii) install an Engine on an airframe owned by the Company (or any Permitted Lessee), leased to the Company (or any Permitted Lessee) or purchased by the Company (or any Permitted Lessee) subject to a conditional sale or other security agreement under circumstances where neither clause (v) nor clause (vi) of this Section 7.02(a) is applicable; provided that such installation shall be deemed an Event of Loss with respect to such Engine, and the Company shall comply with Section 7.05(b) in respect thereof, if such installation shall adversely affect the Loan Trustee's security interest in such Engine, the Loan Trustee not intending hereby to waive any right or interest it may have to or in such Engine under applicable law until compliance by the Company with Section 7.05(b);

(viii) lease any Engine or the Airframe and Engines to any United States air carrier as to which there is in force a certificate issued pursuant to the Transportation Code (49 U.S.C. Sections 41101-41112) or successor provision that gives like authority; and

(ix) lease any Engine or the Airframe and Engines to (A) any foreign air carrier other than those set forth in clause (B), (B) any foreign air carrier that is at the inception of the lease based in and a domiciliary of a country listed in Exhibit B hereto and (C) any foreign air carrier consented to in writing by the Loan Trustee with the consent of a Majority in Interest of Noteholders; provided that (x) in the case of a lease to a foreign air carrier under clause (A) above, the Loan Trustee receives at the time of such lease (1) written confirmation from each of the Rating Agencies that such lease would not result in a reduction of the rating for any class of Pass Through Certificates below the then current rating for such class of Pass Through Certificates or a withdrawal or suspension of the rating of any class of Pass Through Certificates and (2) an opinion of counsel to the Company (such counsel to be reasonably satisfactory to the Loan Trustee) to the effect that there exist no possessory rights in favor of the lessee under the laws of such lessee's country which would, upon bankruptcy or insolvency of or other default by the Company and assuming at such time such lessee is not insolvent or bankrupt, prevent the taking of possession of any such Engine or the Airframe and any such Engine by the Loan Trustee in accordance with and when permitted by the terms of Section 4.02 upon the exercise by the Loan Trustee of its remedies under Section 4.02, (y) in the case of a lease to any foreign air carrier (other than a foreign air carrier principally based in Taiwan), the United States maintains diplomatic relations with the country in which such foreign air carrier is based at the time such lease is entered into and (z) in the case of any lease to a foreign air carrier, such carrier is not then subject to any bankruptcy, insolvency, liquidation, reorganization, dissolution or similar proceeding and shall not have substantially all of its property in the possession of any liquidator, trustee, receiver or similar person;

provided that the rights of any lessee or other transferee who receives possession of the Aircraft, the Airframe or any Engine by reason of a transfer permitted by this Section 7.02(a) (other than the transfer of an Engine which is deemed an Event of Loss) shall be subject and subordinate to, and any permitted lease shall be made expressly subject and subordinate to, all the terms of this Indenture, including the Loan Trustee's rights to repossess pursuant to Section 4.02 and to avoid such lease upon such repossession, and the Company shall remain primarily liable hereunder for the performance and observance of all of the terms and conditions of this Indenture to the same extent as if such lease or transfer had not occurred, any such lease shall include appropriate provisions for the maintenance and insurance of the Aircraft, the Airframe or such Engine, and no lease or transfer or possession otherwise in compliance with this Section shall (x) result in any registration or re-registration of the Aircraft except to the extent permitted in Section 7.02(e) or the maintenance, operation or use thereof that does not comply with Section 7.02(b) and (c) or (y) permit any action not permitted to be taken by the Company with respect to the Aircraft hereunder. The Company

shall promptly notify the Loan Trustee and the Rating Agencies of the existence of any such lease with a term in excess of one year.

The Loan Trustee, and each Noteholder by acceptance of an Equipment Note, agrees, for the benefit of the lessor or secured party of any airframe or engine leased to the Company (or any Permitted Lessee) or purchased or owned by the Company (or any Permitted Lessee) subject to a conditional sale or other security agreement, that the Loan Trustee and the Noteholders will not acquire or claim, as against such lessor or secured party, any right, title or interest in (A) any engine or engines owned by the lessor under such lease or subject to a security interest in favor of the secured party under such conditional sale or other security agreement as the result of such engine or engines being installed on the Airframe at any time while such engine or engines are subject to such lease or conditional sale or other security agreement or (B) any airframe owned by the lessor under such lease or subject to a security interest in favor of the secured party under such conditional sale or other security agreement as the result of any Engine being installed on such airframe at any time while such airframe is subject to such lease or conditional sale or other security agreement.

The Loan Trustee acknowledges that any "wet lease" or other similar arrangement under which the Company maintains operational control of the Aircraft shall not constitute a delivery, transfer or relinquishment of possession for purposes of this Section 7.02(a).

(b) Operation and Use. The Company agrees that the Aircraft will not be maintained, used or operated in violation of any law, rule or regulation of any government of any country having jurisdiction over the Aircraft or in violation of any airworthiness certificate, license or registration relating to the Aircraft issued by any such government, except to the extent the Company is contesting in good faith the validity or application of any such law, rule or regulation in any manner that does not involve any material risk of sale, forfeiture or loss of the Aircraft or materially impair the Lien of this Indenture; and provided, that the Company shall not be in default under, or required to take any action set forth in, this sentence if it is not possible for it to comply with the laws of a jurisdiction other than the United States (or other than any jurisdiction in which the Aircraft is then registered) because of a conflict with the applicable laws of the United States (or such jurisdiction in which the Aircraft is then registered). The Company will not operate the Aircraft, or permit the Aircraft to be operated or located, (i) in any area excluded from coverage by any insurance required by the terms of Section 7.06 or (ii) in any war zone or recognized or, in the Company's judgment, threatened areas of hostilities unless covered by war risk insurance in accordance with Section 7.06, unless in the case of either clause (i) or (ii), (x) indemnification complying with Section 7.06 (a) and (b) has been provided or (y) the Aircraft is only temporarily located in such area as a result of an isolated occurrence or isolated series of occurrences attributable to a hijacking, medical emergency, equipment malfunction, weather conditions, navigational error or other similar unforeseen circumstances and the Company is using its good faith efforts to remove the Aircraft from such area as promptly as practicable.

(c) Maintenance. The Company shall maintain, service, repair and overhaul the Aircraft (or cause the same to be done) so as to keep the Aircraft in good operating condition, ordinary wear and tear excepted, and in such condition as may be necessary to enable the airworthiness certification of the Aircraft to be maintained in good standing at all times (other than during temporary periods of storage, during maintenance or modification permitted hereunder, or during periods of grounding by applicable governmental authorities) under the Transportation Code, during such periods in which the Aircraft is registered under the laws of the United States, or, if the Aircraft is registered under the laws of any other jurisdiction, the applicable laws of such jurisdiction. In any case the Aircraft will be maintained in accordance with the maintenance standards required by or substantially equivalent to those required by the FAA or the central aviation authority of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland or the United Kingdom. The Company shall maintain or cause to be maintained all records, logs and other documents required to be maintained in respect of the Aircraft by appropriate authorities in the jurisdiction in which the Aircraft is registered.

(d) Identification of Loan Trustee's Interest. The Company agrees to affix as promptly as practicable after the Closing Date and thereafter to maintain in the cockpit of the Aircraft, in a clearly visible location, and (if not prevented by applicable law or regulations or by any government) on each Engine, a nameplate bearing the inscription "MORTGAGED TO STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, AS LOAN TRUSTEE" (such nameplate to be replaced, if necessary, with a nameplate reflecting the name of any successor Loan Trustee).

(e) Registration. The Company shall cause the Aircraft to remain duly registered, under the laws of the United States, in the name of the Company except as otherwise required by the Transportation Code; provided that the Loan Trustee shall, at the Company's expense, execute and deliver all such documents as the Company may reasonably request for the purpose of continuing such registration. Notwithstanding the preceding sentence, the Company, at its own expense, may cause or allow the Aircraft to be duly registered under the laws of any foreign jurisdiction in which a Permitted Lessee could be principally based, in the name of the Company or of any nominee of the Company, or, if required by applicable law, in the name of any other Person (and, following any such foreign registration, may cause the Aircraft to be re-registered under the laws of the United States); provided, that in the case of jurisdictions other than those approved by the Loan Trustee with the consent of a Majority in Interest of the Noteholders (i) if such jurisdiction is at the time of registration listed on Exhibit B, the Loan Trustee shall have received at the time of such registration an opinion of counsel to the Company to the effect that (A) this Indenture and the Loan Trustee's right to repossession thereunder is valid and enforceable under the laws of such country, (B) after giving effect to such change in registration, the Lien of this Indenture shall continue as a valid Lien and shall be duly perfected in the new jurisdiction of registration and that all filing, recording or other action necessary to perfect and protect the Lien of this Indenture has been accomplished (or if such opinion cannot be given at such time, (x) the opinion shall detail

what filing, recording or other action is necessary and (y) the Loan Trustee shall have received a certificate from a Responsible Officer of the Company that all possible preparations to accomplish such filing, recording and other action shall have been done, and such filing, recording and other action shall be accomplished and a supplemental opinion to that effect shall be promptly delivered to the Loan Trustee subsequent to the effective date of such change in registration), (C) the obligations of the Company under this Indenture shall remain valid, binding and (subject to customary bankruptcy and equitable remedies exceptions and to other exceptions customary in foreign opinions generally) enforceable under the laws of such jurisdiction (or the laws of the jurisdiction to which the laws of such jurisdiction would refer as the applicable governing law) and (D) all approvals or consents of any government in such jurisdiction having jurisdiction required for such change in registration shall have been duly obtained and shall be in full force and effect, and (ii) if such jurisdiction is at the time of registration not listed on Exhibit B, the Loan Trustee shall have received (in addition to the opinions set forth in clause (i) above) at the time of such registration an opinion of counsel to the Company to the effect that (A) the terms of this Indenture are legal, valid, binding and enforceable in such jurisdiction (subject to exceptions customary in such jurisdiction, provided, that, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and to general principles of equity, any applicable laws limiting the remedies provided in Section 4.02 do not in the opinion of such counsel make the remedies provided in Section 4.02 inadequate for the practical realization of the rights and benefits provided thereby), (B) that it is not necessary for the Loan Trustee to register or qualify to do business in such jurisdiction, (C) that there is no tort liability of the lender of an aircraft not in possession thereof under the laws of such jurisdiction other than tort liability that might have been imposed on such lender under the laws of the United States or any state thereof (it being understood that such opinion shall be waived if insurance reasonably satisfactory to the Loan Trustee is provided, at the Company's expense, to cover such risk) and (D) (unless the Company shall have agreed to provide insurance covering the risk of requisition of use or title of the Aircraft by the government of such jurisdiction so long as the Aircraft is registered under the laws of such jurisdiction) that the laws of such jurisdiction require fair compensation by the government of such jurisdiction payable in currency freely convertible into Dollars for the loss of use or title of the Aircraft in the event of requisition by such government of such use or title. The Loan Trustee will cooperate with the Company in effecting such foreign registration. Notwithstanding the foregoing, prior to any such change in the country of registry of the Aircraft, the following conditions shall be met (or waived as provided in Section 6.01(b) of the Participation Agreement):

(i) no Event of Default shall have occurred and be continuing at the effective date of the change in registration; provided, that it shall not be necessary to comply with this condition if the change in registration results in the registration of the Aircraft under the laws of the United States or if a Majority in Interest of Noteholders consents to such change in registration;

(ii) the Loan Trustee shall have received evidence of compliance with the insurance provisions contained herein after giving effect to such change in registration; and

(iii) the Company shall have paid or made provision reasonably satisfactory to the Loan Trustee for the payment of all reasonable expenses (including reasonable attorneys' fees) of the Loan Trustee and the Noteholders in connection with such change in registration.

Section 7.03. Inspection; Financial Information. (a) Inspection. At all reasonable times, but upon at least 15 Business Days' prior written notice to the Company, the Loan Trustee or its authorized representative may, subject to the other conditions of this Section 7.03(a), inspect the Aircraft and may inspect the books and records of the Company required to be maintained by the FAA or the government of another jurisdiction in which the Aircraft is then registered relating to the maintenance of the Aircraft; provided that (i) such Loan Trustee or its representative, as the case may be, shall be fully insured at no cost to the Company in a manner satisfactory to the Company with respect to any risks incurred in connection with any such inspection or shall provide to the Company a written release satisfactory to the Company with respect to such risks, (ii) any such inspection shall be subject to the safety, security and workplace rules applicable at the location where such inspection is conducted and any applicable governmental rules or regulations, (iii) any such inspection of the Aircraft shall be a visual, walk-around inspection of the interior and exterior of the Aircraft and shall not include opening any panels, bays or the like without the Company's express consent, which consent the Company may in its sole discretion withhold, and (iv) no exercise of such inspection right shall interfere with the use, operation or maintenance of the Aircraft by, or the business of, the Company and the Company shall not be required to undertake or incur any additional liabilities in connection therewith. All information obtained in connection with any such inspection of the Aircraft and of such books and records shall be Confidential Information and shall be treated by the Loan Trustee and its representatives in accordance with the provisions of Section 10.16. Any inspection pursuant to this Section 7.03(a) shall be at the sole risk (including, without limitation, any risk of personal injury or death) and expense of the Loan Trustee (or its representative) making such inspection. Except during the continuance of an Event of Default, all inspections by the Loan Trustee and its representatives provided for under this Section 7.03(a) shall be limited to one inspection of any kind contemplated by this Section 7.03(a) during any calendar year.

(b) Financial Information. So long as any of the Equipment Notes remain unpaid, the Company agrees to furnish to the Loan Trustee and the Liquidity Provider: (i) within 60 days after the end of each of the first three quarterly periods in each fiscal year of the Company, either (x) a consolidated balance sheet of the Company and its consolidated subsidiaries prepared by it as of the close of such period, together with the related consolidated statements of income for such period or (y) a report of the Company on Form 10-Q in respect of such period in the form filed with the Securities and Exchange Commission and (ii) within 120 days after the close of each fiscal year of the Company, either (x) a consolidated balance sheet of the Company and its consolidated subsidiaries as of the close of such fiscal year, together with the related consolidated statements of income for such fiscal year, certified by independent public accountants, or (y) a report of the

Company on Form 10-K in respect of such year in the form filed with the Securities and Exchange Commission.

(c) Annual Opinion. The Company will furnish to the Loan Trustee annually (but not later than March 15th of each year) after the execution hereof until such time as the principal of, and interest on, and all other amounts with respect to, the Equipment Notes shall have been paid in full, commencing with the year 2000, an opinion of Crowe & Dunlevy, P.C., or other counsel reasonably acceptable to the Loan Trustee, stating either (i) that in the opinion of such counsel such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture and any supplements thereto, including any financing or continuation statements, and such other filings and recordings as are necessary to maintain, for the 15-month period succeeding the date of such opinion, the perfection of the security interests created thereby and reciting the details of such action or (ii) that in the opinion of such counsel no such action is necessary to maintain, for the 15-month period succeeding the date of such opinion, the perfection of such security interests.

Section 7.04. Replacement and Pooling of Parts; Alterations, Modifications and Additions; Substitution of Engines. (a) Replacement of Parts. The Company shall promptly replace all Parts that may from time to time be incorporated or installed in or attached to the Airframe or any Engine and that may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use for any reason whatsoever, except as otherwise provided in Section 7.04(c) or if the Airframe or an Engine to which a Part relates has suffered an Event of Loss. In addition, the Company may remove in the ordinary course of maintenance, service, repair, overhaul or testing, any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use; provided that the Company, except as otherwise provided in Section 7.04(c), will replace such Parts as promptly as practicable. All replacement Parts shall be free and clear of all Liens (except for Permitted Liens and except in the case of replacement property temporarily installed on an emergency basis) and shall have a value and utility at least equal to the Parts replaced, assuming such replaced Parts were in the condition and repair required to be maintained by the terms hereof. Except as otherwise provided in Section 7.04(c), all Parts at any time removed from the Airframe or any Engine shall remain subject to the Lien of this Indenture no matter where located until such time as such Parts shall be replaced by parts that have been incorporated or installed in or attached to the Airframe or such Engine and that meet the requirements for replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to the Airframe or any Engine as above provided (except in the case of replacement property temporarily installed on an emergency basis), without further act, (i) the replaced Part shall thereupon be free and clear of all rights of the Loan Trustee and of the Lien of this Indenture and shall no longer be deemed a Part hereunder and (ii) such replacement Part shall become subject to the Lien of this Indenture and be deemed a Part of the Airframe or such Engine for all purposes to the same extent as the Parts originally incorporated or installed in or attached to the Airframe or such Engine. Upon request of the Company from time to time, the Loan Trustee

shall execute and deliver to the Company an appropriate instrument confirming the release of any such replaced Part from the Lien of this Indenture.

(b) Pooling of Parts. Any Part removed from the Airframe or any Engine as provided in Section 7.04(a) may be subjected by the Company or a Person permitted to be in possession of the Aircraft to a pooling arrangement customary in the airline industry entered into in the ordinary course of the Company's or such Person's business; provided that the part replacing such removed Part shall be incorporated or installed in or attached to the Airframe or such Engine in accordance with Section 7.04(a) as promptly as practicable after the removal of such removed Part. In addition, any replacement Part when incorporated or installed in or attached to the Airframe or any Engine may be owned by any third party subject to such a pooling arrangement; provided that the Company, at its expense, as promptly thereafter as practicable, either (i) causes title to such replacement Part to vest in the Company free and clear of all Liens (except Permitted Liens), or (ii) replaces such replacement Part by incorporating or installing in or attaching to the Airframe or such Engine a further replacement Part in the manner contemplated by Section 7.04(a).

(c) Alterations, Modifications and Additions. The Company will make such alterations and modifications in and additions to the Airframe and the Engines as may be required from time to time to meet the applicable requirements of the FAA or any applicable government of any other jurisdiction in which the Aircraft may then be registered; provided, however, that the Company may, in good faith, contest the validity or application of any such requirement in any manner that does not involve any material risk of sale, loss or forfeiture of the Aircraft and does not materially adversely affect the Loan Trustee's interest in the Aircraft. In addition, the Company, at its own expense, may from time to time add further parts or accessories and make or cause to be made such alterations and modifications in and additions to the Airframe or any Engine as the Company may deem desirable in the proper conduct of its business, including, without limitation, removal (without replacement) of Parts, provided that no such alteration, modification or addition shall materially diminish the value or utility of the Airframe or such Engine below its value or utility, immediately prior to such alteration, modification or addition, assuming that the Airframe or such Engine was then in the condition required to be maintained by the terms of this Indenture, except that the value (but not the utility) of the Airframe or any Engine may be reduced by the value of any such Parts that shall have been removed that the Company deems obsolete or no longer suitable or appropriate for use on the Airframe or any Engine. All Parts incorporated or installed in or attached or added to the Airframe or any Engine as the result of such alteration, modification or addition shall, without further act, be subject to the Lien of this Indenture. Notwithstanding the foregoing, the Company may, at any time, remove any Part from the Airframe or any Engine if such Part: (i) is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to the Airframe or such Engine at the time of delivery thereof to the Company or any Part in replacement of, or substitution for, any such Part, (ii) is not required to be incorporated or installed in or attached or added to the Airframe or such Engine pursuant to the first sentence of this Section 7.04(c) or (iii) can be removed from the Airframe or

such Engine without materially diminishing the value or utility required to be maintained by the terms of this Indenture that the Airframe or such Engine would have had at such time had such removal not occurred. Upon the removal by the Company of any Part as permitted by this Section 7.04(c), such removed Part shall, without further act, be free and clear of all rights and interests of the Loan Trustee and the Lien of this Indenture and shall no longer be deemed a Part hereunder. Upon request of the Company from time to time, the Loan Trustee shall execute and deliver to the Company an appropriate instrument confirming the release of any such removed Part from the Lien of this Indenture.

(d) Substitution of Engines. The Company shall have the right at its option at any time, on at least 30 days' prior written notice to the Loan Trustee, to substitute a Replacement Engine for any Engine. In such event, and prior to the date of such substitution, the Company shall replace such Engine hereunder by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine.

Section 7.05. Loss, Destruction or Requisition. (a) Event of Loss with Respect to the Airframe. Upon the occurrence of an Event of Loss with respect to the Airframe or the Airframe and the Engines then installed thereon, the Company shall forthwith (and, in any event, within 15 days after such occurrence) give the Loan Trustee written notice of such Event of Loss, and, within 90 days after such Event of Loss, the Company shall give the Loan Trustee written notice of its election to perform one of the following options (it being agreed that if the Company shall not have given such notice of election within such 90-day period, the Company shall be deemed to have elected to perform the option set forth in the following clause (ii)). The Company may elect either to:

(i) on or before the Loss Payment Date (as defined below) substitute, as replacement for the Airframe or Airframe and Engines with respect to which an Event of Loss has occurred, a Replacement Airframe (together with a number of Replacement Engines equal to the number of Engines, if any, with respect to which the Event of Loss occurred), such Replacement Airframe and Replacement Engines to be owned by the Company free and clear of all Liens (other than Permitted Liens); provided that if the Company shall not perform its obligation to effect such substitution under this clause (i) on or prior to the Loss Payment Date, then the Company shall on the Loss Payment Date prepay the Equipment Notes in full in accordance with Section 2.10; or

(ii) on or before the Loss Payment Date, redeem the Equipment Notes in full in accordance with Section 2.10. The Company shall give the Loan Trustee 20 days prior written notice if it elects to redeem the Equipment Notes on any day prior to the Loss Payment Date.

The "Loss Payment Date" with respect to an Event of Loss means the Business Day next succeeding the 120th day following the date of occurrence of such Event of Loss.

If the Company elects to substitute a Replacement Airframe (or a Replacement Airframe and one or more Replacement Engines, as the case may be) the Company shall, at its sole expense, not later than the Loss Payment Date, (A) cause an Indenture Supplement for such Replacement Airframe and Replacement Engines, if any, to be delivered to the Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of such other jurisdiction in which the Aircraft may then be registered, (B) cause a financing statement or statements with respect to the Replacement Airframe and Replacement Engines, if any, or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the Loan Trustee's interest therein in the United States, or in any other jurisdiction in which the Aircraft may then be registered, (C) furnish the Loan Trustee with an opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel of the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee to the effect that upon such replacement, such Replacement Airframe and Replacement Engines, if any, will be subject to the Lien of this Indenture and addressing the matters set forth in clauses (A) and (B), (D) furnish the Loan Trustee with a certificate of an independent aircraft engineer or appraiser, certifying that the Replacement Airframe and Replacement Engines, if any, have a value and utility at least equal to the Airframe and Engines, if any, so replaced, assuming the Airframe and such Engines were in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss, (E) furnish the Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Airframe and Replacement Engines, if any, and (F) furnish the Loan Trustee with an opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel of the Company as shall be reasonably satisfactory to the Loan Trustee) to the effect that the Loan Trustee will be entitled to the benefits of Section 1110 with respect to the Replacement Airframe, provided that (i) such opinion need not be delivered to the extent that the benefits of Section 1110 were not, by reason of a change in law or governmental or judicial interpretation thereof, available to the Loan Trustee with respect to the Aircraft immediately prior to such substitution and (ii) such opinion may contain qualifications and assumptions of the tenor contained in the opinion of the Company's counsel delivered pursuant to Section 3.01 of the Participation Agreement on the Closing Date and such other qualifications and assumptions as shall at the time be customary in opinions rendered in comparable circumstances.

In the case of each Replacement Airframe or Replacement Airframe and one or more Replacement Engines subjected to the Lien of this Indenture under this Section 7.05(a), promptly upon the recordation of the Indenture Supplement covering such Replacement Airframe and Replacement Engines, if any, pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Replacement Airframe and Replacement Engines, if any, are registered), the Company will cause to be delivered to the Loan Trustee a favorable opinion of the Company's counsel (which may be the Company's General Counsel or such other internal

counsel to the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee as to the due registration of such Replacement Aircraft and the due recordation of such Indenture Supplement or such other requisite documents or instruments and the validity and perfection of the security interest in the Replacement Aircraft granted to the Loan Trustee under this Indenture.

For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Replacement Aircraft and Replacement Engines, if any, shall become part of the Collateral, the Replacement Airframe shall be deemed an "Airframe" as defined herein, and each such Replacement Engine shall be deemed an "Engine" as defined herein. Upon compliance with clauses (A) through (F) of the second preceding paragraph, the Loan Trustee shall execute and deliver to the Company an appropriate instrument releasing such replaced Airframe and Engines (if any) installed thereon at the time such Event of Loss occurred, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Airframe and Engines (if any) and all rights relating to the foregoing, from the Lien of this Indenture and assigning to the Company all claims against third Persons for damage to or loss of the Airframe and Engines arising from the Event of Loss.

In the event that, after an Event of Loss, the Company performs the option set forth in clause (ii) of the first paragraph of this Section 7.05(a), the Loan Trustee shall execute and deliver to the Company an appropriate instrument releasing the Aircraft, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of the Aircraft and all rights relating to the foregoing from the Lien of this Indenture and assigning to the Company all claims against third Persons for damage to or loss of the Aircraft arising from the Event of Loss.

(b) Event of Loss with Respect to an Engine. Upon the occurrence of an Event of Loss with respect to an Engine under circumstances in which there has not occurred an Event of Loss with respect to the Airframe, the Company shall give the Loan Trustee prompt written notice thereof and shall, within 120 days after the occurrence of such Event of Loss, cause to be subjected to the Lien of this Indenture, as replacement for the Engine with respect to which such Event of Loss occurred, a Replacement Engine free and clear of all Liens (other than Permitted Liens).

Prior to or at the time of any replacement under this Section 7.05(b), the Company will (i) cause an Indenture Supplement covering such Replacement Engine to be delivered to the Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of any other jurisdiction in which the Aircraft may be registered, (ii) cause a financing statement or statements with respect to such Replacement Engine or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the Loan Trustee's interest therein in the United States, or in such other jurisdiction in which the Engine may then be registered, (iii) furnish the Loan Trustee with an opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel to the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan

Trustee to the effect that, upon such replacement, the Replacement Engine will be subject to the Lien of this Indenture, (iv) furnish the Loan Trustee with a certificate of an aircraft engineer or appraiser (who may be an employee of the Company) certifying that such Replacement Engine has a value and utility at least equal to the Engine so replaced assuming such Engine was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss and (v) furnish the Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Engine. In the case of each Replacement Engine subjected to the Lien of this Indenture under this Section 7.05(b), promptly upon the recordation of the Indenture Supplement covering such Replacement Engine pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which the Aircraft is registered), the Company will cause to be delivered to the Loan Trustee an opinion of counsel to the Company (which may be the Company's General Counsel or such other internal counsel of the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee as to the due recordation of such Indenture Supplement or such other requisite documents or instruments and the validity and perfection of the security interest in the Replacement Engine granted to the Loan Trustee under this Indenture. For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Replacement Engine shall become part of the Collateral and shall be deemed an "Engine" as defined herein. Upon compliance with clauses (i) through (v) of this paragraph, the Loan Trustee shall execute and deliver to the Company an appropriate instrument releasing such replaced Engine, any proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Engine and all rights relating to any of the foregoing from the Lien of this Indenture and assigning to the Company all claims against third Persons for damage to or loss of such Engine arising from the Event of Loss.

(c) Application of Payments for Event of Loss from Requisition of Title or Use. Any payments (other than insurance proceeds the application of which is provided for in Section 7.06) received at any time by the Company or by the Loan Trustee from any government or other Person with respect to an Event of Loss to the Airframe or any Engine, will be applied as follows:

(i) if such payments are received with respect to the Airframe or the Airframe and the Engines installed on the Airframe that has been or is being replaced by the Company pursuant to Section 7.05(a), such payments shall be paid over to, or retained by, the Loan Trustee and upon completion of such replacement shall be paid over to, or retained by, the Company;

(ii) if such payments are received with respect to the Airframe or the Airframe and the Engines installed on the Airframe that has not been and will not be replaced pursuant to Section 7.05(a), so much of such payments remaining after reimbursement of the Loan Trustee for costs and expenses that shall not exceed the amounts required to be paid to the Noteholders pursuant to Section 2.10 shall be applied in reduction of the Company's obligation to pay such amounts, if not already paid by the Company, or, if already paid by the Company, shall be applied to reimburse the Company for its payment of such amount

and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, the Company; and

(iii) if such payments are received with respect to an Engine with regard to which an Event of Loss has occurred as contemplated by Section 7.05(b), so much of such payments remaining after reimbursement of the Loan Trustee for costs and expenses shall be paid over to, or retained by, the Company; provided that the Company shall have fully performed the terms of Section 7.05(b) with respect to the Event of Loss for which such payments are made.

(d) Requisition for Use by the Government of the Airframe and the Engines Installed Thereon. In the event of the requisition for use by any government, including, without limitation, pursuant to the CRAF Program, of the Airframe and the Engines or engines installed on the Airframe that does not constitute an Event of Loss, all of the Company's rights and obligations under this Indenture with respect to the Airframe and such Engines shall continue to the same extent as if such requisition had not occurred; provided that, notwithstanding the foregoing, the Company's obligations other than payment obligations shall only continue to the extent feasible. All payments received by the Company or the Loan Trustee from such government for such use of the Airframe and Engines or engines shall be paid over to, or retained by, the Company.

(e) Requisition for Use by the Government of an Engine not Installed on the Airframe. In the event of the requisition for use by any government of any Engine not then installed on the Airframe, the Company will replace such Engine by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine. Upon such replacement, any payments received by the Company or the Loan Trustee from such government with respect to such requisition shall be paid over to, or retained by, the Company.

(f) Application of Payments During Existence of Event of Default. Any amount referred to in Section 7.05 that is payable to or retainable by the Company shall not be paid to or retained by the Company if at the time of such payment or retention an Event of Default or Payment Default shall have occurred and be continuing, but shall be held by or paid over to the Loan Trustee as security for the obligations of the Company under this Indenture. At such time as there shall not be continuing any such Event of Default or Payment Default, such amount shall be paid to the Company.

Section 7.06. Insurance. (a) Aircraft Liability Insurance. (i) Except as provided in clause (ii) of this subsection (a), and subject to the rights of the Company to establish and maintain self-insurance in the manner and to the extent specified in Section 7.06(c), the Company will carry, or cause to be carried, at no expense to the Loan Trustee, aircraft liability insurance (including, but not limited to, bodily injury, personal injury and property damage liability, exclusive of manufacturer's product liability insurance) and contractual liability insurance with respect to the Aircraft (A) in amounts that are not less than the aircraft liability insurance applicable to similar

aircraft and engines in the Company's fleet on which the Company carries insurance; provided that such liability insurance shall not be less than the amount certified in the insurance report delivered to the Loan Trustee on the Closing Date, (B) of the type usually carried by corporations engaged in the same or similar business, similarly situated with the Company and owning or operating similar aircraft and engines and covering risks of the kind customarily insured against by the Company, and (C) that is maintained in effect with insurers of recognized responsibility. Any policies of insurance carried in accordance with this Section 7.06(a) and any policies taken out in substitution or replacement for any of such policies shall (A) name the Loan Trustee, the Subordination Agent, each Pass Through Trustee and the Liquidity Provider as their Interests (as defined below in this Section 7.06) may appear, as additional insured (the "Additional Insureds"), (B) subject to the condition of clause (C) below, provide that, in respect of the interest of the Additional Insureds in such policies, the insurance shall not be invalidated by any action or inaction of the Company and shall insure the Additional Insureds' Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Company, (C) provide that, if such insurance is canceled for any reason whatever, or if any change is made in the policy that materially reduces the amount of insurance or the coverage certified in the insurance report delivered on the Closing Date to the Loan Trustee and the Liquidity Provider, or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to any Additional Insured for 30 days (seven days, or such other period as is customarily available in the industry, in the case of any war risk or allied perils coverage) after receipt by such Additional Insured of written notice from such insurers of such cancellation, change or lapse, (D) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (E) provide that the insurers shall waive any rights of (1) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any moneys due to the Additional Insureds and (2) subrogation against the Additional Insureds to the extent that the Company has waived its rights by its agreements to indemnify the Additional Insureds pursuant to the Operative Documents, (F) be primary without right of contribution from any other insurance that may be carried by each Additional Insured with respect to its interests as such in the Aircraft and (G) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. "Interests" as used in this Section 7.06(a) and in Section 7.06(b) with respect to any Person means the interests of such Person in the transactions contemplated by the Operative Documents. In the case of a lease or contract with any government in respect of the Aircraft or any Engine, or in the case of any requisition for use of the Aircraft or any Engine by any government, a valid agreement by such government to indemnify the Company, or an insurance policy issued by such government, against any of the risks that the Company is required hereunder to insure against shall be considered adequate insurance for purposes of this Section 7.06(a) to the extent of the risks (and in the amounts) that are the subject of such indemnification or insurance.

(ii) During any period that the Airframe or an Engine, as the case may be, is on the ground and not in operation, the Company may carry or cause to be carried as to such

non-operating Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Subsection 7.06(c), insurance otherwise conforming with the provisions of said clause (i) except that: (A) the amounts of coverage shall not be required to exceed the amounts of airline liability insurance from time to time applicable to airframes or engines owned or leased by the Company of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation and (B) the scope of the risks covered and the type of insurance shall be the same as from time to time shall be applicable to airframes or engines owned or leased by the Company of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation.

(b) Insurance Against Loss or Damage to Aircraft. (i) Except as provided in clause (ii) of this subsection (b), and subject to the rights of the Company to establish and maintain self-insurance in the manner and to the extent specified in Section 7.06(c), the Company shall maintain, or cause to be maintained, in effect with insurers of recognized responsibility, at no expense to the Loan Trustee, all-risk aircraft hull insurance covering the Aircraft and all-risk coverage with respect to any Engines or Parts while removed from the Aircraft (including, without limitation, war risk insurance if and to the extent the same is maintained by the Company or any Permitted Lessee with respect to other aircraft owned or operated by the Company or such Permitted Lessee, as the case may be, on the same routes) that is of the type and in substantially the amount usually carried by corporations engaged in the same or similar business and similarly situated with the Company; provided that (A) such insurance (including the permitted self-insurance) shall at all times while the Aircraft is subject to this Indenture be for an amount not less than 110% of the aggregate outstanding principal amount of the Equipment Notes from time to time, (B) such insurance need not cover an Engine while attached to an airframe not owned, leased or operated by the Company and (C) such insurance covering Engines and Parts removed from an Airframe or an airframe or (in the case of Parts) an Engine need be obtained only to the extent available at reasonable cost (as reasonably determined by the Company). Any policies carried in accordance with this Section 7.06(b) and any policies taken out in substitution or replacement for any such policies shall (A) provide that any insurance proceeds up to an amount equal to the outstanding principal amount of the Equipment Notes, together with accrued but unpaid interest thereon, plus an amount equal to the interest that would accrue on the outstanding principal amount of the Equipment Notes at the Debt Rate in effect on the date of payment of such insurance proceeds to the Loan Trustee (as provided for in this sentence) during the period commencing on the day following the date of such payment to the Loan Trustee and ending on the Loss Payment Date (the "Loan Amount"), payable for any loss or damage constituting an Event of Loss with respect to the Aircraft and any insurance proceeds in excess of the amount set forth on Exhibit C up to the amount of the Loan Amount for any loss or damage to the Aircraft (or Engines) not constituting an Event of Loss with respect to the Aircraft (or Engines), shall be paid to the Loan Trustee as long as the Indenture shall not have been discharged, and that all other amounts shall be payable to the Company, unless the insurer shall have received notice that an Event of Default exists, in which case all insurance proceeds for any loss or damage to the Aircraft (or Engines) up to the Loan Amount shall be payable to the Loan Trustee, (B) subject to the conditions of clause (C)

below, provide that, in respect of the interests of the Additional Insureds in such policies, the insurance shall not be invalidated by any action or inaction of the Company and shall insure the Additional Insureds' Interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Company, (C) provide that if such insurance is canceled for any reason whatsoever, or if any change is made in the policy that materially reduces the amount of insurance or the coverage certified in the insurance report delivered on the Closing Date to the Loan Trustee and the Liquidity Provider or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to the Additional Insureds for 30 days (seven days, or such other period as is customarily available in the industry, in the case of war risk or allied perils coverage) after receipt by the Additional Insureds of written notice from such insurers of such cancellation, change or lapse, (D) provide that the Additional Insureds shall have no obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (E) provide that the insurers shall waive rights of (1) setoff, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Additional Insureds to the extent of any moneys due to the Additional Insureds and (2) subrogation against the Additional Insureds to the extent the Company has waived its rights by its agreement to indemnify the Additional Insureds pursuant to the Operative Documents and (F) be primary without right of contribution from any other insurance that may be carried by any Additional Insured with respect to its Interests as such in the Aircraft. In the case of a lease or contract with any government in respect of the Aircraft or any Engine, or in the case of any requisition for use of the Aircraft or any Engine by any government, a valid agreement by such government to indemnify the Company, or an insurance policy issued by such government, against any risks which the Company is required hereunder to insure against shall be considered adequate insurance for purposes of this Section 7.06(b) to the extent of the risks (and in the amounts) that are the subject of such indemnification or insurance.

(ii) During any period that the Airframe or an Engine is on the ground and not in operation, the Company may carry or cause to be carried as to such non-operating Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Subsection 7.06(c), insurance otherwise conforming with the provisions of said clause (i) except that the scope of the risks covered and the type of insurance shall be the same as from time to time applicable to airframes and engines owned or leased by the Company (or, if a lease is then in effect, by the Permitted Lessee) of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation; provided that, subject to self-insurance to the extent permitted by Subsection 7.06(c), the Company shall maintain insurance against risk of loss or damage to such non-operating Airframe or Engine in an amount at least equal to 110% of the aggregate outstanding principal amount of the Equipment Notes during such period that such Airframe or Engine is on the ground and not in operation.

(c) Self-Insurance. The Company may from time-to-time self-insure, by way of deductible, self-insured retention, premium adjustment or franchise or otherwise (including, with respect to insurance maintained pursuant to Subsections 7.06(a) or 7.06(b), insuring for a maximum

amount that is less than the amounts set forth in Sections 7.06(a) and 7.06(b)), the risks required to be insured against pursuant to Sections 7.06(a) and 7.06(b), but in no case shall the self-insurance with respect to all of the aircraft and engines in the Company's fleet (including, without limitation, the Aircraft) exceed for any 12-month policy year 1% of the average aggregate insurable value (for the preceding policy year) of all aircraft (including, without limitation, the Aircraft) on which the Company carries insurance, unless an insurance broker of national standing shall certify that the standard among all other major United States airlines is a higher level of self-insurance, in which case the Company may self-insure the Aircraft to such higher level. In addition to the foregoing right to self-insure, the Company may self-insure to the extent of (1) any deductible per occurrence that, in the case of the Aircraft, is not in excess of the amount customarily allowed as a deductible in the industry or is required to facilitate claims handling or (2) any applicable mandatory minimum per aircraft (or if applicable per annum or other period) hull or liability insurance deductibles imposed by the aircraft or hull liability insurers.

(d) Application of Insurance Payments. All losses will be adjusted by the Company with the insurers. As between the Loan Trustee and the Company it is agreed that all insurance payments received under policies required to be maintained by the Company hereunder, exclusive of any payments received in excess of the Loan Amount for the Aircraft from such policies, as the result of the occurrence of an Event of Loss with respect to the Airframe or an Engine will be applied as follows:

(i) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has been or is being replaced by the Company pursuant to Section 7.05(a), such payments shall be paid over to, or retained by, the Loan Trustee and upon completion of such replacement shall be paid over to, or retained by, the Company.

(ii) if such payments are received with respect to the Airframe or the Airframe and any Engines installed on the Airframe that has not been and will not be replaced as contemplated by Section 7.05(a), so much of such payments remaining after reimbursement of the Loan Trustee for its costs and expenses as shall not exceed the amounts required to be paid by the Company pursuant to Section 2.10 shall be applied in reduction of the Company's obligation to pay such amounts, if not already paid by the Company, or, if already paid by the Company, shall be applied to reimburse the Company for its payment of such amounts and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, the Company; and

(iii) if such payments are received with respect to an Engine with regard to which an Event of Loss contemplated by Section 7.05(b) has occurred, so much of such payments remaining after reimbursement of the Loan Trustee for its costs and expenses shall be paid over to, or retained by, the Company; provided that the Company shall have fully performed

the terms of Section 7.05(b) with respect to the Event of Loss for which such payments are made.

In all events, the insurance payment of any property damage loss received under policies maintained by the Company in excess of the Loan Amount for the Aircraft shall be paid to the Company.

The insurance payments for any loss or damage to the Airframe or an Engine not constituting an Event of Loss with respect to the Airframe or such Engine will be applied in payment (or to reimburse the Company) for repairs or for replacement property in accordance with the terms of Sections 7.02 and 7.04, and any balance remaining after compliance with such Sections with respect to such loss or damage shall be paid to the Company. Any amount referred to in the preceding sentence or in clause (i), (ii) or (iii) of the second preceding paragraph that is payable to the Company shall not be paid to the Company (or, if it has been previously paid directly to the Company, shall not be retained by the Company) if at the time of such payment an Event of Default or Payment Default shall have occurred and be continuing, but shall be paid to and held by the Loan Trustee as security for the obligations of the Company under this Indenture, and at such time as there shall not be continuing any such Event of Default or Payment Default, such amount shall, to the extent not theretofore applied as provided herein, be paid to the Company.

(e) Reports, Etc. On or before the Closing Date and annually upon renewal of the Company's insurance coverage, the Company will furnish to the Loan Trustee and the Liquidity Provider a report signed by a firm of independent aircraft insurance brokers appointed by the Company (which brokers may be in the regular employ of the Company), stating the opinion of such firm that the insurance then carried and maintained on the Aircraft complies with the terms hereof; provided that all information contained in such report shall be Confidential Information and shall be treated by the Loan Trustee and the Liquidity Provider and each of their affiliates and officers, directors, agents and employees in accordance with the provisions of Section 10.16. The Company will cause such firm to advise the Loan Trustee and the Liquidity Provider in writing of any act or omission on the part of the Company of which such firm has knowledge that might invalidate or render unenforceable, in whole or in part, any insurance on the Aircraft. The Company will also cause such firm to advise the Loan Trustee and the Liquidity Provider in writing as promptly as practicable after such firm acquires knowledge that an interruption of any insurance carried and maintained on the Aircraft pursuant to this Section 7.06 will occur. Such information may only be provided to other Persons in accordance with Section 10.16.

(f) Salvage Rights; Other. All salvage rights to the Airframe and each Engine shall remain with the Company's insurers at all times, and any insurance policies of the Loan Trustee insuring the Airframe or any Engine shall provide for a release to the Company of any and all salvage rights in and to the Airframe or any Engine. Neither the Loan Trustee nor any Noteholder may, directly or indirectly, obtain insurance for its own account with respect to the Airframe or any Engine if such insurance would limit or otherwise adversely affect the coverage or

amounts payable under, or increase the premiums for, any insurance required to be maintained pursuant to this Section 7.06 or any other insurance maintained with respect to the Aircraft of any other aircraft in the Company's fleet.

ARTICLE VIII

SUCCESSOR AND ADDITIONAL TRUSTEES

Section 8.01 Resignation or Removal; Appointment of Successor. (a) The resignation or removal of the Loan Trustee and the appointment of a successor Loan Trustee shall become effective only upon the successor Loan Trustee's acceptance of appointment as provided in this Section 8.01. The Loan Trustee or any successor thereto must resign if at any time it ceases to be eligible in accordance with the provisions of Section 8.01(c) and may resign at any time without cause by giving at least 60 days' prior written notice to the Company and each Noteholder. In addition, either the Company (so long as no Event of Default or Payment Default shall have occurred and be continuing) or a Majority in Interest of Noteholders (but only with the consent of the Company so long as no Event of Default or Payment Default shall have occurred and be continuing), may at any time remove the Loan Trustee without cause by an instrument in writing delivered to the Loan Trustee and each Noteholder, and, in case of a removal by a Majority in Interest of Noteholders, to the Company.

In the case of the resignation or removal of the Loan Trustee, the Company shall promptly appoint a successor Loan Trustee. If a successor Loan Trustee shall not have been appointed within 60 days after such notice of resignation or removal, the Loan Trustee, the Company or any Noteholder may apply to any court of competent jurisdiction to appoint a successor Loan Trustee to act until such time, if any, as a successor shall have been appointed as above provided. The successor Loan Trustee so appointed by such court shall immediately and without further act be superseded by any successor Loan Trustee appointed as above provided.

(b) Any successor Loan Trustee, however appointed, shall execute and deliver to the predecessor Loan Trustee and the Company an instrument accepting such appointment and assuming the obligations of the Loan Trustee arising from and after the time of such appointment, and thereupon such successor Loan Trustee, without further act, shall become vested with all the estates, properties, rights, powers and duties of the predecessor Loan Trustee hereunder in the trust hereunder applicable to it with like effect as if originally named the Loan Trustee herein; but nevertheless upon the written request of such successor Loan Trustee, such predecessor Loan Trustee shall execute and deliver an instrument transferring to such successor Loan Trustee all the estates, properties, rights and powers of such predecessor Loan Trustee, and such predecessor Loan Trustee shall duly assign, transfer, deliver and pay over to such successor Loan Trustee all monies or other property and all other books and records, or true, correct and complete copies thereof, then held by such predecessor Loan Trustee hereunder.

(c) This Indenture shall at all times have a Loan Trustee, however appointed, that is a Citizen of the United States (without the use of a voting trust) and a bank or trust company having a combined capital and surplus of at least \$75,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least \$75,000,000) or a corporation with a net worth of at least \$75,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Loan Trustee hereunder upon reasonable or customary terms. If such bank, trust company or corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 8.01(c) the combined capital and surplus of such bank, trust company or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published. In case at any time the Loan Trustee shall cease to be eligible in accordance with the provisions of this Section 8.01(c), the Loan Trustee shall resign immediately in the manner and with the effect specified in Section 8.01(a).

(d) Any corporation into which the Loan Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Loan Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Loan Trustee may be transferred, shall, subject to the terms of Section 8.01(c), be a successor Loan Trustee under this Indenture without further act.

Section 8.02. Appointment of Additional and Separate Trustees. (a) Whenever (i) the Loan Trustee shall deem it necessary or desirable in order to conform to any law of any jurisdiction in which all or any part of the Collateral shall be situated or to make any claim or bring any suit with respect to or in connection with the Collateral, any Operative Document or any of the transactions contemplated by the Operative Documents, (ii) the Loan Trustee shall be advised by counsel satisfactory to it that it is necessary or prudent in the interests of the Noteholders (and the Loan Trustee shall so advise the Company) or (iii) the Loan Trustee shall have been requested to do so by a Majority in Interest of Noteholders, then in any such case, the Loan Trustee and, upon the written request of the Loan Trustee, the Company, shall execute and deliver an indenture supplemental hereto and such other instruments as may from time to time be necessary or advisable either (1) to constitute one or more banks or trust companies or corporations meeting the requirements of Section 8.01(c) and approved by the Loan Trustee, either to act jointly with the Loan Trustee as additional trustee or trustees of all or any part of the Collateral or to act as separate trustee or trustees of all or any part of the Collateral, in each case with such rights, powers, duties and obligations consistent with this Indenture as may be provided in such supplemental indenture or other instruments as the Loan Trustee or a Majority in Interest of Noteholders may deem necessary or advisable, or (2) to clarify, add to or subtract from the rights, powers, duties and obligations theretofore granted any such additional or separate trustee, subject in each case to the remaining provisions of this Section 8.02. If no Event of Default has occurred and is continuing, no additional

or supplemental trustee shall be appointed without the Company's consent. If an Event of Default shall have occurred and be continuing, the Loan Trustee may act under the foregoing provisions of this Section 8.02(a) without the concurrence of the Company, and the Company hereby irrevocably appoints (which appointment is coupled with an interest) the Loan Trustee as its agent and attorney-in-fact to act for it under the foregoing provisions of this Section 8.02(a). The Loan Trustee may, in such capacity, execute, deliver and perform any such supplemental indenture, or any such instrument, as may be required for the appointment of any such additional or separate trustee or for the clarification of, addition to or subtraction from the rights, powers, duties or obligations theretofore granted to any such additional or separate trustee, subject in each case to the remaining provisions of this Section 8.02. In case any additional or separate trustee appointed under this Section 8.02(a) shall become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional or separate trustee shall revert to the Loan Trustee until a successor additional or separate trustee is appointed as provided in this Section 8.02(a).

(b) No additional or separate trustee shall be entitled to exercise any of the rights, powers, duties and obligations conferred upon the Loan Trustee in respect of the custody, investment and payment of monies and all monies received by any such additional or separate trustee from or constituting part of the Collateral or otherwise payable under any Operative Documents to the Loan Trustee shall be promptly paid over by it to the Loan Trustee. All other rights, powers, duties and obligations conferred or imposed upon any additional or separate trustee shall be exercised or performed by the Loan Trustee and such additional or separate trustee jointly except to the extent that applicable law of any jurisdiction in which any particular act is to be performed renders the Loan Trustee incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations (including the holding of title to all or part of the Collateral in any such jurisdiction) shall be exercised and performed by such additional or separate trustee. No additional or separate trustee shall take any discretionary action except on the instructions of the Loan Trustee or a Majority in Interest of Noteholders. No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, except that the Loan Trustee shall be liable for the consequences of its lack of reasonable care in selecting, and the Loan Trustee's own actions in acting with, any additional or separate trustee. Each additional or separate trustee appointed pursuant to this Section 8.02 shall be subject to, and shall have the benefit of Articles IV, V, VI, VIII, IX and X hereof insofar as they apply to the Loan Trustee. The powers of any additional or separate trustee appointed pursuant to this Section 8.02 shall not in any case exceed those of the Loan Trustee hereunder.

(c) If at any time the Loan Trustee shall deem it no longer necessary or desirable or in the event that the Loan Trustee shall have been requested to do so in writing by a Majority in Interest of Noteholders, the Loan Trustee and, upon the written request of the Loan Trustee, the Company, shall execute and deliver an indenture supplemental hereto and all other instruments and agreements necessary or proper to remove any additional or separate trustee. The Loan Trustee may act on behalf of the Company under this Section 8.02(c) when and to the extent it could so act under Section 8.02(a) hereof. In any case, the Company may remove an additional or separate trustee in the manner set forth in Section 8.01.

ARTICLE IX

AMENDMENTS AND WAIVERS

Section 9.01. Amendments to this Indenture without Consent of Holders. At any time after the date hereof, the Company and the Loan Trustee may enter into one or more agreements supplemental hereto without notice to or consent of any Noteholder for any of the following purposes: (i) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company contained in any Operative Documents pursuant to Section 6.02(e) of the Participation Agreement; (ii) to cure any defect or inconsistency herein or in the Equipment Notes; (iii) to cure any ambiguity or correct any mistake; (iv) to evidence the succession of a new trustee hereunder pursuant hereto or the removal of the trustee hereunder or to provide for or facilitate the appointment of an additional or separate trustee pursuant to Section 8.02 hereof; (v) to convey, transfer, assign, mortgage or pledge any property to or with the Loan Trustee; (vi) to make any other provisions or amendments with respect to matters or questions arising hereunder or under the Equipment Notes, or to amend, modify or supplement any provision hereof or thereof, so long as such action shall not adversely affect the interests of the Noteholders or the Liquidity Provider; (vii) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto the Loan Trustee any property subject or required to be subject to the Lien of this Indenture or to subject to the Lien of this Indenture the Airframe or Engines or any Replacement Airframe or Replacement Engine; (viii) to add to the covenants of the Company for the benefit of the Noteholders, or to surrender any rights or power herein conferred upon the Company; (ix) to add to the rights of the Noteholders; (x) to include on the Equipment Notes any legend as may be required by law or as may otherwise be necessary or advisable; (xi) to comply with any applicable requirements of the Trust Indenture Act of 1939, as amended, or any other requirements of applicable law or of any regulatory body and (xii) to provide for the issuance of Series D Equipment Notes and/or Pass Through Certificates issued by the Class D Pass Through Trust and to make changes relating thereto, provided that (A) the Company shall have obtained written confirmation from each Rating Agency that the issuance of the Series D Equipment Notes would not result in a reduction of the rating for any class of Pass Through Certificates below the then current rating for such class of Pass Through Certificates or a withdrawal or suspension of the rating of any class of Pass Through Certificates and (B) (1) if the Series D Equipment Notes are issued to a Class D Pass Through Trust, the Pass Through Trustee thereof shall become a party to the Intercreditor Agreement or (2) if Series D Equipment Notes are issued to any person other than a Class D Pass Through Trust, the Series D Equipment Notes will be subject to the provisions of the Intercreditor Agreement that allow the "Controlling Party" (as defined in the Intercreditor Agreement), during the continuance of an "Indenture Event of Default" (as defined in the Intercreditor Agreement) to direct the Loan Trustee in taking action under this Indenture.

Section 9.02. Amendments to this Indenture with Consent of Holders. (a) With the written consent of a Majority in Interest of Noteholders, the Company may, and the Loan Trustee

shall, subject to Section 9.06, at any time and from time to time, enter into such supplemental agreements to add any provisions to or to change or eliminate any provisions of this Indenture or of any such supplemental agreements or to modify in any manner the rights and obligations of the Company, the Loan Trustee and of the Noteholders under this Indenture; provided, however, that without the consent of each Noteholder affected thereby, an amendment under this Section 9.02 may not:

(1) reduce the principal amount of, Make-Whole Amount, if any, or interest on, any Equipment Note;

(2) change the date on which any principal amount of, Make-Whole Amount, if any, or interest on any Equipment Note, is due or payable;

(3) create any Lien with respect to the Collateral prior to or *pari passu* with the Lien thereon under this Indenture except such as are permitted by this Indenture, or deprive any Noteholder of the benefit of the Lien on the Collateral created by this Indenture;

(4) reduce the percentage of the outstanding principal amount of the Equipment Notes the consent of whose holders is required for any such supplemental agreement, or the consent of whose holders is required for any waiver of compliance with certain provisions of this Indenture or of certain defaults hereunder or their consequences provided for in this Indenture; or

(5) make any change in Section 4.05 or this Section 9.02, except to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of each Noteholder affected thereby.

(b) It is not necessary under this Section 9.02 for the Noteholders to consent to the particular form of any proposed supplemental agreement, but it is sufficient if they consent to the substance thereof.

(c) Promptly after the execution by the Company and the Loan Trustee of any supplemental agreement pursuant to the provisions of this Section 9.02, the Loan Trustee shall transmit by first-class mail a notice, setting forth in general terms the substance of such supplemental agreement, to all Noteholders, as the names and addresses of such Noteholders appear on the Equipment Note Register. Any failure of the Loan Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

Section 9.03. Amendments, Waivers, Etc. of the Participation Agreement. Without the consent of a Majority in Interest of Noteholders, the respective parties to the Participation Agreement may not modify, amend or supplement such agreement, or give any consent, waiver,

authorization or approval thereunder, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder; provided, however, that, without the consent of the Loan Trustee or any Noteholder, the Participation Agreement may be modified, amended or supplemented in order (i) to cure any defect or inconsistency therein or to cure any ambiguity or correct any mistake, (ii) to amend, modify or supplement any provision thereof or make any other provision with respect to matters or questions arising thereunder or under this Indenture, provided that the making of any such other provision shall not materially adversely affect the interests of the Noteholders or (iii) to make any other change, or reflect any other matter, of the kind referred to in clauses (i) through (xi) of Section 9.01. Notwithstanding the foregoing, without the consent of the Liquidity Provider, the Company shall not enter into any amendment, waiver or modification of or supplement or consent to the Participation Agreement which shall reduce, modify or amend any indemnities in favor of the Liquidity Provider contained therein.

Section 9.04. Revocation and Effect of Consents. Until an amendment or waiver becomes effective, a consent to it by a Noteholder is a continuing consent by the Noteholder and every subsequent Noteholder, even if notation of the consent is not made on any Equipment Note. Section 9.05. Notation on or Exchange of Equipment Notes. The Loan Trustee may place an appropriate notation about an amendment or waiver on any Equipment Note thereafter executed. The Loan Trustee in exchange for such Equipment Notes may execute new Equipment Notes that reflect the amendment or waiver.

Section 9.06. Trustee Protected. If, in the reasonable opinion of the institution acting as Loan Trustee hereunder, any document required to be executed by it pursuant to the terms of Section 9.01 or 9.02 adversely affects any right, duty, immunity or indemnity with respect to such institution under this Indenture, such institution may in its discretion decline to execute such document.

ARTICLE X

MISCELLANEOUS

Section 10.01. Termination of Indenture. (a) Upon (or at any time after):

(i) payment in full of the principal amount, Make-Whole Amount, if any, and interest on and all other amounts due under all Equipment Notes and provided that there shall then be no other Secured Obligations due to the Noteholders, the Indenture Indemnitees and the Loan Trustee hereunder or under the Participation Agreement;

(ii) the 91st day after there has been irrevocably deposited (except as provided in Section 2.15 or 10.01(d)) with the Loan Trustee as funds in trust, specifically pledged as security

for, and dedicated solely to, the benefit of the Noteholders, (A) money in an amount, (B) U.S. Government Obligations that, through the payment of interest and principal in respect thereof in accordance with their terms, will provide (not later than one Business Day before the due date of any payment referred to below in this paragraph) money in an amount, or (C) a combination of money and U.S. Government Obligations referred to in the foregoing clause (B), sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Loan Trustee, to pay in full the outstanding principal amount of and interest on all the Equipment Notes on the dates such amounts are due; provided, however, that

(1) if any Equipment Note will become due more than one year after the deposit of such funds, the Company has delivered to the Loan Trustee an officer's certificate and an opinion of counsel to the effect that there has been a change in tax law since September 23, 1999 or has been published by the Internal Revenue Service a ruling to the effect that Noteholders and the holders of the Pass Through Certificates will not recognize income, gain or loss for United States Federal income tax purposes as a result of the exercise by the Company of its option under this subsection (ii) and will be subject to United States Federal income tax on the same amounts and in the same manner and at the same times, as would have been the case if such option had not been exercised;

(2) all other amounts then due and payable hereunder have been paid;

(3) the Company has delivered to the Loan Trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent provided for relating to the satisfaction and discharge of this Indenture contemplated by this Section 10.01 have been complied with;

(4) such deposit will not result in a breach or violation of, or constitute an Event of Default under, this Indenture or a default or event of default under any other agreement or instrument to which the Company is a party or by which it is bound; and

(5) no Event of Default set forth in Sections 4.01(f), (g), (h) or (i) shall have occurred and be continuing on the date of such deposit or at any time during the period ending on the 91st day after the date of such deposit;

the Company and the Loan Trustee shall be deemed to have been released and discharged from their respective obligations hereunder and under the Equipment Notes, and the Loan Trustee shall, upon the written request of the Company, execute and deliver to, or as directed in writing by, the Company an appropriate instrument (in due form for recording) releasing the Aircraft and the balance of the Collateral from the Lien of this Indenture, and, in such event, this Indenture and the

trusts created hereby shall terminate and this Indenture shall be of no further force or effect; provided, however, that this Indenture and the trusts created hereby shall earlier terminate and this Indenture shall be of no further force or effect upon any sale or other final disposition by the Loan Trustee of all property constituting part of the Collateral and the final distribution by the Loan Trustee of all monies or other property or proceeds constituting part of the Collateral in accordance with the terms hereof. Except as otherwise provided above, this Indenture and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof. Upon making of the deposit of the defeasance funds as described above, the right of the Company to cause redemption of the Equipment Notes shall cease.

(b) Notwithstanding the provisions of Section 10.01(a)(ii), the obligations of the Loan Trustee contained in Sections 2.01, 2.02, 2.03, 2.04, 2.05, 2.07, 2.08, 2.09, 2.13, 2.15, 2.16, 3.01, 10.01(c) and 10.01(d) of this Section 10.01, and the other rights, duties, immunities and privileges hereunder of the Loan Trustee, shall survive.

(c) All monies and U.S. Government Obligations deposited with the Loan Trustee pursuant to Section 10.01(a)(ii) shall be held in trust and applied by it, in accordance with the provisions of the Equipment Notes and this Indenture, to the payment to the Noteholders of all sums due and to become due thereon for principal and interest, but such money need not be segregated from other funds except to the extent required by law.

(d) The Loan Trustee shall promptly pay or return to the Company upon request of the Company any money or U.S. Government Obligations held by it at any time that are not required for the payment of the amounts described above in Section 10.01(c) on the Equipment Notes for which money or U.S. Government Obligations have been deposited pursuant to Section 10.01(a)(ii).

Section 10.02. No Legal Title to Collateral in Noteholders. No Noteholder shall have legal title to any part of the Collateral. No transfer, by operation of law or otherwise, of any Equipment Note or other right, title and interest of any Noteholder in and to the Collateral or hereunder shall operate to terminate this Indenture or entitle such Noteholder or any successor or transferee of such holder to an accounting or to the transfer to it of any legal title to any part of the Collateral.

Section 10.03. Sale of Aircraft by Loan Trustee is Binding. Any sale or other conveyance of the Aircraft, the Airframe, any Engine or any interest therein by the Loan Trustee made pursuant to the terms of this Indenture shall bind the Noteholders and the Company and shall be effective to transfer or convey all right, title and interest of the Loan Trustee, the Company and such Noteholders in and to such Aircraft, Airframe, Engine or interest therein. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Noteholders.

Section 10.04. Indenture for Benefit of the Company, Loan Trustee and Noteholders. Nothing in this Indenture, whether express or implied, shall be construed to give any Person other than the Company, the Loan Trustee, the Noteholders or the other Indenture Indemnitees any legal or equitable right, remedy or claim under or in respect of this Indenture.

Section 10.05. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents required or permitted under the terms and provisions of this Indenture shall be in English and in writing, and may be given by United States mail, courier service or any other customary means of communication, and any notices shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid in the first class United States mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) addressed as follows:

(i) if to the Company, addressed to:

American Airlines, Inc.
4333 Amon Carter Blvd.
Maildrop 5662
Fort Worth, Texas 76155
Attention: Treasurer

Telephone: (817) 963-1234
Facsimile: (817) 967-4318

if to the Loan Trustee, to:

State Street Bank And Trust Company of Connecticut,
National Association
225 Asylum Street
Goodwin Square
Hartford, Connecticut 06103
Attention: Corporate Trust Division

Telephone: (860) 244-1844
Facsimile: (860) 244-1881

or if to any Noteholder, addressed to such Noteholder at its address set forth in the Equipment Note Register maintained pursuant to Section 2.07 hereof.

Any party, by notice to the other parties hereto, may designate additional or different addresses for subsequent notices or communications.

Section 10.06. Severability. Any provision of this Indenture that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.07. No Oral Modification or Continuing Waivers. No terms or provisions of this Indenture or of the Equipment Notes may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Company and the Loan Trustee, in compliance with Article IX. Any waiver of the terms hereof or of any Equipment Note shall be effective only in the specific instance and for the specific purpose given.

Section 10.08. Successors and Assigns. All covenants and agreements contained herein shall bind and inure to the benefit of, and be enforceable by, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any Noteholder shall bind the successors and permitted assigns of such Noteholder. Each Noteholder by its acceptance of an Equipment Note agrees to be bound by this Indenture and all provisions of the Participation Agreement applicable to a Noteholder.

Section 10.09. Headings. The headings of the various Articles and Sections herein and in the Table of Contents hereto are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 10.10. Normal Commercial Relations. Anything contained in this Indenture to the contrary notwithstanding, the Loan Trustee, any Noteholder or any other party to any of the Operative Documents or the Pass Through Documents or any of their affiliates may conduct any banking or other financial transactions, and have banking or other commercial relationships, with the Company, fully to the same extent as if this Indenture were not in effect, including without limitation the making of loans or other extensions of credit to the Company for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 10.11. Voting by Noteholders. All votes of the Noteholders shall be governed by a vote of a Majority in Interest of Noteholders, except as otherwise provided herein.

Section 10.12. Section 1110. It is the intention of the parties hereto that the security interest created hereby, to the fullest extent available under applicable law, entitles the Loan Trustee, on behalf of the Noteholders, to all of the benefits of Section 1110 with respect to the Aircraft.

Section 10.13. The Company's Performance and Rights. Any obligation imposed on the Company herein shall require only that the Company perform or cause to be performed such obligation, even if stated as a direct obligation, and the performance of any such obligation by any permitted assignee, lessee or transferee under an assignment, lease or transfer agreement then in effect and in accordance with the provisions of the Operative Documents shall constitute performance by the Company and, to the extent of such performance, discharge such obligation by the Company. Except as otherwise expressly provided herein, any right granted to the Company in this Indenture shall grant the Company the right to permit such right to be exercised by any such assignee, lessee or transferee. The inclusion of specific references to obligations or rights of any such assignee, lessee or transferee in certain provisions of this Indenture shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, lessee or transferee has not been made in this Indenture.

Section 10.14. Counterparts. This Indenture may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Indenture including a signature page or pages executed by each of the parties hereto shall be an original counterpart of this Indenture, but all of such counterparts together shall constitute one instrument.

Section 10.15. Governing Law. THIS INDENTURE HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS INDENTURE, ANY INDENTURE SUPPLEMENT AND THE EQUIPMENT NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 10.16. Confidential Information. The term "Confidential Information" means: (a) the existence and terms of any lease of the Airframe or Engines pursuant to Section 7.02(a) and the identity of the Permitted Lessee thereunder; (b) all information obtained in connection with any inspection conducted by the Loan Trustee or its representative pursuant to Section 7.03(a); (c) each certification furnished to the Loan Trustee pursuant to Sections 7.06(a) and 7.06(b); (d) all information contained in each report furnished to the Loan Trustee pursuant to Section 7.06(e); and (e) all information regarding the Warranty Rights. All Confidential Information shall be held confidential by the Loan Trustee and each Noteholder and each affiliate, agent, officer, director, or employee of any thereof and shall not be furnished or disclosed by any of them to anyone other than (i) the Loan Trustee or any Noteholder and (ii) their respective bank examiners, auditors, accountants, agents and legal counsel, and except as may be required by an order of any court or administrative agency or by any statute, rule, regulation or order of any governmental authority.

Section 10.17. Submission to Jurisdiction. Each of the parties hereto, and by acceptance of Equipment Notes, each Noteholder, to the extent it may do so under applicable law, for purposes hereof and of all other Operative Agreements hereby (a) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Indenture, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (b) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Indenture or the Equipment Notes or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by such courts.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed by their respective officers thereof duly authorized, as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ JEFFREY C. CAMPBELL

Name: Jeffrey C. Campbell
Title: Vice President - Corporate
Development and Treasurer

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Loan Trustee

By: /s/ ALISON DELLA BELLA

Name: Alison Della Bella
Title:

EXHIBIT A to
INDENTURE AND SECURITY AGREEMENT

INDENTURE SUPPLEMENT NO. ____

INDENTURE SUPPLEMENT NO. __, dated _____, ____ ("Indenture Supplement"), between AMERICAN AIRLINES, INC. (the "Company") and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity but solely as Loan Trustee under the Indenture (each as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Indenture and Security Agreement (N__AN), dated as of October 6, 1999 (the "Indenture"; capitalized terms used herein without definition shall have the meanings specified therefor in Annex A to the Indenture), between the Company and State Street Bank and Trust Company of Connecticut, National Association, as Loan Trustee (the "Loan Trustee"), provides for the execution and delivery of supplements thereto substantially in the form hereof which shall particularly describe the Aircraft, and shall specifically grant a security interest in the Aircraft to the Loan Trustee; and

[WHEREAS, the Indenture relates to the Airframe and Engines described in Annex A attached hereto and made a part hereof, and a counterpart of the Indenture is attached to and made a part of this Indenture Supplement;]*

[WHEREAS, the Company has, as provided in the Indenture, heretofore executed and delivered to the Loan Trustee Indenture Supplement(s) for the purpose of specifically subjecting to the Lien of the Indenture certain airframes and/or engines therein described, which Indenture Supplement(s) is/are dated and has/have been duly recorded with the FAA as set forth below, to wit:

Date	Recordation Date	FAA Document Number]**
- ----	-----	-----

NOW, THEREFORE, to secure the prompt and complete payment (whether at stated maturity, by acceleration or otherwise) of principal of, Make-Whole Amount, if any, and interest on, the Equipment Notes and all other amounts payable by the Company under the Operative

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* Use for Indenture Supplement No. 1 only.

** Use for all Indenture Supplements other than Indenture Supplement No. 1.

Documents and the performance and observance by the Company of all the agreements and covenants to be performed or observed by the Company for the benefit of the Noteholders and the Indenture Indemnitees contained in the Operative Documents, and in consideration of the premises and of the covenants contained in the Operative Documents, and for other good and valuable consideration given by the Loan Trustee, the Noteholders and the Indenture Indemnitees to the Company at or before the Closing Date, the receipt of which is hereby acknowledged, the Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto the Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of the Loan Trustee, the Noteholders and the Indenture Indemnitees, a first priority security interest in, and mortgage lien on, all estate, right, title and interest of the Company in, to and under the Aircraft, including the Airframe and Engines described in Annex A attached hereto, whether or not any such Engine may from time to time be installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided in the Indenture, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than any substitutions, replacements, additions, improvements, accessions and accumulations that constitute items excluded from the definition of Parts by clauses (b), (c) and (d) thereof) relating thereto;

To have and to hold all and singular the aforesaid property unto the Loan Trustee, and its successors and assigns, in trust for the ratable benefit and security of the Noteholders and the Indenture Indemnitees, except as otherwise provided in the Indenture, including Section 2.13 and Article III of the Indenture, without any preference, distinction or priority of any one Equipment Note over any other by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any reason whatsoever, and for the uses and purposes and subject to the terms and provisions set forth in the Indenture.

This Indenture Supplement shall be construed as supplemental to the Indenture and shall form a part thereof, and the Indenture is hereby incorporated by reference herein and is hereby ratified, approved and confirmed.

THIS INDENTURE SUPPLEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

IN WITNESS WHEREOF, the undersigned have caused this Indenture Supplement No. __ to be duly executed by their respective duly authorized officers, on the date first above written.

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

STATE STREET BANK AND TRUST COMPANY
OF CONNECTICUT, NATIONAL ASSOCIATION,
as Loan Trustee

By: _____
Name:
Title:

A-3

DESCRIPTION OF AIRFRAME AND ENGINES

AIRFRAME

Manufacturer	Model	FAA Regis- tration No.	Manufacturer's Serial No.
-----	-----	-----	-----

ENGINES

Manufacturer	Model	Manufacturer's Serial No.

Each Engine is of 750 or more "rated take-off horsepower" or the equivalent of such horsepower.

EXHIBIT B to
INDENTURE AND SECURITY AGREEMENT

LIST OF PERMITTED COUNTRIES

Argentina	Kuwait
Australia	Liechtenstein
Austria	Luxembourg
Bahamas	Malaysia
Barbados	Malta
Belgium	Mexico
Bermuda Islands	Monaco
Brazil	Morocco
British Virgin Islands	the Netherlands
Canada	Netherlands Antilles
Cayman Islands	New Zealand
Chile	Norway
Czech Republic	Paraguay
Denmark	Peoples' Republic of China
Ecuador	Philippines
Egypt	Poland
Finland	Portugal
France	Republic of China (Taiwan)
Germany	Singapore
Greece	South Africa
Grenada	South Korea
Guatemala	Spain
Hong Kong	Sweden
Hungary	Switzerland
Iceland	Thailand
India	Trinidad and Tobago
Indonesia	United Kingdom
Ireland	Uruguay
Italy	Venezuela
Jamaica	
Japan	

EXHIBIT C to
INDENTURE AND SECURITY AGREEMENT

AIRCRAFT TYPE VALUES FOR SECTION 7.06(b)

Boeing 737 - \$8,000,000

C-1

SCHEDULE I to
INDENTURE AND SECURITY AGREEMENT

DESCRIPTION OF EQUIPMENT NOTES

	Original Principal Amount -----	Interest Rate -----	Maturity Date -----
Series A-1 Equipment Notes:			
Series A-2 Equipment Notes:			
Series B Equipment Notes:			
Series C Equipment Notes:			

EQUIPMENT NOTES AMORTIZATION

SERIES A-1 EQUIPMENT NOTES

Payment Date -----	Percentage of Original Principal Amount to be Paid -----

SCHEDULE II to
INDENTURE AND SECURITY AGREEMENT

PASS THROUGH TRUST AGREEMENT AND
PASS THROUGH TRUST SUPPLEMENTS

Pass Through Trust Agreement, dated as of October 1, 1999, between American Airlines, Inc. and State Street Bank and Trust Company of Connecticut, National Association, as trustee, as supplemented by Trust Supplement No. 1999-1A-1, dated as of October 6, 1999, Trust Supplement No. 1999-1A-2, dated as of October 6, 1999, Trust Supplement No. 1999-1B, dated as of October 6, 1999, and Trust Supplement No.1999-1C, dated as of October 6, 1999.

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[AIRCRAFT INFORMATION SERVICES, INC. LETTERHEAD]

22 September 1999

Mr. David Holtschlag, Principal
American Airlines, Inc.
4333 Amon Carter Boulevard
Mail Drop 5662
Fort Worth, TX 76155

RE: American Airlines, Inc. ("American")
Ten B737-823, Three B767-323ER and Two B777-223IGW Aircraft.

Ladies and Gentlemen:

We consent to the use of the report prepared by us with respect to the aircraft referred to in American's Preliminary Prospectus Supplement dated 22 September 1999 (the Preliminary Prospectus Supplement) to the Prospectus included in American's Registration Statement Form S-3 (Reg. No. 333-74937), to the summary of such report in the Preliminary Prospectus under the headings "Prospectus Supplement Summary--Equipment Notes and the Aircraft", "Risk Factors--Appraisals and Realizable Value of Aircraft" and "Description of the Aircraft and the Appraisals--The Appraisals" and to references to the reference to our Firm under the headings "Description of the Aircraft and the Appraisals--The Appraisals" and "Experts". We also consent to such use, summary and references in the Final Prospectus Supplement relating to the offering described in the Preliminary Prospectus Supplement, to the extent such use, summary and references are unchanged.

Aircraft Information Services, Inc.

By: /s/ JOHN D. MCNICOL

John D. McNicol
Vice President - Appraisals & Forecasts

[AVSOLUTIONS, INC. LETTERHEAD]

September 22, 1999

Mr. David Holtschlag, Principal
American Airlines, Inc.
4333 Amon Carter Boulevard
Mail Drop 5662
Fort Worth, Texas 76155

RE: American Airlines, Inc. ("American")
Ten B737-823, Three B767-323ER and Two B777-223IGW Aircraft

Ladies and Gentlemen:

We consent to the use of the report prepared by us with respect to the aircraft referred to in American's Preliminary Prospectus Supplement dated September 22, 1999 (the Preliminary Prospectus Supplement) to the Prospectus included in American's Registration Statement on Form S-3 (Reg. No. 333-74937), to the summary of such report in the Preliminary Prospectus under the headings "Prospectus Supplement Summary - Equipment Notes and the Aircraft", "Risk Factors - Appraisals and Realizable Value of Aircraft", "Description of the Aircraft and the Appraisals - The Appraisals", and to references to the reference to our firm under the headings "Description of the Aircraft and the Appraisals - the Appraisals" and "Experts". We also consent to such use, summary and reference in the final Prospectus Supplement relating to the offering described in the Preliminary Prospectus Supplement.

Sincerely,

/s/ BRYANT LYNCH

Bryant Lynch
Manager, Commercial Appraisals

[MORTEN BEYER & AGNEW LETTERHEAD]

September 22, 1999

Mr. David Holtschlag, Principal
American Airlines, Inc.
4333 Amon Carter Boulevard
Mail Drop 5662
Fort Worth, TX 76155

RE: American Airlines, Inc ("American")
10 Boeing 737-823, 3 Boeing 767-323 and 2 Boeing 777-223IGW Aircraft

Ladies and Gentlemen:

We consent to the use of the report prepared by us with respect to the aircraft referred to in American's Preliminary Prospectus Supplement dated 22 September 1999 (the Preliminary Prospectus Supplement) to the Prospectus included in American's Registration Settlement on Form S-3 (Reg. No. 333-74937), to the summary of such report in the Preliminary Prospectus under the headings "Prospectus Supplement Summary of Equipment Notes and the Aircraft," "Risk Factors, Appraisals and Realizable Value of Aircraft," "Description of the Aircraft and the Appraisals - The Appraisals," and to references to the reference of our firm under the headings "Description of the Aircraft and the Appraisals - The Appraisals," and "Experts." We also consent to such use, summary and references in the Final Prospectus supplement relating to the offering described in the Preliminary Prospectus Supplement.

MORTEN BEYER & AGNEW INC.

By:/s/ BRYSON P. MONTELEONE

Bryson P. Monteleone
Director of Operations

SCHEDULE I

The following documents relating to one Boeing 737-823 aircraft bearing United States registration number N908AN (hereinafter collectively referred to as the "N908AN Documents") have been provided in this filing: (a) Participation Agreement (N908AN), dated as of October 6, 1999, among American Airlines, Airlines, Inc. (the "Company"), State Street Bank and Trust Company of Connecticut, National Association, as Pass Through Trustee under each of four Pass Through Trust Agreements (the "Pass Through Trustee"), State Street Bank and Trust Company of Connecticut, as Subordination Agent under the Intercreditor Agreement (the Subordination Agent"), State Street Bank and Trust Company of Connecticut, National Association, as loan trustee (the "Loan Trustee"), and State Street Bank and Trust Company of Connecticut, National Association, in its individual capacity as set forth therein ("State Street"); and (b) Indenture and Security Agreement (N908AN), dated as of October 6, 1999, between the Company and the Loan Trustee.

The corresponding documents listed below are substantially identical in all material respects to the N908AN Documents, with the following exceptions: (1) conforming changes have been made to reflect the appropriate United States registration number of each aircraft (i.e., N909AN, N910AN, N912AN, etc.), the appropriate model of each aircraft (i.e., 737-823, 767-323ER, 777-223) and the appropriate manufacturer's serial number of each aircraft; (2) the description and original principal amount of the equipment notes set forth on Schedule I to each Participation Agreement differ; (2) the dollar amount set forth on Exhibit C to each Indenture and Security Agreement differs according to the model of each aircraft; (3) conforming changes have been made to reflect the appropriate engines relating to each aircraft (i.e., CFM International, Inc. CFM56-7B26, General Electric CF6- 80C2B6, Rolls Royce RB211-TRENT-892-17); and (4) the definitions of "FAA Bill of Sale" and "Warranty Bill of Sale" set forth in Annex A to each Participation Agreement and Indenture and Security Agreement differ.

- (1) (a) Participation Agreement (N909AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (1) (b) Indenture and Security Agreement (N909AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (2) (a) Participation Agreement (N910AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.

- (2) (b) Indenture and Security Agreement (N910AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (3) (a) Participation Agreement (N912AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (3) (b) Indenture and Security Agreement (N912AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (4) (a) Participation Agreement (N914AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (4) (b) Indenture and Security Agreement (N914AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (5) (a) Participation Agreement (N915AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (5) (b) Indenture and Security Agreement (N915AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (6) (a) Participation Agreement (N916AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (6) (b) Indenture and Security Agreement (N916AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (7) (a) Participation Agreement (N917AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (7) (b) Indenture and Security Agreement (N917AN), dated as of October 6, 1999, between the Company and the Loan Trustee.

- (8) (a) Participation Agreement (N918AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (8) (b) Indenture and Security Agreement (N918AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (9) (a) Participation Agreement (N919AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (9) (b) Indenture and Security Agreement (N919AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (10) (a) Participation Agreement (N394AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (10) (b) Indenture and Security Agreement (N394AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (11) (a) Participation Agreement (N398AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (11) (b) Indenture and Security Agreement (N398AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (12) (a) Participation Agreement (N399AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (12) (b) Indenture and Security Agreement (N399AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (13) (a) Participation Agreement (N778AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank

and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.

- (13) (b) Indenture and Security Agreement (N778AN), dated as of October 6, 1999, between the Company and the Loan Trustee.
- (14) (a) Participation Agreement (N779AN), dated as of October 6, 1999, among the Company, the Pass Through Trustee, the Subordination Agent and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee, and State Street Bank.
- (14) (b) Indenture and Security Agreement (N779AN), dated as of October 6, 1999, between the Company and the Loan Trustee.