

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM S-4  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

AMERICAN AIRLINES, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

4512  
(Primary Standard Industrial  
Classification Code Number)

13-150278  
(I.R.S. Employer  
Identification Number)

P.O. BOX 619616  
DALLAS/FORT WORTH AIRPORT, TEXAS 75261-9616  
(817) 963-1234

(Address, including zip code, and telephone number, including area code,  
of registrant's principal executive offices)

ANNE H. MCNAMARA, ESQ.  
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P.O. BOX 619616  
DALLAS/FORT WORTH AIRPORT, TEXAS  
(817) 963-1234

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(212) 909-6000

(Name, address, including zip code, and telephone number,  
including area code, of agents for service)

Copy to:

ROHAN S. WEERASINGHE, ESQ.  
SHEARMAN & STERLING  
599 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022  
(212) 848-4000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as  
possible after this registration statement becomes effective.

If the securities being registered on this form are being offered in  
connection with the formation of a holding company and there is compliance with  
General Instruction G, check the following box. [ ]

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

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

CALCULATION OF REGISTRATION FEE

PROPOSED REGISTERED AMOUNT	PROPOSED REGISTERED PER UNIT	MAXIMUM OFFERING PRICE	MAXIMUM REGISTRATION FEE (1)	TITLE OF EACH CLASS OF TO BE OFFERING	PRICE	AGGREGATE AMOUNT OF SECURITIES TO BE
Pass Through Certificates, Series 2001-1A-1	\$368,682,212	100%	\$368,682,212	\$92,171	Pass Through	
Certificates, Series 2001-1A-2	\$392,209,000	100%	\$392,209,000	\$98,052	Pass Through	
Certificates, Series 2001-1B	\$292,455,902	100%	\$292,455,902	\$73,114	Pass Through	
Certificates, Series 2001-1C	\$179,689,538	100%	\$179,689,538	\$44,922	Pass Through	
Certificates, Series 2001-1D	\$20,480,000	100%	\$20,480,000	\$5,120	Pass Through	

(1) Pursuant to Rule 457(f)(2), the registration fee has been calculated using  
the book value of the securities being registered.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR  
DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL

FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

=====

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES OR ACCEPT OFFERS TO BUY THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

Subject to Completion, Dated November 16, 2001

\$1,253,516,652.24

[AMERICAN AIRLINES LOGO]

OFFER TO EXCHANGE  
PASS THROUGH CERTIFICATES, SERIES 2001-1,  
WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933,  
FOR ANY AND ALL OUTSTANDING PASS THROUGH CERTIFICATES, SERIES 2001-1

THE NEW CERTIFICATES

- The terms of the new pass through certificates we are issuing will be substantially identical to the terms of the outstanding pass through certificates, except that the new pass through certificates are being registered under the Securities Act of 1933, as amended, and will not contain restrictions on transfer or provisions relating to interest rate increases, and the pass through certificates will be available only in book-entry form.
- No public market currently exists for the pass through certificates.

THE EXCHANGE OFFER

- The exchange offer expires at 5:00 p.m., New York City time, on \_\_\_\_\_, 2001, unless we extend it.

THE CERTIFICATES AND THE EXCHANGE OFFER INVOLVE RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 25.

PASS THROUGH INTEREST FINAL EXPECTED  
CERTIFICATES PRINCIPAL AMOUNT RATE  
DISTRIBUTION DATE -----

-----  
-- Class A-

1.....  
\$368,682,212.07 6.977% May 23, 2021  
Class A-

2.....  
392,209,000.00 6.817 May 23, 2011  
Class

B.....  
292,455,901.84 7.377 May 23, 2019  
Class

C.....  
179,689,538.24 7.379 May 23, 2016  
Class

D.....  
20,480,000.09 7.686 May 23, 2008

-----  
NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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The date of this Prospectus is \_\_\_\_\_, 2001.

TABLE OF CONTENTS

PRESENTATION OF INFORMATION.....	3
WHERE YOU CAN FIND MORE INFORMATION.....	4
PROSPECTUS SUMMARY.....	5
The Exchange Offer.....	5
Summary of Terms of Certificates.....	9
Equipment Notes and the Aircraft.....	10
Loan to Aircraft Value Ratios.....	12
Cash Flow Structure.....	13
The Certificates.....	14
The Company.....	21
Summary Historical Consolidated Financial and Operating Data.....	23
RISK FACTORS.....	25
Special Risk Factor.....	25
Risk Factors Relating to the Certificates and the Exchange Offer.....	26
Consequences of Failure to Exchange.....	26
Appraisals and Realizable Value of Aircraft.....	26
Repossession.....	27
Priority of Distributions; Subordination.....	27
Control over Collateral; Sale of Collateral.....	27
Ratings of the Certificates.....	28
No Protection Against Highly Leveraged or Extraordinary Transactions.....	28
Limited Ability to Resell the Certificates.....	29
THE EXCHANGE OFFER.....	29
General.....	29
Expiration Date; Extensions; Amendments; Termination.....	31
Distributions on the New Certificates.....	31
Procedures for Tendering.....	31
Acceptance of Old Certificates for Exchange; Delivery of New Certificates.....	33
Book-Entry Transfer.....	33
Guaranteed Delivery Procedures.....	34
Withdrawal of Tenders.....	34
Conditions.....	34
Exchange Agent.....	35
Fees and Expenses.....	35
THE COMPANY.....	36
USE OF PROCEEDS.....	36
DESCRIPTION OF THE CERTIFICATES.....	36
General.....	36
Distribution of Payments on Equipment Notes.....	37
Subordination.....	39
Pool Factors.....	39
Reports to Certificateholders.....	40
Indenture Events of Default and Certain Rights upon an Indenture Event of Default.....	41
Purchase Rights of Certificateholders.....	43
PTC Event of Default.....	43
Merger, Consolidation and Transfer of Assets.....	44
Modification of the Pass Through Trust Agreements and Certain Other Agreements.....	44
Possible Issuance of Series E Equipment Notes.....	46
Termination of the Trusts.....	47
The Trustees.....	47
Book-Entry Registration; Delivery and Form.....	47
DESCRIPTION OF THE LIQUIDITY FACILITIES.....	49
General.....	49
Drawings.....	50
Replacement of Liquidity Facilities.....	51
Reimbursement Drawings.....	53
Liquidity Events of Default.....	54
Liquidity Provider.....	54
DESCRIPTION OF THE INTERCREDITOR AGREEMENT.....	54
Intercreditor Rights.....	55
Priority of Distributions.....	56
Addition of Trustee for Class E Certificates.....	60
The Subordination Agent.....	60
DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS.....	61
The Aircraft.....	61
The Appraisals.....	62
DESCRIPTION OF THE EQUIPMENT NOTES.....	63
General.....	63
Subordination.....	64
Principal and Interest Payments.....	64
Redemption.....	65
Security.....	67
Loan to Value Ratios of Equipment Notes.....	67
Defeasance.....	68
Limitation of Liability.....	68
Indenture Events of Default, Notice and Waiver.....	69
Remedies.....	70
Modification of Indentures and Leases.....	72
Indemnification.....	73
Certain Provisions of the Leases and the Owned Aircraft Indentures.....	73
CERTAIN FEDERAL INCOME TAX CONSEQUENCES.....	80
CERTAIN ERISA CONSIDERATIONS.....	80
General.....	80
Plan Assets Issues.....	81
Prohibited Transaction Exemptions.....	81
Special Considerations Applicable to Insurance Company General Accounts.....	82
PLAN OF DISTRIBUTION.....	83
LEGAL OPINIONS.....	83
EXPERTS.....	83

APPRAISERS.....83  
INDEX OF TERMS.....Appendix I  
APPRAISAL LETTERS.....Appendix II  
EQUIPMENT NOTE PRINCIPAL PAYMENTS.....Appendix III  
LOAN TO VALUE RATIOS OF EQUIPMENT NOTES.....Appendix IV

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS AND THE DOCUMENTS INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. IF ANYONE PROVIDES YOU WITH DIFFERENT OR INCONSISTENT INFORMATION, YOU SHOULD

NOT RELY ON IT. THIS DOCUMENT MAY BE USED ONLY WHERE IT IS LEGAL TO OFFER OR SELL THESE SECURITIES. YOU SHOULD NOT ASSUME THAT THE INFORMATION IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE OF THIS PROSPECTUS. ALSO, YOU SHOULD NOT ASSUME THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF AMERICAN SINCE THE DATE OF THIS PROSPECTUS.

#### PRESENTATION OF INFORMATION

We have given certain capitalized terms specific meanings for purposes of this Prospectus. The "Index of Terms" attached as Appendix I to this Prospectus lists the page in this Prospectus on which we have defined each such term.

At varying places in this Prospectus, we refer you to other sections for additional information by indicating the caption heading of such other sections. The page on which each principal caption included in this Prospectus can be found is listed in the Table of Contents above.

This Prospectus contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which represent our expectations or beliefs concerning future events. When used in this Prospectus and in documents incorporated by reference, the words "expects," "plans," "anticipates," and similar expressions are intended to identify forward-looking statements. Forward-looking statements include our expectations concerning operations and financial conditions, overall economic conditions, plans and objectives for future operations and the impact of the events of September 11, 2001 on us and the sufficiency of our financial resources to absorb that impact. All forward-looking statements in this Prospectus are based upon information available to us on the date of this Prospectus. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statements are subject to a number of factors that could cause actual results to differ materially from our expectations. These factors include the adverse impact of the terrorist attacks on the economy in general, the likelihood of a further decline in air travel because of the attacks and as a result of a reduction in our operations, higher costs associated with new security directives and, potentially, new regulatory initiatives, higher costs for insurance and the continued availability of such insurance, the number of crew members who may be called for duty in the armed services and the impact on our ability to operate as planned. Additional information concerning these and other factors is contained in our Securities and Exchange Commission filings, including but not limited to the Form 10-K for the year ended December 31, 2000.

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WHERE YOU CAN FIND MORE INFORMATION

This Prospectus constitutes a part of a registration statement on Form S-4 (together with all amendments, exhibits and appendices, the "Registration Statement") filed by American with the Securities and Exchange Commission (the "Commission") under the Securities Act. This Prospectus does not contain all of the information included in the Registration Statement, the exhibits and certain other parts of which are omitted in accordance with the rules and regulations of the Commission. Statements contained in this Prospectus as to the contents of any contract or other document are not necessarily complete, and you should review the full texts of those contracts and other documents.

We file annual, quarterly and special reports with the Commission. These Commission filings are available to the public over the Internet at the Commission's web site at <http://www.sec.gov>. You may also read and copy any such document we file at the Commission's public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549, and in New York, New York and Chicago, Illinois. Please call the Commission at 1-800-SEC-0330 for further information on the public reference rooms and copy charges.

We incorporate by reference the documents listed below and any future filings made with the Commission under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act until the termination of the Exchange Offer.

- o Annual Report on Form 10-K for the year ended December 31, 2000.
- o Quarterly Reports on Form 10-Q for the quarters ended March 31, 2001, June 30, 2001 and September 30, 2001.
- o Current Reports on Form 8-K filed January 10, 2001; January 17, 2001; March 8, 2001; March 13, 2001; April 11, 2001; April 12, 2001; April 19, 2001; April 24, 2001; April 30, 2001; May 10, 2001; May 11, 2001; May 24, 2001; May 31, 2001; June 18, 2001; June 26, 2001; July 19, 2001; August 3, 2001; August 21, 2001; September 7, 2001; September 19, 2001; September 25, 2001 and November 13, 2001.

You may obtain a copy of the Registration Statement and these filings (other than their exhibits, unless those exhibits are specifically incorporated by reference in the filings) at no cost by writing or telephoning us at the following address:

Corporate Secretary  
American Airlines, Inc.  
P.O. Box 619616, Mail Drop 5675  
Dallas/Fort Worth Airport, Texas 75261-9616  
(817) 967-1254

PROSPECTUS SUMMARY

This summary highlights selected information from this Prospectus and may not contain all of the information that is important to you. For more complete information about the Certificates and American Airlines, Inc., you should read this entire Prospectus, as well as the materials filed with the Commission that are considered to be a part of this Prospectus. See "Where You Can Find More Information" and "The Company". Unless otherwise indicated, "we," "us," "our" and similar terms, as well as references to "American" or the "Company", refer to American Airlines, Inc. The term "you" refers to prospective investors in the Certificates.

THE EXCHANGE OFFER

The Certificates..... On May 24, 2001 we issued, through five separate trusts, Class A-1, Class A-2, Class B, Class C and Class D Pass Through Certificates, Series 2001-1. On May 24, 2001, we privately placed an aggregate of \$420,880,000 Class A-1 Certificates, \$392,209,000 Class A-2 Certificates, \$297,430,000 Class B Certificates, \$183,530,000 Class C Certificates and \$25,600,000 Class D Certificates pursuant to exemptions from the registration requirements of the Securities Act. On November 23, 2001 principal payments on the Series A-1, Series B, Series C and Series D Equipment Notes will reduce the amounts of such Certificates outstanding to \$368,682,212.07, \$292,455,901.84, \$179,689,538.24 and \$20,480,000.09, respectively. The "Placement Agents" of the Certificates were Morgan Stanley & Co. Incorporated, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Dresdner Kleinwort Wasserstein Securities LLC.

When we use the term "Old Certificates" in this Prospectus, we mean the Class A-1, Class A-2, Class B, Class C and Class D Certificates, Series 2001-1, which were privately placed with the Initial Purchasers Placement Agents on May 24, 2001 and which were not registered with the Commission.

When we use the term "New Certificates" in this Prospectus, we mean the Class A-1, Class A-2, Class B, Class C and Class D Certificates registered with the Commission and offered hereby in exchange for the Old Certificates.

When we use the term "Certificates" in this Prospectus, the related discussion applies to both the Old Certificates and the New Certificates.

Registration Rights Agreement..... On May 18, 2001, we entered into a Registration Rights Agreement with the Placement Agents and the Trustee providing, among other things, for the Exchange Offer.

The Exchange Offer..... We are offering New Certificates in exchange for an equal principal amount of Old Certificates of the same class. The New Certificates will be issued to satisfy our obligations under the Registration Rights Agreement.



The New Certificates will be entitled to the benefits of and will be governed by the same Pass Through Trust Agreements that govern the Old Certificates. The form and terms of the New Certificates are the same in all material respects as the form and terms of the Old Certificates, except that we registered the New Certificates under the Securities Act so their transfer is not restricted like the Old Certificates, the New Certificates do not contain terms with respect to transfer restrictions or interest rate increases and the New Certificates will be available only in book-entry form.

As of the date of this Prospectus, \$1,319,649,000 of Old Certificates are outstanding. Following distributions of principal payments on the Series A-1, Series B, Series C and Series D Equipment Notes scheduled for November 23, 2001, \$1,253,516,652.14 of Old Certificates will be outstanding.

Conditions to the Exchange Offer..... The Exchange Offer is not conditioned upon any minimum principal amount of Old Certificates being tendered for exchange. However, the Exchange Offer is subject to certain customary conditions, which may be waived by us. See "The Exchange Offer - Conditions".

Procedures for Tendering Old Certificates..... If you wish to accept the Exchange Offer you must deliver your Old Certificates to the Exchange Agent for exchange no later than 5:00 p.m., New York City time, on \_\_\_\_\_, 2001. The Expiration Date may be extended under certain circumstances.

You must also deliver a completed and signed letter of transmittal together with the Old Certificates (the "Letter of Transmittal"). A Letter of Transmittal has been sent to Certificateholders and a form can be found as an exhibit to the Registration Statement. Please refer to "The Exchange Offer - Procedures for Tendering".

You must deliver the Old Certificates and the Letter of Transmittal to State Street Bank and Trust Company of Connecticut, National Association (the "Exchange Agent"), as follows:

State Street Bank and Trust Company of Connecticut, National Association  
c/o State Street Bank and Trust Company  
2 Avenue de Lafayette  
Boston, Massachusetts 02111  
Attn: Ralph Jones/Account Services Group

Telephone: (617) 662-1548                      Facsimile: (617) 662-1452

If you hold Old Certificates through DTC and wish to accept the Exchange Offer, you may do so through DTC's Automated Tender Offer Program. By accepting the Exchange Offer through such program, you will agree to be bound by the Letter of Transmittal as though you had signed the Letter of Transmittal and delivered it to the Exchange Agents.

See "The Exchange Offer - Procedures for Tendering", "- Book-Entry Transfer" and "- Exchange Agent".

Guaranteed Delivery Procedures..... If you wish to tender Old Certificates and your Old Certificates are not immediately available or you cannot deliver your Old Certificates and a properly completed Letter of Transmittal or any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date or you cannot complete the book-entry transfer procedures prior to the Expiration Date, you may tender your Old Certificates according to the guaranteed delivery procedures set forth in "The Exchange Offer - Guaranteed Delivery Procedures".

Denominations..... You may only tender Old Certificates in integral multiples of \$1,000. Similarly, the New Certificates will only be issued in integral multiples of \$1,000.

Withdrawal Rights..... You may withdraw a tender of Old Certificates at any time before 5:00 p.m., New York City time, on the Expiration Date. To withdraw a tender of Old Certificates, the Exchange Agent must receive a written or facsimile transmission notice requesting such withdrawal at its address set forth under "The Exchange Offer - Exchange Agent" prior to 5:00 p.m., New York City time, on the business day prior to the Expiration Date. See "The Exchange Offer - Withdrawal of Tenders".

Resale of New Certificates..... We believe that you can offer for resale, resell and otherwise transfer the New Certificates without complying with the registration and prospectus delivery requirements of the Securities Act if:

- o you acquire the New Certificates in the ordinary course of your business;
- o you have no arrangements or understanding with any person to participate in the distribution of the New Certificates; and
- o you are not an "affiliate", as defined in Rule 405 of the Securities Act, of ours or of any Trustee or a broker-dealer who acquired Old Certificates directly from a Trustee for your own account.

If any of these conditions is not satisfied and you transfer any New Certificate without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We do not assume or indemnify you against such liability.

Each broker-dealer that receives New Certificates in exchange for Old Certificates held for its own account as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such New Certificates. A broker-dealer may use this Prospectus for an offer to resell, resale or other transfer of such New Certificates issued to it in the Exchange Offer.

For more information on the resale of New Certificates, see "The Exchange Offer - General".

- Registration, Clearance and Settlement..... The New Certificates will be represented by one or more permanent global certificates, which will be registered in the name of the nominee of DTC. The global certificates will be deposited with the Trustee as custodian for DTC. See "Description of the New Certificates - Book Entry; Delivery and Form".
- Delivery of New Certificates..... The Exchange Agent will deliver New Certificates in exchange for all properly tendered Old Certificates promptly following the expiration of the Exchange Offer.
- Certain Federal Income  
Tax Consequences..... The exchange of New Certificates for Old Certificates will not be treated as a taxable event for federal income tax purposes. See "Certain Federal Income Tax Consequences".
- Fees and Expenses..... We will pay all expenses, other than certain applicable taxes, of completing the Exchange Offer and compliance with the Registration Rights Agreement. See "The Exchange Offer - Fees and Expenses".
- Failure to Exchange Old  
Certificates..... Once the Exchange Offer has been completed, if you do not exchange your Old Certificates for New Certificates in the Exchange Offer, you will no longer be entitled to registration rights and will not be able to offer or sell your Old Certificates, unless (i) such Old Certificates are subsequently registered under the Securities Act (which, subject to certain exceptions set forth in the Registration Rights Agreement, we will have no obligation to do) or (ii) your transaction is exempt from, or otherwise not subject to, the Securities Act and applicable state securities laws. See "Risk Factors - Risk Factors Relating to the Certificates and the Exchange Offer - Consequences of Failure to Exchange" and "The Exchange Offer".
- Use of Proceeds..... We will not receive any cash proceeds from the exchange of the New Certificates for the Old Certificates.

SUMMARY OF TERMS OF CERTIFICATES

CLASS A-1 CLASS A-2 CLASS B  
 CLASS C CLASS D CERTIFICATES  
 CERTIFICATES CERTIFICATES  
 CERTIFICATES CERTIFICATES -----  
 -----

Aggregate face amount at the  
 issuance date of Old  
 Certificates.....  
 \$420,880,000 \$392,209,000  
 \$297,430,000 \$183,530,000  
 \$25,600,000 Ratings(1):  
 Moody's.....  
 A2 A2 Baa1 Baa3 Ba1 Standard &  
 Poor's..... AA- AA- A-  
 BBB- BBB- Initial loan to  
 Aircraft value at the issuance  
 date of Old Certificates  
 (cumulative)(2).....  
 41.0% 41.0% 56.0% 65.3% 66.5%  
 Expected maximum loan to  
 Aircraft value  
 (cumulative).....  
 41.0% 41.0% 56.0% 65.3% 66.5%  
 Expected principal distribution  
 window (in  
 years).....  
 0.5-20.0 10.0 0.5-18.0 0.5-15.0  
 0.5-7.0 Initial average life  
 from the issuance date of Old  
 Certificates (in  
 years)..... 9.4 10.0 7.9  
 6.5 4.5 Regular Distribution  
 Dates.....  
 May 23 and May 23 and May 23  
 and May 23 and May 23 and  
 November 23 November 23  
 November 23 November 23  
 November 23 Final expected  
 regular distribution  
 date..... May 23, 2021  
 May 23, 2011 May 23, 2019 May  
 23, 2016 May 23, 2008 Final  
 Legal Distribution  
 Date.....  
 November 23, November 23,  
 November 23, November 23, May  
 23, 2022 2012 2020 2017 2008  
 Minimum  
 denomination..... \$1,000  
 \$1,000 \$1,000 \$1,000 \$1,000  
 Section 1110  
 protection.....  
 Yes Yes Yes Yes Yes Liquidity  
 Facility  
 coverage.....  
 Three semiannual Three  
 semiannual Three semiannual  
 Three semiannual None interest  
 interest interest interest  
 payments payments payments  
 payments

- (1) The ratings assigned to the Certificates by Moody's are on review for possible downgrade by Moody's, and the ratings assigned to the Certificates by Standard & Poor's are on CreditWatch with negative implications by Standard & Poor's. See "Risk Factors - Special Risk Factor".
- (2) The initial aggregate appraised value of the Aircraft was \$1,982,986,667. See "Loan To Aircraft Value Ratios" in this Summary for the method we used in calculating the loan to Aircraft value ratios.

EQUIPMENT NOTES AND THE AIRCRAFT

The Class A-1, Class A-2, Class B and Class C Trusts hold Equipment Notes issued for each of 32 McDonnell Douglas MD-83 aircraft, ten Boeing 737-823 aircraft and four Boeing 777-223ER aircraft. The Class D Trust holds Equipment Notes issued only for each of such 32 McDonnell Douglas MD-83 aircraft. All of the McDonnell Douglas MD-83 aircraft were delivered new on lease to Trans World Airlines, Inc. and the related leases were amended and assigned by Trans World Airlines, Inc. to, and assumed by, American on April 9, 2001. All of the Boeing 737-823 and 777-223ER aircraft were delivered new to, and are being operated by, American. The 32 McDonnell Douglas MD-83 aircraft are referred to as the "Leased Aircraft" and the Boeing 737-823 and Boeing 777-223ER aircraft are referred to as the "Owned Aircraft". The Equipment Notes issued with respect to each Aircraft are secured by a security interest in such Aircraft. See "Description of the Aircraft and the Appraisals" for a description of the Aircraft. Set forth below is information about the Equipment Notes held in the Trusts and the Aircraft.

INITIAL PRINCIPAL AMOUNT	REGISTRATION MONTH OF	EQUIPMENT APPRAISED BASE	AIRCRAFT TYPE NUMBER
DELIVERED NOTES VALUE(1) -			
-----			
----- McDonnell			
Douglas MD-			
83.....	May 1997	\$ 18,800,927	N9630A
		\$28,290,000	McDonnell
			Douglas MD-
83.....	July 1997	17,776,332	N9615W
		28,450,000	McDonnell
			Douglas MD-
83.....	August 1997	17,956,504	N9616G
		28,526,667	McDonnell
			Douglas MD-
83.....	September 1997	18,147,689	N9617R
		28,606,667	McDonnell
			Douglas MD-
83.....	October 1997	18,095,673	N9618A
		28,686,667	McDonnell
			Douglas MD-
83.....	December 1997	18,269,936	N9619V
		28,843,333	McDonnell
			Douglas MD-
83.....	November 1977	18,406,037	N9620D
		28,766,667	McDonnell
			Douglas MD-
83.....	August 1998	18,705,838	N9622A
		30,060,000	McDonnell
			Douglas MD-
83.....	September 1998	18,773,422	N9624T
		30,143,333	McDonnell
			Douglas MD-
83.....	October 1998	18,859,247	N9625W
		30,226,667	McDonnell
			Douglas MD-
83.....	November 1998	18,946,499	N9626F
		30,310,000	McDonnell
			Douglas MD-
83.....	January 1999	19,700,948	N9628W
		30,660,000	McDonnell
			Douglas MD-
83.....	February 1999	19,740,760	N9629H
		30,780,000	McDonnell
			Douglas MD-
83.....	May 1999	19,967,376	N961TW
		31,370,000	McDonnell
			Douglas MD-
83.....	May 1999	19,965,846	N962TW
		31,370,000	McDonnell
			Douglas MD-
83.....	May 1999	20,008,335	N963TW
		31,370,000	McDonnell
			Douglas MD-

83..... N964TW  
June 1999 20,123,830  
31,456,667 McDonnell  
Douglas MD-

83..... N965TW  
June 1999 20,249,459  
31,456,667 McDonnell  
Douglas MD-

83..... N966TW  
June 1999 20,307,176  
31,456,667 McDonnell  
Douglas MD-

83..... N967TW  
July 1999 20,579,262  
31,530,000 McDonnell  
Douglas MD-

83..... N968TW  
July 1999 20,900,795  
31,530,000 McDonnell  
Douglas MD-

83..... N969TW  
July 1999 21,048,566  
31,530,000 McDonnell  
Douglas MD-

83..... N970TW  
August 1999 21,048,680  
31,540,000 McDonnell  
Douglas MD-

83..... N971TW  
August 1999 21,048,680  
31,540,000 McDonnell  
Douglas MD-

83..... N972TW  
August 1999 21,048,680  
31,540,000 McDonnell  
Douglas MD-

83..... N9677W  
October 1999 20,376,237  
31,720,000 McDonnell  
Douglas MD-

83..... N979TW  
November 1999 21,050,240  
31,840,000 McDonnell  
Douglas MD-

83..... N980TW  
November 1999 21,050,240  
31,840,000 McDonnell  
Douglas MD-

83..... N9681B  
November 1999 20,664,204  
31,840,000 McDonnell  
Douglas MD-

83..... N982TW  
December 1999 21,049,856  
31,960,000 McDonnell  
Douglas MD-

83..... N983TW  
December 1999 21,049,856  
31,960,000 McDonnell  
Douglas MD-

83..... N984TW  
December 1999 21,049,856  
31,960,000 Boeing 737-

823.....  
N937AN June 2000  
31,414,793 45,860,000  
Boeing 737-

823.....  
N944AN September 2000  
31,701,324 46,280,000  
Boeing 737-

823.....  
N945AN September 2000  
31,701,324 46,280,000  
Boeing 737-

823.....  
N946AN September 2000  
31,701,324 46,280,000  
Boeing 737-

823.....  
N952AA December 2000  
32,221,916 47,040,000  
Boeing 737-

823.....  
N953AN January 2001  
32,910,297 48,046,667  
Boeing 737-

823.....  
N954AN January 2001  
32,910,297 48,046,667  
Boeing 737-

823.....  
N955AN February 2001  
32,994,776 48,170,000  
Boeing 737-

823.....  
N956AN February 2001

32,997,060 48,173,333  
Boeing 737-  
823.....  
N957AN March 2001  
33,087,166 48,303,333  
Boeing 777-  
223ER.....  
N788AN May 2000 90,184,522  
131,653,333 Boeing 777-  
223ER.....  
N789AN June 2000  
90,344,408 131,886,667  
Boeing 777-  
223ER.....  
N790AN June 2000  
90,353,492 131,900,000  
Boeing 777-  
223ER.....  
N791AN June 2000  
90,359,318 131,906,667

- - - - -

- (1) The appraised base value of each Aircraft set forth above is the lesser of the average and median appraised base values of such Aircraft as of the issuance date of the Old Certificates as appraised by three independent appraisal and consulting firms. Such appraisals are based upon varying assumptions (which may not reflect current market conditions) and methodologies. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value. Each of the appraisals was prepared prior to September 11, 2001 and the value of the Aircraft will likely be negatively affected, at least in the short term, as a consequence of the events of September 11, 2001 referred to under "Risk Factors - Special Risk Factor". See "Risk Factors - Risk Factors Relating to the Certificates and the Exchange Offer - Appraisals and Realizable Value of Aircraft".



LOAN TO AIRCRAFT VALUE RATIOS

The following table sets forth loan to Aircraft value ratios ("LTVs") for each Class of Certificates as of the issuance date of the Old Certificates and each May 23 Regular Distribution Date. The table should not be considered a forecast or prediction of expected or likely LTVs but simply a mathematical calculation based upon one set of assumptions. See "Risk Factors - Risk Factors Relating to the Certificates and the Exchange Offer - Appraisals and Realizable Value of Aircraft".

The following table was compiled on an aggregate basis. However, the Equipment Notes secured by an Aircraft are not secured by any other Aircraft. This means that any excess proceeds realized from the sale of an Aircraft or other exercise of default remedies are not available to cover any shortfalls on the Equipment Notes relating to any other Aircraft. See "Description of the Equipment Notes - Loan to Value Ratios of Equipment Notes" and Appendix IV for LTVs for the Equipment Notes issued in respect of individual Aircraft, which may be more relevant in a default situation than the aggregate values shown below.

AGGREGATE  
 OUTSTANDING  
 POOL  
 BALANCE(2)  
 ASSUMED -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 - AIRCRAFT  
 CLASS A-1  
 CLASS A-2  
 CLASS B  
 CLASS C  
 CLASS D DATE  
 VALUE(1)  
 CERTIFICATES  
 CERTIFICATES  
 CERTIFICATES  
 CERTIFICATES  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 -----  
 ----- May  
 24, 2001 \$  
 1,982,986,667  
 \$  
 420,880,000  
 \$  
 392,209,000  
 \$  
 297,430,000  
 \$  
 183,530,000  
 \$ 25,600,000  
 May 23, 2002  
 1,927,358,240  
 362,647,719  
 392,209,000  
 279,852,969  
 167,449,076  
 17,534,660  
 May 23, 2003  
 1,864,719,078  
 342,234,408  
 392,209,000  
 257,426,183  
 156,168,153  
 17,534,660  
 May 23, 2004  
 1,802,079,915  
 322,638,050  
 392,209,000  
 237,422,049  
 139,427,098  
 17,488,879  
 May 23, 2005  
 1,739,440,753  
 300,442,766  
 392,209,000  
 213,820,710  
 119,761,645  
 17,394,453  
 May 23, 2006

1, 676, 801, 591  
277, 538, 244  
392, 209, 000  
190, 939, 675  
93, 604, 156  
14, 852, 307  
May 23, 2007  
1, 614, 162, 428  
255, 667, 200  
392, 209, 000  
171, 037, 791  
85, 923, 232  
9, 732, 307  
May 23, 2008  
1, 551, 523, 266  
235, 084, 002  
392, 209, 000  
155, 498, 611  
69, 763, 718 0  
May 23, 2009  
1, 488, 884, 104  
208, 691, 267  
392, 209, 000  
139, 714, 902  
62, 582, 042 0  
May 23, 2010  
1, 426, 244, 941  
181, 198, 962  
392, 209, 000  
135, 146, 066  
62, 246, 788 0  
May 23, 2011  
670, 782, 301  
177, 652, 491  
0 63, 457, 393  
28, 029, 669 0  
May 23, 2012  
638, 842, 246  
177, 180, 799  
0 59, 010, 968  
24, 480, 803 0  
May 23, 2013  
605, 442, 475  
169, 079, 991  
0 52, 552, 206  
18, 181, 870 0  
May 23, 2014  
570, 072, 381  
149, 918, 651  
0 44, 955, 675  
12, 489, 379 0  
May 23, 2015  
528, 840, 215  
128, 717, 055  
0 36, 155, 782  
6, 844, 615 0  
May 23, 2016  
486, 253, 475  
106, 163, 898  
0 26, 290, 131  
0 0 May 23,  
2017  
443, 666, 735  
82, 746, 110 0  
16, 413, 880 0  
0 May 23,  
2018  
399, 620, 279  
58, 186, 202 0  
7, 293, 275 0  
0 May 23,  
2019  
353, 603, 500  
36, 721, 915 0  
0 0 0 May  
23, 2020  
301, 724, 649  
18, 166, 930 0  
0 0 0 May  
23, 2021 0 0  
0 0 0

LTV(3) -----  
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CLASS A-1  
CLASS A-2  
CLASS B  
CLASS C  
CLASS D DATE  
CERTIFICATES  
CERTIFICATES  
CERTIFICATES

CERTIFICATES  
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May 24, 2001  
 41.0% 41.0%  
 56.0% 65.3%  
 66.5% May  
 23, 2002  
 39.2 39.2  
 53.7 62.4  
 60.3 May 23,  
 2003 39.4  
 39.4 53.2  
 61.6 59.1  
 May 23, 2004  
 39.7 39.7  
 52.8 60.6  
 57.9 May 23,  
 2005 39.8  
 39.8 52.1  
 59.0 56.3  
 May 23, 2006  
 39.9 39.9  
 51.3 56.9  
 54.2 May 23,  
 2007 40.1  
 40.1 50.7  
 56.1 52.0  
 May 23, 2008  
 40.4 40.4  
 50.5 54.9 NA  
 May 23, 2009  
 40.4 40.4  
 49.7 53.9 NA  
 May 23, 2010  
 40.2 40.2  
 49.7 54.0 NA  
 May 23, 2011  
 26.5 NA 35.9  
 40.1 NA May  
 23, 2012  
 27.7 NA 37.0  
 40.8 NA May  
 23, 2013  
 27.9 NA 36.6  
 39.6 NA May  
 23, 2014  
 26.3 NA 34.2  
 36.4 NA May  
 23, 2015  
 24.3 NA 31.2  
 32.5 NA May  
 23, 2016  
 21.8 NA 27.2  
 NA NA May  
 23, 2017  
 18.7 NA 22.6  
 NA NA May  
 23, 2018  
 14.6 NA 17.9  
 NA NA May  
 23, 2019  
 10.4 NA NA  
 NA NA May  
 23, 2020 6.0  
 NA NA NA NA  
 May 23, 2021  
 NA NA NA NA  
 NA

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- (1) In calculating the aggregate Assumed Aircraft Value, we have assumed that the initial appraised base value of each Aircraft, determined as described under "- Equipment Notes and the Aircraft," declines by approximately 3% of the initial appraised base value per year for the first 15 years after delivery by the manufacturer of such Aircraft, by approximately 4% of the initial appraised base value per year for the following five years and by approximately 5% of the initial appraised base value per year thereafter. Other rates or methods of depreciation would result in materially different LTVs. We cannot assure you that the depreciation rate and method assumed for purposes of the table are the ones most likely to occur or predict the actual future value of any Aircraft. See "Risk Factors - Risk Factors Relating to the Certificates and the Exchange Offer - Appraisals and Realizable Value of Aircraft".
- (2) The "pool balance" for each Class of Certificates indicates, as of any date, the portion of the original face amount of such Class of Certificates that has not been distributed to Certificateholders.

(3) We obtained the LTVs for each Class of Certificates for each May 23 Regular Distribution Date by dividing (i) the expected outstanding pool balance of such Class together with the expected outstanding pool balance of all other Classes ranking equal or senior in right to distributions to such Class after giving effect to the distributions expected to be made on such date, by (ii) the assumed value of all of the Aircraft on such date based on the assumptions described above. The aggregate Assumed Aircraft Value does not include the value of any of the Owned Aircraft on or after May 23, 2011 when all the Equipment Notes secured by these Aircraft are scheduled to be repaid in full.

## CASH FLOW STRUCTURE

This diagram illustrates the structure for the offering of the Certificates and certain cash flows.

[FLOWCHART]

- - - - -

- (1) Each Leased Aircraft leased to American is subject to a separate Lease and related Indenture; each Owned Aircraft owned by American will be subject to a separate Indenture.
- (2) Series D Equipment Notes were issued only with respect to Leased Aircraft. Therefore, only rental payments on Leased Aircraft are available for payment of principal, interest and other amounts on the Series D Equipment Notes.
- (3) Separate Liquidity Facilities are available with respect to the Class A-1, Class A-2, Class B and Class C Certificates for up to three semiannual interest distributions on the Certificates of such Class. There is no liquidity facility available with respect to the Class D Certificates.

THE CERTIFICATES

Trusts.....	The Class A-1 Trust, the Class A-2 Trust, the Class B Trust, the Class C Trust and the Class D Trust each were formed pursuant to a separate trust supplement to a basic pass through trust agreement between American and State Street Bank and Trust Company of Connecticut, National Association, as trustee under each trust.
Certificates Offered.....	<ul style="list-style-type: none"> <li>o Class A-1 Certificates</li> <li>o Class A-2 Certificates</li> <li>o Class B Certificates</li> <li>o Class C Certificates</li> <li>o Class D Certificates</li> </ul> <p>Each Class of Certificates represents fractional undivided interests in the related Trust.</p>
Use of Proceeds.....	The proceeds from the sale of the Certificates of each Trust were used to acquire the Equipment Notes held by such Trust. The Equipment Notes were issued under 46 separate Indentures. A portion of the proceeds from issuance of the Equipment Notes under each Leased Aircraft Indenture was used to repay indebtedness (held by an affiliate of the initial Owner Participant) secured by the Leased Aircraft, and the remaining proceeds were retained by the initial Owner Participant. The proceeds from issuance of the Equipment Notes under each Owned Aircraft Indenture were used by American to finance or refinance the acquisition of the Owned Aircraft.
Subordination Agent, Trustee and Loan Trustee.....	State Street Bank and Trust Company of Connecticut, National Association.
Initial Liquidity Provider for the Class A-1, Class A-2, Class B and Class C Certificates.....	Boeing Capital Corporation. There is no liquidity facility available with respect to the Class D Certificates. We expect Boeing Capital Corporation to be replaced as Liquidity Provider prior to consummation of the Exchange Offer.
Trust Property.....	<p>The property of each Trust includes:</p> <ul style="list-style-type: none"> <li>o Equipment Notes acquired by such Trust, which, in the case of the Series D Trust, are Equipment Notes issued with respect to Leased Aircraft only.</li> <li>o All rights of such Trust under the Intercreditor Agreement described below (including all monies receivable pursuant to such rights).</li> </ul>

- o All monies receivable under the Liquidity Facility for such Trust.
- o Funds from time to time deposited with the Trustee in accounts relating to such Trust.

Regular Distribution Dates..... May 23 and November 23, commencing on November 23, 2001.

Record Dates..... The fifteenth day preceding the related Distribution Date.

Distributions..... The Trustee will distribute all payments of principal, Make-Whole Amount (if any) and interest received on the Equipment Notes held in each Trust to the holders of the Certificates of such Trust, subject to the subordination provisions applicable to the Certificates.

Subject to the subordination provisions applicable to the Certificates, scheduled payments of principal and interest made on the Equipment Notes will be distributed on the applicable Regular Distribution Dates. Payments of principal, Make-Whole Amount (if any) and interest made on the Equipment Notes resulting from any early redemption or purchase of such Equipment Notes will be distributed on a Special Distribution Date after not less than 15 days' notice to Certificateholders.

Intercreditor Agreement..... The Trusts, the Liquidity Provider and the Subordination Agent have entered into the Intercreditor Agreement. The Intercreditor Agreement states how payments made on the Equipment Notes and the Liquidity Facilities will be distributed among the Trusts and the Liquidity Provider. The Intercreditor Agreement also sets forth agreements among the Trusts and the Liquidity Provider relating to who will control the exercise of remedies under the Equipment Notes and the Indentures.

Subordination..... Under the Intercreditor Agreement, after the Liquidity Provider is reimbursed (if necessary) and certain other fees and expenses are paid, distributions on the Certificates generally will be made in the following order:

- o First, to the holders of the Class A-1 and Class A-2 Certificates.
- o Second, to the holders of the Class B Certificates.
- o Third, to the holders of the Class C Certificates.
- o Fourth, to the holders of the Class D Certificates.

However, if American is in bankruptcy or other specified defaults have occurred but American is continuing to meet certain of its payment obligations, the subordination provisions applicable to the Certificates permit distributions to be made on junior Certificates prior to making distributions in full on the more senior Certificates.

Control of Loan Trustee..... The holders of at least a majority of the outstanding principal amount of Equipment Notes issued under each Indenture will be entitled to direct the Loan Trustee under such Indenture in taking action as long as no Indenture Event of Default is continuing thereunder. If an Indenture Event of Default is continuing under such Indenture, subject to certain conditions, the Controlling Party will direct the Loan Trustee in taking action under such Indenture (including in exercising remedies, such as accelerating such Equipment Notes or foreclosing the lien on the Aircraft securing such Equipment Notes).

The Controlling Party will be:

- o The Class A-1 Trustee or Class A-2 Trustee, whichever represents the Class with the larger Pool Balance of Certificates outstanding at the time the Indenture Event of Default occurs.
- o Upon payment of Final Distributions to the holders of such larger Class, the other of the Class A-1 Trustee or Class A-2 Trustee.
- o Upon payment of Final Distributions to the holders of Class A-1 and Class A-2 Certificates, the Class B Trustee.
- o Upon payment of Final Distributions to the holders of Class B Certificates, the Class C Trustee.
- o Upon payment of Final Distributions to the holders of Class C Certificates, the Class D Trustee.
- o Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the greatest amount owed to it.

In exercising remedies during the nine months after the earlier of (a) the acceleration of the Equipment Notes issued pursuant to any Indenture or (b) the bankruptcy of American, the Controlling Party may not, without the consent of each Trustee, sell such Equipment Notes or the Aircraft subject to the lien of such Indenture for less than certain specified minimums or, in the case of a Leased Aircraft, modify lease rental payments for such Aircraft below a specified threshold.

Right to Buy Other Classes of Certificates.....

If American is in bankruptcy or certain other specified events have occurred, Certificateholders will have the right to buy certain other Classes of Certificates on the following basis:

- o If either the Class A-1 or Class A-2 Certificateholders are then represented by the Controlling Party, the Certificateholders of such Class that is not so represented will have the right to purchase all, but not less than all, of the Certificates of such Class that is so represented.



- o The Class B Certificateholders will have the right to purchase all, but not less than all, of the Class A-1 and Class A-2 Certificates.
- o The Class C Certificateholders will have the right to purchase all, but not less than all, of the Class A-1, Class A-2 and Class B Certificates.
- o The Class D Certificateholders will have the right to purchase all, but not less than all, of the Class A-1, Class A-2, Class B and Class C Certificates.

The purchase price in each case described above will be the outstanding balance of the applicable Class of Certificates plus accrued and undistributed interest.

Liquidity Facilities..... Under the Liquidity Facility for the Class A-1, Class A-2, Class B and Class C Trusts, the Liquidity Provider will, if necessary, make advances in an aggregate amount sufficient to pay interest distributions on the applicable Class of Certificates on up to three successive semiannual Regular Distribution Dates at the applicable interest rate for such Certificates. The Liquidity Facilities cannot be used to pay any other amount in respect of the Certificates.

Notwithstanding the subordination provisions applicable to the Certificates, the holders of the Certificates issued by each Trust will be entitled to receive and retain the proceeds of drawings under the Liquidity Facility for such Trust.

Upon each drawing under any Liquidity Facility to pay interest distributions on any of the Certificates, the Subordination Agent will be obligated to reimburse the applicable Liquidity Provider for the amount of such drawing, together with interest on such drawing. Such reimbursement obligation and all interest, fees and other amounts owing to the Liquidity Provider under each Liquidity Facility will rank senior to all of the Certificates in right of payment.

There is no liquidity facility available with respect to the Class D Certificates.

Equipment Notes

(a) Issuer..... Leased Aircraft. Under each Leased Aircraft Indenture, the related Owner Trustee issued Series A-1, Series A-2, Series B, Series C and Series D Equipment Notes, which were acquired, respectively, by the Class A-1, Class A-2, Class B, Class C and Class D Trusts. The Owner Trustee is not individually liable for such Equipment Notes. However, American's scheduled rental obligations under the related Lease will be in amounts sufficient to pay scheduled payments on such Equipment Notes.

Owned Aircraft. Under each Owned Aircraft Indenture, American issued Series A-1, Series A-2, Series B and Series C Equipment Notes, which were acquired, respectively, by the Class A-1, Class A-2, Class B and Class C Trusts.

(b) Interest..... The Equipment Notes held in each Trust will accrue interest at the rate per annum for the Certificates issued by such Trust set forth on the cover page of this Prospectus. Interest on the Equipment Notes is payable on May 23 and November 23 of each year, commencing on November 23, 2001. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(c) Principal..... Amortizing Notes. Principal payments on the Series A-1, Series B, Series C and Series D Equipment Notes are scheduled to be received in specified amounts on May 23 and November 23 in certain years, commencing on November 23, 2001.

Bullet Maturity Notes. The entire principal amount of the Series A-2 Equipment Notes is scheduled to be paid on May 23, 2011.

Maturity Date. The latest final maturity date of the Equipment Notes of each series secured by Leased Aircraft and Owned Aircraft are as follows:

	LEASED AIRCRAFT	OWNED AIRCRAFT
	-----	-----
Series A-1.....	May 23, 2021	November 23, 2010
Series A-2.....	May 23, 2011	May 23, 2011
Series B.....	May 23, 2019	May 23, 2011
Series C.....	May 23, 2016	November 23, 2010
Series D.....	May 23, 2008	N/A

(d) Redemption..... Aircraft Event of Loss. If an Event of Loss occurs with respect to an Aircraft, all of the Equipment Notes issued with respect to such Aircraft will be redeemed, unless, in the case of an Owned Aircraft, such Aircraft at American's election is replaced by American under the related Owned Aircraft Indenture. The redemption price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest, but without any Make-Whole Amount. See "Description of the Equipment Notes - Redemption".

Optional Redemption. The issuer of the Equipment Notes with respect to an Aircraft may elect to redeem at any time all of the Equipment Notes issued with respect to such Aircraft prior to maturity. The redemption price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest, plus a Make-Whole Amount. See "Description of the Equipment Notes - Redemption".

Purchase by Owner. In the case of a Leased Aircraft, if a Lease Event of Default is continuing the applicable Owner Participant may elect to purchase all of the Equipment Notes with respect to such Aircraft, subject to the terms of the applicable Leased Aircraft Indenture.

The purchase price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest and all other amounts payable under the Equipment Notes, but without any Make-Whole Amount (provided that the Make-Whole Amount will be payable under certain circumstances specified in the Leased Aircraft Indenture). In the case of an Owned Aircraft, American will have no comparable right to purchase the Equipment Notes under such circumstances.

(e) Security..... The Equipment Notes issued with respect to each Aircraft are secured by a security interest in such Aircraft and, in the case of each Leased Aircraft, in the related Owner Trustee's rights under the Lease with respect to such Aircraft (with certain limited exceptions).

The Equipment Notes are not cross-collateralized. This means that the Equipment Notes secured by an Aircraft or Lease are not secured by any other Aircraft or Lease. No excess proceeds from the sale of an Aircraft or other exercise of default remedies with respect to such Aircraft are available to cover any shortfalls on the Equipment Notes relating to any other Aircraft.

By virtue of the Intercreditor Agreement, the Equipment Notes are effectively cross-subordinated. This means that payments received on a junior series of Equipment Notes issued in respect of one Aircraft may be applied in accordance with the priority of payment provisions set forth in the Intercreditor Agreement to make distributions in respect of a more senior Class of Certificates.

There are no cross-default provisions in the Indentures or in the Leases. This means that if the Equipment Notes issued with respect to one or more Aircraft are in default and the Equipment Notes issued with respect to the remaining Aircraft are not in default, no remedies will be exercisable with respect to the remaining Aircraft.

(f) Section 1110 Protection..... American's General Counsel provided an opinion to the Trustees that the benefits of Section 1110 of the Bankruptcy Code is available with respect to each of the Aircraft.

Certain ERISA Considerations..... Each person who acquires a Certificate will be deemed to have represented that either:

- o no assets of an employee benefit plan or an individual retirement account or of any trust established under such a plan or account have been used to purchase such Certificate; or
- o the purchase and holding of such Certificate by such person are exempt from the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 pursuant to one or more prohibited transaction statutory or administrative exemptions.

See "Certain ERISA Considerations".

Ratings of the Certificates..... The Certificates are rated by Moody's and Standard & Poor's as set forth below:

CERTIFICATES -----	MOODY'S -----	STANDARD & POOR'S -----
Class A-1.....	A2	AA-
Class A-2.....	A2	AA-
Class B.....	Baa1	A-
Class C.....	Baa3	BBB-
Class D.....	Ba1	BBB-

The ratings assigned to the Certificates by Moody's are on review for possible downgrade by Moody's, and the ratings assigned to the Certificates by Standard & Poor's are on Standard & Poor's CreditWatch with negative implications. See "Risk Factors - Special Risk Factor".

A rating is not a recommendation to purchase, hold or sell Certificates; and such rating does not address market price or suitability for a particular investor. There can be no assurance that such ratings will not be lowered or withdrawn by a Rating Agency. See "Risk Factors - Risk Factors Relating to the Certificates and the Exchange Offer - Ratings of the Certificates".

Threshold Rating Requirements for the Liquidity Provider.....

CERTIFICATES -----	MOODY'S -----	STANDARD & POOR'S -----
Class A-1.....	P-1	A-1+
Class A-2.....	P-1	A-1+
Class B.....	P-1	A-1+
Class C.....	P-1	A-1

There is no liquidity facility available with respect to the Class D Certificates.

Liquidity Provider Rating..... The initial Liquidity Provider meets, and its replacement as Liquidity Provider will meet, the Threshold Rating requirement for the Class A-1, Class A-2, Class B and Class C Certificates.

## THE COMPANY

### General

American, the principal subsidiary of AMR Corporation, was founded in 1934. American is one of the largest scheduled passenger airlines in the world. American provides scheduled jet service to numerous destinations throughout North America, the Caribbean, Latin America, Europe and the Pacific. American is also one of the largest scheduled air freight carriers in the world, providing a full range of freight and mail services to shippers throughout its system. The postal address for American's principal executive offices is P.O. Box 619616, Dallas/Fort Worth Airport, Texas 75261-9616 (Telephone: 817-967-1532).

### Recent Developments

On November 12, 2001, an American Airbus A300 aircraft was lost en route from New York's John F. Kennedy International Airport to Santo Domingo, Dominican Republic. Shortly after take off, the airplane crashed into a residential area in Queens, New York. American believes there were 251 passengers and nine crew members on board. None survived. The cause of the accident has not yet been determined.

On September 11, 2001, two of American's aircraft were hijacked and destroyed in terrorist attacks on The World Trade Center in New York City and the Pentagon in northern Virginia. On the same day, two United Air Lines aircraft were also hijacked and used in terrorist attacks. In addition to the loss of all passengers and crew on board the aircraft, these attacks resulted in untold deaths and injuries to persons on the ground and massive property damage. In the immediate aftermath of the attacks, the Federal Aviation Administration (the "FAA") closed the U.S. airspace (except for military operations) for several days. See "Risk Factors -- Special Risk Factor".

Subsequent to the attacks and the resulting shutdown of the U.S. airspace, American announced that it planned to resume flying gradually until it reached approximately 80% of the schedule it flew prior to September 11, 2001. American also announced that, as a result of its schedule reduction and a sharp reduction in passenger traffic, it would reduce jobs by at least 20,000 and American has begun to do so. Staff is being reduced in management and support staff groups, and all other groups across American, its wholly-owned subsidiary TWA Airlines LLC, and American Eagle Airlines, Inc., which is wholly-owned by AMR Corporation. American also plans to develop other programs to reduce its operating costs and conserve its financial resources.

American was notified by its insurers that its aircraft liability insurance coverage for claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils would be canceled effective September 26, 2001. American's insurers offered replacement coverage, and American obtained this replacement coverage prior to the termination of its then-existing coverage. However, American is charged significantly higher premiums for this replacement coverage, and this new coverage is in a substantially reduced amount for claims not involving aircraft passengers.

On September 22, 2001, President Bush signed into law the Air Transportation Safety and System Stabilization Act (the "Stabilization Act") which, among other things, provides for (i) \$5 billion in compensation for direct losses incurred by all U.S. airlines and air cargo carriers (collectively, "air carriers") as a result of the closure by the FAA of U.S. airspace following the September 11, 2001 terrorist attacks and for incremental losses incurred by air carriers through December 31, 2001 as a direct result of such attacks; (ii) subject to certain conditions, the availability of up to \$10 billion in federal government guarantees of certain loans made to air carriers for which credit is not reasonably available as determined by a newly established Air Transportation Stabilization Board; (iii) the authority of the Secretary of Transportation to reimburse air carriers (which authority expires 180 days after the enactment of the Stabilization Act) for the increase in the cost of insurance, with respect to a premium for coverage ending before October 1, 2002, against loss or damage arising out of any risk from the operation of an aircraft over the premium in effect for a comparable operation during the period September 4, 2001 to September 10, 2001; (iv) at the discretion of the Secretary of Transportation, a \$100 million limit on the liability of any air carrier to third parties with respect to acts of terrorism committed on or to such air carrier during the 180-day period following the enactment of the Stabilization Act; (v) the extension of the due date for the payment by eligible air carriers of certain excise taxes; (vi) compensation to individual claimants who were physically injured or killed as a result of the terrorist attacks of September 11, 2001; and (vii) the Secretary of Transportation to ensure that all communities that had scheduled air service before September 11, 2001 continue to receive adequate air service. In addition, the Stabilization Act provides that, notwithstanding any other provision of law, liability for all claims, whether for compensatory or punitive damages, arising from the terrorist-related events of September 11, 2001 against

any air carrier shall not be in an amount greater than the limits of the liability coverage maintained by the air carrier. As of November 14, 2001 American and its TWA Airlines LLC subsidiary have received approximately \$437 million of the compensation referred to in clause (i) above and expect to receive approximately \$437 million of additional compensation. American is considering whether it will seek to obtain government loan guarantees referred to in clause (ii) above, if available to American.

For additional information concerning the consequences of the events of September 11, 2001, see American's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following table presents summary historical consolidated financial data and certain operating data of American. We derived the annual historical financial data from American's audited consolidated financial statements and the notes thereto. These audited consolidated financial statements are incorporated by reference in this Prospectus and it should be read in conjunction with them. We derived the consolidated financial data for the interim periods ended September 30, 2001 and 2000 from American's unaudited consolidated financial statements. These unaudited consolidated financial statements are also incorporated by reference in this Prospectus and it should be read in conjunction with them. The data for such interim periods may not be indicative of results for the year as a whole. On April 9, 2001, American purchased substantially all of the assets of Trans World Airlines, Inc. ("TWA"). This acquisition was accounted for under the purchase method of accounting and, accordingly, the operating results of TWA since the date of the acquisition have been included in the summary consolidated financial statements for the nine-month period ended September 30, 2001. However, the operating statistics of TWA are not included in the Operating Statistics for any period. See "Where You Can Find More Information".

The financial and operating results of American have been and will likely continue to be materially affected by the terrorist attacks of September 11, 2001 and subsequent events. See "Risk Factors -- Special Risk Factor".

THREE MONTHS NINE MONTHS ENDED  
SEPTEMBER 30, ENDED SEPTEMBER 30,  
YEAR ENDED DECEMBER 31, -----  
-----  
-----

----- 2001 2000 2001 2000 2000  
1999 1998 -----  
-----

--- STATEMENT OF  
OPERATIONS DATA (IN MILLIONS):  
Revenues: Passenger - American  
Airlines ..... \$3,440 \$  
4,390 \$ 11,349 \$ 12,355 \$ 16,377  
\$ 14,707 \$ 14,695 Passenger - TWA  
LLC ..... 591 --  
1,262 -- -- -- -- Cargo

.....  
157 182 519 525 714 635 649 Other  
.....

266 261 850 765 1,026 996 965  
Operating expenses(1)

..... 4,926 4,316  
15,165 12,471 16,873 15,318

14,540 Operating income (loss)(1)  
..... (472) 517 (1,185)

1,174 1,244 1,020 1,769 Other  
income (expense), net

..... (53) (2) (96) 46  
38 34 (24) Earnings (loss) before  
income taxes(1) ... (525) 515

(1,281) 1,220 1,282 1,054 1,745  
Net earnings (loss)(1)  
..... (338) 316 \$

(827) \$ 745 \$ 778 \$ 627 \$ 1,063  
OTHER DATA: Ratio of earnings to  
fixed charges(2) .... -- 2.81 --

2.40 2.07 1.95 2.82 OPERATING  
STATISTICS(3): Scheduled Service:

Available seat miles (millions)  
(4) ..... 38,926 41,418 118,920

121,533 161,030 161,211 155,297  
Revenue passenger miles  
(millions)(5) .. 28,158 31,584

84,115 89,055 116,594 112,067  
108,955 Passenger load factor (%)  
(6) ..... 72.3% 76.3% 70.7%

73.3% 72.4% 69.5% 70.2% Passenger  
revenue yield per passenger mile  
(cents)(7) .. 12.22 13.90 13.49 13.87 14.05

13.12 13.49 Passenger revenue per  
available seat mile (cents)  
..... 8.84

10.60 9.54 10.17 10.17 9.12 9.46  
Operating expenses per available  
seat mile (cents)(8)

.....  
11.21 10.42 11.15 10.26 10.48

9.50 9.36 Cargo ton miles  
(millions)(9) ..... 501

576 1,624 1,693 2,280 2,068 1,974  
Cargo revenue yield per ton mile  
(cents)

.....  
28.85 31.60 30.22 31.00 31.31

30.70 32.85

AT AT AT SEPTEMBER 30, DECEMBER 31,  
 DECEMBER 31, 2001 2000 1999 -----

----- BALANCE SHEET DATA (IN  
 MILLIONS): Cash and short-term  
 investments ..... \$  
 2,322 \$ 1,635 \$ 1,717 Total assets  
 .....  
 30,151 23,161 21,719 Current  
 liabilities  
 ..... 7,717  
 6,761 5,310 Long-term debt, less  
 current maturities(10) ..... 4,790  
 2,601 2,231 Obligations under  
 capital leases, less current  
 obligations  
 .....  
 1,470 1,163 1,414 Stockholder's  
 equity(11) .....  
 7,084 6,435 7,150



- 
- (1) Operating expenses, operating income (loss), earnings (loss) before income taxes and net earnings (loss) for the three months and nine months ended September 30, 2001 reflect an asset impairment charge of approximately \$325 million and \$911 million, respectively, relating to the write-down of the carrying value of 71 Fokker 100 aircraft and related rotables to their estimated fair market value. In addition, such amounts include \$780 million in compensation under the Stabilization Act recognized during the three months ended September 30, 2001 and approximately \$206 million in special charges related to the terrorist attacks of September 11, 2001, primarily related to aircraft groundings, facility exit costs and employee charges.
  - (2) In April 2001 the Board of Directors of American approved the guarantee by American of the existing debt obligations of its parent, AMR Corporation. As such, as of September 30, 2001, American will unconditionally guarantee through the life of the related obligations approximately \$695 million of unsecured debt and approximately \$700 million of secured debt. The impact of these unconditional guarantees is not included in the above computation. Earnings were inadequate to cover fixed charges by \$560 million and \$1,390 million for the three months and nine months ended September 30, 2001, respectively.
  - (3) Operating Statistics do not include any operating statistics of TWA or of TWA Airlines LLC, the entity holding the assets acquired from TWA, for any period.
  - (4) "Available seat miles" represents the number of seats available for passengers multiplied by the number of scheduled miles the seats are flown.
  - (5) "Revenue passenger miles" represents the number of miles flown by revenue passengers in scheduled service.
  - (6) "Passenger load factor" is calculated by dividing revenue passenger miles by available seat miles, and represents the percentage of aircraft seating capacity utilized.
  - (7) "Passenger revenue yield per passenger mile" represents the average revenue received from each mile a passenger is flown in scheduled service.
  - (8) Operating expenses per available seat mile have been restated for the years ended December 31, 2000, 1999 and 1998, and for the three months and nine months ended September 30, 2000, to include certain airline related businesses. Operating expenses per available seat mile for the three months ended and nine months ended September 30, 2001 excludes an asset impairment charge, compensation under the Stabilization Act and special charges related to the terrorist attacks of September 11, 2001 recognized in the period then ended.
  - (9) "Cargo ton miles" represents the tonnage of freight and mail carried multiplied by the number of miles flown.
  - (10) American sold additional pass through trust certificates in October 2001. Long-term debt does not include approximately \$1,612 million represented by either equipment notes issued to the pass through trusts issuing such pass through certificates or by equipment notes to be issued upon delivery of certain aircraft expected to be delivered by December 31, 2001 and financed with proceeds of such sale.
  - (11) In September 2001 the Board of Directors of AMR Corporation approved a capital contribution of \$1.5 billion from AMR Corporation to American. This capital contribution was recorded as an addition to American's stockholder's equity.

## RISK FACTORS

You should carefully consider the following risk factors as well as other information contained in this Prospectus before tendering your Old Certificates in the Exchange Offer.

### SPECIAL RISK FACTOR

On September 11, 2001, two of American's aircraft were hijacked and destroyed in terrorist attacks on The World Trade Center in New York City and the Pentagon in northern Virginia. On the same day, two United Air Lines aircraft were also hijacked and used in terrorist attacks. In addition to the loss of all passengers and crew on board the aircraft, these attacks resulted in untold deaths and injuries to persons on the ground and massive property damage. In the immediate aftermath of the attacks, the FAA closed the U.S. airspace (except for military operations) for several days.

On November 12, 2001, an American Airbus A300 aircraft was lost en route from New York's John F. Kennedy International Airport to Santo Domingo, Dominican Republic. Shortly after take off, the airplane crashed into a residential area in Queens, New York. American believes there were 251 passengers and nine crew members on board. None survived. The cause of the accident has not yet been determined.

Subsequent to the September 11, 2001 terrorist attacks, Standard & Poor's downgraded the senior unsecured credit rating of American from BBB- to BB and Moody's downgraded the senior unsecured credit rating of American from Baa3 to Ba2. The long-term corporate credit ratings of American remain on Standard & Poor's CreditWatch with negative implications and Moody's has retained the credit ratings of American on review for possible downgrade. See "--Risk Factors Relating to the Certificates and the Exchange Offer -- Ratings of the Certificates".

Among the effects experienced by American from the September 11, 2001 terrorist attacks have been significant flight disruption costs caused by the FAA's imposed grounding of the U.S. airline industry's fleet, significantly increased security and other costs, significantly higher ticket refunds, significantly reduced load factors and significantly reduced yields. Depending upon the results of the investigation into the causes of the November 12, 2001 accident and the reaction of potential passengers to such accident and its causes, the November 12, 2001 accident could lead to further reductions in load factor and yields. Further terrorist attacks using commercial aircraft in flight could result in another grounding of American's fleet, and would likely result in additional reductions in load factor and yields, along with increased ticket refund, security and other costs. In addition, terrorist attacks not involving commercial aircraft, or the general increase in hostilities relating to reprisals against terrorist organizations or otherwise, could result in decreased load factors and yields for airlines, including American, and increased costs.

The impact of the events of September 11, 2001 and their aftermath on American and the sufficiency of its financial resources to absorb that impact will depend on a number of factors, including the following: (i) the magnitude and duration of the adverse impact of the terrorist attacks on the economy in general and the airline industry in particular; (ii) American's ability to reduce its operating costs and conserve its financial resources, taking into account the increased costs it will incur as a consequence of the attacks, including those referred to below; (iii) the higher costs associated with new airline security directives and any other increased regulation of air carriers; (iv) the significantly higher costs of aircraft insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking and other similar perils, and the extent to which such insurance will continue to be available; (v) American's ability to raise additional financing; (vi) the price and availability of jet fuel, and the availability to American of fuel hedges in light of current industry conditions; (vii) the number of crew members who may be called for duty in the reserve forces of the armed services and the resulting impact on American's ability to operate as planned; (viii) any resulting declines in the values of the aircraft in American's fleet (see "-- Risk Factors Relating to the Certificates and the Exchange Offer -- Appraisals and Realizable Value of Aircraft") and any aircraft or other asset impairment charge, including routes, slots, gates and other intangibles; (ix) the extent of the benefits received by American under the Stabilization Act, taking into account any challenges to and interpretations or amendments of the Stabilization Act and (x) American's ability to retain its management and other employees in light of current industry conditions and their impact on compensation and morale. For a description of the Stabilization Act, see "Summary -- The Company".

At this point, due in part to the lack of predictability of future traffic, business mix and yields, American is unable to fully estimate the impact on it of the events of September 11, 2001 and their consequences, and the sufficiency of its

financial resources to absorb that impact, after taking into account the mitigating effects of the Stabilization Act and American's actions to reduce its costs. However, given the magnitude of these unprecedented events and the possible subsequent effects, American expects that the adverse impact to its financial condition, its operations and its prospects will be material and could be highly material.

#### RISK FACTORS RELATING TO THE CERTIFICATES AND THE EXCHANGE OFFER

##### CONSEQUENCES OF FAILURE TO EXCHANGE.

If you fail to deliver the proper documentation to the Exchange Agent in a timely fashion, your tender of Old Certificates will be rejected. The New Certificates will be issued in exchange for the Old Certificates only after timely receipt by the Exchange Agent of the Old Certificates, a properly completed and executed Letter of Transmittal, or an Agent's Message in lieu of the Letter of Transmittal, and all other required documentation. If you wish to tender your Old Certificates in exchange for New Certificates, you should allow sufficient time to ensure timely delivery. None of the Exchange Agent, the Trustee or American is under any duty to give holders of Old Certificates notification of defects or irregularities with respect to tenders of Old Certificates for exchange.

If you do not exchange your Old Certificates for New Certificates pursuant to the Exchange Offer, or if your tender of Old Certificates is not accepted, your Old Certificates will continue to be subject to the restrictions on transfer of such Old Certificates as set forth in the legend thereon. In general, you may not offer or sell Old Certificates unless they are registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently anticipate that we will register the Old Certificates under the Securities Act. To the extent that Old Certificates are tendered and accepted in the Exchange Offer, the trading market for untendered and tendered but unaccepted Old Certificates could be adversely affected.

##### APPRAISALS AND REALIZABLE VALUE OF AIRCRAFT

Three independent appraisal and consulting firms prepared appraisals of the Aircraft in connection with the sale of the Old Certificates in May 2001. The appraisal letters provided by these firms are annexed to this Prospectus as Appendix II. We have not undertaken to update the appraisals in connection with the Exchange Offer. Such appraisals, which are based on the base value of the Aircraft, rely on varying assumptions and methodologies (which may differ among the appraisers), and may not reflect current market conditions that could affect the current market value of the Aircraft. Base value is the theoretical value for an aircraft that assumes a balanced market, while current market value is the value for an aircraft in the actual market. The appraisals were prepared without a physical inspection of the Aircraft. Appraisals that are based on other assumptions and methodologies may result in valuations that are materially different from those contained in such appraisals. See "Description of the Aircraft and the Appraisals - The Appraisals".

An appraisal is only an estimate of value. It does not necessarily indicate the price at which an aircraft may be purchased from the aircraft manufacturer. Nor should an appraisal be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Aircraft may be less than its appraised value. The value of an Aircraft if remedies are exercised under the applicable Indenture will depend on various factors, including:

- o market and economic conditions;
- o the supply of similar aircraft;
- o the availability of buyers;
- o the condition of the Aircraft; and
- o whether the Aircraft are sold separately or as a block.

In addition, each of the appraisals was prepared prior to September 11, 2001 and the value of the Aircraft will likely be negatively affected, at least in the short term, as a consequence of the events of September 11, 2001 referred to under "- Special Risk Factor". Accordingly, we cannot assure you that the proceeds realized upon any such exercise of remedies would be sufficient to satisfy in full payments due on the Equipment Notes relating to such Aircraft or the full amount of distributions expected on the Certificates.

## REPOSSESSION

There are no general geographic restrictions on our ability to operate the Aircraft. Although we do not currently intend to do so, we are permitted to register the Aircraft in certain foreign jurisdictions and to sublease the Leased Aircraft and lease the Owned Aircraft to unrelated parties. It may be difficult, time-consuming and expensive for the Loan Trustee to exercise its repossession rights if an Aircraft is located outside the United States, is registered in a foreign jurisdiction or is subleased or leased to a foreign or domestic operator. Additional difficulties may exist when a sublessee, in the case of a Leased Aircraft, or a lessee, in the case of an Owned Aircraft, is the subject of a bankruptcy, insolvency or similar event.

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

## PRIORITY OF DISTRIBUTIONS; SUBORDINATION

Under the Intercreditor Agreement, the Liquidity Provider will receive payment of all amounts owed to it (including reimbursement of drawings made to pay interest on more junior Classes of Certificates) before the holders of any Class of Certificates receive any funds. In addition, in certain default situations the Subordination Agent and the Trustees will receive certain payments before the holders of any Class of Certificates receive distributions. See "Description of the Intercreditor Agreement - Priority of Distributions".

Certain Classes of Certificates are subordinated to other Classes in rights to distributions. See "Description of the Certificates - Subordination". Consequently, a payment default under any Equipment Note or a Triggering Event may cause the distribution to more senior Classes of Certificates of payments received on one or more junior series of Equipment Notes. If this should occur, the interest accruing on the remaining Equipment Notes may be less than the amount of interest expected to be distributed on the remaining Certificates of more junior Classes. This is because the interest that Certificates of junior Classes are expected to receive may accrue at a higher rate than interest on the remaining Equipment Notes. As a result of this possible interest shortfall, the holders of one or more junior Classes of Certificates may not receive the full amount expected after a payment default under any Equipment Note even if all Equipment Notes are eventually paid in full.

However, if American is in bankruptcy or other specified defaults have occurred but American is continuing to meet certain of its payment obligations and the applicable loan to Aircraft value tests are met, the subordination provisions applicable to the Certificates permit distributions to be made to junior Certificates prior to making distributions in full on more senior Certificates. This could include distributions in respect of the principal paid at maturity of the Series D Equipment Notes held in the Class D Trust.

## CONTROL OVER COLLATERAL; SALE OF COLLATERAL

If an Indenture Event of Default is continuing, subject to certain conditions, the Loan Trustee under the related Indenture will be directed by the Controlling Party in exercising remedies under such Indenture, including accelerating the applicable Equipment Notes or foreclosing the lien on the Aircraft securing such Equipment Notes. See "Description of the Certificates - Indenture Events of Default and Certain Rights upon an Indenture Event of Default".

The Controlling Party will be:

- o the Class A-1 Trustee or Class A-2 Trustee, whichever represents the Class with the larger Pool Balance of Certificates outstanding at the time the Indenture Event of Default occurs;
- o upon payment of Final Distributions to the holders of such larger Class, the other of the Class A-1 Trustee or Class A-2 Trustee;
- o upon payment of Final Distributions to the holders of Class A-1 and Class A-2 Certificates, the Class B Trustee;

- o upon payment of Final Distributions to the holders of Class B Certificates, the Class C Trustee;
- o upon payment of Final Distributions to the holders of Class C Certificates, the Class D Trustee; and
- o under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the greatest amount owed to it.

During the continuation of any Indenture Event of Default, the Controlling Party may accelerate the Equipment Notes issued under the related Indenture and sell such Equipment Notes or the related Aircraft, subject to certain limitations. See "Description of the Intercreditor Agreement - Intercreditor Rights - Sale of Equipment Notes or Aircraft". The market for Equipment Notes during any Indenture Event of Default may be very limited, and we cannot assure you as to whether they could be sold or the price at which they could be sold. If the Controlling Party sells any Equipment Notes for less than their outstanding principal amount, certain Certificateholders will receive a smaller amount of principal distributions than anticipated and will not have any claim for the shortfall against American, any Owner Trustee, any Owner Participant or any Trustee.

In addition, the Equipment Notes are not cross-collateralized. This means that the Equipment Notes secured by an Aircraft or Lease are not secured by any other Aircraft or Lease. Accordingly, any proceeds realized from the sale of an Aircraft or other exercise of default remedies with respect to such Aircraft in excess of the principal amount of the Equipment Notes related to such Aircraft will not be available to cover shortfalls, if any, on the Equipment Notes relating to any other Aircraft. See "Description of the Equipment Notes - Remedies".

#### RATINGS OF THE CERTIFICATES

When issued the Class A-1, Class A-2, Class B, Class C and Class D Certificates were assigned ratings by Moody's of Aa2, Aa2, A1, A3 and Baa 2, respectively, and by Standard & Poor's of AAA, AAA, AA-, A- and BBB, respectively. Such ratings were downgraded following the occurrence of the events of September 11, 2001. Currently, the Class A-1 and A-2 Certificates are rated A2 by Moody's Investors Service, Inc. ("Moody's") and AA- by Standard & Poor's Ratings Services, a division of McGraw-Hill Companies, Inc. ("Standard & Poor's", and together with Moody's, the "Rating Agencies"), the Class B Certificates are rated Baa1 by Moody's and A- by Standard & Poor's, the Class C Certificates are rated Baa3 by Moody's and BBB- by Standard & Poor's and the Class D Certificates are rated Ba1 by Moody's and BBB- by Standard & Poor's. The ratings assigned to the Certificates by Moody's are on review for possible downgrade by Moody's, and the ratings assigned to them by Standard & Poor's are on Standard & Poor's CreditWatch with negative implications. A rating is not a recommendation to purchase, hold or sell Certificates; and such rating does not address market price or suitability for a particular investor. A rating may not remain for any given period of time and may be lowered or withdrawn entirely by a Rating Agency if in its judgment circumstances in the future (including the downgrading of American or the Liquidity Provider) so warrant.

The rating of each Class of the Certificates is based primarily on the default risk of the Equipment Notes held for such Class, the availability of the Liquidity Facility for the benefit of holders of such Certificates, the collateral value provided by the Aircraft securing such Equipment Notes and the subordination provisions applicable to such Certificates. The foregoing ratings address the likelihood of timely payment of interest when due on the Certificates and the ultimate payment of principal of the Certificates by the Final Legal Distribution Date. Such ratings do not address the possibility of certain defaults, voluntary redemptions or other circumstances (such as a loss event to an Aircraft) which could result in the payment of the outstanding principal amount of the Certificates prior to the Final Legal Distribution Date. See "Description of the Certificates".

The reduction, suspension or withdrawal of the ratings of the Certificates will not, by itself, constitute an Event of Default.

#### NO PROTECTION AGAINST HIGHLY LEVERAGED OR EXTRAORDINARY TRANSACTIONS

The Certificates, the Equipment Notes and the underlying agreements will not contain any financial or other covenants or "event risk" provisions protecting the Certificateholders in the event of a highly leveraged or other extraordinary transaction affecting American or its affiliates. See "The Company".

## LIMITED ABILITY TO RESELL THE CERTIFICATES

Prior to the Exchange Offer, there has been no public market for the Certificates. Neither American nor any Trust intends to apply for listing of the Certificates on any securities exchange or otherwise. The Placement Agents may assist in resales of the Certificates, but they are not required to do so. A secondary market for the Certificates may not develop. If a secondary market does develop, it might not continue or it might not be sufficiently liquid to allow you to resell any of your Certificates. If an active public market does not develop, the market price and liquidity of the Certificates may be adversely affected.

## THE EXCHANGE OFFER

The following summary describes certain provisions of the registration rights agreement, dated as of May 18, 2001 (the "Registration Rights Agreement"), among American, the Placement Agents and the Trustee. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Registration Rights Agreement, which has been filed as an exhibit to the Registration Statement. Copies are available as set forth under "Where You Can Find More Information".

## GENERAL

In connection with the issuance of the Old Certificates, the Placement Agents became entitled to the benefits of the Registration Rights Agreement. Pursuant to the Registration Rights Agreement, we have agreed to use our reasonable best efforts to, within 270 calendar days after May 24, 2001, which is the date the Old Certificates were issued (the "Issuance Date"): (i) file the Registration Statement, of which this Prospectus is a part, with the Commission for a registered exchange offer (the "Exchange Offer") with respect to an issue of New Certificates identical in all material respects to the Old Certificates (except that the New Certificates would not contain terms with respect to transfer restrictions or interest rate increases); (ii) cause the Registration Statement to become effective; (iii) have the Registration Statement remain effective until the closing of the Exchange Offer; and (iv) have the Exchange Offer consummated. However, if any changes in law or the applicable interpretations of the staff of the Commission do not permit us to effect the Exchange Offer, or if the Registration Statement is not declared effective within 270 calendar days after the Issuance Date under certain circumstances, or at the request of a holder not eligible to participate in the Exchange Offer or under certain other circumstances described in the Registration Rights Agreement, we have agreed to use our reasonable best efforts to (a) file with the Commission a shelf registration statement (the "Shelf Registration Statement") covering resales of the Old Certificates; (b) cause the Shelf Registration Statement to be declared effective under the Securities Act by the 270th calendar day after the Issuance Date; and (c) keep effective the Shelf Registration Statement for a period of two years after its effective date (or for such shorter period as shall end when all of the Old Certificates covered by the Shelf Registration Statement have been sold pursuant thereto or may be freely sold pursuant to Rule 144 under the Securities Act).

If neither the consummation of the Exchange Offer nor the declaration by the Commission of the Shelf Registration Statement to be effective (each, a "Registration Event") occurs on or prior to the 270th calendar day following the Issuance Date, the interest rate per annum borne by the Equipment Notes and passed through to holders of Old Certificates shall be increased by 0.50% effective from and including February 18, 2002, to but excluding the date on which a Registration Event occurs. If the Shelf Registration Statement ceases to be effective at any time during the period we are required to keep such Shelf Registration Statement effective for more than 60 days, whether or not consecutive, during any 12-month period, the interest rate per annum borne by the Equipment Notes shall be increased by 0.50% from the 61st day such Shelf Registration Statement ceases to be effective during the applicable period until such time as the Shelf Registration Statement again becomes effective.

If the Exchange Offer is consummated, we will not be required to file the Shelf Registration Statement other than for those Old Certificates held by the Placement Agents if they are not eligible to participate in the Exchange Offer, and the interest rate on the Equipment Notes will not be increased.

Upon the terms and subject to the conditions set forth in this Prospectus and in the accompanying Letter of Transmittal, we will accept for exchange all Old Certificates validly tendered prior to 5:00 p.m., New York City time, on the Expiration Date. New Certificates of the same class will be issued in exchange for an equal principal amount of outstanding Old Certificates accepted in the Exchange Offer. Old Certificates may be tendered only in integral multiples

of \$1,000. The Exchange Agent will act as agent for the tendering holders of Old Certificates for the purpose of receiving New Certificates from the Trustee and delivering New Certificates to such tendering holders. Old Certificates shall be deemed to have been accepted as validly tendered when, as and if we have given oral or written notice thereof to the Exchange Agent.

The Exchange Offer is not conditioned upon any minimum principal amount of Old Certificates being tendered for exchange. However, the obligation to accept Old Certificates for exchange pursuant to the Exchange Offer is subject to certain conditions as set forth herein under "- Conditions".

Based on interpretations by the staff of the Commission set forth in no-action letters issued to third parties, we believe that the New Certificates issued pursuant to the Exchange Offer in exchange for Old Certificates may be offered for resale, resold or otherwise transferred by a holder thereof (other than (i) a broker-dealer who purchased such Old Certificates directly from the Trustee for its own account or (ii) a person that is an "affiliate", as defined in Rule 405 under the Securities Act, of ours or of any Trustee) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the holder is acquiring such New Certificates in its ordinary course of business and such holder has no arrangements or understanding with any person to participate in the distribution of the New Certificates. Holders of Old Certificates wishing to accept the Exchange Offer must represent to us that such conditions have been met. We have not sought, and do not intend to seek, a no-action letter from the Commission with respect to the effects of the Exchange Offer, and there can be no assurance that the staff of the Commission would make a similar determination with respect to the New Certificates as it has in such no-action letters.

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

Upon consummation of the Exchange Offer, subject to certain exceptions, holders of Old Certificates who do not exchange their Old Certificates for New Certificates in the Exchange Offer will no longer be entitled to registration rights and will not be able to offer or sell their Old Certificates, unless such Old Certificates are subsequently registered under the Securities Act which, subject to limited exceptions, we will have no obligation to do, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. See "Risk Factors - Risk Factors Relating to the Certificates and the Exchange Offer - Consequences of Failure to Exchange".

This Prospectus, together with the Letter of Transmittal, is being sent to all registered holders of Certificates as of [ ], 2001. As of the date of this Prospectus, \$1,319,649,000 of Old Certificates are outstanding. Following distributions of principal payments on the Series A-1, Series B, Series C and Series D Equipment Notes scheduled for November 23, 2001, \$1,253,516,652.14 of Old Certificates will be outstanding.

If any tendered Old Certificates are not accepted for exchange because of an invalid tender or the occurrence of certain other events set forth herein, certificates for any such unaccepted Old Certificates will be returned, without expenses, to the tendering holder thereof as promptly as practicable after the Expiration Date.

Holder of Old Certificates who tender in the Exchange Offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of Old Certificates pursuant to the Exchange Offer. We will pay all charges and expenses, other than certain applicable taxes, in connection with the Exchange Offer. See "- Fees and Expenses".

#### EXPIRATION DATE; EXTENSIONS; AMENDMENTS; TERMINATION

The term "Expiration Date" means [ ], 2001 (30 calendar days following the commencement of the Exchange Offer), unless we, in our sole discretion, extend the Exchange Offer, in which case the term "Expiration Date" shall mean the latest date to which the Exchange Offer is extended. Notwithstanding any extension of the Exchange Offer, if the Exchange Offer is not consummated by February 18, 2002, the interest rate borne by the Equipment Notes and passed through to the Certificateholders is subject to increase. See "- General."

In order to extend the Expiration Date, we will notify the Exchange Agent of any extension by oral or written notice and will mail to the record holders of Old Certificates an announcement thereof, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Such announcement may state that we are extending the Exchange Offer for a specified period of time.

We reserve the right:

- o to delay acceptance of any Old Certificates, to extend the Exchange Offer or to terminate the Exchange Offer and not permit acceptance of Old Certificates not previously accepted if any of the conditions set forth herein under "- Conditions" shall have occurred and shall not have been waived by us, by giving oral or written notice of such delay, extension or termination to the Exchange Agent; and
- o to amend the terms of the Exchange Offer in any manner deemed by us to be advantageous to the holders of the Old Certificates.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof to the Exchange Agent. If the Exchange Offer is amended in a manner determined by us to constitute a material change, we will promptly disclose such amendment in a manner reasonably calculated to inform the holders of the Old Certificates of such amendment.

Without limiting the manner in which we may choose to make a public announcement of any delay, extension, amendment or termination of the Exchange Offer, we shall have no obligation to publish, advertise, or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

#### DISTRIBUTIONS ON THE NEW CERTIFICATES

Interest on the Equipment Notes held by each Trust will be distributed to holders of the New Certificates. The Equipment Notes held by each Trust will accrue interest at the applicable rate per annum for such Trust set forth on the cover page of this Prospectus. Distributions on the New Certificates will be made from the last date on which distributions were made on the Old Certificates surrendered in exchange therefor. No additional distributions will be made on Old Certificates tendered and accepted for exchange.

#### PROCEDURES FOR TENDERING

To tender in the Exchange Offer, a holder must complete, sign and date the Letter of Transmittal, or a facsimile thereof, or an Agent's Message in lieu of the Letter of Transmittal, have the signatures thereon guaranteed if required by the Letter of Transmittal and mail or otherwise deliver such Letter of Transmittal or such facsimile and any other required documents to the Exchange Agent, or have the Agent's Message delivered, prior to 5:00 p.m., New York City time, on the Expiration Date. In addition, either:

- o certificates for such Old Certificates must be received by the Exchange Agent along with the Letter of Transmittal; or
- o a timely confirmation of a book-entry transfer (a "Book-Entry Confirmation") of such Old Certificates, if such procedure is available, into the Exchange Agent's account at DTC pursuant to the procedure for book-entry transfer described under "- Book-Entry Transfer" below, must be received by the Exchange Agent prior to the Expiration Date; or



o the holder must comply with the guaranteed delivery procedures described below.

The method of delivery of Old Certificates, Letters of Transmittal and all other required documents is at the election and risk of the holders. If such delivery is by mail, it is recommended that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery. No Letters of Transmittal or Old Certificates should be sent to American. Delivery of all documents must be made to the Exchange Agent at its address set forth below. Holders may also request their respective brokers, dealers, commercial banks, trust companies or nominees to effect such tender for such holders.

The tender by a holder of Old Certificates will constitute an agreement between such holder and the Company in accordance with the terms and subject to the conditions set forth in this Prospectus and in the Letter of Transmittal.

Only a holder of Old Certificates may tender such Old Certificates in the Exchange Offer. The term "holder" with respect to the Exchange Offer means any person in whose name Old Certificates are registered on the Trustee's books or any other person who has obtained a properly completed bond power from the registered holder, or any person whose Old Certificates are held of record by DTC who desires to deliver Old Certificates by book-entry transfer at DTC.

Any beneficial holder whose Old Certificates are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on its behalf. If such beneficial holder wishes to tender on its own behalf, such beneficial holder must, prior to completing and executing the Letter of Transmittal and delivering its Old Certificates, either make appropriate arrangements to register ownership of the Old Certificates in such holder's name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

Signatures on a Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Exchange Act (each, an "Eligible Institution") unless the Old Certificates tendered pursuant thereto are tendered (a) by a registered holder who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the Letter of Transmittal or (b) for the account of an Eligible Institution. If the Letter of Transmittal is signed by a person other than the registered holder or holders of any Old Certificates listed therein, such Old Certificates must be endorsed or accompanied by bond powers and a proxy that authorizes such person to tender the Old Certificates on behalf of the registered holder or holders, in either case as the name of the registered holder or holders appears on the Old Certificates.

If the Letter of Transmittal or any Old Certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, submit with the Letter of Transmittal evidence satisfactory to us of their authority to so act.

All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of the tendered Old Certificates will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all Old Certificates not properly tendered or any Old Certificates our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any irregularities or conditions of tender as to particular Old Certificates. Our interpretation of the terms and conditions of the Exchange Offer, including the instructions in the Letter of Transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Old Certificates must be cured within such time as we shall determine. Neither we, the Exchange Agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Old Certificates nor shall any of us incur any liability for failure to give such notification. Tenderees of Old Certificates will not be deemed to have been made until such irregularities have been cured or waived. Any Old Certificates received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost by the Exchange Agent to the tendering holder of such Old Certificates (or, in the case of Old Certificates tendered by the book-entry transfer procedures described below, such Old Certificates will be credited to an account maintained with DTC), unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

In addition, we reserve the right in our sole discretion, subject to the provisions of the Indenture, to (a) purchase or make offers for any Old Certificates that remain outstanding subsequent to the Expiration Date or, as set forth under "- Conditions," to terminate the Exchange Offer in accordance with the terms of the Registration Rights Agreement and (b) to the extent permitted by applicable law, purchase Old Certificates in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the Exchange Offer.

By tendering, each holder of Old Certificates will represent to us that, among other things, the New Certificates acquired pursuant to the Exchange Offer are being obtained in the ordinary course of such holder's business, such holder has no arrangements or understanding with any person to participate in the distribution of the New Certificates and such holder is not an "affiliate", as defined under Rule 405 of the Securities Act, of ours or of a Trustee, or if such holder is an affiliate, that such holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable. If the holder is not a broker-dealer, such holder will be required to represent that it is not engaged in, and does not intend to engage in, a distribution of New Certificates. If such holder is a broker-dealer that will receive New Certificates for its own account in exchange for Old Certificates that were acquired as a result of market-making or other trading activities, it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such New Certificates.

#### ACCEPTANCE OF OLD CERTIFICATES FOR EXCHANGE; DELIVERY OF NEW CERTIFICATES

Upon satisfaction or waiver of all of the conditions to the Exchange Offer, all Old Certificates properly tendered will be accepted promptly after the Expiration Date, and New Certificates of the same class will be issued promptly after acceptance of the Old Certificates. See "- Conditions" below. For purposes of the Exchange Offer, Old Certificates shall be deemed to have been accepted for exchange when, as and if we have given oral or written notice thereof to the Exchange Agent.

In all cases, issuance of New Certificates for Old Certificates that are accepted for exchange pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of (i) certificates for such Old Certificates or a timely Book-Entry Confirmation of such Old Certificates into the Exchange Agent's account at DTC, (ii) a properly completed and duly executed Letter of Transmittal, or an Agent's Message in lieu of the Letter of Transmittal, and (iii) all other required documents. If any tendered Old Certificates are not accepted for any reason set forth in the terms and conditions of the Exchange Offer or if Old Certificates are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or nonexchanged Old Certificates will be returned without expense to the tendering holder thereof (or, in the case of Old Certificates tendered by the book-entry transfer procedures described below, such unaccepted or nonexchanged Old Certificates will be credited to an account maintained with DTC) as promptly as practicable after the expiration or termination of the Exchange Offer.

#### BOOK-ENTRY TRANSFER

The Exchange Agent will make a request to establish an account with respect to the Old Certificates at DTC for purposes of the Exchange Offer. The Exchange Agent and DTC have confirmed that any financial institution that is a DTC Participant may use DTC's Automated Tender Offer Program ("ATOP") procedures to tender Old Certificates in the Exchange Offer. Any financial institution that is a participant in DTC's book-entry transfer system may make book-entry delivery of Old Certificates by causing DTC to transfer such Old Certificates into the Exchange Agent's account at DTC in accordance with DTC's ATOP procedures for transfer. However, although delivery of Old Certificates may be effected through book-entry transfer into the Exchange Agent's account at DTC, the Letter of Transmittal (or facsimile thereof) with any required signature guarantees, or an Agent's Message in lieu of the Letter of Transmittal, and any other required documents, must, in any case, be transmitted to and received by the Exchange Agent at the address set forth below under "- Exchange Agent" on or prior to 5:00 p.m., New York City time, on the Expiration Date. The term "Agent's Message" means a message, transmitted by DTC and received by the Exchange Agent and forming part of a Book-Entry Confirmation, that states that DTC has received an express acknowledgment from a DTC Participant tendering Old Certificates that are the subject of such Book-Entry Confirmation that such DTC Participant has received and agrees to be bound by the terms of the Letter of Transmittal, and that we may enforce such agreement against such DTC Participant. DELIVERY OF DOCUMENTS TO DTC IN ACCORDANCE WITH ITS PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

## GUARANTEED DELIVERY PROCEDURES

Holders of the Old Certificates who wish to tender their Old Certificates and (i) whose Old Certificates are not immediately available, or (ii) who cannot deliver their Old Certificates, the Letter of Transmittal or any other required documents to the Exchange Agent prior to the Expiration Date, or (iii) who cannot complete the procedure for book-entry transfer on a timely basis, may tender their Old Certificates if:

- o the tender is made through an Eligible Institution;
- o prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery), setting forth the name and address of the holder of Old Certificates and the amount of Old Certificates tendered, stating that the tender is being made thereby and guaranteeing that within five business days after the Expiration Date, the Letter of Transmittal (or facsimile thereof) together with the certificate(s) representing the Old Certificates to be tendered in proper form for transfer, or a Book-Entry Confirmation, as the case may be, and any other documents required by the Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent; and
- o Such properly completed and executed Letter of Transmittal (or facsimile thereof) together with the certificates representing the Old Certificates to be tendered in proper form for transfer, or a Book-Entry Confirmation, as the case may be, and all other documents required by the Letter of Transmittal are received by the Exchange Agent within five business days after the Expiration Date.

## WITHDRAWAL OF TENDERS

Tenders of Old Certificates may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date, unless previously accepted for exchange. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date at the address set forth below under "- Exchange Agent." Any such notice of withdrawal must specify the name of the person having tendered the Old Certificates to be withdrawn, identify the Old Certificates to be withdrawn, including the principal amount of such Old Certificates, and (where certificates for Old Certificates have been transmitted) specify the name in which such Old Certificates are registered, if different from that of the withdrawing holder. If certificates for Old Certificates have been delivered or otherwise identified to the Exchange Agent, then, prior to the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an Eligible Institution unless such holder is an Eligible Institution. If Old Certificates have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Old Certificates and otherwise comply with the procedures of DTC. We will determine all questions as to the validity, form and eligibility (including time of receipt) of such notices. Our determination shall be final and binding on all parties. Any Old Certificates so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer. Any Old Certificates that have been tendered for exchange but that are not exchanged for any reason will be returned to the holder thereof without cost to such holder (or, in the case of Old Certificates tendered by book-entry transfer into the Exchange Agent's account at DTC pursuant to the book-entry transfer procedures described above, such Old Certificates will be credited to an account maintained with DTC for the Old Certificates) as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Old Certificates may be retendered by following one of the procedures described under "- Procedures for Tendering" and "- Book-Entry Transfer" above at any time on or prior to the Expiration Date.

## CONDITIONS

Notwithstanding any other term of the Exchange Offer, we will not be required to accept for exchange, or exchange New Certificates for, any Old Certificates not previously accepted for exchange, and we may terminate or amend the Exchange Offer before the acceptance of such Old Certificates, if: (i) any action or proceeding is instituted or threatened in any court or by or before an governmental agency with respect to the Exchange Offer that, in our judgement, might materially impair our ability to proceed with the Exchange Offer or (ii) any law, statute or regulation is proposed,

adopted or enacted, or any existing laws, statute, rule or regulation is interpreted by the staff of the Commission or a court of competent jurisdiction in a manner that, in our judgement, might materially impair our ability to proceed with the Exchange Offer. In addition, we have no obligation to, and will not knowingly, permit acceptance of tenders of Old Certificates from our affiliates (within the meaning of Rule 405 under the Securities Act) or from any other holder or holders who are not eligible to participate in the Exchange Offer under applicable law or interpretations thereof by the Commission, or if the New Certificates to be received by such holder or holders of Old Certificates in the Exchange Offer, upon receipt, will not be tradable by such holder without restriction under the Securities Act and the Exchange Act and without material restrictions under the "blue sky" or securities laws of substantially all of the states of the United States.

#### EXCHANGE AGENT

State Street Bank and Trust Company of Connecticut, National Association, has been appointed as Exchange Agent for the Exchange Offer. Questions and requests for assistance and requests for additional copies of this Prospectus or of the Letter of Transmittal should be directed to the Exchange Agent addressed as follows:

State Street Bank and Trust Company of Connecticut, National Association  
c/o State Street Bank and Trust Company  
2 Avenue de Lafayette  
Boston, Massachusetts 02111  
Attention: Ralph Jones/Account Services Group

Facsimile Transmission:  
(617) 662-1452

Confirm by Telephone:  
(617) 662-1548

#### FEES AND EXPENSES

We will pay the expenses of soliciting tenders pursuant to the Exchange Offer. The principal solicitation for tenders pursuant to the Exchange Offer is being made by mail; however, additional solicitations may be made by telegraph, telephone, teletype or in person by our officers and regular employees.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of the Exchange Offer. We will, however, pay the Exchange Agent reasonable and customary fees for its services and will reimburse the Exchange Agent for its reasonable out-of-pocket expenses in connection with its services. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the Prospectus and related documents to the beneficial owners of the Old Certificates, and in handling or forwarding tenders for exchange.

We will pay the expenses to be incurred in connection with the Exchange Offer, including fees and expenses of the Exchange Agent and Trustee and accounting, legal, printing and related fees and expenses. We will pay all transfer taxes, if any, applicable to the exchange of Old Certificates pursuant to the Exchange Offer. If, however, certificates representing New Certificates or Old Certificates for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the Old Certificates tendered, or if tendered Old Certificates are registered in the name of any person other than the person signing the Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Old Certificates pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

## THE COMPANY

American, the principal subsidiary of AMR Corporation, was founded in 1934. American is one of the largest scheduled passenger airlines in the world. At the end of 2000, American provided scheduled jet service to more than 169 destinations throughout North America, the Caribbean, Latin America, Europe and the Pacific. American is also one of the largest scheduled air freight carriers in the world, providing a full range of freight and mail services to shippers throughout its system. The postal address for American's principal executive offices is P.O. Box 619616, Dallas/Fort Worth Airport, Texas 75261-9616 (Telephone: 817-967-1532). See "Summary - The Company".

## USE OF PROCEEDS

There will be no cash proceeds to American or the Owner Participant as a result of the issuance of New Certificates pursuant to the Exchange Offer. The proceeds from the sale of the Certificates of each Trust were used to purchase the Equipment Notes held by such Trust. The Equipment Notes issued under the Leased Aircraft Indentures were issued by the related Owner Trustee. A portion of the proceeds from such issuance was used to repay outstanding indebtedness (held by an affiliate of the initial Owner Participant) secured by the Leased Aircraft, and the remaining proceeds were retained by the initial Owner Participant. The Equipment Notes issued under the Owned Aircraft Indentures were issued by American. The proceeds from such issuance were used by American to finance or refinance its acquisition of the Owned Aircraft.

## DESCRIPTION OF THE CERTIFICATES

The following summary describes material terms of the Certificates. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Basic Agreement, the Certificates, the Trust Supplements, the Liquidity Facilities and the Intercreditor Agreement, which have been filed as exhibits to the Registration Statement. Copies are available as set forth under "Where You Can Find More Information".

Except as otherwise indicated, the following summary relates to each of the Trusts and the Certificates issued by each Trust. The terms and conditions governing each of the Trusts are substantially the same, except as described under - Subordination" below and except that the principal amount and scheduled principal repayments of the Equipment Notes held by each Trust and the interest rate and maturity date of the Equipment Notes held by each Trust differ. The references to Sections in parentheses in the following summary are to the relevant Sections of the Basic Agreement unless otherwise indicated.

## GENERAL

We issued Pass Through Certificates on May 24, 2001. Each Pass Through Certificate represents a fractional undivided interest in one of the five American Airlines 2001-1 Pass Through Trusts: the "Class A-1 Trust", the "Class A-2 Trust", the "Class B Trust", the "Class C Trust" and the "Class D Trust", and, collectively, the "Trusts". The Trusts were formed pursuant to a pass through trust agreement between American and State Street Bank and Trust Company of Connecticut, National Association, as trustee (the "Basic Agreement"), and five separate supplements thereto (each, a "Trust Supplement" and, together with the Basic Agreement, collectively, the "Pass Through Trust Agreements"). The trustee under the Class A-1 Trust, the Class A-2 Trust, the Class B Trust, the Class C Trust and the Class D Trust is referred to herein respectively as the "Class A-1 Trustee", the "Class A-2 Trustee", the "Class B Trustee", the "Class C Trustee" and the "Class D Trustee", and collectively as the "Trustees". The Certificates issued by the Class A-1 Trust, the Class A-2 Trust, the Class B Trust, the Class C Trust and the Class D Trust are referred to herein respectively as the "Class A-1 Certificates", the "Class A-2 Certificates", the "Class B Certificates", the "Class C Certificates" and the "Class D Certificates". The Class A-1 Trust purchased all the Series A-1 Equipment Notes, the Class A-2 Trust purchased all the Series A-2 Equipment Notes, the Class B Trust purchased all the Series B Equipment Notes, the Class C Trust purchased all the Series C Equipment Notes and the Class D Trust purchased all of the Series D Equipment Notes. The holders of the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates, the Class C Certificates and the Class D Certificates are referred to herein respectively as the "Class A-1 Certificateholders", the "Class A-2 Certificateholders", the "Class B Certificateholders", the "Class C Certificateholders" and the "Class D Certificateholders", and collectively as the "Certificateholders". The initial principal balance of the Equipment Notes held by each Trust equals the initial aggregate face amount of the Certificates issued by such Trust. As of the date of this Prospectus, \$420,880,000 Class A-1 Certificates, \$392,209,000 Class A-2 Certificates, \$297,430,000 Class B Certificates,

\$183,530,000 Class C Certificates and \$25,600,000 Class D Certificates are outstanding.

The New Certificates will be issued pursuant to the Pass Through Trust Agreements. The forms and terms of the New Certificates are the same in all material respects as the form and terms of the Old Certificates, except that:

- o we registered the New Certificates under the Securities Act so their transfer is not restricted like the Old Certificates;
- o the New Certificates will not contain restrictions on transfer or provisions relating to interest rate increases; and
- o the New Certificates will be available only in book-entry form.

Each Certificate represents a fractional undivided interest in the Trust created by the Basic Agreement and the applicable Trust Supplement pursuant to which such Certificate is issued. (Section 2.01) The property of each Trust (the "Trust Property") consists of:

- o subject to the Intercreditor Agreement, the Equipment Notes acquired by such Trust, all monies at any time paid thereon and all monies due and to become due thereunder;
- o the rights of such Trust under the Intercreditor Agreement (including all rights to receive monies and other property payable thereunder);
- o all monies receivable under the Liquidity Facility for such Trust; and
- o funds from time to time deposited with the Trustee in accounts relating to such Trust.

The Certificates represent interests in the respective Trusts only, and all payments and distributions thereon will be made only from the Trust Property of the related Trust. (Section 3.09) The Certificates do not represent indebtedness of the Trusts, and references in this Prospectus to interest accruing on the Certificates are included for purposes of computation only. The Certificates do not represent an interest in or obligation of American, the Trustees, the Subordination Agent, any of the Loan Trustees, Owner Trustees, Owner Participants or any affiliate of any thereof. Each Certificateholder by its acceptance of a Certificate agrees to look solely to the income and proceeds from the Trust Property of the related Trust for payments and distributions on such Certificate.

New Certificates of each Trust will be issued in fully registered form only and will be subject to the provisions described below under "- Book-Entry Registration; Delivery and Form". New Certificates will be issued only in minimum denominations of \$1,000 or integral multiples thereof, except that one Certificate of each Trust may be issued in a different denomination. (Section 3.01)

#### DISTRIBUTION OF PAYMENTS ON EQUIPMENT NOTES

The following description of distributions on the Certificates should be read in conjunction with the description of the Intercreditor Agreement because the Intercreditor Agreement may alter the following provisions in a default situation. See "- Subordination" and "Description of the Intercreditor Agreement".

Payments of principal, Make-Whole Amount (if any) and interest on the Equipment Notes or with respect to other Trust Property held in each Trust will be distributed by the Trustee to Certificateholders of such Trust on the date receipt of such payment is confirmed, except in the case of certain types of Special Payments.

The Equipment Notes held in each Trust will accrue interest at the applicable rate per annum for Certificates to be issued by such Trust set forth on the cover page of this Prospectus, payable on May 23 and November 23 of each year, commencing on November 23, 2001. Such interest payments will be distributed to Certificateholders of such Trust on each such date until the final Distribution Date for such Trust, subject to the Intercreditor Agreement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Distributions of interest applicable to the Certificates to be issued by each of the Class A-1, Class A-2, Class B

and Class C Trusts will be supported by a separate Liquidity Facility to be provided by the Liquidity Provider for the benefit of the holders of such Certificates in an aggregate amount sufficient to distribute interest on the Pool Balance thereof at the Stated Interest Rate for such Trust on up to three successive Regular Distribution Dates (without regard to any future distributions of principal on such Certificates). The Liquidity Facility for any Class of Certificates does not provide for drawings thereunder to pay for principal of or Make-Whole Amount on the Certificates of such Class, any interest with respect to the Certificates of such Class in excess of the Stated Interest Rate, or, notwithstanding the subordination provisions of the Intercreditor Agreement, principal of or interest or Make-Whole Amount with respect to the Certificates of any other Class. Therefore, only the holders of the Certificates to be issued by a particular Trust will be entitled to receive and retain the proceeds of drawings under the Liquidity Facility for such Trust. See "Description of the Liquidity Facilities".

Payments of principal of the Series A-1, Series B, Series C and Series D Equipment Notes are scheduled to be received by the Trustee in installments on May 23 and November 23 in certain years, commencing on November 23, 2001. The entire principal amount of the Series A-2 Equipment Notes is scheduled for payment on May 23, 2011.

Scheduled payments of interest or principal on the Equipment Notes are referred to herein as "Scheduled Payments," and May 23 and November 23 of each year are referred to herein as "Regular Distribution Dates" (each Regular Distribution Date and Special Distribution Date, a "Distribution Date"). See "Description of the Equipment Notes--Principal and Interest Payments." The "Final Legal Distribution Date" for the Class A-1 Certificates is November 23, 2022, for the Class A-2 Certificates is November 23, 2012, for the Class B Certificates is November 23, 2020, for the Class C Certificates is November 23, 2017 and for the Class D Certificates is May 23, 2008.

Subject to the Intercreditor Agreement, on each Regular Distribution Date the Trustee of each Trust will distribute to the Certificateholders of such Trust all Scheduled Payments received in respect of Equipment Notes held on behalf of such Trust, the receipt of which is confirmed by the Trustee on such Regular Distribution Date. Each Certificateholder of each Trust will be entitled to receive, subject to the Intercreditor Agreement, its proportionate share, based upon its fractional interest in such Trust, of any distribution in respect of Scheduled Payments of principal or interest on Equipment Notes held on behalf of such Trust. Each such distribution of Scheduled Payments will be made by the applicable Trustee to the Certificateholders of record of the relevant Trust on the record date applicable to such Scheduled Payment (generally, 15 days prior to each Regular Distribution Date) subject to certain exceptions. (Section 4.02(a)) If a Scheduled Payment is not received by the applicable Trustee on a Regular Distribution Date but is received within five days thereafter, it will be distributed on the date received to such holders of record. If it is received after such five-day period, it will be treated as a Special Payment and distributed as described below.

Any payment in respect of, or any proceeds of, any Equipment Note, the Indenture Estate under (and as defined in) any Leased Aircraft Indenture or the Collateral under (and as defined in) any Owned Aircraft Indenture other than a Scheduled Payment (each, a "Special Payment") will be distributed on, in the case of an early redemption or purchase of any Equipment Note, the date of such early redemption or purchase (which shall be a Business Day), and otherwise on the Business Day specified for distribution of such Special Payment pursuant to a notice delivered by each Trustee as soon as practicable after the Trustee has received funds for such Special Payment (each a "Special Distribution Date"). Any such distribution will be subject to the Intercreditor Agreement.

Each Trustee will mail a notice to the Certificateholders of the applicable Trust stating the scheduled Special Distribution Date, the related record date, the amount of the Special Payment and the reason for the Special Payment. In the case of a redemption or purchase of the Equipment Notes held in the related Trust, such notice will be mailed not less than 15 days prior to the date such Special Payment is scheduled to be distributed, and in the case of any other Special Payment, such notice will be mailed as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment. (Section 4.02(c)) Each distribution of a Special Payment, other than a Final Distribution, on a Special Distribution Date for any Trust will be made by the Trustee to the Certificateholders of record of such Trust on the record date applicable to such Special Payment. (Section 4.02(b)) See "- Indenture Events of Default and Certain Rights upon an Indenture Event of Default" and "Description of the Equipment Notes - Redemption".

Each Pass Through Trust Agreement requires that the Trustee establish and maintain, for the related Trust and for the benefit of the Certificate holders of such Trust, one or more non-interest bearing accounts (the "Certificate Account") for the deposit of payments representing Scheduled Payments received by such Trustee. Each Pass Through Trust Agreement requires that the Trustee establish and maintain, for the related Trust and for the benefit of the

Certificateholders of such Trust, one or more accounts (the "Special Payments Account") for the deposit of payments representing Special Payments received by such Trustee, which will be non-interest bearing except in certain circumstances where the Trustee may invest amounts in such account in certain Permitted Investments. Pursuant to the terms of each Pass Through Trust Agreement, the Trustee is required to deposit any Scheduled Payments relating to the applicable Trust received by it in the Certificate Account of such Trust and to deposit any Special Payments so received by it in the Special Payments Account of such Trust. (Section 4.01) All amounts so deposited will be distributed by the Trustee on a Regular Distribution Date or a Special Distribution Date, as appropriate. (Section 4.02)

The Final Distribution for each Trust will be made only upon presentation and surrender of the Certificates for such Trust at the office or agency of the Trustee specified in the notice given by the Trustee of such Final Distribution. See "- Termination of the Trusts" below. Distributions in respect of Certificates issued in global form will be made as described in "- Book-Entry Registration; Delivery and Form" below.

If any Distribution Date is a Saturday, a Sunday or other day on which commercial banks are authorized or required to close in New York, New York; Dallas, Texas; or the city and state in which the Trustee or any Loan Trustee is located (any other day being a "Business Day"), distributions scheduled to be made on such Regular Distribution Date or Special Distribution Date may be made on the next succeeding Business Day without additional interest.

#### SUBORDINATION

The Certificates are subject to subordination terms set forth in the Intercreditor Agreement which vary depending upon whether a Triggering Event has occurred. See "Description of the Intercreditor Agreement - Priority of Distributions".

#### POOL FACTORS

The "Pool Balance" of the Certificates issued by any Trust indicates, as of any date, the original aggregate face amount of the Certificates of such Trust less the aggregate amount of all distributions made in respect of the Certificates of such Trust other than distributions made in respect of interest or Make-Whole Amount or reimbursement of any costs and expenses incurred in connection therewith. The Pool Balance of the Certificates issued by any Trust as of any Distribution Date will be computed after giving effect to any payment of principal on the Equipment Notes or other Trust Property held in such Trust and the distribution thereof to be made on that date. (Section 1.01)

The "Pool Factor" for each Trust as of any date is the quotient (rounded to the seventh decimal place) computed by dividing (i) the Pool Balance as of such date by (ii) the original aggregate face amount of the Certificates of such Trust. The Pool Factor for each Trust as of any Distribution Date will be computed after giving effect to any payment of principal on the Equipment Notes or other Trust Property held in such Trust and the distribution thereof to be made on that date. (Section 1.01) The Pool Factor for each Trust was 1.0000000 on the date of issuance of the Certificates; thereafter, the Pool Factor for each Trust declines as described herein to reflect reductions in the Pool Balance of such Trust. The amount of a Certificateholder's pro rata share of the Pool Balance of a Trust can be determined by multiplying the original denomination of the Certificateholder's Certificate of such Trust by the Pool Factor for such Trust as of the applicable Distribution Date. Notice of the Pool Factor and the Pool Balance for each Trust will be mailed to Certificateholders of such Trust on each Distribution Date. (Section 4.03)



The following table sets forth the aggregate principal amortization schedule for the Equipment Notes held in each Trust and resulting Pool Factors with respect to such Trust. The actual aggregate principal amortization schedule applicable to a Trust and the resulting Pool Factors with respect to such Trust may differ from those set forth below because the scheduled distribution of principal payments for any Trust would be affected if any Equipment Notes held in such Trust are redeemed or purchased or if a default in payment of the principal of such Equipment Notes occurred.

CLASS A-1  
 TRUST CLASS  
 A-2 TRUST  
 CLASS B TRUST

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 SCHEDULED  
 EXPECTED  
 SCHEDULED  
 EXPECTED  
 SCHEDULED  
 PRINCIPAL  
 POOL  
 PRINCIPAL  
 POOL  
 PRINCIPAL  
 DATE PAYMENTS  
 FACTOR  
 PAYMENTS  
 FACTOR  
 PAYMENTS ----

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 - November  
 23, 2001  
 \$52,197,787.93  
 0.8759794  
 \$0.00  
 1.0000000  
 \$4,974,098.16  
 May 23, 2002  
 6,034,493.28  
 0.8616416  
 0.00  
 1.0000000  
 12,602,932.83  
 November 23,  
 2002  
 6,687,261.87  
 0.8457528  
 0.00  
 1.0000000  
 10,057,434.29  
 May 23, 2003  
 13,726,049.41  
 0.8131401  
 0.00  
 1.0000000  
 12,369,352.14  
 November 23,  
 2003  
 3,678,658.94  
 0.8043997  
 0.00  
 1.0000000  
 9,187,622.90  
 May 23, 2004  
 15,917,698.22  
 0.7665797  
 0.00  
 1.0000000  
 10,816,510.95  
 November 23,  
 2004  
 3,832,154.47  
 0.7574746  
 0.00  
 1.0000000  
 10,178,890.44  
 May 23, 2005  
 18,363,129.73  
 0.7138442  
 0.00  
 1.0000000  
 13,422,448.09  
 November 23,  
 2005  
 3,985,650.02  
 0.7043744  
 0.00  
 1.0000000  
 9,824,416.45

May 23, 2006  
18,918,871.98  
0.6594237  
0.00  
1.0000000  
13,056,618.98  
November 23,  
2006  
4,139,145.55  
0.6495892  
0.00  
1.0000000  
9,142,634.84  
May 23, 2007  
17,731,898.34  
0.6074587  
0.00  
1.0000000  
10,759,248.70  
November 23,  
2007  
4,292,641.10  
0.5972595  
0.00  
1.0000000  
7,483,794.40  
May 23, 2008  
16,290,556.77  
0.5585535  
0.00  
1.0000000  
8,055,385.48  
November 23,  
2008  
4,452,632.50  
0.5479742  
0.00  
1.0000000  
4,288,185.07  
May 23, 2009  
21,940,102.95  
0.4958451  
0.00  
1.0000000  
11,495,524.46  
November 23,  
2009  
4,578,538.53  
0.4849666  
0.00  
1.0000000  
0.00 May 23,  
2010  
22,913,766.58  
0.4305240  
0.00  
1.0000000  
4,568,835.33  
November 23,  
2010  
3,546,470.94  
0.4220977  
0.00  
1.0000000  
5,061,742.55  
May 23, 2011  
0.00  
0.4220977  
392,209,000.00  
0.0000000  
66,626,930.76  
November 23,  
2011 0.00  
0.4220977  
0.00  
0.0000000  
0.00 May 23,  
2012  
471,691.46  
0.4209770  
0.00  
0.0000000  
4,446,425.26  
November 23,  
2012  
921,514.52  
0.4187875  
0.00  
0.0000000  
1,484,663.31  
May 23, 2013  
7,179,293.55  
0.4017297  
0.00  
0.0000000  
4,974,098.16  
November 23,

2013  
1,993,687.45  
0.3969927  
0.00  
0.0000000  
2,622,433.04  
May 23, 2014  
17,167,653.41  
0.3562028  
0.00  
0.0000000  
4,974,098.16  
November 23,  
2014  
389,107.41  
0.3552783  
0.00  
0.0000000  
3,825,794.78  
May 23, 2015  
20,812,487.82  
0.3058284  
0.00  
0.0000000  
4,974,098.16  
November 23,  
2015 9,351.13  
0.3058062  
0.00  
0.0000000  
4,891,553.65  
May 23, 2016  
22,543,806.58  
0.2522427  
0.00  
0.0000000  
4,974,098.16  
November 23,  
2016 8,405.15  
0.2522227  
0.00  
0.0000000  
4,974,098.16  
May 23, 2017  
23,409,382.83  
0.1966026  
0.00  
0.0000000  
4,902,152.23  
November 23,  
2017 6,745.49  
0.1965866  
0.00  
0.0000000  
4,715,491.56  
May 23, 2018  
24,553,162.37  
0.1382489  
0.00  
0.0000000  
4,405,113.80  
November 23,  
2018 8,015.31  
0.1382299  
0.00  
0.0000000  
3,884,409.91  
May 23, 2019  
21,456,270.93  
0.0872503  
0.00  
0.0000000  
3,408,864.84  
November 23,  
2019  
177,441.98  
0.0868287  
0.00  
0.0000000  
0.00 May 23,  
2020  
18,377,543.19  
0.0431642  
0.00  
0.0000000  
0.00 November  
23, 2020  
3,133,493.70  
0.0357191  
0.00  
0.0000000  
0.00 May 23,  
2021  
15,033,436.61  
0.0000000  
0.00

0.0000000  
0.00  
CLASS B TRUST  
CLASS C TRUST  
CLASS D TRUST  
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EXPECTED  
SCHEDULED  
EXPECTED  
SCHEDULED  
EXPECTED POOL  
PRINCIPAL  
POOL  
PRINCIPAL  
POOL DATE  
FACTOR  
PAYMENTS  
FACTOR  
PAYMENTS  
FACTOR ---- -  
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- November  
23, 2001  
0.9832764  
\$3,840,461.76  
0.9790745  
\$5,119,999.91  
0.8000000 May  
23, 2002  
0.9409036  
12,240,461.76  
0.9123799  
2,945,340.16  
0.6849477  
November 23,  
2002  
0.9070892  
3,840,461.76  
0.8914543  
0.00  
0.6849477 May  
23, 2003  
0.8655017  
7,440,461.76  
0.8509135  
0.00  
0.6849477  
November 23,  
2003  
0.8346117  
4,056,953.01  
0.8288084  
0.00  
0.6849477 May  
23, 2004  
0.7982451  
12,684,102.15  
0.7596965  
45,780.98  
0.6831593  
November 23,  
2004  
0.7640223  
15,824,991.48  
0.6734709  
0.00  
0.6831593 May  
23, 2005  
0.7188942  
3,840,461.76  
0.6525453  
94,425.85  
0.6794708  
November 23,  
2005  
0.6858632  
3,840,461.76  
0.6316198  
0.00  
0.6794708 May  
23, 2006  
0.6419651  
22,317,027.07  
0.5100210  
2,542,146.55  
0.5801682  
November 23,  
2006  
0.6112263  
3,840,461.76  
0.4890955  
0.00  
0.5801682 May

23, 2007  
0.5750523  
3,840,461.76  
0.4681700  
5,119,999.90  
0.3801682  
November 23,  
2007  
0.5498907  
3,840,461.76  
0.4472444  
4,612,306.76  
0.2000000 May  
23, 2008  
0.5228074  
12,319,052.40  
0.3801216  
5,119,999.89  
0.0000000  
November 23,  
2008  
0.5083900  
3,840,461.76  
0.3591961  
0.00  
0.0000000 May  
23, 2009  
0.4697404  
3,341,214.16  
0.3409908  
0.00  
0.0000000  
November 23,  
2009  
0.4697404  
335,254.55  
0.3391641  
0.00  
0.0000000 May  
23, 2010  
0.4543794  
0.00  
0.3391641  
0.00  
0.0000000  
November 23,  
2010  
0.4373611  
34,217,118.44  
0.1527253  
0.00  
0.0000000 May  
23, 2011  
0.2133524  
0.00  
0.1527253  
0.00  
0.0000000  
November 23,  
2011  
0.2133524  
0.00  
0.1527253  
0.00  
0.0000000 May  
23, 2012  
0.1984029  
3,548,866.39  
0.1333886  
0.00  
0.0000000  
November 23,  
2012  
0.1934112  
2,458,470.64  
0.1199931  
0.00  
0.0000000 May  
23, 2013  
0.1766876  
3,840,461.76  
0.0990676  
0.00  
0.0000000  
November 23,  
2013  
0.1678707  
1,889,945.97  
0.0887698  
0.00  
0.0000000 May  
23, 2014  
0.1511471  
3,802,545.53  
0.0680509  
0.00  
0.0000000

November 23,  
 2014  
 0.1382842  
 1,804,301.81  
 0.0582198  
 0.00  
 0.0000000 May  
 23, 2015  
 0.1215606  
 3,840,461.76  
 0.0372943  
 0.00  
 0.0000000  
 November 23,  
 2015  
 0.1051146  
 3,628,418.93  
 0.0175241  
 0.00  
 0.0000000 May  
 23, 2016  
 0.0883910  
 3,216,196.35  
 0.0000000  
 0.00  
 0.0000000  
 November 23,  
 2016  
 0.0716674  
 0.00  
 0.0000000  
 0.00  
 0.0000000 May  
 23, 2017  
 0.0551857  
 0.00  
 0.0000000  
 0.00  
 0.0000000  
 November 23,  
 2017  
 0.0393316  
 0.00  
 0.0000000  
 0.00  
 0.0000000 May  
 23, 2018  
 0.0245210  
 0.00  
 0.0000000  
 0.00  
 0.0000000  
 November 23,  
 2018  
 0.0114611  
 0.00  
 0.0000000  
 0.00  
 0.0000000 May  
 23, 2019  
 0.0000000  
 0.00  
 0.0000000  
 0.00  
 0.0000000  
 November 23,  
 2019  
 0.0000000  
 0.00  
 0.0000000  
 0.00  
 0.0000000 May  
 23, 2020  
 0.0000000  
 0.00  
 0.0000000  
 0.00  
 0.0000000  
 November 23,  
 2020  
 0.0000000  
 0.00  
 0.0000000  
 0.00  
 0.0000000 May  
 23, 2021  
 0.0000000  
 0.00  
 0.0000000  
 0.00  
 0.0000000

The Pool Factor and Pool Balance of each Trust will be recomputed if there has been an early redemption, purchase or default in the payment of principal or interest in respect of one or more of the Equipment Notes held in a Trust, as described in "- Indenture Events of Default and Certain Rights upon an Indenture

Event of Default" and "Description of the Equipment Notes - Redemption." Notice of the Pool Factors and Pool Balances of each Trust as so recomputed after giving effect to any Special Payment to Certificateholders resulting from such an early redemption, purchase or default in respect of one more Equipment Notes will be mailed to Certificateholders of Certificates of the related Trust with such Special Payment, as described in "- Reports to Certificateholders".

#### REPORTS TO CERTIFICATEHOLDERS

On each Distribution Date, the applicable Trustee will include with each distribution of a Scheduled Payment or Special Payment to Certificateholders of the related Trust a statement, giving effect to such distribution to be made on such Distribution Date, setting forth the following information (per \$1,000 aggregate principal amount of Certificate as to items (1) and (2) below):

- (1) the amount of such distribution allocable to principal and the amount allocable to Make-Whole Amount, if any;
- (2) the amount of such distribution allocable to interest; and
- (3) the Pool Balance and the Pool Factor for such Trust. (Section 4.03)

As long as the Certificates are registered in the name of Cede, as nominee for DTC, on the record date prior to each Distribution Date, the applicable Trustee will request from DTC a securities position listing setting forth the names of all DTC Participants reflected on DTC's books as holding interests in the Certificates on such record date. On each Distribution Date, the applicable Trustee will mail to each such DTC Participant the statement described above and will make available additional copies as requested by such DTC Participant for forwarding to Certificate Owners. (Section 4.03(a))

In addition, after the end of each calendar year, the applicable Trustee will prepare for each Certificateholder of each Trust at any time during the preceding calendar year a report containing the sum of the amounts determined pursuant to clauses (1) and (2) above with respect to the Trust for such calendar year or, if such person was a Certificateholder during only a portion of such calendar year, for the applicable portion of such calendar year, and such other items as are readily available to such Trustee and which a Certificateholder reasonably requests as necessary for the purpose of such Certificateholder's preparation of its U.S. federal income tax returns. Such report and such other items will be prepared on the basis of information supplied to the applicable Trustee by the DTC Participants and will be delivered by such Trustee to such DTC Participants to be available for forwarding by such DTC Participants to Certificate Owners. (Section 4.03(b))

At such time, if any, as the Certificates are issued in the form of definitive certificates, the applicable Trustee will prepare and deliver the information described above to each Certificateholder of record of each Trust as the name and period of record ownership of such Certificateholder appears on the records of the registrar of the Certificates.

#### INDENTURE EVENTS OF DEFAULT AND CERTAIN RIGHTS UPON AN INDENTURE EVENT OF DEFAULT

An Indenture Event of Default under an Indenture will, with respect to the Leased Aircraft Indentures, include a Lease Event of Default under the related Lease. Because the Equipment Notes issued under an Indenture are held in more than one Trust, a continuing Indenture Event of Default under such Indenture would affect the Equipment Notes held by each such Trust. For a description of the Indenture Events of Default under each Indenture, see "Description of the Equipment Notes - Indenture Events of Default, Notice and Waiver." There are no cross-default or cross-acceleration provisions in the Indentures or the Leases. Consequently, events resulting in an Indenture Event of Default under any particular Indenture may or may not result in an Indenture Event of Default under any other Indenture, and events resulting in a Lease Event of Default under any particular Lease may or may not result in a Lease Event of Default under any other Lease. If an Indenture Event of Default occurs in fewer than all of the Indentures related to a Trust, notwithstanding the treatment of Equipment Notes issued under those Indentures under which an Indenture Event of Default has occurred, payments of principal and interest on those Equipment Notes issued pursuant to Indentures with respect to which an Indenture Event of Default has not occurred will continue to be made as originally scheduled and distributed to the holders of the Certificates, subject to the Intercreditor Agreement. See "Description of the Intercreditor Agreement - Priority of Distributions".

With respect to each Leased Aircraft, the related Owner Trustee and Owner Participant, under the related Leased Aircraft Indenture, have the right under certain circumstances to cure Indenture Events of Default that result from the occurrence of a Lease Event of Default under the related Lease. If the Owner Trustee or the Owner Participant exercises any such cure right and effects the applicable cure, the Indenture Event of Default will be deemed to have been cured.

If the same institution acts as Trustee of multiple Trusts, in the absence of instructions from the Certificateholders of any such Trust, such Trustee could be faced with a potential conflict of interest upon an Indenture Event of Default. In such event, each Trustee has indicated that it would resign as Trustee of some or all such Trusts, and a successor trustee would be appointed in accordance with the terms of the applicable Pass Through Trust Agreement. State Street Bank and Trust Company of Connecticut, National Association, will be the initial Trustee under each Trust.

Upon the occurrence and continuation of an Indenture Event of Default under any Indenture, the Controlling Party will direct the Loan Trustee under such Indenture in the exercise of remedies and may accelerate the Equipment Notes issued under such Indenture and sell all (but not less than all) of such Equipment Notes or



the related Aircraft to any person, subject to certain limitations. See "Description of the Intercreditor Agreement - Intercreditor Rights - Sale of Equipment Notes or Aircraft." The proceeds of such sale will be distributed pursuant to the provisions of the Intercreditor Agreement. Any proceeds so distributed to any Trustee upon any such sale will be deposited in the applicable Special Payments Account and will be distributed to the Certificateholders of the applicable Trust on a Special Distribution Date. (Sections 4.01 and 4.02) The market for Equipment Notes at the time of the existence of an Indenture Event of Default may be very limited, and there can be no assurance whether they could be sold or as to the price at which they could be sold. If a Loan Trustee sells any such Equipment Notes for less than their outstanding principal amount, certain Certificateholders will receive a smaller amount of principal distributions than anticipated and will not have any claim for the shortfall against American, any Liquidity Provider, any Owner Trustee, any Owner Participant or any Trustee. Neither such Trustee nor the Certificateholders of such Trust, furthermore, could take action with respect to any remaining Equipment Notes held in such Trust as long as no Indenture Events of Default existed with respect thereto.

Any amount, other than Scheduled Payments received on a Regular Distribution Date or within five days thereafter, distributed to the Trustee of any Trust by the Subordination Agent on account of the Equipment Notes or other Trust Property held in such Trust following an Indenture Event of Default under any Indenture will be deposited in the Special Payments Account for such Trust and will be distributed to the Certificateholders of such Trust on a Special Distribution Date. In addition, if following an Indenture Event of Default under any Leased Aircraft Indenture, the applicable Owner Participant exercises its option to purchase the outstanding Equipment Notes issued under such Leased Aircraft Indenture, the price paid by such Owner Participant for such Equipment Notes and distributed to such Trust by the Subordination Agent will be deposited in the Special Payments Account for such Trust and will be distributed to the Certificateholders of such Trust on a Special Distribution Date. (Sections 4.01 and 4.02)

Any funds representing payments received with respect to any defaulted Equipment Notes held in a Trust, or the proceeds from the sale of any Equipment Notes, held by the Trustee in the Special Payments Account for such Trust will, to the extent practicable, be invested and reinvested by such Trustee in certain Permitted Investments pending the distribution of such funds on a Special Distribution Date. (Section 4.04) "Permitted Investments" are defined as obligations of the United States or agencies or instrumentalities thereof the payment of which is backed by the full faith and credit of the United States and which mature in not more than 60 days or such lesser time as is required for the distribution of any such funds on a Special Distribution Date. (Section 1.01)

Each Pass Through Trust Agreement provides that the Trustee of the related Trust will, within 90 days after the occurrence of a default (as defined below) known to it, give to the Certificateholders of such Trust notice, transmitted by mail, of such default, unless such default shall have been cured or waived; provided that, (i) 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 (ii) except in the case of default in a payment of principal, Make-Whole Amount, if any, or interest on any of the Equipment Notes held in such Trust, the applicable Trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of such Certificateholders. (Section 7.02) The term "default" with respect to a Trust, for the purpose of the provision described in this paragraph only, means an event that is, or after notice or lapse of time or both would become, an event of default or a Triggering Event with respect to such Trust. The term "event of default" with respect to a Trust means an Indenture Event of Default under any Indenture pursuant to which Equipment Notes held by such Trust were issued.

Subject to certain qualifications set forth in each Pass Through Trust Agreement and to the Intercreditor Agreement, the Certificateholders of each Trust holding Certificates evidencing fractional undivided interests aggregating not less than a majority in interest in such Trust will 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 the Intercreditor Agreement, or exercising any trust or power conferred on such Trustee under such Pass Through Trust Agreement or the Intercreditor Agreement, including any right of such Trustee as Controlling Party under the Intercreditor Agreement or as holder of the Equipment Notes (the "Note Holder"). (Section 6.04)

Subject to the Intercreditor Agreement, the holders of the Certificates of a Trust evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust may on behalf of the holders of

all the Certificates of such Trust waive any past "default" or "event of default" under the related Pass Through Trust Agreement and its consequences or, if the Trustee of such Trust is the Controlling Party, may direct the Trustee to instruct the applicable Loan Trustee to waive any past Indenture Event of Default and its consequences; provided, however, the consent of each holder of a Certificate of a Trust is required to waive (i) a default in the deposit of any Scheduled Payment or Special Payment or in the distribution thereof, (ii) a default in payment of the principal, Make-Whole Amount, if any, or interest with respect to any of the Equipment Notes held in such Trust and (iii) a default in respect of any covenant or provision of the related Pass Through Trust Agreement that cannot be modified or amended without the consent of each Certificateholder of such Trust affected thereby. (Section 6.05) Each Indenture will provide that, with certain exceptions, the holders of the majority in aggregate unpaid principal amount of the Equipment Notes issued thereunder may on behalf of all such Note Holders waive any past default or Indenture Event of Default thereunder. Notwithstanding the foregoing provisions of this paragraph, however, pursuant to the Intercreditor Agreement only the Controlling Party will be entitled to waive any such past default or Indenture Event of Default.

#### PURCHASE RIGHTS OF CERTIFICATEHOLDERS

After the occurrence and during the continuation of a Triggering Event, with ten days' prior written notice to the Trustee and each Certificateholder of the same Class:

- o if either the Class A-1 or Class A-2 Certificateholders are then represented by the Controlling Party, the Certificateholders of such Class that is not so represented will have the right to purchase all, but not less than all, of the Certificates of such Class that is so represented;
- o the Class B Certificateholders will have the right to purchase all, but not less than all, of the Class A-1 and Class A-2 Certificates;
- o the Class C Certificateholders will have the right to purchase all, but not less than all, of the Class A-1, Class A-2 and Class B Certificates;
- o the Class D Certificateholders will have the right to purchase all, but not less than all, of the Class A-1, Class A-2, Class B and Class C Certificates; and
- o if the Class E Certificates are issued as described under "- Possible Issuance of Series E Equipment Notes", the Class E Certificateholders will have the right to purchase all, but not less than all, of the Class A-1, Class A-2, Class B, Class C and Class D Certificates.

In each case the purchase price for a Class of Certificates will be equal to the Pool Balance of such Class plus accrued and undistributed interest thereon to the date of purchase, without Make-Whole Amount but including any other amounts then due and payable to the Certificateholders of such Class. Such purchase right may be exercised by any Certificateholder of the Class or Classes entitled to such right. In each case, if prior to the end of the ten-day notice period, any other Certificateholder of the same Class notifies the purchasing Certificateholder that the other Certificateholder wants to participate in such purchase, then such other Certificateholder may join with the purchasing Certificateholder to purchase the Certificates pro rata based on the interest in the Trust held by each Certificateholder. (Trust Supplements, Section 4.01)

#### PTC EVENT OF DEFAULT

A "PTC Event of Default" with respect to any Class of Certificates means the failure to distribute within ten Business Days after the applicable Distribution Date either:

- o the outstanding Pool Balance of such Class of Certificates on the Final Legal Distribution Date for such Class; or
- o interest scheduled for distribution on such Class of Certificates on any Distribution Date (unless the Subordination Agent has made an Interest Drawing, or a withdrawal from the Cash Collateral Account for such Class of Certificates, in an amount sufficient to pay such interest and has distributed such amount to the Trustee entitled thereto).

Any failure to make expected principal distributions with respect to any Class of Certificates on any Regular Distribution Date (other than the Final Legal Distribution Date) will not constitute a PTC Event of Default with respect to such Certificates.

A PTC Event of Default with respect to the most senior outstanding Class of Certificates resulting from an Indenture Event of Default under all Indentures will constitute a Triggering Event. For a discussion of the consequences of the occurrence of a Triggering Event, see "Description of the Intercreditor Agreement - Priority of Distributions".

#### MERGER, CONSOLIDATION AND TRANSFER OF ASSETS

American is prohibited from consolidating with or merging into any other entity or transferring substantially all of its assets as an entirety to any other entity unless:

- o the surviving successor or transferee entity shall, if and to the extent required under Section 1110 of the United States Bankruptcy Code (the "Bankruptcy Code") in order that the Loan Trustee shall continue to be entitled to any benefits of Section 1110 with respect to an Aircraft, hold an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code relating to aviation (the "Transportation Code");
- o the surviving successor or transferee entity expressly assumes all of the obligations of American contained in the operative documents to which American is a party; and
- o American has delivered a certificate and an opinion or opinions of counsel indicating that such transaction, in effect, complies with such conditions.

In addition, after giving effect to such transaction, no Lease Event of Default or certain other defaults specified in the Lease with respect to a Leased Aircraft or Indenture Event of Default with respect to an Owned Aircraft Indenture shall have occurred and be continuing. (Section 5.02; Leased Aircraft Participation Agreements, Section 16(e); Owned Aircraft Participation Agreements, Section 6.02)

#### MODIFICATION OF THE PASS THROUGH TRUST AGREEMENTS AND CERTAIN OTHER AGREEMENTS

Each Pass Through Trust Agreement contains provisions permitting American and the Trustee to enter into a supplement to such Pass Through Trust Agreement or, if applicable, to the Intercreditor Agreement, the Participation Agreements or any Liquidity Facility, without the consent of the holders of any of the Certificates of such Trust to, among other things:

- o evidence the succession of another corporation or entity to American and the assumption by such corporation or entity of American's obligations under such Pass Through Trust Agreement, the Participation Agreements or any Liquidity Facility;
- o add to the covenants of American for the benefit of holders of such Certificates or surrender any right or power conferred upon American in such Pass Through Trust Agreement, the Intercreditor Agreement, the Participation Agreements or any Liquidity Facility;
- o cure any ambiguity or correct any mistake or inconsistency contained in such Pass Through Trust Agreement, the Intercreditor Agreement or any Liquidity Facility;
- o make or modify any other provision with respect to matters or questions arising under such Pass Through Trust Agreement, the Intercreditor Agreement or any Liquidity Facility as American may deem necessary or desirable and that will not materially adversely affect the interests of the holders of such Certificates;
- o comply with any requirement of the Commission, any applicable law, rules or regulations of any exchange or quotation system on which the Certificates are listed or of any regulatory body;

- o modify, eliminate or add to the provisions of such Pass Through Trust Agreement, the Intercreditor Agreement or any Liquidity Facility to the extent necessary to continue the qualification of such Pass Through Trust Agreement (including any supplemental agreement), the Intercreditor Agreement or any Liquidity Facility under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and add to such Pass Through Trust Agreement, the Intercreditor Agreement or any Liquidity Facility such other provisions as may be expressly permitted by the Trust Indenture Act;
- o provide for a successor Trustee under such Pass Through Trust Agreement and add to or change any of the provisions of such Pass Through Trust Agreement, the Intercreditor Agreement or any Liquidity Facility as necessary to facilitate the administration of the Trusts under such Pass Through Trust Agreement by more than one Trustee or, as provided in the Intercreditor Agreement, to provide for multiple Liquidity Facilities for such Trust;
- o provide certain information to the Trustee as required in such Pass Through Trust Agreement;
- o add to or change the Basic Agreement and any Trust Supplement to facilitate the issuance of any Certificates in bearer form or to facilitate or provide for the issuance of any Certificates in global form in addition to or in place of Certificates in certificated form;
- o provide for the delivery of Certificates or any supplement to such Pass Through Trust Agreement in or by means of any computerized, electronic or other medium, including computer diskette;
- o correct or supplement the description of any property of any Trust; and
- o modify, eliminate or add to the provisions of such Pass Through Trust Agreement to reflect the substitution of a substitute aircraft for any Aircraft;

provided, however, that no such supplement shall cause any Trust to become an association taxable as a corporation for U.S. federal income tax purposes. (Section 9.01)

Each Pass Through Trust Agreement also contains provisions permitting American and the Trustee, with the consent of the holders of the Certificates of the related Trust evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust, to enter into supplemental agreements adding any provisions to or changing or eliminating any of the provisions of such Pass Through Trust Agreement, the Intercreditor Agreement or any Liquidity Facility or modifying the rights of the Certificateholders of such Trust, except that no such supplemental agreement may, without the consent of the holder of each Certificate affected thereby:

- o 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 in respect of any Certificate of such Trust, or change the date or place of any payment or change the coin or currency in which such Certificate is payable, or impair the right of any Certificateholder of such Trust to institute suit for the enforcement of any such payment when due;
- o permit the disposition of any Equipment Note held in such Trust, except as provided in such Pass Through Trust Agreement, the Intercreditor Agreement or any Liquidity Facility;
- o alter the priority of distributions specified in the Intercreditor Agreement in a manner materially adverse to such Certificateholders;
- o reduce the percentage of the aggregate fractional undivided interests of the Trust provided for in such Pass Through Trust Agreement, the consent of the holders of which is required for any such supplemental agreement or for any waiver or modification provided for in such Pass Through Trust Agreement; or
- o cause such Trust to become an association taxable as a corporation for U.S. Federal income tax purposes.

If a Trustee, as holder (or beneficial owner through the Subordination Agent) of any Equipment Note in trust for the benefit of the Certificateholders of the relevant Trust or as Controlling Party under the 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, any Participation Agreement, any Lease, any Equipment Note or any other related document, the Trustee will forthwith send a notice of such proposed amendment, modification, waiver or supplement to each Certificateholder of the relevant Trust registered on the register of such Trust as of the date of such notice. The Trustee will request from the Certificateholders a direction as to:

- o whether or not to take or refrain from taking (or direct the Subordination Agent to take or refrain from taking) any action that a Note Holder or the Controlling Party has the option to take or direct;
- o 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 Note Holder or as Controlling Party; and
- o how to vote (or direct the Subordination Agent to vote) any Equipment Note if a vote has been called for with respect thereto.

(Section 10.01; Intercreditor Agreement, Section 8.01(b))

Provided such a request for Certificateholder direction has 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):

- o other than as the Controlling Party, the Trustee will vote for or give consent to any such action with respect to such Equipment Note in the same proportion as that of (x) 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 (y) the aggregate face amount of all outstanding Certificates of the relevant Trust; and
- o as the Controlling Party, the Trustee will vote as directed in such Certificateholder direction by the Certificateholders evidencing fractional undivided interests aggregating not less than a majority in interest in the relevant Trust.

(Section 10.01)

For purposes of the preceding paragraph, a Certificate is deemed "actually voted" if the Certificateholder has delivered to the Trustee an instrument evidencing such Certificateholder'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 certain rights of the Certificateholders under the relevant Pass Through Trust Agreement and subject to the Intercreditor Agreement, the Trustee may, 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 relevant Loan Trustee of such consent) to any amendment, modification, waiver or supplement under the relevant Indenture, Participation Agreement, Lease, Equipment Note or any other related document, if an Indenture Event of Default under any Indenture has occurred and is continuing, or if such amendment, modification, waiver or supplement will not materially adversely affect the interests of the Certificateholders. (Section 10.01)

#### POSSIBLE ISSUANCE OF SERIES E EQUIPMENT NOTES

The Owner Trustee, in the case of the Leased Aircraft, and American, in the case of the Owned Aircraft, may elect to issue Series E Equipment Notes in connection with some or all of the Aircraft, which would be funded from sources other than the original placement of the Old Certificates. The Owner Trustee or American, as the case may be, may elect to fund the sale of the Series E Equipment Notes through the sale of Pass Through Certificates (the "Class E Certificates") issued by a Class E American Airlines 2001-1 Pass Through Trust (the

"Class E Trust"). Neither the Owner Trustee nor American will issue any Series E Equipment Notes at any time prior to the consummation of the original placement of the Old Certificates. The ability to issue any Series E Equipment Notes is contingent upon obtaining written confirmation from each Rating Agency that the issuance of such Series E Equipment Notes would not result in a withdrawal or downgrading of the rating of any Class of Certificates. If the Class E Certificates are issued, the trustee under the Class E Trust (the "Class E Trustee") will become a party to the Intercreditor Agreement, and the Class E Certificates would be subordinated in right of distribution to the Class A-1, Class A-2, Class B, Class C and Class D Certificates. See "Description of the Intercreditor Agreement." In addition, after the occurrence and during the continuance of a Triggering Event, the Class E Certificateholders would have certain rights to purchase the Class A-1, Class A-2, Class B, Class C and Class D Certificates. See "- Purchase Rights of Certificateholders". If Series E Equipment Notes are issued to any person or entity other than the Class E Trust, such Series E Equipment Notes will nevertheless be subject to the provisions of the Intercreditor Agreement that allow the Controlling Party, during the continuance of an Indenture Event of Default, to direct the Loan Trustee in taking action under the applicable Indenture. (Intercreditor Agreement, Section 8.01(c))

#### TERMINATION OF THE TRUSTS

The obligations of American and the applicable Trustee with respect to a Trust will terminate upon the distribution to Certificateholders of such Trust of all amounts required to be distributed to them pursuant to the applicable Pass Through Trust Agreement and the disposition of all property held in such Trust. The applicable Trustee will mail to each Certificateholder of record of such Trust notice of the termination of such Trust, the amount of the proposed final payment and the proposed date for the distribution of such final payment for such Trust. The Final Distribution to any Certificateholder of such Trust will be made only upon surrender of such Certificateholder's Certificates at the office or agency of the applicable Trustee specified in such notice of termination. (Section 11.01)

#### THE TRUSTEES

The Trustee for each Trust initially is State Street Bank and Trust Company of Connecticut, National Association. The Trustee's address is State Street Bank and Trust Company of Connecticut, National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103, Attention: Corporate Trust Division.

With certain exceptions, the Trustee makes no representations as to the validity or sufficiency of the Basic Agreement, the Trust Supplements, the Certificates, the Equipment Notes, the Indentures, the Intercreditor Agreement, the Participation Agreements, the Leases, any Liquidity Facility or other related documents. (Sections 7.04 and 7.15) The Trustee of any Trust will not be liable to the Certificateholders of such Trust for any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority in face amount of outstanding Certificates of such Trust. Subject to certain provisions, the Trustee will be under no obligation to exercise any of its rights or powers under any Pass Through Trust Agreement at the request of any holders of Certificates issued thereunder unless there has been offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by such Trustee in exercising such rights or powers. (Section 7.03(e)) Each Pass Through Trust Agreement provides that the applicable Trustee in its individual or any other capacity may acquire and hold Certificates issued thereunder and, subject to certain conditions, may otherwise deal with American with the same rights it would have if it were not the Trustee. (Section 7.05)

#### BOOK-ENTRY REGISTRATION; DELIVERY AND FORM

Each Class of New Certificates will be represented by one or more fully registered global certificates. Each global certificate will be deposited with, or on behalf of, The Depository Trust Company ("DTC") and registered in the name of Cede & Co. ("Cede"), the nominee of DTC. No person acquiring an interest in such Certificates ("Certificate Owner") will be entitled to receive a certificate representing such person's interest in such Certificates, except as set forth below under "- Definitive Certificates". Unless and until Definitive Certificates (as defined below) are issued under the limited circumstances described herein, all references in this Prospectus to actions by Certificateholders will refer to actions taken by DTC upon instructions from DTC Participants (as defined below), and all references to distributions, notices, reports and statements to

Certificateholders will refer, as the case may be, to distributions, notices, reports and statements to DTC or Cede, as the registered holder of such Certificates, or to DTC Participants for distribution to Certificate Owners in accordance with DTC procedures.

DTC has advised American that DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its participants ("DTC Participants") and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entries, thereby eliminating the need for physical transfer of certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to the DTC system also is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "Rules"), DTC is required to make book-entry transfers of Certificates among DTC Participants on whose behalf it acts with respect to the Certificates. Certificate Owners that are not DTC Participants but that desire to purchase, sell or otherwise transfer ownership of, or other interests in, Certificates may do so only through DTC Participants. DTC Participants and Indirect Participants with which Certificate Owners have accounts with respect to the Certificates, however, are required to make book-entry transfers on behalf of their respective customers. In addition, under the Rules, DTC is required to receive and transmit to the DTC Participants distributions of principal of, premium, if any, and interest with respect to the Certificates. Certificate Owners thus will receive all distributions of principal, premium, if any, and interest from the Trustee through DTC Participants or Indirect Participants, as the case may be. Under this book-entry system, Certificate Owners may experience some delay in their receipt of payments because such payments will be forwarded by the Trustee to Cede, as nominee for DTC, and DTC in turn will forward the payments to the appropriate DTC Participants in amounts proportionate to the principal amount of such DTC Participants' respective holdings of beneficial interests in the Certificates, as shown on the records of DTC or its nominee. Distributions by DTC Participants to Indirect Participants or Certificate Owners, as the case may be, will be the responsibility of such DTC Participants.

Unless and until Definitive Certificates are issued under the limited circumstances described herein, the only "Certificateholder" under the Basic Agreement will be Cede, as nominee of DTC. Certificate Owners therefore will not be recognized by the Trustee as Certificateholders, as such term is used in the Basic Agreement, and Certificate Owners will be permitted to exercise the rights of Certificateholders only indirectly through DTC and DTC Participants. DTC has advised American that it will take any action permitted to be taken by Certificateholders under the Basic Agreement only at the direction of one or more DTC Participants to whose accounts with DTC the Certificates are credited. Additionally, DTC has advised American that in the event any action requires approval by Certificateholders of a certain percentage of beneficial interest in each Trust, DTC will take such action only at the direction of and on behalf of DTC Participants whose holdings include undivided interests that satisfy any such percentage. DTC may take conflicting actions with respect to other undivided interests to the extent that such actions are taken on behalf of DTC Participants whose holdings include such undivided interests. Conveyance of notices and other communications by DTC to DTC Participants and by DTC Participants to Indirect Participants and to Certificate Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of Indirect Participants, the ability of a Certificate Owner to pledge Certificates to persons or entities that do not participate in the DTC system, or to otherwise act with respect to such Certificates, may be limited due to the lack of a physical certificate for such Certificates.

Neither American nor the Trustee nor any agent of American or the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Certificates held by Cede, as nominee for DTC; for maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or for the performance by DTC, any DTC Participant or any Indirect Participant of their respective obligations under the Rules or any other statutory, regulatory, contractual or customary procedures governing their obligations.

The information contained in this Prospectus concerning DTC and its book-entry system has been obtained from sources American believes to be reliable, but American has not verified such information and takes no responsibility for the accuracy thereof.

#### Same-Day Settlement and Payment

As long as Certificates are registered in the name of DTC or its nominee, all payments made by American to the Loan Trustee under any Lease or any Owned Aircraft Indenture will be in immediately available funds. Such payments, including the final distribution of principal with respect to the Certificates of any Trust, will be passed through to DTC in immediately available funds.

Any Certificates registered in the name of DTC or its nominee will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the Certificates will therefore be required by DTC to settle in immediately available funds. No assurance can be given as the effect, if any, of settlement in same day funds on trading activity in the Certificates.

#### Definitive Certificates

Certificates will be issued in certificated form ("Definitive Certificates") to Certificate Owners or their nominees, rather than to DTC or its nominee, only if (i) American advises the Trustee in writing that DTC is no longer willing or able to discharge properly its responsibilities as depository with respect to such Certificates and American or the Trustee is unable to locate a qualified successor; (ii) American elects to terminate the book-entry system through DTC; or (iii) after the occurrence of certain events of default or other events specified in the Pass Through Trust Agreement, Certificate Owners with fractional undivided interests aggregating not less than a majority in interest in the related Trust advise the Trustee, American and DTC through DTC Participants in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the Certificate Owners' best interests.

Upon the occurrence of any event described in the immediately preceding paragraph, the Trustee will be required to notify all Certificate Owners through DTC of the availability of Definitive Certificates. Upon surrender by DTC of the global certificates representing the Certificates and receipt of instructions for reregistration, the Trustee will reissue the Certificates as Definitive Certificates to Certificate Owners.

Distributions of principal, Make-Whole Amount (if any) and interest with respect to Certificates will thereafter be made by the Trustee directly in accordance with the procedures set forth in the Pass Through Trust Agreement, to holders in whose names the Definitive Certificates were registered at the close of business on the applicable Record Date. Such distributions will be made by check mailed to the address of such holder as it appears on the register maintained by the Trustee. The final payment on any Certificate, however, will be made only upon presentation and surrender of such Certificate at the office or agency specified in the notice of final distribution to Certificate Owners.

#### DESCRIPTION OF THE LIQUIDITY FACILITIES

The following summary describes material terms of the Liquidity Facilities and certain provisions of the Intercreditor Agreement, relating to the Liquidity Facilities. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Liquidity Facilities and the Intercreditor Agreement, which have been filed as exhibits to the Registration Statement. Copies are available as set forth under "Where You Can Find More Information". The provisions of the Liquidity Facilities are substantially identical except as otherwise indicated.

#### GENERAL

There is no liquidity facility available with respect to the Class D Certificates. The liquidity provider for each of the Class A-1, Class A-2, Class B and Class C Trusts (the "Liquidity Provider") has entered into a separate revolving credit agreement (each, a "Liquidity Facility") with the Subordination Agent with respect to such Trust. Under each Liquidity Facility, the Liquidity Provider will, if necessary, make one or more advances



("Interest Drawings") to the Subordination Agent in an aggregate amount (the "Required Amount") sufficient to pay interest on the Pool Balance of the related Certificates on up to three consecutive semiannual Regular Distribution Dates at the respective interest rates shown on the cover page of this Prospectus for such Certificates (the "Stated Interest Rates"). If interest payment defaults occur which exceed the amount covered by or available under the Liquidity Facility for any Trust, the Certificateholders of such Trust will bear their allocable share of the deficiencies to the extent that there are no other sources of funds. The initial Liquidity Provider with respect to each Trust may be replaced by one or more other entities with respect to any of such Trusts under certain circumstances. Therefore, the Liquidity Provider for the Trusts may differ.

DRAWINGS

The initial amount available under the Liquidity Facility for each Trust on the date of issuance of the Old Certificates was as follows:

Available Trust Amount - ----- Class A-	
1.....	\$44,047,196 Class A-
2.....	40,105,331 Class
B.....	32,912,117 Class
C.....	20,314,018

Except as otherwise provided below, the Liquidity Facility for each of the Class A-1, Class A-2, Class B and Class C Trusts will enable the Subordination Agent to make Interest Drawings thereunder on any Regular Distribution Date in order to make interest distributions then scheduled for the Certificates of such Trust at the Stated Interest Rate for such Trust to the extent that the amount, if any, available to the Subordination Agent on such Regular Distribution Date is not sufficient to pay such interest. The maximum amount available to be drawn under a Liquidity Facility with respect to any Trust on any Regular Distribution Date to fund any shortfall of interest on Certificates of such Trust will not exceed the then Maximum Available Commitment under such Liquidity Facility. The "Maximum Available Commitment" at any time under each Liquidity Facility is an amount equal to the then Required Amount of such Liquidity Facility less the aggregate amount of each Interest Drawing then outstanding under such Liquidity Facility at such time, provided that following a Downgrade Drawing, a Final Drawing or a Non-Extension Drawing under a Liquidity Facility, the Maximum Available Commitment under such Liquidity Facility shall be zero.

The Liquidity Facility for any Class of Certificates does not provide for drawings thereunder to pay for principal of or Make-Whole Amount on the Certificates of such Class or any interest with respect to the Certificates of such Class in excess of the Stated Interest Rate for such Class or for more than three semiannual installments of interest or to pay principal of or interest or Make-Whole Amount with respect to the Certificates of any other Class. (Liquidity Facilities, Section 2.02; Intercreditor Agreement, Section 3.06)

Each payment by the Liquidity Provider will reduce by the same amount the Maximum Available Commitment under the related Liquidity Facility, subject to reinstatement as hereinafter described. With respect to any Interest Drawings, upon reimbursement of the Liquidity Provider in full or in part for the amount of such Interest Drawings plus accrued interest thereon, the Maximum Available Commitment under such Liquidity Facility will be reinstated by the amount reimbursed but not to exceed the then Required Amount of such Liquidity Facility; provided, however, such Liquidity Facility will not be so reinstated at any time if (i) a Liquidity Event of Default has occurred and is continuing and (ii) less than 65% of the then aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes. With respect to any other drawings under such Liquidity Facility, amounts available to be drawn thereunder are not subject to reinstatement. (Liquidity Facilities, Section 2.02(a); Intercreditor Agreement, Section 3.06(g)) Following each reduction of the Pool Balance for the applicable Trust, the Required Amount of the Liquidity Facility for any Trust will be reduced automatically to an amount sufficient to pay interest on the relevant Pool Balance thereof on the next three successive semiannual Regular Distribution Dates (without regard to expected future distributions of principal of such Certificates) at the Stated Interest Rate for such Trust. (Liquidity Facilities, Section 2.04)

"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 the Bankruptcy Code, (i) any payment default existing during the 60-day period under Section 1110(a)(2)(A) of the Bankruptcy Code (or such longer period as may apply under Section 1110(b) of the Bankruptcy Code) (the "Section 1110 Period") will 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 Lease related to such Equipment Note (in the case of a Leased Aircraft) or under the Owned Aircraft Indenture related to such Equipment Note (in the case of an Owned Aircraft), (ii) any payment default occurring after the date of the order of relief in such proceedings will not be taken into consideration if such payment default is cured under Section 1110(a)(2)(B) of the Bankruptcy Code before the later of 30 days after the date of such default or the expiration of the Section 1110 Period and (iii) any payment default occurring after the Section 1110 Period will not be taken into consideration if such payment default is cured before the end of the grace period, if any, set forth in the related Lease (in the case of a Leased Aircraft) or Owned Aircraft Indenture (in the case of an Owned Aircraft). (Intercreditor Agreement, Section 1.01)

#### REPLACEMENT OF LIQUIDITY FACILITIES

If at any time the short-term unsecured debt rating of the Liquidity Provider for any of the Class A-1, Class A-2, Class B or Class C Trusts 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 Threshold Rating applicable to such Trust, then the Liquidity Facility for such Class may be replaced by a Replacement Facility. If such Liquidity Facility is not replaced with a Replacement Facility within 10 days after the Liquidity Provider receives notice of the 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 Standard & Poor's from A-1+ to A-1), the Subordination Agent will draw the then Maximum Available Commitment under such Liquidity Facility (the "Downgrade Drawing"). The Subordination Agent will deposit the proceeds of any Downgrade Drawing into a cash collateral account (the "Cash Collateral Account") for such Class of Certificates and will use these proceeds for the same purposes and under the same circumstances and subject to the same conditions as cash payments of Interest Drawings under such Liquidity Facility would be used. (Liquidity Facilities, Section 2.02(c); Intercreditor Agreement, Sections 3.06(c) and 3.06(f))

A "Replacement Facility" for any Liquidity Facility will mean 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 will permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Certificates with respect to which such Liquidity Facility was issued (before downgrading of such ratings, if any, as a result of the downgrading of the Liquidity Provider), in a face amount (or in an aggregate face amount) equal to the amount sufficient to pay interest on the Pool Balance of the Certificates of such Trust (at the Stated Interest Rate for such Certificates, and without regard to expected future principal distributions) on the three Regular Distribution Dates following the date of replacement of such Liquidity Facility, or, if such date is a Regular Distribution Date, on such day and the two Regular Distribution Dates following such day, and issued by a person (or persons) having debt ratings issued by both Rating Agencies that are equal to or higher than the Threshold Rating for the relevant Class. (Intercreditor Agreement, Section 1.01) The provider of any Replacement Facility will have the same rights (including, without limitation, priority distribution rights and rights as Controlling Party) under the Intercreditor Agreement as the replaced Liquidity Provider.

"Threshold Rating" means (i) 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 Standard & Poor's, 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 Standard & Poor's and (ii) in the case of any person who does not have a short-term unsecured debt rating from either or both 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, Class A-2 Liquidity Provider and the Class B Liquidity Provider, a long-term unsecured debt rating of Aa3 in the case of Moody's and AA- in the case of Standard & Poor's, 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 Standard & Poor's.

The Liquidity Facility for each of the Class A-1, Class A-2, Class B and Class C Trusts provides that the Liquidity Provider's obligations thereunder will expire on the earliest of:

- o the six month anniversary of the initial issuance date of the Old Certificates;
- o the date on which the Subordination Agent delivers to such Liquidity Provider a certification that Final Distributions on all of the Certificates of such Trust have been paid in full or provision has been made for such payment;
- o the date on which the Subordination Agent delivers to such Liquidity Provider a certification that a Replacement Facility has been substituted for such Liquidity Facility;
- o the fifth Business Day following receipt by the Subordination Agent of a Termination Notice from such Liquidity Provider (see "- Liquidity Events of Default"); and
- o the date on which no amount is or may (including by reason of reinstatement) become available for drawing under such Liquidity Facility.

Each Liquidity Facility provides that it may be extended for 364-day periods by mutual agreement of the relevant Liquidity Provider and the Subordination Agent, subject to satisfaction of certain conditions in the case of the initial Liquidity Facilities.

The Intercreditor Agreement provides for the replacement of the Liquidity Facility for any Trust if such Liquidity Facility is scheduled to expire earlier than 15 days after the Final Legal Distribution Date for the Certificates of such Trust and such Liquidity Facility is not extended at least 25 days prior to its then scheduled expiration date. If such Liquidity Facility is not so extended or replaced by the 25th day prior to its then scheduled expiration date, the Subordination Agent shall request a drawing in full up to the then Maximum Available Commitment under such Liquidity Facility (the "Non-Extension Drawing"). The Subordination Agent will hold the proceeds of the Non-Extension Drawing in the Cash Collateral Account for the related Trust as cash collateral to be used for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under such Liquidity Facility would be used. (Liquidity Facilities, Section 2.02(b); Intercreditor Agreement, Sections 3.06(d) and 3.06(f))

Subject to certain limitations, American may, at its option, arrange for a Replacement Facility at any time to replace the Liquidity Facility for any Trust (including without limitation any Replacement Facility described in the following sentence). In addition, if any Liquidity Provider determines not to extend any Liquidity Facility, then such Liquidity Provider may, at its option, arrange for a Replacement Facility to replace such Liquidity Facility during the period no earlier than 40 days and no later than 25 days prior to the then scheduled expiration date of such Liquidity Facility. If a Replacement Facility is provided at any time after a Downgrade Drawing or a Non-Extension Drawing under any Liquidity Facility, the funds with respect to such Liquidity Facility on deposit in the Cash Collateral Account for such Trust will be returned to the Liquidity Provider being replaced. (Intercreditor Agreement, Section 3.06(e))

Upon receipt by the Subordination Agent of a Termination Notice with respect to any Liquidity Facility from the relevant Liquidity Provider, the Subordination Agent shall request a final drawing (a "Final Drawing") under such Liquidity Facility in an amount equal to the then Maximum Available Commitment thereunder. The Subordination Agent will hold the proceeds of the Final Drawing in the Cash Collateral Account for the related Trust as cash collateral to be used for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under such Liquidity Facility would be used. (Liquidity Facilities, Section 2.02(d); Intercreditor Agreement, Sections 3.06(f) and 3.06(i))

Drawings under any Liquidity Facility will be made by delivery by the Subordination Agent of a certificate in the form required by such Liquidity Facility. Upon receipt of such a certificate, the relevant Liquidity Provider is obligated to make payment of the drawing requested thereby in immediately available funds. Upon

payment by the relevant Liquidity Provider of the amount specified in any drawing under any Liquidity Facility, such Liquidity Provider will be fully discharged of its obligations under such Liquidity Facility with respect to such drawing and will not thereafter be obligated to make any further payments under such Liquidity Facility in respect of such drawing to the Subordination Agent or any other person.

#### REIMBURSEMENT OF DRAWINGS

The Subordination Agent must reimburse amounts drawn under any Liquidity Facility by reason of an Interest Drawing, Final Drawing, Downgrade Drawing or Non-Extension Drawing and interest thereon, but only to the extent that the Subordination Agent has funds available therefor.

#### Interest Drawings and Final Drawings

Amounts drawn under any Liquidity Facility by reason of an Interest Drawing or Final Drawing (each, a "Drawing") will be immediately due and payable, together with interest on the amount of such drawing. From the date of such drawing to (but excluding) the third business day following the Liquidity Provider's receipt of the notice of such Interest Drawing, interest will accrue at the Base Rate plus 2.00% per annum. Thereafter, interest will accrue at LIBOR for the applicable interest period plus 2.00% per annum. In the case of a Final Drawing, however, the Subordination Agent may convert the Final Drawing into a drawing bearing interest at the Base Rate plus 2.00% per annum on the last day of an interest period for such Drawing.

"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 of the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the applicable 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%).

"LIBOR" means, with respect to any interest period, the rate per annum appearing on display page 3750 (British Bankers Association--LIBOR) of the Dow Jones Markets Service (or any successor or substitute therefor) at approximately 11:00 A.M. (London time) two London business days before the first day of such interest period as the rate for dollar deposits with a maturity comparable to such interest period, or if such rate is not available, a rate per annum determined by certain alternative methods.

#### Downgrade Drawings and Non-Extension Drawings

The amount drawn under any Liquidity Facility by reason of a Downgrade Drawing or a Non-Extension Drawing and deposited in a Cash Collateral Account will be treated as follows:

- o such amount will be released on any Distribution Date to the Liquidity Provider to pay any obligations to the Liquidity Provider to the extent such amount exceeds the Required Amount;
- o any portion of such amount withdrawn from the Cash Collateral Account for such Certificates to pay interest distributions on such Certificates will be treated in the same way as Interest Drawings; and
- o the balance of such amount will be invested in certain specified eligible investments.

Any Downgrade Drawing or Non-Extension Drawing under any of the Liquidity Facilities, other than any portion thereof applied to the payment of interest distributions on the Certificates, will bear interest (x) subject to clause (y) below, in an amount equal to the investment earnings on amounts deposited in the Cash Collateral Account attributable to such Liquidity Facility (and will continue to be subject to payment of a commitment fee on the amount of such Downgrade Drawing or Non-Extension Drawing) and (y) from and after the date, if any, on which it is converted into a Final Drawing as described below under "-Liquidity Events of Default", at a rate equal to LIBOR for the applicable interest period (or, as described in the first paragraph under "- Interest Drawings and Final Drawings," the Base Rate) plus 2.00% per annum.

## LIQUIDITY EVENTS OF DEFAULT

Events of default under each Liquidity Facility (each, a "Liquidity Event of Default") will consist of:

- o the acceleration of all the Equipment Notes; or
- o certain bankruptcy or similar events involving American. (Liquidity Facilities, Section 1.01)

If (i) any Liquidity Event of Default under any Liquidity Facility has occurred and is continuing and (ii) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes, the applicable Liquidity Provider may, in its discretion, give a notice of termination of such Liquidity Facility (a "Termination Notice"). The Termination Notice will have the following consequences:

- o the related Liquidity Facility will expire on the fifth Business Day after the date on which such Termination Notice is received by the Subordination Agent;
- o the Subordination Agent will request promptly, and the Liquidity Provider will honor, a Final Drawing thereunder in an amount equal to the then Maximum Available Commitment thereunder;
- o any Drawing remaining unreimbursed as of the date of termination will be converted automatically into a Final Drawing under such Liquidity Facility; and
- o all amounts owing to the Liquidity Provider will become immediately due and payable.

Notwithstanding the foregoing, the Subordination Agent will be obligated to pay amounts owing to the applicable Liquidity Provider only to the extent of funds available therefor after giving effect to the payments in accordance with the provisions set forth under "Description of the Intercreditor Agreement - Priority of Distributions." (Liquidity Facilities, Section 6.01)

Upon the circumstances described under "Description of the Intercreditor Agreement - Intercreditor Rights," a Liquidity Provider may become the Controlling Party with respect to the exercise of remedies under the Indentures. (Intercreditor Agreement, Section 2.06(c))

## LIQUIDITY PROVIDER

The initial Liquidity Provider for each of the Class A-1, Class A-2, Class B and Class C Trusts is Boeing Capital Corporation, a Delaware corporation and indirect subsidiary of The Boeing Company. Boeing Capital Corporation has short-term debt ratings of P-1 from Moody's and A-1+ from Standard & Poor's. Boeing Capital Corporation files reports, proxy statements and other information with the Commission pursuant to the information requirements of the Exchange Act. Such information can be inspected and copied at the public reference facilities of the Commission or electronically through the Internet. Boeing Capital Corporation is the parent company of the initial Owner Participant with respect to each Leased Aircraft. We expect Boeing Capital Corporation to be replaced as Liquidity Provider prior to consummation of the Exchange Offer.

## DESCRIPTION OF THE INTERCREDITOR AGREEMENT

The following summary describes material provisions of the Intercreditor Agreement (the "Intercreditor Agreement") among the Trustees, the Liquidity Provider and State Street Bank and Trust Company of Connecticut, National Association, as subordination agent (the "Subordination Agent"). This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Intercreditor Agreement, which was filed as an exhibit to the Registration Statement. Copies are available as set forth under "Where You Can Find more Information".

## INTERCREDITOR RIGHTS

### General

The Equipment Notes relating to each Trust were issued to and registered in the name of the Subordination Agent as agent and trustee for the Trustee of such Trust.

### Controlling Party

With respect to any Indenture at any given time, the Loan Trustee under such Indenture will be directed in taking, or refraining from taking, any action thereunder or with respect to the Equipment Notes issued under such Indenture by the holders of at least a majority of the outstanding principal amount of the Equipment Notes issued under such Indenture, so long as no Indenture Event of Default shall have occurred and be continuing thereunder. For so long as the Subordination Agent is the registered holder of the Equipment Notes, the Subordination Agent will act with respect to the preceding sentence in accordance with the directions of the Trustees of the Trusts in the Trust Property of which are Equipment Notes constituting, in the aggregate, the required principal amount of Equipment Notes. (Intercreditor Agreement, Section 2.06)

At any time after an Indenture Event of Default has occurred and is continuing under an Indenture, the Loan Trustee under such Indenture will be directed in taking, or refraining from taking, any action thereunder or with respect to the Equipment Notes issued under such Indenture, including acceleration of such Equipment Notes or foreclosing the lien on the related Aircraft, by the Controlling Party, subject to the limitations described below. (Intercreditor Agreement, Section 2.06) See "Description of the Certificates - Indenture Events of Default and Certain Rights upon an Indenture Event of Default" for a description of the rights of the Certificateholders of each Trust to direct the respective Trustees.

The "Controlling Party" will be:

- o initially, the Class A-1 Trustee or Class A-2 Trustee, whichever represents the Class with the larger Pool Balance of Certificates outstanding at the time that the Indenture Event of Default occurs;
- o upon payment of Final Distributions to the holders of such larger Class of Certificates, the other of the Class A-1 Trustee or Class A-2 Trustee;
- o upon payment of Final Distributions to the holders of Class A-1 and Class A-2 Certificates, the Class B Trustee;
- o upon payment of Final Distributions to the holders of Class B Certificates, the Class C Trustee;
- o upon payment of Final Distributions to the holders of Class C Certificates, the Class D Trustee; and
- o under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the greatest amount owed to it, as discussed in the next paragraph.

At any time after 18 months from the earliest to occur of (x) the date on which the entire available amount under any Liquidity Facility has been drawn (for any reason other than a Downgrade Drawing or a Non-Extension Drawing) and remains unreimbursed, (y) the date on which the entire amount of any Downgrade Drawing or Non-Extension Drawing has been withdrawn from the relevant Cash Collateral Account to pay interest on the relevant Class of Certificates and remains unreimbursed and (z) the date on which all Equipment Notes have been accelerated, the Liquidity Provider with the greatest amount of Liquidity Obligations will have the right to become the Controlling Party with respect to any Indenture. (Intercreditor Agreement, Section 2.06) The Liquidity Provider may have interests that differ from the interests of the holders of the Certificates, particularly if the Liquidity Provider continues to be affiliated with the Owner Participant for any Aircraft.

For purposes of giving effect to the rights of the Controlling Party, the Trustees (other than the Controlling Party) have irrevocably agreed, and the Certificateholders (other than the Certificateholders

represented by the Controlling Party) have agreed or will be deemed to agree by virtue of their purchase of Certificates, that the Subordination Agent, as record Note Holder, will exercise its voting rights in respect of the Equipment Notes as directed by the Controlling Party. (Intercreditor Agreement, Sections 2.06 and 8.01(b)) For a description of certain limitations on the Controlling Party's rights to exercise remedies, see " - Sale of Equipment Notes or Aircraft" and "Description of the Equipment Notes - Remedies".

"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 Make-Whole Amount paid on the Equipment Notes held in such Trust that has not been distributed to the Certificateholders of such Trust (other than such Make-Whole Amount or a portion thereof applied to the 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. (Intercreditor Agreement, Section 1.01)

#### Sale of Equipment Notes or Aircraft

Following the occurrence and during the continuation of any Indenture Event of Default under any Indenture, the Controlling Party may direct the Subordination Agent to accelerate the Equipment Notes issued under such Indenture and, subject to the provisions of the immediately following sentence, sell all (but not less than all) of such Equipment Notes or the related Aircraft to any person. So long as any Certificates are outstanding, during the nine months after the earlier of (x) the acceleration of the Equipment Notes issued under any Indenture and (y) the bankruptcy or insolvency of American, no Aircraft subject to the lien of such Indenture or such Equipment Notes may be sold, without the consent of each Trustee, if the net proceeds from such sale would be less than the Minimum Sale Price for such Aircraft or such Equipment Notes. In addition, with respect to any Leased Aircraft, the amount and payment dates of rentals payable by American under the related Lease may not, without the consent of each Trustee, be adjusted during this nine-month period if, as a result of such adjustment, the discounted present value of all such rentals would be less than 75% of the discounted present value of the rentals payable by American under such Lease before giving effect to such adjustment. The discounted present value of all rentals shall be determined using the weighted average interest rate of the Equipment Notes outstanding under the related Leased Aircraft Indenture as the discount rate.

"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 (i) 75% of the Appraised Current Market Value of such Aircraft and (ii) the aggregate outstanding principal amount of such Equipment Notes, plus accrued and unpaid interest thereon.

#### PRIORITY OF DISTRIBUTIONS

The subordination terms applicable to the Certificates vary depending upon whether a Triggering Event has occurred. "Triggering Event" means (i) the occurrence of an Indenture Event of Default under all Indentures resulting in a PTC Event of Default with respect to the most senior Class of Certificates then outstanding, (ii) the acceleration of all of the outstanding Equipment Notes or (iii) certain bankruptcy or insolvency events involving American.

#### Before a Triggering Event

So long as no Triggering Event has occurred (whether or not continuing), all payments made in respect of the Equipment Notes and certain other payments received on any Distribution Date will be distributed promptly by the Subordination Agent on such Distribution Date in the following order of priority:

- o to the Liquidity Provider to the extent required to pay accrued and unpaid Liquidity Expenses;
- o to the Liquidity Provider to the extent required to pay accrued and unpaid interest on the Liquidity Obligations;
- o to the Liquidity Provider to the extent required to pay or reimburse the Liquidity Provider for certain

Liquidity Obligations (other than amounts payable pursuant to the two preceding clauses) and/or, if applicable, to replenish each Cash Collateral Account up to the Required Amount;

- o to the Class A-1 Trustee and the Class A-2 Trustee to the extent required to pay Expected Distributions on the Class A-1 Certificates and the Class A-2 Certificates, except that if available funds are insufficient to pay Expected Distributions to each such Class in full, available funds will be distributed to each of the Class A-1 Trustee and the Class A-2 Trustee in the same proportion as such Trustee's proportionate share of the aggregate amount of such Expected Distributions;
- o to the Class B Trustee to the extent required to pay Expected Distributions on the Class B Certificates;
- o to the Class C Trustee to the extent required to pay Expected Distributions on the Class C Certificates;
- o to the Class D Trustee to the extent required to pay Expected Distributions on the Class D Certificates;
- o if the Class E Certificates have been issued, to the Class E Trustee to the extent required to pay Expected Distributions on the Class E Certificates; and
- o to the Subordination Agent and each Trustee for the payment of certain fees and expenses.

"Liquidity Expenses" means the Liquidity Obligations other than (i) the principal amount of any drawing under the Liquidity Facilities and (ii) any interest accrued on any Liquidity Obligations.

"Liquidity Obligations" means all principal, interest, fees and other amounts owing to the Liquidity Provider under each Liquidity Facility or certain other agreements.

"Expected Distributions" means, with respect to the Certificates of any Trust on any Distribution Date (the "Current Distribution Date"), the sum of (1) accrued and unpaid interest in respect of such Certificates and (2) 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, upon redemption, prepayment, purchase, 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 Intercreditor Agreement has been paid in full and such payments have been distributed to the holders of such Certificates. (Intercreditor Agreement, Section 1.01)

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

For purposes of determining the priority of distributions on account of the redemption, purchase or prepayment of Equipment Notes issued pursuant to an Indenture, clause (1) of the definition of Expected Distributions set forth above shall be deemed to read as follows: "(1) accrued, due and unpaid interest on such Certificates together with (without duplication) accrued and unpaid interest on a portion of such Certificates equal to the outstanding principal amount of the Equipment Notes being redeemed, purchased or prepaid (immediately prior to such redemption, purchase or prepayment)".



After a Triggering Event

Subject to the terms of the Intercreditor Agreement, upon the occurrence of a Triggering Event and at all times thereafter, all funds received by the Subordination Agent in respect of the Equipment Notes and certain other payments received by the Subordination Agent will be distributed promptly by the Subordination Agent in the following order of priority:

- o to the Subordination Agent and any Trustee, to the extent required to pay certain out-of-pocket costs and expenses actually incurred by the Subordination Agent or such Trustee in protection of, or realization of the value of, the Equipment Notes, any Indenture Estate under (and as defined in) any Leased Aircraft Indenture or any Collateral under (and as defined in) any Owned Aircraft Indenture, or to any Certificateholder or the Liquidity Provider for payments made to the Subordination Agent or any Trustee in respect of such amounts;
- o to the Liquidity Provider to the extent required to pay accrued and unpaid Liquidity Expenses;
- o to the Liquidity Provider to the extent required to pay accrued and unpaid interest on the Liquidity Obligations;
- o (i) to the Liquidity Provider to the extent required to pay all Liquidity Obligations and/or, (ii) if applicable with respect to any particular Liquidity Facility (unless (x) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes and a Liquidity Event of Default has occurred and is continuing under such Liquidity Facility or (y) a Final Drawing has occurred under such Liquidity Facility), to replenish the Cash Collateral Account with respect to such Liquidity Facility up to the Required Amount for the related Class of Certificates (less the amount of any repayments of Interest Drawings under such Liquidity Facility while sub-clause (x) of this clause is applicable);
- o to the Subordination Agent and any Trustee to the extent required to pay certain fees, taxes, charges and other amounts payable or to any Certificateholder for payments made to the Subordination Agent or any Trustee in respect of such amounts;
- o to the Class A-1 Trustee and the Class A-2 Trustee to the extent required to pay Adjusted Expected Distributions on the Class A-1 Certificates and the Class A-2 Certificates, except that if available funds are insufficient to pay Adjusted Expected Distributions to each such Class in full, available funds will be distributed to each of the Class A-1 Trustee and the Class A-2 Trustee in the same proportion as such Trustee's proportionate share of the aggregate amount of such Adjusted Expected Distributions;
- o to the Class B Trustee to the extent required to pay Adjusted Expected Distributions on the Class B Certificates;
- o to the Class C Trustee to the extent required to pay Adjusted Expected Distributions on the Class C Certificates;
- o to the Class D Trustee to the extent required to pay Adjusted Expected Distributions on the Class D Certificates;
- o if the Class E Certificates have been issued, to the Class E Trustee to the extent required to pay Adjusted Expected Distributions on the Class E Certificates;
- o to the Class A-1 Trustee and the Class A-2 Trustee to the extent required to pay Final Distributions on the Class A-1 Certificates and the Class A-2 Certificates in full, except that if available funds are insufficient so to pay each such Class in full, available funds will be distributed to each of the Class A-1 Trustee and the Class A-2 Trustee in the same proportion as such Trustee's proportionate share of such amount;

- o to the Class B Trustee to the extent required to pay Final Distributions on the Class B Certificates in full;
- o to the Class C Trustee to the extent required to pay Final Distributions on the Class C Certificates in full;
- o to the Class D Trustee to the extent required to pay Final Distributions on the Class D Certificates in full; and
- o if the Class E Certificates have been issued, to the Class E Trustee to the extent required to pay Final Distributions on the Class E Certificates in full.

"Adjusted Expected Distributions" means, with respect to the Certificates of any Trust on any Current Distribution Date, the sum of (1) accrued and unpaid interest in respect of such Certificates and (2) 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 Equipment Notes other than Performing Equipment Notes (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 Intercreditor Agreement has been paid in full and such payments have been distributed to the holders of such Certificates; and

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

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

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

"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 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 Class A-2 Certificates, as the case may be, and the denominator of which equals the aggregate Pool Balances 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, Class C and Class D Certificates, 1.0.

"LTV Collateral Amount" of any Aircraft for any Class of Certificates means, as of any Distribution Date, the lesser of (i) the LTV Ratio for such Class of Certificates multiplied by the Appraised Current Market Value of such Aircraft (or with respect to any such Aircraft that has suffered an Event of Loss under and as defined in the relevant Lease, in the case of a Leased Aircraft, or the relevant Indenture, in the case of an Owned Aircraft, 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 with respect to any such Aircraft that has been released from the related Indenture pursuant

to the defeasance provisions 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 for the Class A-1 Certificates and the Class A-2 Certificates 41.0%, for the Class B Certificates 56.0%, for the Class C Certificates 66.0% and for the Class D Certificates 68.0%, prior to May 23, 2011, and thereafter for the Class A-1 and Class A-2 Certificates 29.0%, for the Class B Certificates 46.0% and for the Class C Certificates 62.0%.

"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.

After a Triggering Event occurs and any Equipment Note becomes a Non-Performing Equipment Note, the Subordination Agent will obtain LTV Appraisals of all of the Aircraft 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 LTV Appraisals based upon physical inspection of such Aircraft).

"LTV Appraisal" means a current fair market value appraisal (which may be a "desk-top" 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.

Interest Drawings under the Liquidity Facility and withdrawals from the Cash Collateral Account, in each case in respect of interest distributable on the Certificates of any Trust, will be distributed to the Trustee for such Trust, notwithstanding the priority of distributions set forth in the Intercreditor Agreement and otherwise described herein.

#### ADDITION OF TRUSTEE FOR CLASS E CERTIFICATES

If the Class E Certificates are issued, the Class E Trustee will become a party to the Intercreditor Agreement and the Intercreditor Agreement will be appropriately amended. (Intercreditor Agreement, Section 8.01(c)).

#### THE SUBORDINATION AGENT

State Street Bank and Trust Company of Connecticut, National Association, initially is the Subordination Agent under the Intercreditor Agreement. American and its affiliates may from time to time enter into banking and trustee relationships with the Subordination Agent and its affiliates. The Subordination Agent's address is State Street Bank and Trust Company of Connecticut, National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103, Attention: Corporate Trust Division.

The Subordination Agent may resign at any time, in which event a successor Subordination Agent will be appointed in consultation with American as provided in the Intercreditor Agreement. American or the Controlling Party may at any time remove the Subordination Agent as provided in the Intercreditor Agreement. In such circumstances, a successor Subordination Agent will be appointed in consultation with American as provided in the Intercreditor Agreement. Any resignation or removal of the Subordination Agent and appointment of a successor Subordination Agent does not become effective until acceptance of the appointment by the successor Subordination Agent. (Intercreditor Agreement, Section 7.01)

THE AIRCRAFT

The Aircraft consist of 32 McDonnell Douglas MD-83 aircraft (the "Leased Aircraft"), ten Boeing 737- 823 aircraft and four Boeing 777-223ER aircraft (such Boeing 737-823 and 777-223ER aircraft, the "Owned Aircraft", and together with the Leased Aircraft, the "Aircraft"). The Leased Aircraft were delivered by the manufacturer between 1997 and 1999 and leased to Trans World Airlines, Inc. pursuant to leases that were amended and restated and assigned by Trans World Airlines, Inc. to, and assumed by, American on April 9, 2001. American is initially subleasing the Leased Aircraft to TWA Airlines LLC, a wholly-owned subsidiary of American. The Owned Aircraft were delivered to American by the manufacturer in 2000 and 2001. The Aircraft have been designed to be in compliance with Stage 3 noise level standards, which are the most restrictive regulatory standards currently in effect in the United States for aircraft noise abatement.

The McDonnell Douglas MD-83 is a narrowbody commercial jet aircraft. Seating capacity in the existing two-class configuration is 142 for the MD-83. American expects to reconfigure these aircraft in mid 2001 to a 129 seat configuration. The MD-83 is powered by two Pratt & Whitney JT8D-219 model commercial jet engines manufactured by the Pratt & Whitney division of United Technologies Corporation.

The Boeing 737-823 is a narrowbody commercial jet aircraft. Seating capacity in American's two-class configuration is 134 for the 737-823. The 737-823 is powered by two CFM56-7B26 model commercial jet engines manufactured by CFM International, Inc.

The Boeing 777-223ER is a widebody commercial jet aircraft. Seating capacity in the current configuration of these 777-223ER aircraft is 254. American expects to reconfigure these aircraft in late 2001 to a 245 seat configuration. The 777-223ER is powered by two RB211-TRENT-892-17 model commercial jet engines manufactured by Rolls Royce Ltd.

THE APPRAISALS

The table below sets forth the appraised base values of the Aircraft, as of the issuance date of the Old Certificates, as determined by Aircraft Information Systems, Inc. ("AISI"), Aviation Solutions, Inc. ("AvSolutions") and Morten Beyer & Agnew, Inc. ("MBA", and together with AISI and AvSolutions, the "Appraisers"), independent aircraft appraisal and consulting firms, and certain additional information regarding the Aircraft.

U.S. APPRAISERS'	VALUATIONS APPRAISED	REGISTRATION MONTH	---
-----	-----	-----	-----
BASE AIRCRAFT TYPE	NUMBER DELIVERED	AISI	AVSOLUTIONS MBA
VALUE(1)	-----	-----	-----
-----	-----	-----	-----
-----	McDonnell		
	Douglas MD-		
83.....	N9630A		
May 1997	28,290,000		
28,210,000	28,370,000		
28,290,000	McDonnell		
	Douglas MD-		
83.....	N9615W		
July 1997	28,310,000		
28,450,000	28,590,000		
28,450,000	McDonnell		
	Douglas MD-		
83.....	N9616G		
August 1997			
28,320,000	28,560,000		
28,700,000	28,526,667		
McDonnell Douglas MD-			
83.....	N9617R		
September 1997			
28,330,000	28,680,000		
28,810,000	28,606,667		
McDonnell Douglas MD-			
83.....	N9618A		
October 1997			
28,340,000	28,800,000		
28,920,000	28,686,667		
McDonnell Douglas MD-			
83.....	N9619V		
December 1997			
28,350,000	29,040,000		
29,140,000	28,843,333		
McDonnell Douglas MD-			
83.....	N9620D		
November 1997			
28,350,000	28,920,000		
29,030,000	28,766,667		
McDonnell Douglas MD-			
83.....	N9622A		
August 1998			
30,090,000	30,030,000		
30,060,000	30,060,000		
McDonnell Douglas MD-			
83.....	N9624T		
September 1998			
30,100,000	30,150,000		
30,180,000	30,143,333		
McDonnell Douglas MD-			
83.....	N9625W		
October 1998			
30,110,000	30,280,000		
30,290,000	30,226,667		
McDonnell Douglas MD-			
83.....	N9626F		
November 1998			
30,120,000	30,400,000		
30,410,000	30,310,000		
McDonnell Douglas MD-			
83.....	N9628W		
January 1999			
31,470,000	30,660,000		
30,640,000	30,660,000		
McDonnell Douglas MD-			
83.....	N9629H		
February 1999			
31,480,000	30,780,000		
30,760,000	30,780,000		
McDonnell Douglas MD-			
83.....	N961TW		
May 1999	31,510,000		
31,480,000	31,120,000		
31,370,000	McDonnell		
	Douglas MD-		
83.....	N962TW		

May 1999 31,510,000  
31,480,000 31,120,000  
31,370,000 McDonnell  
Douglas MD-  
83..... N963TW  
May 1999 31,510,000  
31,480,000 31,120,000  
31,370,000 McDonnell  
Douglas MD-  
83..... N964TW  
June 1999 31,520,000  
31,610,000 31,240,000  
31,456,667 McDonnell  
Douglas MD-  
83..... N965TW  
June 1999 31,520,000  
31,610,000 31,240,000  
31,456,667 McDonnell  
Douglas MD-  
83..... N966TW  
June 1999 31,520,000  
31,610,000 31,240,000  
31,456,667 McDonnell  
Douglas MD-  
83..... N967TW  
July 1999 31,530,000  
31,740,000 31,360,000  
31,530,000 McDonnell  
Douglas MD-  
83..... N968TW  
July 1999 31,530,000  
31,740,000 31,360,000  
31,530,000 McDonnell  
Douglas MD-  
83..... N969TW  
July 1999 31,530,000  
31,740,000 31,360,000  
31,530,000 McDonnell  
Douglas MD-  
83..... N970TW  
August 1999  
31,540,000 31,880,000  
31,480,000 31,540,000  
McDonnell Douglas MD-  
83..... N971TW  
August 1999  
31,540,000 31,880,000  
31,480,000 31,540,000  
McDonnell Douglas MD-  
83..... N972TW  
August 1999  
31,540,000 31,880,000  
31,480,000 31,540,000  
McDonnell Douglas MD-  
83..... N9677W  
October 1999  
31,560,000 32,140,000  
31,720,000 31,720,000  
McDonnell Douglas MD-  
83..... N979TW  
November 1999  
31,570,000 32,280,000  
31,840,000 31,840,000  
McDonnell Douglas MD-  
83..... N980TW  
November 1999  
31,570,000 32,280,000  
31,840,000 31,840,000  
McDonnell Douglas MD-  
83..... N9681B  
November 1999  
31,570,000 32,280,000  
31,840,000 31,840,000  
McDonnell Douglas MD-  
83..... N982TW  
December 1999  
31,580,000 32,410,000  
31,960,000 31,960,000  
McDonnell Douglas MD-  
83..... N983TW  
December 1999  
31,580,000 32,410,000  
31,960,000 31,960,000  
McDonnell Douglas MD-  
83..... N984TW  
December 1999  
31,580,000 32,410,000  
31,960,000 31,960,000  
Boeing 737-  
823.....  
N937AN June 2000  
45,860,000 45,540,000  
46,740,000 45,860,000  
Boeing 737-  
823.....  
N944AN September 2000  
45,960,000 46,280,000

47,500,000 46,280,000  
Boeing 737-

823.....  
N945AN September 2000  
45,970,000 46,280,000  
47,500,000 46,280,000  
Boeing 737-

823.....  
N946AN September 2000  
45,970,000 46,280,000  
47,500,000 46,280,000  
Boeing 737-

823.....  
N952AA December 2000  
46,080,000 47,040,000  
48,250,000 47,040,000  
Boeing 737-

823.....  
N953AN January 2001  
48,310,000 47,300,000  
48,530,000 48,046,667  
Boeing 737-

823.....  
N954AN January 2001  
48,310,000 47,300,000  
48,530,000 48,046,667  
Boeing 737-

823.....  
N955AN February 2001  
48,330,000 47,550,000  
48,630,000 48,170,000  
Boeing 737-

823.....  
N956AN February 2001  
48,340,000 47,550,000  
48,630,000 48,173,333  
Boeing 737-

823.....  
N957AN March 2001  
48,370,000 47,810,000  
48,730,000 48,303,333  
Boeing 777-

223ER.....  
N788AN May 2000  
129,050,000  
132,250,000  
133,660,000  
131,653,333 Boeing  
777-

233ER.....  
N789AN June 2000  
129,060,000  
132,250,000  
134,350,000  
131,886,667 Boeing  
777-

223ER.....  
N790AN June 2000  
129,100,000  
132,250,000  
134,350,000  
131,900,000 Boeing  
777-

223ER.....  
N791AN June 2000  
129,120,000  
132,250,000  
134,350,000  
131,906,667

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(1) The appraised base value of each Aircraft is the lesser of the average and median base values of such Aircraft as set forth by the three Appraisers.

According to the International Society of Transport Aircraft Trading, "appraised base value" is defined as each Appraiser's opinion of the underlying economic value of an Aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and

best use." An Aircraft's appraised base value is founded in the historical trend of values and in the projection of value trends and presumes an arm's length, cash transaction between willing, able and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

Each Appraiser was asked to provide its opinion as to the appraised base value of each Aircraft. All three Appraisers performed "desk-top" appraisals without any physical inspection of the Aircraft. The Appraisals are based on various assumptions and methodologies which vary among the Appraisals and may not reflect current market conditions. Appraisals that are based on different assumptions and methodologies may result in valuations that are materially different from those contained in the Appraisals. The Appraisers have delivered letters setting forth their respective Appraisals, copies of which are annexed to this Prospectus as Appendix II. For a discussion of the assumptions and methodologies used in each of the Appraisals, you should read such letters.

An appraisal is only an estimate of value. It does not necessarily indicate the price at which an aircraft may be purchased from the manufacturer or any other seller. Nor should it be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Aircraft may be less than its appraised value. In addition, the value of the Aircraft in the event of the exercise of remedies under the applicable Indenture will depend on market and economic conditions at the time, the availability of buyers, the condition of the Aircraft, whether the Aircraft are sold separately or in one or more groups and other factors. Each of the appraisals was prepared prior to September 11, 2001 and the value of the Aircraft will likely be negatively affected, at least in the short term, as a consequence of the events of September 11, 2001 referred to under "Risk Factors -- Special Risk Factor". Accordingly, there can be no assurance that the proceeds realized upon any such exercise of remedies with respect to the Aircraft pursuant to the applicable Indenture would equal the appraised value of such Aircraft or be sufficient to satisfy in full payments due on the Equipment Notes relating to such Aircraft or the Certificates.

#### DESCRIPTION OF THE EQUIPMENT NOTES

The following summary describes material terms of the Equipment Notes, the Indentures, the Leases, the Participation Agreements and the trust agreements under which the Owner Trustees act on behalf of the Owner Participants (the "Trust Agreements"). These summaries do not purport to be complete and make use of terms defined in and are qualified in their entirety by reference to all of the provisions of the Equipment Notes, the Indentures, the Leases, the Participation Agreements and the Trust Agreements, which have been filed as exhibits to the Registration Statement. Copies are available as set forth under "Where You Can Find More Information". Except as otherwise indicated, the following summaries relate to the Equipment Notes, the Indenture, the Participation Agreement and, in the case of a Leased Aircraft, the Lease and the Trust Agreement applicable to each Aircraft.

#### GENERAL

With respect to Leased Aircraft, pursuant to the terms of an amended and restated participation agreement among American, the Owner Trustee, the Owner Participant, the Trustees, the Subordination Agent and the Loan Trustee with respect to each such Leased Aircraft (each, a "Leased Aircraft Participation Agreement"), the Owner Trustee leases the relevant Aircraft to American and the Trusts have purchased from the Owner Trustee the Equipment Notes issued under the related Leased Aircraft Indenture. With respect to Owned Aircraft, pursuant to the terms of a participation agreement among American, the Trustees, the Subordination Agent and the Loan Trustee with respect to each Aircraft (each, an "Owned Aircraft Participation Agreement" and together with the other Owned Aircraft Participation Agreements and the Leased Aircraft Participation Agreements, the "Participation Agreements"), the Trusts have purchased from American the Equipment Notes issued under the related Owned Aircraft Indenture.

Equipment Notes were issued in five series with respect to each Leased Aircraft and four series with respect to each Owned Aircraft: the "Series A-1 Equipment Notes", the "Series A-2 Equipment Notes", the "Series B Equipment Notes" and the "Series C Equipment Notes" were issued with respect to each Leased Aircraft and Owned Aircraft and, in addition, the "Series D Equipment Notes" were issued with respect to Leased Aircraft only (collectively, the "Equipment Notes"). The Owner Trustee, in the case of a Leased Aircraft, or American, in the case of an Owned Aircraft, may issue an additional series with respect to some or all of the



Aircraft (the "Series E Equipment Notes"), which would be funded from sources other than the offering of the Old Certificates and this Exchange Offer. See "Description of the Certificates -- Possible Issuance of Class E Certificates." The Equipment Notes with respect to each Leased Aircraft were issued under a separate amended and restated indenture (each, a "Leased Aircraft Indenture") between Wells Fargo Bank Northwest, National Association, as owner trustee (each, an "Owner Trustee") of a trust for the benefit of the beneficial owner of such Aircraft (each, an "Owner Participant"), and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee thereunder (each, a "Leased Aircraft Loan Trustee"). The Equipment Notes with respect to each Owned Aircraft were issued under a separate indenture (each, an "Owned Aircraft Indenture" and together with the other Owned Aircraft Indentures and the Leased Aircraft Indentures, the "Indentures") between American and State Street Bank and Trust Company of Connecticut, National Association, as loan trustee thereunder (each, an "Owned Aircraft Loan Trustee" and together with the other Owned Aircraft Loan Trustees and the Leased Aircraft Loan Trustees, the "Loan Trustees").

The related Owner Trustee has leased each Leased Aircraft to American pursuant to a separate Lease between such Owner Trustee and American with respect to such Leased Aircraft. Under each Lease, American is obligated to make or cause to be made rental and other payments to the related Leased Aircraft Loan Trustee on behalf of the related Owner Trustee, which rental and other payments will be at least sufficient to pay in full when due all payments required to be made on the Equipment Notes issued with respect to such Leased Aircraft. The Equipment Notes issued with respect to the Leased Aircraft are not, however, direct obligations of, or guaranteed by, American. American's rental obligations under each Lease and American's obligations under the Equipment Notes issued with respect to each Owned Aircraft are general obligations of American.

#### SUBORDINATION

The Indentures provide for the following subordination provisions applicable to the Equipment Notes:

- o Series A-1 and Series A-2 Equipment Notes issued in respect of an Aircraft rank equally in right of payment with each other, and rank senior in right of payment to other Equipment Notes issued in respect of such Aircraft;
- o Series B Equipment Notes issued in respect of an Aircraft rank junior in right of payment to the Series A-1 and Series A-2 Equipment Notes issued in respect of such Aircraft and rank senior in right of payment to the Series C and, in the case of a Leased Aircraft, Series D and, if applicable, Series E Equipment Notes issued in respect of such Aircraft;
- o Series C Equipment Notes issued in respect of an Aircraft rank junior in right of payment to the Series A-1, Series A-2 and Series B Equipment Notes issued in respect of such Aircraft and rank senior in right of payment, in the case of a Leased Aircraft, to the Series D Equipment Notes and, if Series E Equipment Notes are issued with respect to such Aircraft, will rank senior in right of payment to such Series E Equipment Notes;
- o in the case of the Leased Aircraft Indentures, Series D Equipment Notes issued in respect of a Leased Aircraft rank junior in right of payment to the Series A-1, Series A-2, Series B and Series C Equipment Notes issued in respect of such Aircraft and, if Series E Equipment Notes are issued with respect to such Aircraft, will rank senior in right of payment to such Series E Equipment Notes; and
- o if Series E Equipment Notes are issued with respect to an Aircraft, they will be subordinated in right of payment to the Series A-1, Series A-2, Series B, Series C and, in the case of a Leased Aircraft, Series D Equipment Notes issued with respect to such Aircraft.

(Leased Aircraft Indentures, Section 2.13; Owned Aircraft Indentures, Section 2.13)

#### PRINCIPAL AND INTEREST PAYMENTS

Subject to the provisions of the Intercreditor Agreement, scheduled installments of interest paid on the Equipment Notes held in each Trust will be passed through to the Certificateholders of such Trust on the dates

and at the rate per annum set forth on the cover page of this Prospectus until the final expected Regular Distribution Date for such Trust. Subject to the provisions of the Intercreditor Agreement, principal paid on the Equipment Notes held in each Trust will be passed through to the Certificateholders of such Trust in scheduled amounts on the dates set forth herein until the final expected Regular Distribution Date for such Trust.

Interest will be payable on the unpaid principal amount of each Equipment Note at the rate applicable to such Equipment Note on May 23 and November 23 of each year, commencing on November 23, 2001. Such interest will be computed on the basis of a 360-day year of twelve 30-day months. Overdue amounts of principal, Make-Whole Amount (if any) and interest on such series of Equipment Notes will, to the extent permitted by applicable law, bear interest at the interest rate applicable to such series of Equipment Notes, which interest rate will be equal to the rate per annum applicable to the Certificates issued by the Trust that will hold such series of Equipment Notes set forth on the cover page of this Prospectus plus 1%.

Scheduled principal payments on the Series A-1, Series B, Series C and Series D Equipment Notes will be made on May 23 and November 23 in certain years, commencing on November 23, 2001. The entire principal amount of the Series A-2 Equipment Notes is scheduled to be paid on May 23, 2011. See "Description of the Certificates -- Pool Factors" for a discussion of the scheduled payments of principal of the Equipment Notes and Appendix III for the schedule of payments of principal of each Equipment Note issued with respect to each Aircraft.

If any date scheduled for a payment of principal, Make-Whole Amount (if any) or interest with respect to the Equipment Notes is not a Business Day, such payment will be made on the next succeeding Business Day without any additional interest.

#### REDEMPTION

If an Event of Loss occurs with respect to a Leased Aircraft, the Equipment Notes issued with respect to such Leased Aircraft will be redeemed in whole. If an Event of Loss occurs with respect to an Owned Aircraft and such Owned Aircraft is not replaced by American under the related Owned Aircraft Indenture, the Equipment Notes issued with respect to such Owned Aircraft will be redeemed in whole. American does not have the option to replace a Leased Aircraft following an Event of Loss with respect to such Leased Aircraft. If Equipment Notes are redeemed following an Event of Loss, the redemption price will equal the aggregate unpaid principal amount thereof, together with accrued and unpaid interest thereon to (but excluding) the date of redemption, but without any Make-Whole Amount. Any amount paid by American in connection with such redemption will be distributed to the Certificateholders on a Special Distribution Date. (Leased Aircraft Indentures, Section 2.07(a); Owned Aircraft Indentures, Section 2.10)

If American exercises its right to terminate a Lease under Section 9(a) of such Lease, the Equipment Notes relating to the applicable Leased Aircraft will be redeemed, in whole, on a Special Distribution Date at a price equal to the aggregate unpaid principal amount thereof, together with accrued and unpaid interest thereon to, but not including, the date of redemption, plus the Make-Whole Amount for the applicable series of Equipment Notes. (Leased Aircraft Indentures, Section 2.07(b)) See "-- Certain Provisions of the Leases and the Owned Aircraft Indentures -- Lease Termination".

All of the Equipment Notes issued with respect to a Leased Aircraft may be redeemed in whole prior to maturity at any time by the Owner Trustee, and all of the Equipment Notes issued with respect to an Owned Aircraft may be redeemed in whole prior to maturity at any time by American, in each case at a price equal to the aggregate unpaid principal amount thereof, together with accrued and unpaid interest thereon to (but excluding) the date of redemption, plus the Make-Whole Amount for the applicable series of Equipment Notes. (Leased Aircraft Indentures, Section 2.08; Owned Aircraft Indentures, Section 2.11)

Notice of redemption will be given to each holder of Equipment Notes not less than 15 nor more than 60 days prior to the applicable redemption date. A notice of redemption may be revoked at such times and under such circumstances as are provided in the related Indenture. (Leased Aircraft Indentures, Section 2.09; Owned Aircraft Indentures, Sections 2.10 and 2.12)

If, with respect to a Leased Aircraft, (w) one or more Lease Events of Default shall have occurred and been continuing and the Leased Aircraft Loan Trustee shall not have declared the Lease to be in default, (x) in the event of a bankruptcy proceeding involving American, (i) during the Section 1110 Period, the trustee in such proceeding or American does not agree to perform its obligations under the related Lease or (ii) at any time after agreeing to perform such obligations, such trustee or American ceases to perform such obligations such that the stay period applicable under the Bankruptcy Code comes to an end, (y) the Equipment Notes with respect to such Aircraft have been accelerated or (z) the Leased Aircraft Loan Trustee with respect to such Equipment Notes takes action or notifies the applicable Owner Trustee or Owner Participant that it intends to take action to foreclose the lien of the related Leased Aircraft Indenture or otherwise commence the exercise of any remedy under such Indenture or the related Lease, then in each case the related Owner Participant may purchase all, but not less than all, of the Equipment Notes issued with respect to such Leased Aircraft on the applicable purchase date at a price equal to the aggregate unpaid principal thereof, together with accrued and unpaid interest thereon to the date of purchase and all other amounts payable under the Equipment Notes, but without any Make-Whole Amount (provided that the Make-Whole Amount shall be payable if such Equipment Notes are to be purchased pursuant to clause (w) when a Lease Event of Default shall have occurred and been continuing for less than 180 days). (Leased Aircraft Indentures, Section 2.10) American as owner of the Owned Aircraft has no comparable right under the Owned Aircraft Indentures to purchase the Equipment Notes under such circumstances.

"Make-Whole Amount" means, with respect to any Equipment Note, the amount (as determined by an investment bank of national standing selected by American (and, following the occurrence and during the continuance of an Event of Default, reasonably acceptable to the Loan Trustee)), if any, by which (a) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective payment date under the applicable Indenture (assuming a 360-day year of twelve 30-day months) using a discount rate equal to the Treasury Yield exceeds (b) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon to the redemption date. (Indentures, Annex A)

For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the date of determination with respect to any Equipment Note, the interest rate (expressed as a semiannual equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date of such Equipment Note and trading in the public securities markets either as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date of such Equipment Note and (B) the other maturing as close as possible to, but later than, the Average Life Date of such Equipment Note, in each case as published in the most recent H.15(519) or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date of such Equipment Note is reported in the most recent H.15(519), such weekly average yield to maturity as published in such H.15(519). "H.15(519)" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System, and the "most recent H.15(519)" means the H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. The "date of determination" of a Make-Whole Amount will be the third Business Day prior to the applicable redemption date. (Indentures, Annex A)

"Average Life Date" for any Equipment Note means the date that follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" at the redemption date of such Equipment Note means the number of days equal to the quotient obtained by dividing (a) the sum of each of the products obtained by multiplying (i) the amount of each then remaining installment of principal of such Equipment Note by (ii) the number of days from and including the redemption date to but excluding the scheduled payment date of such principal installment, by (b) the then unpaid principal amount of such Equipment Note. (Indentures, Annex A)

## SECURITY

### Leased Aircraft

The Equipment Notes issued with respect to each Leased Aircraft are secured by an assignment of the related Owner Trustee's rights, except for certain limited rights, under the Lease with respect to such Aircraft, including the right to receive payments of rent thereunder, a security interest in such Aircraft subject to the rights of American under the related Lease, certain limited rights under the purchase agreement with the Aircraft manufacturer, certain requisition and insurance proceeds with respect to such Aircraft, and all proceeds of the foregoing. (Leased Aircraft Indentures, Granting Clause)

Unless and until an Indenture Event of Default with respect to a Leased Aircraft has occurred and is continuing, the Leased Aircraft Loan Trustee may not exercise the rights of the Owner Trustee under the related Lease, except the Owner Trustee's right to receive payments of rent due thereunder. The assignment by the Owner Trustee to the Leased Aircraft Loan Trustee of its rights under the related Lease will exclude certain rights of such Owner Trustee and the related Owner Participant, including the rights of the Owner Trustee and the Owner Participant with respect to indemnification by American for certain matters, insurance proceeds payable to such Owner Trustee in its individual capacity or to such Owner Participant under certain casualty insurance maintained by such Owner Trustee or such Owner Participant under such Lease and certain reimbursement payments made by American to such Owner Trustee. (Leased Aircraft Indentures, Granting Clause) The Equipment Notes issued in respect of any one Aircraft will not be secured by any of the other Aircraft (whether owned or leased) or other Leases. Accordingly, any excess proceeds from the exercise of remedies with respect to the Equipment Notes relating to an Aircraft will not be available to cover any shortfall with respect to the Equipment Notes relating to any other Aircraft (whether owned or leased).

### Owned Aircraft

The Equipment Notes issued with respect to each Owned Aircraft are secured by a security interest in such Aircraft, certain limited rights under the aircraft purchase agreement between American and Boeing, certain requisition and insurance proceeds with respect to such Aircraft, and all proceeds of the foregoing. (Owned Aircraft Indentures, Granting Clause)

The Equipment Notes are not cross-collateralized and, consequently, the Equipment Notes issued in respect of any one Aircraft are not secured by any of the other Aircraft (whether owned or leased). See "- Remedies." Accordingly, any excess proceeds from the exercise of remedies with respect to the Equipment Notes relating to an Aircraft will not be available to cover any shortfall with respect to the Equipment Notes relating to any other Aircraft (whether owned or leased).

### LOAN TO VALUE RATIOS OF EQUIPMENT NOTES

The tables in Appendix IV set forth aggregate loan to Aircraft value ratios for the Equipment Notes issued in respect of each Aircraft as of the issuance date of the Old Certificates and each May 23 Regular Distribution Date. The LTVs were obtained by dividing (i) the outstanding principal amount (assuming no payment default or early redemption) of such Equipment Notes determined immediately after giving effect to the payments scheduled to be made on each such Regular Distribution Date by (ii) the assumed value (the "Assumed Aircraft Value") of the Aircraft securing such Equipment Notes.

The tables in Appendix IV are based on the assumption that the initial appraised base value of the Aircraft set forth opposite the initial Regular Distribution Date included in each table depreciates by approximately 3% of the initial appraised base value per year for the first 15 years after delivery by the manufacturer of such Aircraft, by approximately 4% of the initial appraised base value per year for the following five years and by approximately 5% of the initial appraised base value per year thereafter. Other rates or methods of depreciation would result in materially different LTVs, and no assurance can be given (i) that the depreciation rate and method assumed for the purposes of the tables are the ones most likely to occur or (ii) as to the actual future value of any Aircraft. Thus the tables should not be considered a forecast or prediction of expected or likely LTVs, but simply a mathematical calculation based on one set of assumptions.

## DEFEASANCE

Under certain circumstances with respect to the Owned Aircraft, American may legally release itself from any payment or other obligations on all, but not less than all, of the Equipment Notes issued under one or more Owned Aircraft Indentures (a "full defeasance") if American puts in place the following arrangements for the benefit of the holders of such Equipment Notes:

- o American must deposit in trust for the benefit of the holders of such Equipment Notes a combination of money and direct obligations of the United States (and certain depository receipts representing interests in such direct obligations) ("U.S. Government Obligations") that will generate enough money to pay when due the principal of and interest on the Equipment Notes; and
- o American must deliver to the Trustees and the relevant Owned Aircraft Loan Trustee a legal opinion stating that there has been a change in the federal tax law from such law as in effect on the date of this Prospectus or that there has been an IRS ruling, in either case that lets American make the above deposit without causing the holders of the Certificates to be taxed on their Certificates any differently than if American did not make the deposit and simply repaid the Equipment Notes itself.

American may only accomplish full defeasance if it obtains written confirmation from each Rating Agency that such full defeasance will not result in a withdrawal or downgrading of the rating of any Class of Certificates. If American were to accomplish full defeasance, as described above, holders of the Equipment Notes so defeased would rely solely on the trust deposit for repayment on such Equipment Notes. Holders of such Equipment Notes could not look to American for repayment if a shortfall in the payment of principal of or interest on such Equipment Notes occurred. In addition, the holders of such Equipment Notes would have no beneficial interest in or other rights with respect to the related Aircraft or other assets subject to the lien of the related Indenture and such lien would terminate. (Owned Aircraft Indentures, Section 10.01)

The Leased Aircraft Indentures do not provide for full defeasance from payment or other obligations thereunder.

## LIMITATION OF LIABILITY

The Equipment Notes issued with respect to the Leased Aircraft are not direct obligations of, or guaranteed by, American, any Owner Participant or the Leased Aircraft Loan Trustees or the Owner Trustees in their individual capacities. None of the Owner Trustees, the Owner Participants or the Loan Trustees will be personally liable to any Note Holder for any amount payable under the Equipment Notes or the Leased Aircraft Indentures or, except as expressly provided in the Leased Aircraft Indentures or the Leased Aircraft Participation Agreements in the case of the Owner Trustees and the Loan Trustees, for any liability under such Leased Aircraft Indentures and Equipment Notes. All payments of principal of, Make-Whole Amount (if any) and interest on the Equipment Notes issued with respect to any Leased Aircraft (other than payments made in connection with an optional redemption or purchase of Equipment Notes issued with respect to a Leased Aircraft by the related Owner Trustee or the related Owner Participant) will be made only from the assets subject to the lien of the Indenture with respect to such Leased Aircraft or the income and proceeds received by the related Leased Aircraft Loan Trustee therefrom (including rent payable by American under the Lease with respect to such Leased Aircraft).

The Equipment Notes issued with respect to the Owned Aircraft are direct obligations of American.

Except as otherwise provided in the Indentures, each Owner Trustee and each Loan Trustee, in its individual capacity, will not be answerable or accountable under the Indentures or the Equipment Notes under any circumstances except, among other things, for its own willful misconduct or negligence. None of the Owner Participants will have any duty or responsibility under any of the Leased Aircraft Indentures or the Equipment Notes to the Leased Aircraft Loan Trustees or to any holder of any Equipment Note.

INDENTURE EVENTS OF DEFAULT, NOTICE AND WAIVER

"Indenture Events of Default" under each Indenture include:

- o in the case of a Leased Aircraft Indenture, the occurrence of a Lease Event of Default under the related Lease;
- o the failure by the related Owner Trustee, in the case of a Leased Aircraft Indenture, or American, in the case of an Owned Aircraft Indenture, to pay any interest or principal or Make-Whole Amount, if any, within 15 days after the same has become due on any Equipment Note;
- o the failure by the related Owner Trustee, in the case of a Leased Aircraft Indenture, or American, in the case of an Owned Aircraft Indenture, to pay any amount (other than interest, principal or Make-Whole Amount, if any) when due under the Indenture, any Equipment Note or any other operative documents for more than 20 days, in the case of a Leased Aircraft, or 30 days, in the case of an Owned Aircraft, after the related Owner Trustee or Owner Participant, in the case of a Leased Aircraft Indenture, or American, in the case of an Owned Aircraft Indenture, receives written notice;
- o in the case of a Leased Aircraft Indenture, the failure by the related Owner Participant or the related Owner Trustee (in its individual capacity) to discharge certain liens that continue after notice and specified cure periods;
- o in the case of an Owned Aircraft Indenture, the failure by American to carry and maintain insurance or indemnity on or with respect to the Aircraft in accordance with the provisions of the related Owned Aircraft Indenture; provided that no such failure to carry and maintain insurance will constitute an Indenture Event of Default until the earlier of (i) the date such failure has continued unremedied for a period of 30 days after the Loan Trustee receives notice of the cancellation or lapse of such insurance or (ii) the date such insurance is not in effect as to the Loan Trustee;
- o in the case of a Leased Aircraft Indenture, the failure by the related Owner Trustee or Owner Participant to perform or observe any other covenant or condition to be performed by it under such Indenture or certain related documents that continues after notice and specified cure periods;
- o in the case of an Owned Aircraft Indenture, the failure by American to perform or observe any other covenant or condition to be performed or observed by it under any operative document that continues for a period of 60 days after American receives written notice thereof; provided that, if such failure is capable of being remedied, no such failure will constitute an Indenture Event of Default for a period of one year after such notice is received by American so long as American is diligently proceeding to remedy such failure;
- o in the case of a Leased Aircraft Indenture, any representation or warranty made by the related Owner Trustee or Owner Participant in such Indenture, the related Participation Agreement or certain related documents proves to have been incorrect in any material respect when made and was and continues to be material and adverse to the rights of the Note Holders and remains unremedied after notice and specified cure periods;
- o in the case of an Owned Aircraft Indenture, any representation or warranty made by American in the related operative documents proves to have been incorrect in any material respect when made, and such incorrectness continues to be material to the transactions contemplated by the Indenture and remains unremedied for a period of 60 days after American receives written notice thereof; provided that, if such incorrectness is capable of being remedied, no such incorrectness will constitute an Indenture Event of Default for a period of one year after such notice is received by American so long as American is diligently proceeding to remedy such incorrectness; and
- o the occurrence of certain events of bankruptcy, reorganization or insolvency of the related Owner Trustee or Owner Participant, in the case of a Leased Aircraft Indenture, or American, in the case of an Owned

Aircraft Indenture.

(Leased Aircraft Indentures, Section 8.01; Owned Aircraft Indentures, Section 4.01)

There are not any cross-default provisions in the Indentures or in the Leases. Consequently, events resulting in an Indenture Event of Default under any particular Indenture may or may not result in an Indenture Event of Default occurring under any other Indenture, and events resulting in a Lease Event of Default under any particular Lease may or may not constitute a Lease Event of Default under any other Lease. If the Equipment Notes issued with respect to one or more Aircraft are in default and the Equipment Notes issued with respect to the remaining Aircraft are not in default, no remedies will be exercisable under the Indentures with respect to such remaining Aircraft.

If American fails to make any semiannual basic rental payment due under any Lease, within a specified period after such failure the applicable Owner Trustee may furnish to the Leased Aircraft Loan Trustee the amount due on the Equipment Notes issued with respect to the related Leased Aircraft, together with any interest thereon on account of the delayed payment thereof, in which event the Leased Aircraft Loan Trustee and the holders of outstanding Equipment Notes issued under such Indenture may not exercise any remedies otherwise available under such Indenture or such Lease as the result of such failure to make such rental payment, unless such Owner Trustee has previously cured three or more immediately preceding semiannual basic rental payment defaults or, in total, six or more previous semiannual basic rental payment defaults. The applicable Owner Trustee also may cure any other default by American in the performance of its obligations under any Lease that can be cured with the payment of money. (Leased Aircraft Indentures, Section 8.03).

The holders of a majority in aggregate unpaid principal amount of the Equipment Notes outstanding on a given date and issued with respect to any Aircraft, by written instruction to the Loan Trustee, may on behalf of all the Note Holders waive any existing default and its consequences under the Indenture with respect to such Aircraft, except a default in the payment of the principal of, Make-Whole Amount, if any, or interest due under any such Equipment Notes or a default in respect of any covenant or provision of such Indenture that cannot be modified or amended without the consent of each affected Note Holder. (Leased Aircraft Indentures, Section 8.08; Owned Aircraft Indentures, Section 4.05)

REMEDIES

The exercise of remedies under the Indentures will be subject to the terms of the Intercreditor Agreement, and the following description should be read in conjunction with the description of the Intercreditor Agreement.

If an Indenture Event of Default occurs and is continuing under an Indenture, the related Loan Trustee may, and upon receipt of written instructions of the holders of a majority in principal amount of the Equipment Notes then outstanding under such Indenture will, subject to the applicable Owner Participant's or Owner Trustee's right to cure, as discussed above, declare the principal of all such Equipment Notes issued thereunder immediately due and payable, together with all accrued but unpaid interest thereon (but without any Make-Whole Amount). The holders of a majority in principal amount of Equipment Notes outstanding under an Indenture may rescind any declaration of acceleration of such Equipment Notes if (i) there has been paid to the related Loan Trustee an amount sufficient to pay all overdue installments of principal and interest on any such Equipment Notes, and all other amounts owing under the operative documents, that have become due otherwise than by such declaration of acceleration, (ii) in the case of a Leased Aircraft, the rescission would not conflict with any judgment or decree and (iii) all other Indenture 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. (Leased Aircraft Indentures, Section 8.02; Owned Aircraft Indentures, Section 4.02)

Each Indenture provides that if an Indenture Event of Default under such Indenture has occurred and is continuing, the related Loan Trustee may exercise certain rights or remedies available to it under such Indenture or under applicable law (including in the case of a Leased Aircraft, if the corresponding Lease has been declared in default, one or more of the remedies under the related Lease). If an Indenture Event of Default arises solely by reason of one or more events or circumstances that constitute a Lease Event of Default and the related Leased Aircraft Loan Trustee proceeds to foreclose on the lien of the Leased Aircraft Indenture, such Leased Aircraft

Loan Trustee shall concurrently exercise one or more dispossessory remedies under the Lease with respect to such Leased Aircraft; provided that the requirement to exercise one or more of such remedies under such Lease shall not apply if such exercise has been involuntarily stayed or prohibited by applicable law or court order for a continuous period in excess of 60 days or such other period as may be specified in Section 1110 of the Bankruptcy Code, but shall apply following such 60 day or other period notwithstanding the continuation of such involuntary stay or prohibition if the continuation of such voluntary stay or prohibition results from (i) the trustee or debtor-in-possession in such proceeding agreeing to perform its obligations under such Lease with the approval of the applicable court and its continuous performance of such Lease under Section 1110(a)(2)(B) of the Bankruptcy Code; (ii) such Leased Aircraft Loan Trustee's consenting to an extension of such period or (iii) such Leased Aircraft Loan Trustee's failure to give any requisite notice. See "- Certain Provisions of the Leases and the Owned Aircraft Indentures - Events of Default under the Leases." Such remedies may be exercised by the related Leased Aircraft Loan Trustee to the exclusion of the related Owner Trustee, subject to certain conditions specified in such Indenture and subject to the terms of such Lease. Any Aircraft sold in the exercise of such remedies will be free and clear of any rights of those parties, including the rights of American under the Lease with respect to such Aircraft; provided that no exercise of any remedies by the related Leased Aircraft Loan Trustee may affect the rights of American under any Lease unless a Lease Event of Default has occurred and is continuing. (Leased Aircraft Indentures, Section 8.04) The Owned Aircraft Indentures will not contain such limitations on the Owned Aircraft Loan Trustee's ability to exercise remedies upon an Indenture Event of Default under an Owned Aircraft Indenture.

If the Equipment Notes issued in respect of one Aircraft are in default, the Equipment Notes issued in respect of the other Aircraft may not be in default, and, if not, no remedies will be exercisable under the applicable Indentures with respect to such other Aircraft.

In the case of Chapter 11 bankruptcy proceedings in which an air carrier is a debtor, Section 1110 of the Bankruptcy Code ("Section 1110") provides special rights to lessors and holders of security interests with respect to "equipment" (as defined in Section 1110). Under Section 1110, the right of such financing parties to take possession of such equipment in compliance with the provisions of a lease or security agreement is not affected by any other provision of the Bankruptcy Code or any power of the bankruptcy court. Such right to take possession may not be exercised for 60 days following the date of commencement of the reorganization proceedings. Thereafter, such right to take possession may be exercised during such proceedings unless, within the 60-day period or any longer period consented to by the relevant parties, the debtor agrees to perform its future obligations and cures all existing and future defaults on a timely basis. Defaults resulting solely from the financial condition, bankruptcy, insolvency or reorganization of the debtor need not be cured.

"Equipment" is defined in Section 1110, in part, as an aircraft, aircraft engine, appliance or spare part (as defined in Section 40102 of Title 49 of the United States Code) that is subject to a security interest granted by, or that is leased to, a debtor that, at the time such transaction is entered into, 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 ten or more individuals or 6,000 pounds or more of cargo.

It was a condition to the Trustee's obligation to purchase Equipment Notes with respect to each Aircraft that American's General Counsel provide her opinion to the Trustees that (x) if such Aircraft is a Leased Aircraft, the Owner Trustee, as lessor under the Lease for such Aircraft, and the Leased Aircraft Loan Trustee, as assignee of such Owner Trustee's rights under such Lease pursuant to the related Leased Aircraft Indenture, will be entitled to the benefits of Section 1110 with respect to the airframe and engines comprising the Aircraft originally subjected to the lien of the relevant Indenture or (y) if such Aircraft is an Owned Aircraft, the Owned Aircraft Loan Trustee will be entitled to the benefits of Section 1110 with respect to the airframe and engines comprising the Owned Aircraft originally subjected to the lien of the relevant Indenture.

The opinion of American's General Counsel did not address the possible replacement of an Owned Aircraft after an Event of Loss in the future, the consummation of which is conditioned upon the contemporaneous delivery of an opinion of counsel to the effect that the related Loan Trustee will be entitled to Section 1110 benefits with respect to the replacement airframe unless there is a change in law or court interpretation that results in Section 1110 not being available. See "- Certain Provisions of the Indentures - Events of Loss." The opinion of American's General Counsel also did not address the availability of Section 1110 with respect to the bankruptcy



proceedings of any possible sublessee of a Leased Aircraft if it is subleased by American or to any possible lessee of an Owned Aircraft if it is leased by American.

In certain circumstances following the bankruptcy or insolvency of an obligor on Equipment Notes where the obligations of that obligor under any Indenture exceed the value of the Aircraft or other collateral under such Indenture, post-petition interest will not accrue on the related Equipment Notes. In addition, to the extent that distributions are made to any Certificateholders, whether under the Intercreditor Agreement or from drawings on the Liquidity Facilities, in respect of amounts that would have been funded by post-petition interest payments on such Equipment Notes had such payments been made, there would be a shortfall between the claim allowable against the obligor on such Equipment Notes after the disposition of the Aircraft and other collateral securing such Equipment Notes and the remaining balance of the Certificates. Such shortfall would first reduce some or all of the remaining claim against the obligor available to the Trustees for the most junior Classes.

If an Indenture Event of Default under any Indenture occurs and is continuing, any sums held or received by the related Loan Trustee may be applied to reimburse such Loan Trustee for any tax, expense or other loss incurred by it and to pay any other amounts due to such Loan Trustee prior to any payments to holders of the Equipment Notes issued under such Indenture. (Leased Aircraft Indentures, Section 3.04; Owned Aircraft Indentures, Section 3.03)

In the event of bankruptcy, insolvency, receivership or like proceedings involving an Owner Participant, it is possible that, notwithstanding that the applicable Leased Aircraft is owned by the related Owner Trustee in trust, such Leased Aircraft and the related Lease and Equipment Notes might become part of such proceeding. In such event, payments under such Lease or on such Equipment Notes might be interrupted and the ability of the related Leased Aircraft Loan Trustee to exercise its remedies under the related Leased Aircraft Indenture might be restricted, although such Leased Aircraft Loan Trustee would retain its status as a secured creditor in respect of the related Lease and the related Leased Aircraft.

#### MODIFICATION OF INDENTURES AND LEASES

Without the consent of holders of a majority in principal amount of the Equipment Notes outstanding under any Indenture, the provisions of such Indenture and the related Participation Agreement or, in the case of a Leased Aircraft, Lease or Trust Agreement may not be amended or modified, except to the extent indicated below.

Subject to certain limitations, certain provisions of any Leased Aircraft Indenture, and of the Lease, the Participation Agreement and the Trust Agreement related thereto, may be amended or modified by the parties thereto without the consent of any holders of the Equipment Notes outstanding under such Indenture. In the case of each Lease, such provisions include, among others, provisions relating to (i) the return to the related Owner Trustee of the related Leased Aircraft at the end of the term of such Lease and (ii) the renewal of such Lease and the option of American at the end of the term of such Lease to purchase the related Leased Aircraft. (Leased Aircraft Indentures, Section 12.05) In addition, any Indenture may be amended without the consent of the Note Holders to, among other things: (i) cure any defect or inconsistency in such Indenture or the Equipment Notes issued thereunder; (ii) make any other provisions or amendments with respect to matters or questions arising under such Indenture or such Equipment Notes, or to amend, modify or supplement any provision thereof, provided that such action does not adversely affect the interests of any Note Holder; (iii) cure any ambiguity or correct any mistake; (iv) provide for compliance with applicable law; or (v) provide for the issuance of Series E Equipment Notes. (Leased Aircraft Indentures, Section 12.01; Owned Aircraft Indentures, Section 9.01)

Without the consent of the holder of each Equipment Note outstanding under any Indenture affected thereby, no amendment or modification of such Indenture may, among other things, (i) reduce the principal amount of, or Make-Whole Amount, if any, or interest payable on, any Equipment Notes issued under such Indenture or change the date on which any principal, Make-Whole Amount, if any, or interest is due and payable, (ii) create any lien with respect to the property subject to the lien of the Indenture prior to or *pari passu* with the lien of such Indenture, except as provided in such Indenture, or deprive any holder of an Equipment Note issued under such Indenture of the benefit of the lien of such Indenture in the property subject thereto or (iii) reduce the percentage in principal amount of outstanding Equipment Notes issued under such Indenture required to take or approve any

action under such Indenture. (Leased Aircraft Indentures, Section 12.02; Owned Aircraft Indentures, Section 9.02(a))

#### INDEMNIFICATION

American will be required to indemnify each Loan Trustee, each Owner Trustee, each Owner Participant, each Liquidity Provider, the Subordination Agent, and each Trustee, but not the holders of Certificates, for certain losses, claims and other matters. (Leased Aircraft Participation Agreements, Section 10(b); Owned Aircraft Participation Agreements Section 4.02) American will be required under certain circumstances to indemnify each Owner Participant against the loss of depreciation deductions and certain other income tax benefits with respect to the related Leased Aircraft.

The Loan Trustee will not be required to take any action or refrain from taking any action (other than notifying the Note Holders if it knows of an Event of Default or of a default arising from American's failure to pay overdue principal, interest or Make-Whole Amount, if any, under any Equipment Note), unless it has received indemnification satisfactory to it against any risks incurred in connection therewith. (Leased Aircraft Indentures, Section 9.03; Owned Aircraft Indentures, Section 5.03).

#### CERTAIN PROVISIONS OF THE LEASES AND THE OWNED AIRCRAFT INDENTURES

Each Leased Aircraft has been leased to American by the relevant Owner Trustee under the relevant amended and restated lease agreement (each, a "Lease"). Each Owned Aircraft is owned by American.

#### Lease Term Rentals and Payments

Each Leased Aircraft has been leased separately by the relevant Owner Trustee to American for a term commencing on April 9, 2001 and expiring on a date not earlier than the latest maturity date of the relevant Equipment Notes, unless terminated prior to the originally scheduled expiration date as permitted by the applicable Lease. The semiannual basic rent payment under each Lease is payable by American on each related Lease Period Date (or, if such day is not a Business Day, on the next Business Day), and will be assigned by the Owner Trustee under the corresponding Leased Aircraft Indenture to provide the funds necessary to make scheduled payments of principal and interest due from the Owner Trustee on the Equipment Notes issued under such Indenture. Each Lease provides that under no circumstances will rent payments by American be less than the scheduled payments on the related Equipment Notes. Any balance of each such semiannual basic rent payment under each Lease, after payment of amounts due on the Equipment Notes issued under the Indenture corresponding to such Lease, will be paid over to the Owner Trustee. (Leases, Section 3(b))

"Lease Period Date" means, with respect to each Lease, May 23 or November 23 during the term of such Lease.

#### Maintenance and Operation

Under the terms of each Lease, with respect to Leased Aircraft, and each Indenture, with respect to Owned Aircraft, American generally is obligated, among other things and at its expense, to keep each Aircraft duly registered, and to maintain, service, repair and overhaul the Aircraft so as to keep it in such condition as necessary to maintain the airworthiness certificate for the Aircraft in good standing at all times other than during temporary periods of storage or grounding by applicable governmental authorities. (Leases, Section 7(a); Owned Aircraft Indentures, Section 7.02(c) and (e))

American has agreed not to maintain, use or operate any Aircraft in violation of any law, rule or regulation of any government having jurisdiction over such Aircraft, or in violation of any airworthiness certificate, license or registration relating to such Aircraft, except to the extent American (or any sublessee, in the case of a Leased Aircraft, or lessee, in the case of an Owned Aircraft) 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. (Leases, Section 7(a); Owned Aircraft Indentures, Section 7.02(b))

American must make all alterations, modifications and additions to each Airframe and Engine necessary to meet the applicable requirements of the FAA or any other applicable governmental authority of another jurisdiction in which the Aircraft may then be registered; provided, however, that American (or any sublessee, with respect to a Leased Aircraft, or lessee, with respect to an Owned Aircraft) may in good faith contest the validity or application of any such requirement in any manner that does not involve, among other things, a material risk of sale, forfeiture or loss of the Aircraft. American (or any such sublessee or lessee) may add further parts and make other alterations, modifications and additions to any Airframe or any Engine as American (or any such sublessee or lessee) may deem desirable in the proper conduct of its business, including removal (without replacement) of parts, so long as such alterations, modifications, additions or removals do not materially diminish the value or utility of such Airframe or Engine below its value or utility immediately prior to such alteration, modification, addition or removal (assuming such Airframe or Engine was maintained in accordance with the Lease or Owned Aircraft Indenture, as the case may be), except that the value (but not the utility) of any Airframe or Engine may be reduced from time to time by the value of any such parts which have been removed that American deems obsolete or no longer suitable or appropriate for use on such Airframe or Engine if, in the case of a Leased Aircraft, the aggregate value of such parts removed from the Leased Aircraft and not replaced does not exceed \$100,000. All parts (with certain exceptions) incorporated or installed in or added to such Airframe or Engine as a result of such alterations, modifications or additions will be subject to the lien of the Indenture. American (or any such sublessee or lessee) is permitted to remove (without replacement) parts that are in addition to, and not in replacement of or substitution for, any part originally incorporated or installed in or attached to an Airframe or Engine at the time of delivery thereof to American, as well as any part that is not required to be incorporated or installed in or attached to any Airframe or Engine pursuant to applicable requirements of the FAA or other jurisdiction in which the Aircraft may then be registered, or any part that can be removed without materially diminishing the requisite value or utility of the Aircraft. (Leases, Section 8(c); Owned Aircraft Indentures, Section 7.04(c))

Except as set forth above, American is obligated to replace or cause to be replaced all parts that are incorporated or installed in or attached to any Airframe or any Engine and become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use. Any such replacement parts will become subject to the lien of the related Indenture in lieu of the part replaced. (Leases, Section 8(a); Owned Aircraft Indentures, Section 7.04(a))

#### Registration, Leasing and Possession

Although American has no current intention to do so, American is permitted to register an Aircraft in certain jurisdictions outside the United States, subject to certain conditions specified in the related Lease or Owned Aircraft Indenture. These conditions include a requirement that the laws of the new jurisdiction of registration will give effect to the lien of and the security interest created by the related Indenture in the applicable Aircraft. (Leases, Section 7(b); Owned Aircraft Indentures, Section 7.02(e)) American also is permitted, subject to certain limitations, to sublease, with respect to the Leased Aircraft, and to lease, with respect to the Owned Aircraft, any Aircraft to any United States certificated air carrier or to certain foreign air carriers. In addition, subject to certain limitations, American is permitted to transfer possession of any Airframe or any Engine other than by sublease or lease, including transfers of possession by American or any sublessee or lessee in connection with certain interchange and pooling arrangements, "wet leases" and transfers in connection with maintenance or modifications and transfers to the government of the United States, and, in the case of an Owned Aircraft, Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland and the United Kingdom or any instrumentality or agency thereof. (Leases, Section 7(b); Owned Aircraft Indentures, Section 7.02(a)) There are no general geographical restrictions on American's (or any sublessee's or lessee's) ability to operate the Aircraft. The extent to which the relevant Loan Trustee's lien would be recognized in an Aircraft if such Aircraft were located in certain countries is uncertain. In addition, any exercise of the right to repossess an Aircraft may be difficult, expensive and time-consuming, particularly when such Aircraft is located outside the United States or has been registered in a foreign jurisdiction or subleased or leased to a foreign operator, and may be subject to the limitations and requirements of applicable law, including the need to obtain consents or approvals for deregistration or re-export of the Aircraft, which may be subject to delays and political risk. When a defaulting sublessee or lessee or other permitted transferee is the subject of a bankruptcy, insolvency or similar event such as protective administration, additional limitations may apply. See "Risk Factors - Risk Factors Relating to the Certificates and the Exchange Offer - Repossession".

In addition, at the time of foreclosing on the lien on the Aircraft under the related Indenture, an Airframe subject to such Indenture might not be equipped with Engines subject to the same Indenture. If American fails to transfer title to engines not owned by American that are attached to repossessed Aircraft, it could be difficult, expensive and time-consuming to assemble an Aircraft consisting of an Airframe and Engines subject to the Indenture.

#### Liens

American is required to maintain each Aircraft free of any liens, other than the rights of the relevant Loan Trustee, American, the relevant Owner Trustee and Owner Participant in the case of a Leased Aircraft, the lien of the Indenture, any other rights existing pursuant to the Lease (in the case of a Leased Aircraft) and other operative documents and pass through documents related thereto, the rights of others in possession of the Aircraft in accordance with the terms of the Lease or Indenture and liens attributable to other parties to the operative documents and pass through documents related thereto and certain other specified liens, including but not limited to (i) liens for taxes either not yet due 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; (ii) materialmen's, mechanics' and other similar liens arising in the ordinary course of business and securing obligations that either are, in the case of a Leased Aircraft, not yet delinquent or, in the case of an Owned Aircraft, overdue for more than 60 days or, in either case, 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 (including, in the case of a Leased Aircraft, loss of use) of the Airframe or any Engine or the Loan Trustee's interest therein; (iii) judgment liens so long as such judgment is discharged or vacated within 60 days or the execution of such judgment is stayed pending appeal, provided, in the case of a Leased Aircraft, that during such 60 day period there is no material risk of the sale, forfeiture or loss (including loss of use) of the Airframe or any Engine or, in the case of an Owned Aircraft, such judgment is discharged, vacated or reversed within 60 days after expiration of such stay; (iv) salvage or similar rights of insurers under insurance policies maintained by American; (v) in the case of an Owned Aircraft, any other lien as to which American has provided a bond or other security adequate in the reasonable opinion of the Loan Trustee and Liens approved in writing by the Loan Trustee with the consent of a majority in interest of the Note Holders and (vi) in the case of a Leased Aircraft, the respective rights of the financing parties under any financing arrangements entered into by the Owner Trustee and the Owner Participant at any time. (Leases, Section 6; Owned Aircraft Indentures, Section 7.01)

#### Insurance

Subject to certain exceptions, American is required to maintain, at its expense (or at the expense of a sublessee, in the case of a Leased Aircraft, or a lessee, in the case of an Owned Aircraft), all-risk aircraft hull insurance covering each Aircraft, at all times in an amount not less than, in the case of Leased Aircraft, the stipulated loss value of such Aircraft (which will exceed the aggregate outstanding principal amount of the Equipment Notes relating to such Aircraft, together with accrued interest thereon) or, in the case of an Owned Aircraft, 110% of the aggregate outstanding principal amount of the Equipment Notes relating to such Aircraft. However, after giving effect to self-insurance permitted as described below, the amount payable under such insurance may be less than such amounts payable with respect to the Equipment Notes. If an Aircraft suffers an Event of Loss, insurance proceeds up to an amount equal to (x) in the case of a Leased Aircraft, the stipulated loss value or (y) in the case of an Owned Aircraft, the outstanding principal amount of the Equipment Notes, together with accrued but unpaid interest thereon, plus an amount equal to the interest that will accrue on the outstanding principal amount of the Equipment Notes during the period commencing on the date following the date of payment of such insurance proceeds to the Loan Trustee and ending on the loss payment date (in either case, the "Loan Amount"), will be paid to the applicable Loan Trustee. If an Aircraft or Engine suffers loss or damage not constituting an Event of Loss but involving insurance proceeds in excess of \$4,000,000 (in the case of a McDonnell Douglas MD-83), \$8,000,000 (in the case of a Boeing 737-823) or \$24,000,000 (in the case of a Boeing 777-223ER), proceeds in excess of such specified amounts up to the Loan Amount will be payable to the applicable Loan Trustee, and the proceeds up to such specified amounts and proceeds in excess of the Loan Amount will be payable directly to American so long as, in the case of a Leased Aircraft, the insurer has not been notified that a Lease Event of Default exists or, in the case of an Owned Aircraft, an Indenture Event of Default does not exist under the related Owned Aircraft Indenture. So long as the loss does not constitute an Event of Loss, insurance proceeds will be applied to repair or replace the equipment. (Leases, Sections 11(b) and (d);

Owned Aircraft Indentures, Section 7.06(b))

In addition, American is obligated to maintain aircraft liability insurance at its expense (or at the expense of a sublessee, in the case of a Leased Aircraft, or a lessee, in the case of an Owned Aircraft), including, without limitation, bodily injury, personal injury and property damage liability insurance (exclusive of manufacturer's product liability insurance) and contractual liability insurance with respect to each Aircraft. Such liability insurance must be underwritten by insurers of recognized responsibility. The amount of such liability insurance coverage may not be less than the amount of aircraft liability insurance from time to time applicable to similar aircraft in American's fleet on which American carries insurance. (Leases, Section 11(a); Owned Aircraft Indentures, Section 7.06(a))

American also is required to maintain war-risk insurance with respect to each Aircraft if and to the extent such insurance is maintained by American (or any sublessee, in the case of a Leased Aircraft, or any lessee, in the case of an Owned Aircraft) with respect to other aircraft owned or operated by American (or such sublessee or lessee) on the same routes on which the Aircraft is operated. (Leases, Section 11(b); Owned Aircraft Indentures, Section 7.06(b))

American may self-insure under a program applicable to all aircraft in its fleet, but the amount of such self-insurance in the aggregate may not exceed for any 12-month policy year 1% of the average aggregate insurable value (during the preceding policy year) of all aircraft on which American (or, in the case of a Leased Aircraft, TWA Airlines LLC) carries insurance, unless, in the case of an Owned Aircraft, an insurance broker of national standing certifies that the standard among all other major U.S. airlines is a higher level of self-insurance, in which case American may self-insure the Aircraft to such higher level, and provided, in the case of a Leased Aircraft, that if and so long as AMR's senior unsecured long-term debt is rated BB or below by Standard & Poor's or Ba2 or below by Moody's, upon notice from the relevant Owner Trustee, American will reduce such self-insurance to such reasonable amount as the Owner Trustee may require. In addition, in the case of an Owned Aircraft, American may self-insure to the extent of (i) any applicable deductible per occurrence that is not in excess of the amount customarily allowed as a deductible in the industry or is required to facilitate claims handling, or (ii) any applicable mandatory minimum per aircraft (or, if applicable, per annum or other period) liability insurance or hull insurance deductibles imposed by the aircraft liability or hull insurers. (Leases, Section 11(c); Owned Aircraft Indentures, Section 7.06(c))

In respect of each Aircraft, American is required to name the relevant Loan Trustee, each Trustee, the Subordination Agent, the Liquidity Provider and, in the case of a Leased Aircraft, the relevant Owner Trustee and Owner Participant, as additional insured parties under the liability insurance policy required with respect to such Aircraft. In addition, the hull and liability insurance policies will be required to provide that, in respect of the interests of such additional insured party, the insurance shall not be invalidated or impaired by any action or inaction of American. (Leases, Section 11(a) and (b); Owned Aircraft Indentures, Sections 7.06(a) and 7.06(b))

Lease Termination

Subject to certain conditions, American may terminate each Lease on or after April 9, 2009 if it makes a good faith determination that the Leased Aircraft subject to such Lease is economically obsolete or surplus to its requirements. American will be required to give to the related Owner Trustee and the related Loan Trustee notice of its intention to terminate such Lease at least 90 days prior to the proposed date of termination of the Lease. In connection with a termination, in the event the related Owner Trustee elects or is deemed to have elected to sell the Aircraft, American will act as exclusive agent for the related Owner Trustee in obtaining bids for such Aircraft. The proceeds of such sale shall be paid to the related Owner Trustee or, so long as the related Indenture shall not have been discharged, be deposited directly with the related Loan Trustee. If the net proceeds received from such sale are less than the termination value for such Aircraft (which shall be an amount at least equal to the aggregate unpaid principal of, and unpaid interest on, the outstanding Equipment Notes related to such Aircraft on the date of such sale (the "Termination Value")), American shall pay the related Owner Trustee an amount equal to the difference between such proceeds and such Termination Value, together with certain other amounts. Amounts in excess of the outstanding principal amount of the Equipment Notes issued under such Indenture, any applicable Make-Whole Amount, and the then accrued and unpaid interest thereon will be distributed by the related Loan Trustee to the related Owner Trustee for the benefit of the related Owner Participant. If the Owner

Trustee elects to sell the Aircraft and such Aircraft is not sold by its proposed termination date, American's notice of its intention to terminate the Lease will be deemed withdrawn and the Lease relating thereto, including all of American's obligations thereunder, shall continue in effect. (Leases, Section 9(a) and (b); Leased Aircraft Indentures, Section 3.02)

The related Owner Trustee shall have the option to retain an Aircraft with respect to which American has given a notice of termination. In such event, the related Owner Trustee shall pay, or cause to be paid, to the related Loan Trustee funds in an amount equal to the aggregate outstanding principal of and accrued interest on the Equipment Notes with respect to such Aircraft, together with all other sums due and payable to the holders thereof on the termination date (other than Make-Whole Amount, if any, which American shall pay to the related Loan Trustee). (Leases, Section 9(d))

Purchase Option. American has the right at the end of the term of such Lease to purchase the Aircraft subject thereto for an amount to be calculated pursuant to the terms of such Lease. (Leases, Section 20(c))

#### Events of Loss

If an Event of Loss occurs with respect to the Airframe or the Airframe and one or more Engines of an Owned Aircraft, American must elect within 90 days after such occurrence either to make payment with respect to such Event of Loss or to replace such Airframe and any such Engines. In the case of a Leased Aircraft, no such election will be available and American must make such payment with respect to such Event of Loss. Depending upon American's election in the case of an Owned Aircraft, not later than the first Business Day after the 120th day following the date of occurrence of such Event of Loss, American will either (i) redeem the Equipment Notes under the applicable Owned Aircraft Indenture by paying to the Loan Trustee the outstanding unpaid principal amount of such Equipment Notes, together with accrued interest thereon, but without any Make-Whole Amount or (ii) substitute an airframe (or airframe and one or more engines, as the case may be) for the Airframe, or Airframe and Engine(s), that suffered such Event of Loss. (Owned Aircraft Indentures, Sections 2.10 and 7.05(a)) See "- Redemption".

If American elects to replace an Airframe (or Airframe and one or more Engines, as the case may be) that suffered such Event of Loss, it will do so with, in the case of the Airframe, an airframe of a comparable or improved model of the same manufacturer, and, in the case of an Engine, an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe, with a value and utility at least equal to the Airframe or Airframe and Engines to be replaced, assuming that such Airframe and such Engines were in the condition and repair required by the related Owned Aircraft Indenture. American is also required to provide to the relevant Loan Trustee opinions of counsel (i) to the effect that such Loan Trustee, will be entitled to the benefits of Section 1110 with respect to the replacement airframe (unless, as a result of a change in law or governmental or judicial interpretation, such benefits were not available to it with respect to the Aircraft immediately prior to such replacement), and (ii) as to the due registration of the replacement aircraft and the due recordation of a supplement to the Indenture relating to such replacement aircraft and the validity and perfection of the security interest granted to the Loan Trustee in the replacement aircraft. (Owned Aircraft Indentures, Section 7.05(a))

If an Event of Loss occurs with respect to the Airframe of a Leased Aircraft, American will pay, by the date stipulated in the terms of such Lease, the stipulated loss value of such Airframe plus all supplemental rent and basic rent due and payable. (Leases, Section 10(a))

In the case of a Leased Aircraft and, in the case of an Owned Aircraft for which American elects not to replace such Airframe, or Airframe and Engine(s), upon payment of, in the case of Leased Aircraft, the stipulated loss value for such Aircraft or, in the case of an Owned Aircraft, the outstanding principal amount of the Equipment Notes issued with respect to such Aircraft, together with accrued but unpaid interest thereon but without any Make-Whole Amount, the lien of the Indenture and, in the case of a Leased Aircraft, the term of the Lease relating to such Aircraft will end with respect to such Aircraft, and the obligation of American thereafter to make, in the case of Leased Aircraft, the scheduled basic rent and certain supplemental rent payments or, in the case of an Owned Aircraft, the scheduled interest and principal payments with respect thereto will cease and, in the case of Leased Aircraft, the related Owner Trustee shall transfer all of its right, title and interest in and to the

related Aircraft to American. The stipulated loss value and other payments made under the Lease or the Owned Aircraft Indenture, as the case may be, by American will be deposited with the applicable Loan Trustee. Amounts in excess of the amounts due and owing under the Equipment Notes issued with respect to such Aircraft will be distributed by such Loan Trustee to the applicable Owner Trustee or American, as the case may be. (Leases, Section 10(a); Leased Aircraft Indentures, Sections 2.07(a) and 3.03; Owned Aircraft Indentures, Sections 2.10, 3.02, 7.05(a) and 7.05(c))

If an Event of Loss occurs with respect to an Engine alone, American will be required to replace such Engine within, in the case of a Leased Aircraft, 90 days, and, in the case of an Owned Aircraft, 120 days, after the occurrence of such Event of Loss with another engine, free and clear of all liens (other than certain permitted liens). Such replacement engine will be the same model as the Engine to be replaced, or a comparable or improved model of the same or another manufacturer and suitable for installation and use on the Airframe, and will have a value and utility at least equal to the Engine to be replaced, assuming that such Engine was in the condition and repair required by the terms of the relevant Lease or Indenture, as the case may. (Leases, Section 10(b); Owned Aircraft Indentures, Section 7.05(b))

With respect to a Leased Aircraft, an "Event of Loss" with respect to any property means any of the following events with respect to such property:

- o the loss of such property or the use thereof due to theft, disappearance, destruction, damage beyond repair or rendition of such property permanently unfit for normal use;
- o any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss or a compromised or constructive total loss;
- o the condemnation, confiscation or seizure of, or requisition of title to or use of, such property (other than a requisition for use of the Aircraft by the United States government which shall not have resulted in a loss of possession of such property for a period continuing beyond the end of the term or any renewal term then in effect);
- o as a result of any rule, regulation, order or other action by the FAA, the Department of Transportation or other governmental body of the United States or other country of registry of the Aircraft having jurisdiction, the use of such property in the normal course of passenger air transportation is prohibited for a period of six consecutive months, unless such rule, regulation, order or other action has prohibited such use with respect to all aircraft of such make and model registered in the applicable jurisdiction, unless American (or any permitted sublessee), is diligently carrying forward all steps which in its judgment are necessary or desirable to permit the normal use of such property by American (or any permitted sublessee) or, in any event, if such use is prohibited for a period of twelve consecutive months; or
- o the operation or location of the Aircraft, while under requisition for use by the United States government, in an area excluded from coverage by any insurance policy required by the terms of the Lease, if American shall be unable to obtain indemnity or insurance in lieu thereof from the United States government;

provided that if such property is returned to American having substantially the same value and utility as such property had immediately prior to such event prior to the date upon which stipulated loss value is required to be paid, then such event will, at the option of American, not constitute an Event of Loss. (Leases, Annex A)

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

- o the loss of such property or of the use thereof due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use;
- o any damage to such property that results in an insurance settlement with respect to such property on the basis of a total loss or a compromised or constructive total loss;

- o any theft or disappearance of such property for a period exceeding 180 days;
- o the requisition for use of such property by any government (other than the government of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States or the government of the country of registry of the Aircraft) that results in the loss of possession of such property for a period exceeding 12 consecutive months;
- o the operation or location of the Aircraft, while under requisition for use by any government, in an area excluded from coverage by any insurance policy required by the terms of the Indenture, unless American has obtained indemnity or insurance in lieu thereof from such government;
- o any requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention (excluding requisition for use or hire not involving a requisition of title) for any reason of the Aircraft by any government that results in the loss of title or use of the Aircraft for a period in excess of 180 days;
- o as a result of any law, rule, regulation, order or other action by the FAA or other government of the country of registry, the use of the Aircraft or Airframe in the normal business of air transportation is prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless American is diligently carrying forward all steps that are necessary or desirable to permit the normal use of the Aircraft or, in any event, if such use is prohibited for a period of three consecutive years; and
- o with respect to an Engine only, any divestiture of title to or interest in such Engine or, in certain circumstances, the installation of such Engine on an airframe that is subject to a conditional sale or other security agreement.

An Event of Loss with respect to an Aircraft is deemed to have occurred if an Event of Loss occurs with respect to the Airframe, unless American elects to substitute a replacement Airframe pursuant to the Indenture. (Owned Aircraft Indentures, Annex A)

Lease Events of Default. Events of default (each, a "Lease Event of Default") under each Lease include, among other things: (a) failure by American to make any payment of basic rent, stipulated loss value or Termination Value within five Business Days after such payments have become due or of supplemental rent (other than supplemental rent relating to the payment of certain indemnity payments and other payments to the related Owner Trustee or Owner Participant, unless a notice is given by such Owner Trustee that such failure shall constitute a Lease Event of Default) within 15 Business Days after notice of such failure, (b) failure by American to maintain insurance on or with respect to the Aircraft in accordance with the provisions of such Lease, (c) American's operation of the Aircraft subject to such Lease at a time when public liability insurance (or indemnification from the United States government in lieu thereof) required by the provisions of such Lease shall not be in effect, (d) failure by American to perform or observe any covenant, condition or agreement to be performed or observed by it under such Lease or certain related documents, continued unremedied after notice and specified cure periods, (e) any representation or warranty made by American in such Lease or certain related documents being incorrect in any material respect at the time made and such incorrectness continuing to be material and unremedied after notice and specified cure periods and (f) the occurrence of certain events of bankruptcy, reorganization, liquidation or insolvency of American. There are no cross-default provisions in the Leases and, consequently, events resulting in a Lease Event of Default under any particular Lease may not result in a Lease Event of Default occurring under any other Lease. (Leases, Section 14)

If a Lease Event of Default under a Lease has occurred and is continuing, and such Lease has been declared to be in default, the related Loan Trustee, as assignee of the related Owner Trustee's rights under such Lease, may exercise one or more of the remedies provided in such Lease with respect to the Aircraft subject thereto. These remedies include the right to repossess and use or operate such Aircraft, to sell or re-lease such Aircraft free and clear of American's rights and retain the proceeds and to require American to pay as liquidated



damages any unpaid rent plus an amount equal to the excess of the Termination Value of such Aircraft over, at the related Loan Trustee's option, any of (i) the discounted fair market rental value thereof for the remainder of the term for such Aircraft, (ii) the fair market sales value thereof or (iii) if such Aircraft or any Engine has been sold, the net sales proceeds. (Leases, Section 15)

#### Transfer of Owner Participant Interest

Subject to certain restrictions, each Owner Participant may transfer all or any part of its interest in the related Leased Aircraft. (Leased Aircraft Participation Agreements, Section 19(c))

#### CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of the material federal income tax consequences to Certificate Owners of the exchange of Old Certificates for New Certificates pursuant to the Exchange Offer. The discussion is based on laws, regulations, rulings and decisions in effect as of the date hereof, all of which are subject to change, possibly with retroactive effect, or different interpretation. No ruling has been or will be sought from the Internal Revenue Service. The discussion does not address all of the federal income tax consequences that may be relevant to all Certificate Owners in light of their particular circumstances (including, for example, any special rules applicable to tax-exempt organizations, broker-dealers, insurance companies, foreign entities and persons who are not citizens or residents of the United States) and does not address any tax consequences other than federal income tax consequences. Certificate Owners should consult their own tax advisors regarding the federal, state, local and any other tax consequences to them of exchanging Old Certificates for New Certificates in light of their own particular circumstances.

The exchange of Old Certificates for New Certificates pursuant to the Exchange Offer will not be treated as a taxable event for federal income tax purposes. Receipt of New Certificates in the Exchange Offer will be treated as a continuation of the original investment of the Certificate Owner in the Old Certificates. Similarly, there would be no federal income tax consequences to a Certificate Owner that does not participate in the Exchange Offer. In particular, no gain or loss will be recognized by Certificate Owners as a result of the Exchange Offer and, for purposes of determining gain or loss on a subsequent sale of Certificates, a Certificate Owner's basis and holding period for the Certificates will not be affected by the Exchange Offer.

#### CERTAIN ERISA CONSIDERATIONS

##### GENERAL

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

Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

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

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to state or other federal laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing Certificates to determine the need for, and the availability, if necessary, of any exemptive relief under any such laws or regulations.

#### PLAN ASSETS ISSUES

The Department of Labor has promulgated a regulation, 29 CFR Section 2510.3-101 (the "Plan Asset Regulation"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests (directly or indirectly) in a Certificate, the Plan's assets will include both the Certificate and an undivided interest in each of the underlying assets of the corresponding Trust, including the Equipment Notes held by such Trust, unless it is established that equity participation in the Trust by benefit plan investors (including but not limited to Plans and entities whose underlying assets include Plan assets by reason of an employee benefit plan's investment in the entity) is not "significant" within the meaning of the Plan Asset Regulation. In this regard, the extent to which there is equity participation in a particular Trust by, or on behalf of, benefit plan investors will not be monitored. If the assets of a Trust are deemed to constitute the assets of a Plan, transactions involving the assets of such Trust could be subject to the prohibited transaction provisions of ERISA and Section 4975 of the Code unless a statutory or administrative exemption is applicable to the transaction.

#### PROHIBITED TRANSACTION EXEMPTIONS

In addition, whether or not the assets of a Trust are deemed to be Plan assets under the Plan Asset Regulation, the fiduciary of a Plan that proposes to purchase and hold any Certificates should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or a disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, American and its affiliates, the Placement Agents, the Trustees and the Liquidity Provider. Moreover, if Certificates are purchased by a Plan and Certificates of a subordinate Class are held by a party in interest or a disqualified person with respect to such Plan, the exercise by the holder of the subordinate Class of Certificates of its right to purchase the senior Classes of Certificates upon the occurrence and during the continuation of a Triggering Event could be considered to constitute a prohibited transaction unless a statutory or administrative exemption were applicable. Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to acquire or hold Certificates on behalf of a Plan, Prohibited Transaction Class Exemption ("PTCE") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 95-60 (relating to investments by an insurance company general account), PTCE 96-23 (relating to transactions directed by an in-house asset manager) or PTCE 90-1 (relating to investments by insurance company pooled separate accounts) (collectively, the "Class Exemptions") could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Certificates.

In addition to the Class Exemptions referred to above, an individual exemption may apply to the purchase, holding and secondary market sale of Class A-1 and Class A-2 Certificates by Plans, provided that certain specified conditions are met. In particular, the Department of Labor has issued an individual administrative exemption to Morgan Stanley & Co. Incorporated, Prohibited Transaction Exemption 90-24 (55 Fed. Reg. 20,548 (1990)), as most recently amended by Prohibited Transaction Exemption 2000-58 (65 Fed. Reg. 67,765 (2000)) (the "Underwriter Exemption"). The Underwriter Exemption generally exempts from the application of certain, but not all, of the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code certain transactions relating to the initial purchase, holding and subsequent secondary market sale of pass through certificates that represent an interest in a trust that holds secured credit instruments that bear interest or are purchased at a discount in transactions by or between business entities (including Equipment Notes secured by leases) and certain other assets, provided that certain conditions set forth in the Underwriter Exemption are satisfied.

The Underwriter Exemption sets forth a number of general and specific conditions which must be satisfied for a transaction involving the initial purchase, holding or secondary market sale of certificates representing a beneficial ownership interest in a trust to be eligible for exemptive relief thereunder. In particular, the Underwriter Exemption requires that the acquisition of certificates by a Plan be on terms that are at least as favorable to the Plan as they would be in an arm's length transaction with an unrelated party; the rights and interests evidenced by the certificates not be subordinated to the rights and interests evidenced by other certificates of the same trust estate; the certificates at the time of acquisition by the Plan be rated in one of the three highest generic rating categories by Moody's, Standard & Poor's, Duff & Phelps Credit Rating Co. or Fitch Investors Service, L.P.; and the investing Plan be an accredited investor as defined in Rule 501(a)(1) of Regulation D of the Commission under the Securities Act (and by its acquisition or acceptance of a Certificate or an interest therein, an investing Plan will be deemed to have represented and warranted that it is).

In addition, the trust corpus generally must be invested in qualifying receivables, such as the Equipment Notes, but may not in general include a pre-funding account (except for a limited amount of pre-funding which is invested in qualifying receivables within a limited period of time following the closing not to exceed three months).

Each person who acquires the Certificates should independently ascertain whether the Underwriter Exemption will be applicable to Class A-1 or Class A-2 Certificates in these circumstances. Even if all of the conditions of the Underwriter Exemption are satisfied with respect to the Class A-1 and Class A-2 Certificates, no assurance can be given that Underwriter Exemption would apply with respect to all transactions involving the Class A-1 or Class A-2 Certificates or the assets of the Class A-1 or Class A-2 Trusts. In particular, it appears that the Underwriter Exemption would not apply to the purchase by Class B Certificateholders, Class C Certificateholders or Class D Certificateholders of Class A-1 or Class A-2 Certificates in connection with the exercise of their rights upon the occurrence and during the continuance of a Triggering Event. Therefore, the fiduciary of a Plan considering the purchase of a Class A-1 or Class A-2 Certificate should consider the availability of the exemptive relief provided by the Underwriter Exemption, as well as the availability of any other exemptions that may be applicable.

Each person who acquires or accepts a Certificate or an interest therein will be deemed by such acquisition or acceptance to have represented and warranted that either: (i) no assets of a Plan or any trust established with respect to a Plan have been used to acquire such Certificate or an interest therein or (ii) the purchase and holding of such Certificate or an interest therein 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.

#### SPECIAL CONSIDERATIONS APPLICABLE TO INSURANCE COMPANY GENERAL ACCOUNTS

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

EACH PLAN FIDUCIARY (AND EACH FIDUCIARY FOR A GOVERNMENTAL OR CHURCH PLAN SUBJECT TO RULES SIMILAR TO THOSE IMPOSED ON PLANS UNDER ERISA) SHOULD CONSULT WITH ITS LEGAL ADVISOR CONCERNING THE POTENTIAL CONSEQUENCES TO THE PLAN UNDER ERISA, THE CODE OR SUCH SIMILAR LAWS OF AN INVESTMENT IN ANY OF THE CERTIFICATES.

## PLAN OF DISTRIBUTION

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

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

For a period of 90 days after the Expiration Date, American will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. American has agreed to pay all expenses incident to the Exchange Offer other than commissions or concessions of any brokers or dealers and will indemnify the holders of the Certificates (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

## LEGAL OPINIONS

The validity of the New Certificates is being passed upon for American by Anne H. McNamara, Senior Vice President and General Counsel. Ms. McNamara will rely upon Bingham Dana LLP, Hartford, Connecticut, counsel to State Street Bank and Trust Company of Connecticut, National Association, as to certain matters relating to the authorization, execution and delivery of the Basic Agreement, each Trust Supplement and the Certificates, and the valid and binding effect thereof.

## EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements and schedule included in our Annual Report on Form 10-K for the year ended December 31, 2000, as set forth in their reports, which are incorporated by reference in this Prospectus and elsewhere in the Registration Statement. Our consolidated financial statements and schedule are incorporated by reference in reliance on Ernst & Young's reports, given on their authority as experts in accounting and auditing.

## APPRAISERS

The references to AISI, AvSolutions and MBA, and to their respective appraisal reports, are included herein in reliance upon the authority of each such firm as an expert with respect to the matters contained in its appraisal report.

APPENDIX I

INDEX OF TERMS

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

Defined Terms Page -----	
Adjusted Expected	
Distributions.....	59 Agent's
Message.....	33
Aggregate LTV Collateral	
Amount.....	59 air
carriers.....	21
Aircraft.....	
61	
AISI.....	
62	
American.....	
5 Appraised Current Market	
Value.....	60
Appraisers.....	
62 Assumed Aircraft	
Value.....	67
ATOP.....	
33 Average Life	
Date.....	66
AvSolutions.....	
62 Bankruptcy	
Code.....	44 Base
Rate.....	53
Basic	
Agreement.....	36
Book-Entry	
Confirmation.....	31
Business	
Day.....	39 Cash
Collateral Account.....	51
Cede.....	
47 Certificate	
Account.....	38
Certificate	
Owner.....	5
Certificateholders.....	
36	
Certificates.....	
5 Class A-1	
Certificateholders.....	36 Class
A-2 Certificateholders.....	36
Class A-1	
Certificates.....	36 Class
A-2 Certificates.....	36
Class A-1	
Trust.....	36 Class
A-2 Trust.....	36
Class A-1	
Trustee.....	36 Class
A-2 Trustee.....	36
Class B	
Certificateholders.....	36
Class B	
Certificates.....	36
Class B	
Trust.....	36
Class B	
Trustee.....	36
Class C	
Certificateholders.....	36
Class C	
Certificates.....	36
Class C	
Trust.....	36
Class C	
Trustee.....	36
Class D	
Certificateholders.....	36
Class D	
Certificates.....	36
Class D	
Trust.....	36
Class D	
Trustee.....	36
Class E	
Certificates.....	46
Class E	
Trust.....	47
Class E	
Trustee.....	47
Class	
Exemptions.....	81
Code.....	

Commission.....	4	
Company.....	5	Controlling
Party.....	55	Current
Distribution Date.....	57	date of
determination.....	66	Definitive
Certificates.....	49	disqualified
persons.....	80	Distribution
Date.....	38	Downgrade
Drawing.....	51	
Drawing.....	53	
DTC.....	47	DTC
Participants.....	48	Eligible
Institution.....	32	
Equipment.....	71	Equipment
Notes.....	63	
ERISA.....	80	ERISA
Plans.....	80	Event of
Loss.....	78	Exchange
Act.....	3	Exchange
Agent.....	6	Exchange
Offer.....	29	Expected
Distributions.....	57	Expiration
Date.....	30	
FAA.....	21	Final
Distributions.....	56	Final
Drawing.....	52	Final Legal Distribution
Date.....	38	full
defeasance.....	68	
H.15(519).....	66	
holder.....	32	Indirect
Participants.....	48	Indenture Events of
Default.....	69	
Indentures.....	64	Intercreditor
Agreement.....	54	Interest
Drawings.....	50	Issuance
Date.....	29	
Lease.....	73	Lease Events of
Default.....	79	Lease
Period Date.....	73	Leased
Aircraft.....	61	Leased Aircraft
Indenture.....	64	

Leased Aircraft Loan Trustee.....	64
Leased Aircraft Participation Agreement.....	63
Letter of Transmittal.....	6
LIBOR.....	53
Liquidity Event of Default.....	54
Liquidity Expenses.....	57
Liquidity Facility.....	49
Liquidity Obligations.....	57
Liquidity Provider.....	49
Loan Amount.....	75
Loan Trustees.....	64
LTV Appraisal.....	60
LTV Collateral Amount.....	59
LTV Ratio.....	60
LTVs.....	12
Make-Whole Amount.....	66
Maximum Available Commitment.....	50
MBA.....	62
Minimum Sale Price.....	56
Moody's.....	28
most recent H.15(519).....	66
New Certificates.....	5
Non-Extension Drawing.....	52
Non-Performing Equipment Notes.....	59
Note Holder.....	42
Old Certificates.....	5
Owned Aircraft.....	61
Owned Aircraft Indenture.....	64
Owned Aircraft Loan Trustee.....	64
Owned Aircraft Participation Agreement.....	63
Owner Participant.....	64
Owner Trustee.....	64
Participation Agreements.....	63
parties in interest.....	80
Pass Through Trust Agreements.....	36
Performing Equipment Note.....	51
Permitted Investments.....	42
Placement Agents.....	5
Plan Asset Regulation.....	81
Plans.....	80
Pool Balance.....	39
Pool Factor.....	39
PTC Event of Default.....	43
PTCE.....	81
Rating Agencies.....	28
Registration Event.....	29
Registration Rights Agreement.....	29
Registration Statement.....	4
Regular Distribution Dates.....	38
Remaining Weighted Average Life.....	66
Replacement Facility.....	51
Required Amount.....	50
Rules.....	48
Scheduled Payments.....	38
Section 1110.....	71
Section 1110 Period.....	51
Securities Act.....	3
Series A-1 Equipment Notes.....	63
Series A-2 Equipment Notes.....	63
Series B Equipment Notes.....	63
Series C Equipment Notes.....	63
Series D Equipment Notes.....	63
Series E Equipment Notes.....	64
Shelf Registration Statement.....	29
Special Distribution Date.....	38
Special Payment.....	38
Special Payments Account.....	39
Stabilization Act.....	21
Standard & Poor's.....	28
Stated Interest Rates.....	50
Subordination Agent.....	54
Termination Notice.....	54
Termination Value.....	76
Threshold Rating.....	51
Transportation Code.....	44
Treasury Yield.....	66
Triggering Event.....	56
Trust Agreements.....	63
Trust Indenture Act.....	45
Trust Property.....	37
Trust Supplement.....	36
Trustees.....	36
Trusts.....	36
TWA.....	23
Underwriter Exemption.....	81
U.S. Government Obligations.....	68





APPENDIX II  
APPRAISAL LETTERS

II-1

[AISI LOGO]

17 April 2001

Leslie Benners  
American Airlines  
4333 Amon Carter Boulevard  
Mail Drop 5662  
Fort Worth, TX 76155

Subject: AISI Report No. A1S022BV0  
AISI Sight Unseen Base Value Appraisal, Thirty-Two MD-83, Ten  
B737-823 and Four B777-223ER Aircraft.

Reference:(a) Morgan Stanley Dean Witter Memo/Emails, 04/19/23/25 April 2001

Aircraft Information Services, Inc. (AISI) is pleased to offer American Airlines, our opinion of the sight unseen adjusted base value of thirty-two MD-83, ten B737-823 and four B777-223ER aircraft which were delivered from the manufacturer to American Airlines between May 1997 and March 2001 as listed and defined in the above reference (a) message and in Table I of this report. The aircraft are adjusted for condition to account for their relatively young age.

#### 1. METHODOLOGY AND DEFINITIONS

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

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

HEADQUARTERS, 26072 MERIT CIRCLE, SUITE 123, LAGUNA HILLS, CA 92653  
TEL: 949-582-8888 FAX: 949-582-8887 E-MAIL: AISINEWS@AOL.COM

An 'average' aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age.

AISI assumes average condition unless otherwise specified in this report. AISI also assumes that the airframe, engine and component maintenance and essential records are sufficient to permit normal commercial operation under a strict airworthiness regulatory authority.

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

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

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

AISI defines a 'current market value', which is synonymous with the older term 'fair market value' as that value which reflects the real market conditions including short term events, whether at, above or below the base value conditions. Assumption of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Current market value assumes that there is no short term time constraint to buy or sell.

AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft.

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

## 2. VALUATION

Following is AISI's opinion of the adjusted base value for the subject aircraft in 2001 US Dollars. Valuations are presented in Table I subject to the assumptions, definitions and disclaimers herein and are predicated upon the reference (a) data which describes the aircraft MTOW, any engine upgrades, any added fuel capacity, and any added avionics or interior upgrades. The aircraft are also adjusted for condition to account for their relatively young age with the following assumptions.

Adjustments from half life have been applied based on the current calendar status of the Aircraft and in accordance with standard AISI methods. Adjustments are calculated only where there is sufficient information to do so, or where reasonable assumptions can be made.

With regard to airframe and gear maintenance, given that no time between check/overhaul (TBO) or time since check/overhaul (TSO) information was provided the total calendar age of the airframe were assumed to be the TSO. This is typical of newer aircraft.

With regard to the engines, due to the limited information provided the engines are considered to be in half life condition.

TABLE I

Adjusted  
Base Value  
Apr 2001  
Type MSN  
DOM YOY  
Engine  
MTOW US  
Dollars --  
-----  
-----  
-----  
-----  
-----

- MD-83
53561 May-
97 1997
JT8D-219
160,000
28,290,000
MD-83
53562 Jul-
97 1997
JT8D-219
160,000
28,310,000
MD-83
53563 Aug-
97 1997
JT8D-219
160,000
28,320,000
MD-83
53564 Sep-
97 1997
JT8D-219
160,000
28,330,000
MD-83
53565 Oct-
97 1997
JT8D-219
160,000
28,340,000
MD-83
53566 Dec-
97 1997
JT8D-219
160,000
28,350,000
MD-83
53591 Nov-
97 1997
JT8D-219
160,000
28,350,000
MD-83
53593 Aug-
98 1998
JT8D-219
160,000
30,090,000
MD-83
53594 Sep-
98 1998
JT8D-219
160,000
30,100,000
MD-83
53595 Oct-
98 1998
JT8D-219
160,000
30,110,000
MD-83
53596 Nov-
98 1998
JT8D-219
160,000
30,120,000
MD-83
53598 Jan-
99 1999
JT8D-219
160,000
31,470,000
MD-83
53599 Feb-

99 1999  
JT8D-219  
160,000  
31,480,000  
MD-83  
53611 May-  
99 1999  
JT8D-219  
160,000  
31,510,000  
MD-83  
53612 May-  
99 1999  
JT8D-219  
160,000  
31,510,000  
MD-83  
53613 May-  
99 1999  
JT8D-219  
160,000  
31,510,000  
MD-83  
53614 Jun-  
99 1999  
JT8D-219  
160,000  
31,520,000  
MD-83  
53615 Jun-  
99 1999  
JT8D-219  
160,000  
31,520,000  
MD-83  
53616 Jun-  
99 1999  
JT8D-219  
160,000  
31,520,000  
MD-83  
53617 Jul-  
99 1999  
JT8D-219  
160,000  
31,530,000  
MD-83  
53618 Jul-  
99 1999  
JT8D-219  
160,000  
31,530,000  
MD-83  
53619 Jul-  
99 1999  
JT8D-219  
160,000  
31,530,000  
MD-83  
53620 Aug-  
99 1999  
JT8D-219  
160,000  
31,540,000  
MD-83  
53621 Aug-  
99 1999  
JT8D-219  
160,000  
31,540,000  
MD-83  
53622 Aug-  
99 1999  
JT8D-219  
160,000  
31,540,000  
MD-83  
53627 Oct-  
99 1999  
JT8D-219  
160,000  
31,560,000  
MD-83  
53629 Nov-  
99 1999  
JT8D-219  
160,000  
31,570,000  
MD-83  
53630 Nov-  
99 1999  
JT8D-219  
160,000  
31,570,000  
MD-83  
53631 Nov-  
99 1999

JT8D-219  
160,000  
31,570,000  
MD-83  
53632 Dec -  
99 1999  
JT8D-219  
160,000  
31,580,000  
MD-83  
53633 Dec -  
99 1999  
JT8D-219  
160,000  
31,580,000  
MD-83  
53634 Dec -  
99 1999  
JT8D-219  
160,000  
31,580,000

Table I (Cont)

Adjusted Base Value Apr 2001 Type MSN DOM YOB Engine MTOW US Dollars ---- ---- ----- -----
- B737-823
30082 Jun-00
2000 CFM56-
7B26 174,200
45,860,000
B737-823
29535 Sep-00
2000 CFM56-
7B26 174,200
45,960,000
B737-823
30085 Sep-00
2000 CFM56-
7B26 174,200
45,970,000
B737-823
30600 Sep-00
2000 CFM56-
7B26 174,200
45,970,000
B737-823
30088 Dec-00
2000 CFM56-
7B26 174,200
46,080,000
B737-823
29539 Jan-01
2001 CFM56-
7B26 174,200
48,310,000
B737-823
30089 Jan-01
2001 CFM56-
7B26 174,200
48,310,000
B737-823
29540 Feb-01
2001 CFM56-
7B26 174,200
48,330,000
B737-823
30090 Feb-01
2001 CFM56-
7B26 174,200
48,340,000
B737-823
29541 Mar-01
2001 CFM56-
7B26 174,200
48,370,000
B777-223ER
30011 May-00
2000 RB211-
Trent 892-17
648,000
129,050,000
B777-223ER
30252 Jun-00
2000 RB211-
Trent 892-17
648,000
129,060,000
B777-223ER
30251 Jun-00
2000 RB211-
Trent 892-17
648,000
129,100,000
B777-223ER
30254 Jun-00
2000 RB211-
Trent 892-17
648,000
129,120,000
Total \$
1,968,800,000





17 April 2001  
AISI File No. A1S022BV0  
Page -6-

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

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/ JOHN D. MCNICOL

John D. McNicol  
Vice President  
Appraisals & Forecasts

April 10, 2001

Ms. Leslie Benners  
American Airlines  
4333 Amon Carter Boulevard  
Fort Worth, TX 76155

Dear Ms. Benners:

AvSOLUTIONS is pleased to provide its opinion on the base values as of April 2001 of thirty-two (32) McDonnell Douglas MD-83, four (4) Boeing 777-223ER, and ten (10) Boeing 737-823 aircraft (collectively, the "Aircraft"). A list of the forty-six (46) aircraft, along with their serial and registration numbers, delivery dates, and engine types, is provided as Attachment 1 of this document.

Set forth below is a summary of the methodology, considerations and assumptions utilized in this appraisal.

#### BASE VALUE

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

#### APPRAISAL METHODOLOGY

The method employed by AvSOLUTIONS to appraise the current and base values of aircraft and associated equipment addresses the factors that influence the market value of an aircraft, such as its age, condition, configuration, the population of similar aircraft, similar aircraft on the market, operating costs, cost to acquire a new aircraft, and the state of demand for transportation services.

To achieve this objective, cross-sectional data concerning the values of aircraft in each of several general categories is collected and analyzed. Cross-sectional data is then compared with reported market values at a specified point in time. Such data reflects the effect of deterioration in aircraft performance due to usage and exposure to the elements, as well as the effect of obsolescence due to the evolutionary development and implementation of new designs and materials.

The product of the analysis identifies the relationship between the value of each aircraft and its characteristics, such as age, model designation, service configuration and engine type. Once the relationship is identified, one can then postulate the effects of the difference between the economic

circumstances at the time when the cross-sectional data were collected and the current situation. Therefore, if one can determine the current value of an aircraft in one category, it is possible to estimate the current values of all aircraft in that category.

The manufacturer and size of the aircraft usually determine the specific category to which it is assigned. Segregating the world airplane fleet in this manner accommodates the potential effects of different size and different design philosophies.

The variability of the data used by AvSOLUTIONS to determine the current market values implies that the actual value realized will fall within a range of values. Therefore, if a contemplated value falls within the specified confidence range, AvSOLUTIONS cannot reject the hypothesis that it is a reasonable representation of the current market situation.

#### LIMITING CONDITIONS AND ASSUMPTIONS

In order to conduct this valuation, AvSOLUTIONS is primarily relying on information supplied by American Airlines and from data within AvSOLUTIONS' own database. In determining the base value of the subject aircraft, the following assumptions have been researched and determined:

1. AvSOLUTIONS has not inspected the subject Aircraft or their maintenance records; accordingly, AvSOLUTIONS cannot attest to their specific location or condition.
2. The Aircraft are certified, maintained and operated under United States Federal Aviation Regulation (FAR) part 121.
3. All mandatory inspections and Airworthiness Directives have been complied with.
4. The Aircraft have no damage history.
5. The Aircraft are in good condition.
6. AvSOLUTIONS considers the economic useful life of these aircraft to be at least 32 years.

Based upon the above methodology, considerations and assumptions, it is AvSOLUTIONS' opinion that the base values of each Aircraft are as listed in Attachment 1.

#### STATEMENT OF INDEPENDENCE

This appraisal report represents the opinion of AvSOLUTIONS, Inc. and is intended to be advisory in nature. Therefore, AvSOLUTIONS assumes no responsibility or legal liability for actions taken or not taken by the Client or any other party with regard to the subject Aircraft. By accepting this report, the Client agrees that AvSOLUTIONS shall bear no responsibility or legal liability

regarding this report. Further, this report is prepared for the exclusive use of the Client and shall not be provided to other parties without the Client's express consent.

AvSOLUTIONS hereby states that this valuation report has been independently prepared and fairly represents the subject aircraft and AvSOLUTIONS' opinion of their values. AvSOLUTIONS further states that it has no present or contemplated future interest or association with the subject Aircraft.

Sincerely yours,

/s/ SCOTT E. DANIELS

Scott E. Daniels  
Director, Valuation Services

## ATTACHMENT 1

## American Airlines EETC

Serial Registration Delivery Engine Base Vales Number Number Date Type (\$millions)			
MCDONNELL			
DOUGLAS MD-			
83 1 53561			
N9630A May-			
97 JT8D-219	28.21	2	
	53562		
	N9615W		
	July-97		
JT8D-219	28.45	3	
	53563		
	N9616G		
August-97			
JT8D-219	28.56	4	
	53564		
	N9617R		
September-			
97 JT8D-219	28.68	5	
	53565		
	N9618A		
October-97			
JT8D-219	28.80	6	
	53566		
	N9619V		
December-97			
JT8D-219	29.04	7	
	53591		
	N9620D		
November-97			
JT8D-219	28.92	8	
	53593		
	N9622A		
August-98			
JT8D-219	30.03	9	
	53594		
	N9624T		
September-			
98 JT8D-219	30.15	10	
	53595		
	N9625W		
October-98			
JT8D-219	30.28	11	
	53596		
	N9626F		
November-98			
JT8D-219	30.40	12	
	53598		
	N9628W		
January-99			
JT8D-219	30.66	13	
	53599		
	N9629H		
February-99			
JT8D-219	30.78	14	
	53611		
N961TW May-			
99 JT8D-219	31.48	15	
	53612		
N962TW May-			
99 JT8D-219	31.48	16	

53613  
N963TW May-  
99 JT8D-219  
31.48 17  
53614  
N964TW  
June-99  
JT8D-219  
31.61 18  
53615  
N965TW  
June-99  
JT8D-219  
31.61 19  
53616  
N966TW  
June-99  
JT8D-219  
31.61 20  
53617  
N967TW  
July-99  
JT8D-219  
31.74 21  
53618  
N968TW  
July-99  
JT8D-219  
31.74 22  
53619  
N969TW  
July-99  
JT8D-219  
31.74 23  
53620  
N970TW  
August-99  
JT8D-219  
31.88 24  
53621  
N971TW  
August-99  
JT8D-219  
31.88 25  
53622  
N972TW  
August-99  
JT8D-219  
31.88 26  
53627  
N9677W  
October-99  
JT8D-219  
32.14 27  
53629  
N979TW  
November-99  
JT8D-219  
32.28 28  
53630  
N980TW  
November-99  
JT8D-219  
32.28 29  
53631  
N9681B  
November-99  
JT8D-219  
32.28 30  
53632  
N982TW  
December-99  
JT8D-219  
32.41 31  
53633  
N983TW  
December-99  
JT8D-219  
32.41 32  
53634  
N984TW  
December-99  
JT8D-219  
32.41  
BOEING 777-  
223ER 1  
30011  
N788AN May-  
00 Trent  
892-17  
132.25 2  
30252  
N789AN  
June-00  
Trent 892-  
17 132.25 3  
30251

N790AN  
June-00  
Trent 892-  
17 132.25 4  
30254  
N791AN  
June-00  
Trent 892-  
17 132.25  
BOEING 737 -  
823 5 30082  
N937AN  
June-00  
CFM56-7B  
45.54 6  
29535  
N944AN  
September-  
00 CFM56-7B  
46.28 7  
30085  
N945AN  
September-  
00 CFM56-7B  
46.28 8  
30600  
N946AN  
September-  
00 CFM56-7B  
46.28 9  
30088  
N952AA  
December-00  
CFM56-7B  
47.04 10  
29539  
N953AN  
January-01  
CFM56-7B  
47.30 11  
30089  
N954AN  
January-01  
CFM56-7B  
47.30 12  
29540  
N955AN  
February-01  
CFM56-7B  
47.55 13  
30090  
N956AN  
February-01  
CFM56-7B  
47.55 14  
29541  
N957AN  
March-01  
CFM56-7B  
47.81



MORTEN BEYER & AGNEW

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AVIATION CONSULTING FIRM

CURRENT BASE VALUE APPRAISAL  
OF 32 MD-83 AIRCRAFT,  
4 BOEING 777-200ER, AND  
10 BOEING 737-800 AIRCRAFT  
(AA 2001-1)

PREPARED FOR:

American Airlines

APRIL 25, 2001

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## I. INTRODUCTION AND EXECUTIVE SUMMARY

MORTEN BEYER & AGNEW (MBA) has been retained by American Airlines (the "Client") to determine the Current Base Value of 32 MD-83, 4 Boeing 777-200ER and 10 Boeing 737-800 aircraft in their present configuration as passenger aircraft. The aircraft are further identified in Section III of this report.

In performing this valuation, MBA did not independently inspect the aircraft and the associated records and documentation associated with these aircraft. MBA utilized the technical data of the aircraft provided by the Client, but at Client's request did not independently verify the accuracy of the technical and specification data so provided.

Section II of this report presents definitions of various terms, such as Current Base Value, Current Market Value, Future Base Value, and Lease-Encumbered Value as promulgated by the Appraisal Program of the International Society of Transport Aircraft Trading (ISTAT). ISTAT is a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, brokers, and others who have a vested interest in the commercial aviation industry and who have established a technical and ethical certification program for expert appraisers.

Based on the information set forth in this report, it is our opinion as of April 25, 2001 that the Current Base Value of this portfolio of aircraft is \$1,999,870,000 with the respective values noted in Section V of this report.

## II. DEFINITIONS

### CURRENT MARKET VALUE

ISTAT defines Current Market Value (CMV) as the appraiser's opinion of the most likely trading price that may be generated for an asset under market circumstances that are perceived to exist at the time in question. Current Market Value assumes that the asset is valued for its highest, best use, and the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable and under no unusual pressure for a prompt transaction. It also assumes that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

Market Value of a specific asset will tend to be consistent with its Base Value in a stable market environment. In situations where a reasonable equilibrium between supply and demand does not exist, trading prices, and therefore Market Values, are likely to be at variance with the Base Value of the asset. Market Value may be based upon either the actual (or specified) physical condition or maintenance time or condition status of the asset, or alternatively upon an assumed average physical condition and mid-life, mid-time maintenance status.

### BASE VALUE

The ISTAT definition of Base Value (BV) has, essentially, the same elements of Market Value except that the market circumstances are assumed to be in a reasonable state of equilibrium. Thus, BV pertains to an idealized aircraft and market combination, but will not necessarily reflect the actual CMV of the aircraft in question at any point in time. BV is founded in the historical trend of values and value in use, and is generally used to analyze historical values or to project future values.

ISTAT defines Base Value as the Appraiser's opinion of the underlying economic value of an aircraft, engine, or inventory of aircraft parts/equipment (hereinafter referred to as "the asset"), in an open, unrestricted, stable market environment with a reasonable balance of supply and demand. Full consideration is assumed of its "highest and best

use". An asset's Base Value is founded in the historical trend of values and in the projection of value trends and presumes an arm's-length, cash transaction between willing, able, and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing. In most cases, the Base Value of an asset assumes the physical condition is average for an asset of its type and age. It further assumes the maintenance time/life status is at mid-time, mid-life (or benefiting from an above-average maintenance status if it is new or nearly new, as the case may be). Since Base Value pertains to a somewhat idealized asset and market combination it may not necessarily reflect the actual current value of the asset in question, but is a nominal starting value to which adjustments may be applied to determine an actual value. Because it is related to long-term market trends, the Base Value definition is commonly applied to analyses of historical values and projections of residual values.

#### FUTURE BASE VALUE

Future Base Values are established by using the Base Value at the beginning of the current year (present value), from which point the Future Base Values are projected. The Base Value used for the purpose of projecting the Future Base Values consider the aircraft to be at mid-life and mid-time conditions pertaining to the various aspects of the maintenance status.

The Future Base Values are based on aircraft having an approximate life of 35 years from the date of manufacture. The Future Base Values commence from the present time to the 35th year from the date of manufacture of this aircraft.

#### DISTRESS VALUE

Distress Value is the Appraiser's opinion of the price at which an asset could be sold under abnormal conditions, such as an artificially limited marketing time period, the perception of the seller being under duress to sell, an auction, bankruptcy liquidation, commercial restrictions, legal complications, or other such factors that significantly reduce the bargaining leverage of the seller and give the buyer a significant advantage that can translate into heavily discounted actual trading prices. Apart from the fact that the seller is uncommonly motivated, the parties to the transaction are otherwise

assumed to be willing, able, prudent and knowledgeable, negotiating at arm's-length, normally under the market conditions that are perceived to exist at the time, not an idealized balanced market. While the Distress Value normally implies that the seller is under some duress, there are occasions when buyers, not sellers are under duress or time pressure and, therefore, willing to pay a premium value.

#### SECURITIZED VALUE OR LEASE ENCUMBERED VALUE

Securitized Value or Lease Encumbered Value is the Appraiser's opinion of the value of an asset, under lease, given a specified lease payment stream (rents and term), and estimated future residual value at lease termination, and an appropriate discount rate.

The lease encumbered residual value may include consideration of lease termination conditions and remaining maintenance reserves, if any. The Securitized Value or Lease-Encumbered Value may be more or less than the Appraiser's opinion of Current Market Value, taking into account various factors, such as, the credit risks associated with the parties involved, the time-value of money to those parties, provisions of the lease that may pertain to items such as security deposits, purchase options at various dates, term extensions, sub-lease rights, repossession rights, reserve payments and return conditions.

III. AIRCRAFT SPECIFICATIONS

[PHOTO]

BOEING-DOUGLAS MD-83

Aircraft Specifications (for this fleet):

Passenger Seating:	20F/120Y
MGTOW:	160,000 LBS
Powerplant:	JT8D-219
Range:	2160 SM
Average Cycles:	3459.2
Average Hours:	6893

[AIRCRAFT SCHEMATIC]

American Airlines  
Job File #01156  
Page 5 of 15

[AIRCRAFT PHOTO N788AN]

BOEING 777-200ER

Aircraft Specifications (for this fleet):

Passenger Seating:	18F/56B/163Y	
MGTOW:	648,000 LBS	[777-200 AIRCRAFT SCHEMATIC]
Powerplant:	TRENT-892	
Range:	5500 SM	
Average Cycles:	502	
Average Hours:	3049	

[AIRCRAFT PHOTO N944AN]

BOEING 737-800

Aircraft Specifications (for this fleet):

Passenger Seating:	20F/126Y	
MGTOW:	174,200 LBS	[737-800 AIRCRAFT SCHEMATIC]
Powerplant:	CFM56-7B26	
Range:	2900 SM	
Average Cycles:	477.40	
Average Hours:	1213.30	

American Airlines  
Job File #01156  
Page 6 of 15

IV. CURRENT MARKET CONDITIONS

[PICTURE]

BOEING/DOUGLAS MD-80 FAMILY  
MD-83

The Boeing MD-80 family of relatively quiet and fuel-efficient twinjets was initially certified by the Federal Aviation Administration in August 1980, and the first aircraft of the series entered airline service in October 1980. The final aircraft, an -83 model, was delivered to Trans World Airlines in December 1999. This ended a nineteen-year production run of 1,212 aircraft. Of those built, 1,179 remain in operation; three have been retired, 21 parked, and 12 destroyed.

The MD-80's Pratt & Whitney JT8D-200 Series engines, combined with its efficient aerodynamic design, allow it to meet all current Stage III noise regulations while incurring operating costs among the lowest in commercial aviation.

MD-80's are rugged and proven aircraft, well liked by flight crews for their excellent handling characteristics, and appreciated by maintenance personnel for their mechanical reliability, simplicity and relatively low maintenance costs. The MD-80 series of aircraft have an excellent operational safety record; combined with MD-90s, the type has a very low "hull loss" accident rate of 0.43 per million departures.

MD-80 Series operators range from the largest foreign and domestic trunk carriers to new startup airlines and charter operators. American Airlines operates the largest number of MD-80s, a fleet of 275. The large number in operation worldwide ensures that support is widely available and economical.

Highly reliable MD-80 series aircraft fly to more than 420 airports worldwide, with 4,800 daily flights. They have flown more than 36 million hours and 24 million flights since

American Airlines  
Job File #01156  
Page 7 of 15



entering service in 1980, covering over 13 billion miles, carrying more than 1.9 billion passengers.

Early MD-80 models were built with conventional flight instruments. Later variants were delivered equipped with four-tube Honeywell Electronic Flight Instrument Systems (EEIS) suites.

STAGE 3 -

The subject aircraft complies with the currently effective Stage III / Chapter III aircraft noise limitations. However, the FAA and the ICAO are currently planning the adoption of more stringent Stage IV noise regulations. The severity of the proposed new regulations, or the schedule of their implementation has not been determined, but when enacted and effective may limit the continued utilization of the subject aircraft in most areas of the world.

MD-83 GEOGRAPHICAL DISTRIBUTION (AS OF MARCH 2001)

AIRCRAFT ORDERED: 284	CANCELLED: 2	DESTROYED: 2
DELIVERED: 282	OPERATORS: 31	
BACKLOG: 0	OPERATED: 265	

[MAP]

American Airlines  
Job File #01156  
Page 8 of 15

[PICTURE]

## BOEING 777-200

The 777 family of widebody twin-engine aircraft was designed to fill the gap in Boeing's product line between the 767 and 747. The 777-200 twinjet seats from 305 to 328 passengers in a typical three-class configuration. The initial 777-200, which was first delivered in May 1995, has a range of up to 5,925 miles.

The 777-200ER (extended range) was first delivered in February 1997. This model is capable of flying the same number of passengers up to 8,861 miles. The --200 models can accommodate up to 32 LD-3 containers plus 600 cubic feet of bulk cargo underfloor.

The latest 777 derivative is the 777-300, a stretched version that provides seating for 328 to 394 passengers in a typical three-class configuration. The first airplane was delivered in May 1998. The --300 can accommodate up to 44 LD-3 containers plus bulk cargo underfloor.

Boeing recently launched 777-200 and -300 Longer-Range derivatives. The 777-200 derivative is expected to be the longest-range airplane in the world, while Boeing hopes the 777-300 derivative becomes a popular replacement for early 747s. Proposed first delivery will be late 2003 (first model), with the second model following four to six months later.

The 777's systems are among the most modern of any aircraft, with triple redundant fly-by-wire flight controls, five-tube EFIS/EICAS displays, and computerized controls and monitors for all critical systems.

The 777 family of aircraft has excellent operating economics, with trip costs relative to its number of seats among the lowest among widebody twins. The aircraft has been

approved for 180-minute ETOPS operations, and all requirements for ETOPS are incorporated in the basic model design.

The 777 aircraft remains to be the superstar in Boeing's widebody product line. As airlines are directing their efforts to more point to point services and are cutting down capacities, the 777 is fitting in the long-haul markets once served by the larger 747s.

BOEING 777-200ER GEOGRAPHICAL DISTRIBUTION (AS OF MARCH 2001)

AIRCRAFT ORDERED:	408	CANCELLED:	27	DESTROYED:	0
DELIVERED:	215	OPERATORS:	22		
BACKLOG:	166	OPERATED:	215		

[GLOBE]

American Airlines  
Job File #01156  
Page 10 of 15

[PICTURE]

BOEING 737 NEW GENERATION  
737-800

Boeing began replacing the trio of B-737-300/-400/-500s with upgraded new generation versions beginning with the B-737-700 in 1997. Southwest Airlines' order for 63 of the series officially launched the program in late 1993, and new orders increased rapidly. Boeing ramped-up production to 279 last year for the New Generation aircraft.

The fuselage of the new aircraft mirror that of the old (which were out-growths of the original -100s and -200s). Upgraded avionics, a new wing design, and other improvements combine to increase range, efficiency, and performance in general. The CFM56-7 is the exclusive engine for the 3rd generation. However, Boeing is losing market share to the more comfortable, wider A320 family.

Prospects for the 3rd generation B-737 jets were thought to be considerably enhanced by the discontinuation of the MD-80/-90 series. The MD-95 has been adopted by Boeing as its 100-seat competitor under the aegis of B-717, competing with its own B-737-600. Airbus is becoming more aggressive with its A318/319/320/321 high-tech series and winning an increasing share of orders. During 2000 Airbus had 388 narrowbody orders, while Boeing had 443.

As the industry passes the peak of the current cycle, the prospects for a downturn increase, together with deferrals and cancellations of orders for both manufacturers.

BOEING 737-800 GEOGRAPHICAL DISTRIBUTION (AS OF MARCH 2001)

AIRCRAFT ORDERED: 828	CANCELLED: 45	DESTROYED: 0
DELIVERED: 419	OPERATORS: 48	
BACKLOG: 364	OPERATED: 418	

[GLOBE]

American Airlines Job  
File #01156  
Page 12 of 15

## V. VALUATION

In developing the Current Base Value of these aircraft, MBA did not inspect these aircraft or the historical maintenance documentation, but relied on partial information supplied by the Client and not independently verified by MBA. Therefore, we used certain assumptions that are generally accepted industry practice to calculate the value of aircraft when more detailed information is not available. The principal assumptions for the aircraft are as follows, for each aircraft:

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

AMERICAN AIRLINES 2001-1

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Aircraft  
 Aircraft  
 Engine  
 Number  
 AC Type  
 Vintage  
 MSN  
 Regis.  
 # Type  
 Current  
 Base  
 Value 1  
 MD83  
 May-97  
 53561  
 N9630A  
 JT8D-  
 219  
 28.37 2  
 MD83  
 Jul-97  
 53562  
 N9615W  
 JT8D-  
 219  
 28.59 3  
 MD83  
 Aug-97  
 53563  
 N9616G  
 JT8D-  
 219  
 28.70 4  
 MD83  
 Sep-97  
 53564  
 N9617R  
 JT8D-  
 219  
 28.81 5  
 MD83  
 Oct-97  
 53565  
 N9618A  
 JT8D-  
 219  
 28.92 6  
 MD83  
 Dec-97  
 53566  
 N9619V  
 JT8D-  
 219  
 29.14 7  
 MD83  
 Nov-97  
 53591  
 N9620D  
 JT8D-  
 219  
 29.03 8  
 MD83  
 Aug-98  
 53593  
 N9622A  
 JT8D-  
 219  
 30.06 9  
 MD83  
 Sep-98  
 53594  
 N9624T  
 JT8D-  
 219  
 30.18  
 10 MD83  
 Oct-98  
 53595  
 N9625W  
 JT8D-  
 219  
 30.29  
 11 MD83  
 Nov-98  
 53596  
 N9626F  
 JT8D-  
 219  
 30.41  
 12 MD83  
 Jan-99  
 53598

N9628W  
JT8D-  
219  
30.64  
13 MD83  
Feb-99  
53599  
N9629H  
JT8D-  
219  
30.76  
14 MD83  
May-99  
53611  
N961TW  
JT8D-  
219  
31.12  
15 MD83  
May-99  
53612  
N962TW  
JT8D-  
219  
31.12  
16 MD83  
May-99  
53613  
N963TW  
JT8D-  
219  
31.12  
17 MD83  
Jun-99  
53614  
N964TW  
JT8D-  
219  
31.24  
18 MD83  
Jun-99  
53615  
N965TW  
JT8D-  
219  
31.24  
19 MD83  
Jun-99  
53616  
N966TW  
JT8D-  
219  
31.24  
20 MD83  
Jul-99  
53617  
N967TW  
JT8D-  
219  
31.36  
21 MD83  
Jul-99  
53618  
N968TW  
JT8D-  
219  
31.36  
22 MD83  
Jul-99  
53619  
N969TW  
JT8D-  
219  
31.36  
23 MD83  
Aug-99  
53620  
N970TW  
JT8D-  
219  
31.48  
24 MD83  
Aug-99  
53621  
N971TW  
JT8D-  
219  
31.48  
25 MD83  
Aug-99  
53622  
N972TW  
JT8D-  
219  
31.48  
26 MD83  
Oct-99



53627  
N9677W  
JT8D-  
219  
31.72  
27 MD83  
Nov-99  
53629  
N979TW  
JT8D-  
219  
31.84  
28 MD83  
Nov-99  
53630  
N980TW  
JT8D-  
219  
31.84  
29 MD83  
Nov-99  
53631  
N9681B  
JT8D-  
219  
31.84  
30 MD83  
Dec-99  
53632  
N982TW  
JT8D-  
219  
31.96  
31 MD83  
Dec-99  
53633  
N983TW  
JT8D-  
219  
31.96  
32 MD83  
Dec-99  
53634  
N984TW  
JT8D-  
219  
31.96  
33  
B777-  
223ER  
May-00  
30011  
N788AN  
RB211-  
Trent  
892-17  
133.66  
34  
B777-  
223ER  
Jun-00  
30252  
N789AN  
RB211-  
Trent  
892-17  
134.35  
35  
B777-  
223ER  
Jun-00  
30251  
N790AN  
RB211-  
Trent  
892-17  
134.35  
36  
B777-  
223ER  
Jun-00  
30254  
N791AN  
RB211-  
Trent  
892-17  
134.35  
37  
B737-  
823  
Jun-00  
30082  
N937AN  
CFM56-  
7B  
46.74  
38

B737-  
823  
Sep-00  
29535  
N944AN  
CFM56-  
7B  
47.50  
39  
B737-  
823  
Sep-00  
30085  
N945AN  
CFM56-  
7B  
47.50  
40  
B737-  
823  
Sep-00  
30600  
N946AN  
CFM56-  
7B  
47.50  
41  
B737-  
823  
Dec-00  
30088  
N952AA  
CFM56-  
7B  
48.25  
42  
B737-  
823  
Jan-01  
29539  
N953AN  
CFM56-  
7B  
48.53  
43  
B737-  
823  
Jan-01  
30089  
N954AN  
CFM56-  
7B  
48.53  
44  
B737-  
823  
Feb-01  
29540  
N955AN  
CFM56-  
7B  
48.63  
45  
B737-  
823  
Feb-01  
30090  
N956AN  
CFM56-  
7B  
48.63  
46  
B737-  
823  
Mar-01  
29541  
N957AN  
CFM56-  
7B  
48.73

VI. COVENANTS

This report has been prepared for the exclusive use of American Airlines and shall not be provided to other parties by MBA without the express consent of American Airlines. MBA certifies that this report has been independently prepared and that it fully and accurately reflects MBA's opinion as to the Current Base Value. MBA further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft.

This report represents the opinion of MBA as to the Current Base Value of the subject aircraft and is intended to be advisory only, in nature. Therefore, MBA assumes no responsibility or legal liability for any actions taken, or not taken, by American Airlines or any other party with regard to the subject aircraft. By accepting this report, all parties agree that MBA shall bear no such responsibility or legal liability.

This report has been prepared by:

/s/ BRYSON P. MONTELEONE

BRYSON P. MONTELEONE  
DIRECTOR OF OPERATIONS

Reviewed by:

/s/ MORTEN S. BEYER

APRIL 25, 2001

MORTEN S. BEYER, APPRAISER FELLOW  
CHAIRMAN & CEO  
ISTAT CERTIFIED SENIOR APPRAISER

American Airlines  
Job File #01156  
Page 15 of 15

APPENDIX III  
EQUIPMENT NOTE PRINCIPAL PAYMENTS

III-1

APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES A-1 EQUIPMENT NOTES

REGULAR DISTRIBUTION  
 DATE N9630A N9615W  
 N9616G N9617R N9618A  
 N9619V N9620D - -----  
 -----  
 -----  
 -----

November 23,  
 2001.....  
 883,731.67 0.00 0.00  
 510,888.15 509,324.80  
 628,185.82 710,309.23  
 May 23,

2002.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00  
 November 23,

2002.....  
 148,610.68 442,420.53  
 540,706.01 328,358.83  
 182,271.23 178,209.36  
 218,837.21 May 23,

2003.....  
 312,374.38 360,286.41  
 354,113.72 409,255.25  
 349,685.00 345,182.67  
 386,389.28 November

23, 2003.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00 May 23,

2004.....  
 375,606.44 426,982.12  
 420,363.21 428,872.72  
 415,614.32 410,786.51  
 451,145.19 November

23, 2004.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00 May 23,

2005.....  
 443,409.68 498,499.40  
 491,401.99 450,700.93  
 486,309.80 481,132.98  
 520,582.42 November

23, 2005.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00 May 23,

2006.....  
 455,781.41 514,853.67  
 507,243.18 492,880.14  
 501,782.86 496,231.80  
 534,706.28 November

23, 2006.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00 May 23,

2007.....  
 355,624.31 332,683.36  
 324,522.69 519,519.58  
 318,667.64 288,682.31  
 382,816.82 November

23, 2007.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00 May 23,

2008.....  
 798,701.69 0.00  
 35,851.59 545,168.56  
 51,242.84 159,481.10  
 546,256.18 November

23, 2008.....  
 0.00 0.00 0.00 0.00  
 0.00 475.35 0.00 May

23,  
 2009.....  
 316,888.83 491,596.65  
 572,915.96 571,564.35  
 572,184.71 572,966.35  
 570,658.81 November

23, 2009.....  
 337.21 0.00 988.70  
 503.99 16.55 0.00  
 1,667.19 May 23,

2010.....  
 616,641.67 616,459.64  
 614,749.67 615,985.82  
 615,182.20 614,641.44  
 614,364.49 November

23, 2010.....  
 257.21 0.00 421.41  
 0.00 0.00 606.45

1,046.09 May 23,  
 2011.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00  
 November 23,  
 2011.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00 May 23,  
 2012.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00  
 November 23,  
 2012.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00 May 23,  
 2013.....  
 487,581.23 58,600.78  
 111,991.46 344,732.35  
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APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES A-1 EQUIPMENT NOTES

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N966TW N967TW N968TW  
N969TW N970TW - ----  
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 REGULAR DISTRIBUTION  
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 2021.....  
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APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES A-1 EQUIPMENT NOTES

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2003.....  
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May 23,

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APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES A-2 EQUIPMENT NOTES

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23, 2004.....  
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23, 2006.....  
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23, 2009.....  
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2010.....  
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23, 2010.....  
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DISTRIBUTION  
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November 23,  
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November 23,  
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2006.....  
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2007.....  
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2009.....  
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November 23,  
2009..... 0.00  
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2010.....  
0.00 0.00  
November 23,  
2010..... 0.00  
0.00 May 23,  
2011.....  
1,905,956.09  
1,882,158.87

APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES A-2 EQUIPMENT NOTES

REGULAR  
DISTRIBUTION  
DATE N937AN  
N944AN N945AN  
N946AN N952AA  
N953AN - -----  
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November 23,  
2001.....  
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May 23,  
2002.....  
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November 23,  
2002.....  
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November 23,  
2010.....  
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May 23,

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REGULAR  
DISTRIBUTION  
DATE N954AN  
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N789AN - -----  
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2001.....  
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November 23,  
2010.....  
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May 23,  
2011.....

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REGULAR  
DISTRIBUTION  
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23,  
2002.....  
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2010.....  
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November 23,  
2010.....  
0.00 0.00 May  
23,  
2011.....  
42,122,227.09  
42,124,891.93

APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES B EQUIPMENT NOTES

REGULAR DISTRIBUTION  
DATE N9630A N9615W  
N9616G N9617R N9618A  
N9619V N9620D - -----  
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----- November 23,  
2001.....  
145,859.58 145,859.58  
145,859.58 113,116.88  
145,859.58 145,859.58  
120,826.80 May 23,  
2002.....  
145,859.58 145,859.58  
145,859.58 113,116.88  
145,859.58 145,859.58  
120,826.80 November  
23, 2002.....  
145,859.58 145,859.58  
145,859.58 113,116.88  
145,859.58 145,859.58  
120,826.80 May 23,  
2003.....  
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120,826.80 November  
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23, 2005.....  
145,859.58 145,859.58  
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145,859.58 113,116.88  
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2007.....  
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145,859.58 113,116.88  
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2008.....  
18,627.81 145,859.58  
145,859.58 0.00  
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0.00 November 23,  
2008.....  
0.00 71,945.93 0.00  
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May 23,  
2009.....  
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2012.....  
145,859.58 145,859.58  
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23, 2012.....  
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112,747.02 0.00 0.00  
0.00 0.00 May 23,  
2013.....  
145,859.58 145,859.58  
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120,826.80 November  
23, 2013.....  
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23, 2014.....  
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2016.....  
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145,859.58 113,116.88  
145,859.58 145,859.58  
120,826.80 November  
23, 2016.....  
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145,859.58 113,116.88  
145,859.58 145,859.58  
120,826.80 May 23,  
2017.....  
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145,859.58 113,116.88  
145,859.58 145,859.58  
120,826.80 November  
23, 2017.....  
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33,112.56 113,116.88  
145,859.58 145,859.58  
120,826.80 May 23,  
2018.....  
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November 23,  
2018.....  
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26,627.99 0.00 0.00  
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REGULAR DISTRIBUTION  
DATE N9622A N9624T  
N9625W N9626F N9628W  
N9629H N961TW - ----

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----- November 23,  
2001.....  
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2002.....  
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23, 2007.....  
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2008.....  
78,418.03 69,188.68  
8,423.92 0.00 0.00  
0.00 0.00 November  
23, 2008.....  
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2012.....  
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23, 2012.....  
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0.00 0.00 0.00 May  
23,  
2013.....  
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145,859.58 November  
23, 2013.....  
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2014.....  
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145,859.58 November  
23, 2014.....  
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96,381.57 85,318.81  
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2015.....  
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23, 2015.....  
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23, 2016.....  
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2017.....  
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145,859.58 November  
23, 2017.....  
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145,859.58 145,859.58  
145,859.58 May 23,  
2018.....  
67,441.55 102,418.20  
145,859.58 145,859.58  
145,859.58 145,859.58  
145,859.58 November  
23, 2018.....  
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122,623.20 145,859.58  
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May 23,  
2019.....  
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23,219.61 78,374.10  
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REGULAR DISTRIBUTION  
DATE N962TW N963TW -  
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November 23,  
2001.....  
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May 23,  
2002.....  
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November 23,  
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 May 23,  
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 November 23,  
 2007.....  
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 23, 2008.....  
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 23, 2010.....  
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 2012.....  
 70,863.53 119,259.84  
 November 23,  
 2012.....  
 0.00 0.00 May 23,  
 2013.....  
 145,859.58 145,859.58  
 November 23,  
 2013.....  
 74,996.05 127,931.90  
 May 23,  
 2014.....  
 145,859.58 145,859.58  
 November 23,  
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 May 23,  
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 May 23,  
 2018.....  
 145,859.58 145,859.58  
 November 23,  
 2018.....  
 145,859.58 145,859.58  
 May 23,  
 2019.....  
 145,859.58 145,859.58

APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES B EQUIPMENT NOTES

REGULAR DISTRIBUTION  
 DATE N964TW N965TW  
 N966TW N967TW N968TW  
 N969TW N970TW - -----  
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2001.....			
145,859.58	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	May 23,		
2002.....			
145,859.58	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	November		
23, 2002.....			
145,859.58	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	May 23,		
2003.....			
145,859.58	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	November		
23, 2003.....			
145,859.58	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	May 23,		
2004.....			
145,859.58	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	November		
23, 2004.....			
141,800.66	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	May 23,		
2005.....			
145,859.58	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	November		
23, 2005.....			
139,868.52	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	May 23,		
2006.....			
145,859.58	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	November		
23, 2006.....			
104,609.24	150,447.71		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	May 23,		
2007.....			
79,401.23	90,117.58		
152,756.36	162,437.14		
175,298.47	181,209.30		
181,049.86	November		
23, 2007.....			
0.00	0.00	0.00	0.00
0.00	4,706.15	0.00	May
	23,		
2008.....			
0.00	0.00	0.00	0.00
0.00	0.00	0.00	
	November 23,		
2008.....			
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2009.....			
0.00	0.00	0.00	0.00
0.00	0.00	0.00	
	November 23,		
2009.....			
0.00	0.00	0.00	0.00
0.00	0.00	0.00	May 23,
2010.....			
0.00	0.00	0.00	0.00

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November 23,  
2010.....  
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2011.....  
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November 23,  
2011.....  
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2012.....  
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49,641.91 160,200.76  
175,298.47 181,209.30  
181,049.86 November  
23, 2012.....  
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32,649.25 128,905.83  
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23, 2013.....  
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174,208.90 May 23,  
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181,049.86 181,049.86  
151,200.17 176,192.26  
176,192.26 160,750.83  
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23, 2013.....  
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30,760.09 May 23,  
2014.....  
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151,200.17 176,192.26  
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174,208.90 November  
23, 2014.....  
60,155.78 51,366.59  
151,200.17 102,585.59  
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120,678.89 May 23,  
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     May 23,  
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APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES B EQUIPMENT NOTES

REGULAR DISTRIBUTION  
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	November 23,			
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	0.00	7,199.30	November	
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	237,093.35	113,229.82		
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	May 23,			
2003.....	340,007.61	346,699.86		
	346,699.86	346,699.86		
	352,393.29	349,136.55		
	November 23,			
	2003.....			
	332,915.86	339,543.16		
	339,543.16	339,543.16		
	345,119.06	341,929.55		
	May 23,			
2004.....	325,824.11	332,386.46		
	332,386.46	332,386.46		
	337,844.83	334,722.55		
	November 23,			
	2004.....			
	318,732.36	325,229.75		
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	330,570.61	327,515.55		
	May 23,			
2005.....	311,640.60	318,073.05		
	318,073.05	318,073.05		
	323,296.38	320,308.55		
	November 23,			
	2005.....			
	304,548.85	310,916.35		
	310,916.35	310,916.35		
	316,022.15	313,101.55		
	May 23,			
2006.....	297,457.10	303,759.65		
	303,759.65	303,759.65		
	308,747.93	305,894.55		
	November 23,			
	2006.....			
	290,365.35	296,602.95		
	296,602.95	296,602.95		
	301,473.70	298,687.55		
	May 23,			
2007.....	283,273.59	289,446.25		
	289,446.25	289,446.25		
	294,199.47	291,480.55		
	November 23,			
	2007.....			
	276,181.84	282,289.55		
	282,289.55	282,289.55		
	286,925.25	284,273.55		
	May 23,			
2008.....	269,090.09	275,132.85		
	275,132.85	275,132.85		
	279,651.02	277,066.55		
	November 23,			
	2008.....			
	261,998.33	267,976.15		
	267,976.15	267,976.15		
	272,376.79	269,859.55		
	May 23,			
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	616,268.93	616,268.93		
	626,389.16	620,600.21		
	November 23,			
	2009.....			
	0.00	0.00	0.00	0.00
	0.00	0.00	May 23,	
2010.....				



210,413.43 213,789.48  
 213,789.48 213,789.48  
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 November 23,  
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 232,195.45 237,900.32  
 237,900.32 237,900.32  
 241,807.06 239,572.34  
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 REGULAR DISTRIBUTION  
 DATE N954AN N955AN  
 N956AN N957AN N788AN  
 N789AN - -----  
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 7,199.30 7,217.78  
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 1,900,000.00  
 1,900,000.00 November  
 23, 2002.....  
 356,343.55 357,258.26  
 357,282.98 237,886.18  
 680,639.57 681,845.88  
 May 23,  
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 349,136.55 350,032.76  
 350,056.98 354,624.39  
 976,082.33 977,812.27  
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 341,929.55 342,807.26  
 342,830.98 347,378.89  
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 813,212.23 814,653.51  
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 May 23,  
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 277,796.98 282,169.39  
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May 23,  
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 620,600.21 622,193.26  
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 May 23,  
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 November 23,  
 2010.....  
 667,827.73 667,861.49  
 May 23,  
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APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES C EQUIPMENT NOTES

REGULAR DISTRIBUTION  
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N9616G N9617R N9618A  
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23, 2013.....  
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2014.....

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94,266.27 May 23,  
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November 23,  
2015.....  
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2016.....  
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APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES C EQUIPMENT NOTES

REGULAR DISTRIBUTION  
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N966TW N967TW N968TW  
N969TW N970TW - -----  
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2009.....  
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110,196.01 88,440.29  
99,208.56 98,371.53  
102,475.72 November





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2004.....  
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23, 2009.....  
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23, 2012.....  
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2013.....  
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23, 2013.....  
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23, 2014.....  
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2015.....  
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REGULAR DISTRIBUTION  
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November 23,  
2009.....  
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2010.....  
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23, 2010.....  
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2011.....  
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23, 2011.....  
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2012.....  
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November 23,  
2012.....  
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2013.....  
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November 23,

2013.....  
54,084.85 65,434.22  
May 23,  
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November 23,  
2014.....  
120,014.43 120,014.43  
May 23,  
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November 23,  
2015.....  
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May 23,  
2016.....  
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APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES C EQUIPMENT NOTES

REGULAR DISTRIBUTION  
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N945AN N946AN N952AA  
N953AN - -----  
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2003.....  
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2003.....  
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2004.....  
164,103.15 75,527.05  
75,527.05 75,527.05  
76,767.34 181,376.17  
November 23,  
2004.....  
786,593.56 806,321.65  
806,321.65 806,321.65  
819,562.89 811,988.67  
May 23,  
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874,310.31 874,310.31  
888,668.04 880,455.17  
November 23,  
2006.....  
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0.00 0.00 November 23,  
2007.....  
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November 23,  
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2009.....  
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REGULAR DISTRIBUTION  
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 54,052.50 54,191.25  
 54,195.00 0.00 0.00  
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 181,376.17 81,841.75  
 81,854.33 649,740.33  
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 23, 2004.....  
 811,988.67 814,073.00  
 814,129.33 829,005.96  
 968,194.90 969,960.92  
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 880,455.17 882,715.25  
 882,776.33 397,838.21  
 2,543,148.80  
 2,547,656.10 November  
 23, 2006.....  
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 2007.....  
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 832,105.33 834,498.00  
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 23, 2002.....  
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 2003.....  
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 November 23,  
 2003.....  
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 23, 2004.....  
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 May 23,  
 2005.....  
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2005.....  
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2007.....  
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2007.....  
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2008.....  
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November 23,  
2008.....  
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2009.....  
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2009.....  
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2010.....  
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2010.....  
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4,400,973.20

APPENDIX III

EQUIPMENT NOTE PRINCIPAL PAYMENTS

SERIES D EQUIPMENT NOTES

REGULAR DISTRIBUTION  
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N9616G N9617R N9618A  
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2002.....  
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99,444.44 8,964.46  
99,444.44 99,444.44  
99,444.44 November 23,  
2002.....  
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0.00 0.00 0.00 May 23,  
2003.....  
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November 23,  
2003.....  
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2004.....  
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2004.....  
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2005.....  
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2005.....  
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2006.....  
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60,555.56 November 23,  
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2007.....  
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23, 2007.....  
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160,000.00 May 23,  
2008.....  
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159,999.99 159,999.99  
160,000.00 160,000.00  
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REGULAR DISTRIBUTION  
DATE N9622A N9624T  
N9625W N9626F N9628W  
N9629H N961TW - -----  
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November 23,  
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2002.....  
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99,444.44 99,444.44  
99,444.44 November 23,  
2002.....  
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2003.....



0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2003.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2004.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2004.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2005.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2005.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2006.....  
60,555.56 60,555.56  
60,555.56 60,555.56  
60,555.56 60,555.56  
60,555.59 November 23,  
2006.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2007.....  
160,000.00 160,000.00  
160,000.00 160,000.00  
160,000.00 160,000.00  
159,999.99 November  
23, 2007.....  
160,000.00 160,000.00  
160,000.00 160,000.00  
160,000.00 160,000.00  
159,999.99 May 23,  
2008.....  
160,000.00 160,000.00  
160,000.00 160,000.00  
160,000.00 160,000.00  
159,999.99

REGULAR DISTRIBUTION  
DATE N962TW N963TW - -

-----  
November 23,  
2001.....  
160,000.00 159,999.99  
May 23,  
2002.....  
99,444.44 75,927.24  
November 23,  
2002.....  
0.00 0.00 May 23,  
2003.....  
0.00 0.00 November 23,  
2003.....  
0.00 0.00 May 23,  
2004.....  
0.00 0.00 November 23,  
2004.....  
0.00 0.00 May 23,  
2005.....  
0.00 0.00 November 23,  
2005.....  
0.00 0.00 May 23,  
2006.....  
60,555.56 146,785.34  
November 23,  
2006.....  
0.00 0.00 May 23,  
2007.....  
160,000.00 159,999.99  
November 23,  
2007.....  
160,000.00 97,287.45  
May 23,  
2008.....  
160,000.00 159,999.99

REGULAR DISTRIBUTION  
DATE N964TW N965TW  
N966TW N967TW N968TW  
N969TW N970TW - -----

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November 23,  
2001.....  
159,999.99 159,999.99  
160,000.00 160,000.00  
160,000.00 159,999.99  
160,000.00 May 23,  
2002.....

72,323.23 99,444.44  
99,444.44 99,444.44  
99,444.44 99,444.44  
99,444.44 November 23,  
2002.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2003.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2003.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2004.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2004.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2005.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2005.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2006.....  
159,999.99 60,555.60  
60,555.56 60,555.56  
60,555.56 60,555.60  
60,555.56 November 23,  
2006.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2007.....  
159,999.99 159,999.99  
160,000.00 160,000.00  
160,000.00 159,999.99  
160,000.00 November  
23, 2007.....  
87,676.81 159,999.99  
160,000.00 160,000.00  
160,000.00 159,999.99  
160,000.00 May 23,  
2008.....  
159,999.99 159,999.99  
160,000.00 160,000.00  
160,000.00 159,999.99  
160,000.00  
REGULAR DISTRIBUTION  
DATE N971TW N972TW  
N9677W N979TW N980TW  
N9681B N982TW - -----  
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November 23,  
2001.....  
160,000.00 160,000.00  
159,999.99 160,000.00  
160,000.00 160,000.00  
159,999.99 May 23,  
2002.....  
99,444.44 99,444.44  
81,551.30 99,444.44  
99,444.44 99,444.44  
75,816.47 November 23,  
2002.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2003.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2003.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2004.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2004.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2005.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00  
November 23,  
2005.....  
0.00 0.00 0.00 0.00  
0.00 0.00 0.00 May 23,  
2006.....  
60,555.56 60,555.56  
126,163.77 60,555.56

60,555.56 60,555.56  
 147,191.47 November  
 23, 2006.....  
 0.00 0.00 0.00 0.00  
 0.00 0.00 0.00 May 23,  
 2007.....  
 160,000.00 160,000.00  
 159,999.99 160,000.00  
 160,000.00 160,000.00  
 159,999.99 November  
 23, 2007.....  
 160,000.00 160,000.00  
 112,284.96 160,000.00  
 160,000.00 160,000.00  
 96,992.09 May 23,  
 2008.....  
 160,000.00 160,000.00  
 159,999.99 160,000.00  
 160,000.00 160,000.00  
 159,999.99  
 REGULAR DISTRIBUTION  
 DATE N983TW N984TW - -  
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 November 23,  
 2001.....  
 159,999.99 160,000.00  
 May 23,  
 2002.....  
 72,323.23 72,323.23  
 November 23,  
 2002.....  
 0.00 0.00 May 23,  
 2003.....  
 0.00 0.00 November 23,  
 2003.....  
 0.00 0.00 May 23,  
 2004.....  
 0.00 0.00 November 23,  
 2004.....  
 0.00 0.00 May 23,  
 2005.....  
 0.00 0.00 November 23,  
 2005.....  
 0.00 0.00 May 23,  
 2006.....  
 159,999.99 160,000.00  
 November 23,  
 2006.....  
 0.00 0.00 May 23,  
 2007.....  
 159,999.99 160,000.00  
 November 23,  
 2007.....  
 87,676.81 87,676.77  
 May 23,  
 2008.....  
 159,999.99 160,000.00

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES

N9630A N9615W

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 EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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Year	Value	Ratio	Value	Ratio
2001	\$18.8	66.5%	\$28.3	62.5%
May 23,				
2002	17.1	62.7	27.3	17.0
May 23,				
2003	16.1	61.2	26.4	15.7
May 23,				
2004	15.2	60.0	25.4	14.7
May 23,				
2005	14.3	58.3	24.4	13.7
May 23,				
2006	13.2	56.3	23.5	12.6
May 23,				
2007	12.2	54.0	22.5	11.5
May 23,				
2008	10.7	49.7	21.5	10.7
May 23,				
2009	10.2	49.4	20.6	20.7
May 23,				
2010	9.5	48.1	19.6	19.7
May 23,				
2011	7.5	6.9	18.6	18.8
May 23,				
2012	7.2	6.6	17.7	17.8

May 23,  
 2013.....  
 6.4 16.4 39.0  
 6.0 16.5 36.5  
 May 23,  
 2014.....  
 5.4 15.1 35.5  
 4.8 15.2 31.7  
 May 23,  
 2015.....  
 4.2 13.8 30.3  
 3.6 13.9 25.7  
 May 23,  
 2016.....  
 3.0 12.5 23.7  
 2.4 12.6 19.4  
 May 23,  
 2017.....  
 2.0 11.3 17.4  
 1.5 11.3 12.9  
 May 23,  
 2018.....  
 0.8 9.6 8.8  
 0.7 9.7 6.7  
 May 23,  
 2019.....  
 0.4 8.0 4.9  
 0.4 8.1 4.9  
 May 23,  
 2020.....  
 0.4 6.4 6.2  
 0.2 6.5 3.5  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

N9616G N9617R  
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EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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May 24,  
 2001.....  
 \$18.0 \$28.5  
 62.9% \$18.1  
 \$28.6 63.4%  
 May 23,  
 2002.....  
 17.2 28.0  
 61.2 17.0  
 28.1 60.5 May  
 23,  
 2003.....  
 15.7 27.1  
 58.1 15.8  
 27.1 58.2 May  
 23,  
 2004.....  
 14.8 26.1  
 56.7 14.9  
 26.2 56.8 May  
 23,  
 2005.....  
 13.8 25.1  
 54.8 13.8  
 25.2 55.0 May

23,  
 2006.....  
   12.7 24.2  
   52.4 12.8  
 24.2 52.7 May  
   23,  
 2007.....  
   11.6 23.2  
   50.3 11.6  
 23.2 50.0 May  
   23,  
 2008.....  
   10.8 22.2  
   48.5 10.5  
 22.3 47.3 May  
   23,  
 2009.....  
   10.0 21.2  
 47.1 9.7 21.3  
 45.7 May 23,  
 2010.....  
   9.4 20.3 46.3  
   9.1 20.3 44.9  
   May 23,  
 2011.....  
   7.0 19.3 36.2  
   7.0 19.3 35.9  
   May 23,  
 2012.....  
   6.7 18.3 36.7  
   6.7 18.4 36.6  
   May 23,  
 2013.....  
   6.1 17.2 35.8  
   6.1 17.2 35.7  
   May 23,  
 2014.....  
   4.9 15.9 31.1  
   5.0 15.9 31.4  
   May 23,  
 2015.....  
   3.7 14.6 25.4  
   3.8 14.6 26.2  
   May 23,  
 2016.....  
   2.6 13.3 19.2  
   2.7 13.3 20.3  
   May 23,  
 2017.....  
   1.5 12.0 12.5  
   1.7 12.0 14.3  
   May 23,  
 2018.....  
   0.7 10.5 6.2  
   0.7 10.6 6.4  
   May 23,  
 2019.....  
   0.4 8.9 4.4  
   0.4 8.9 4.4  
   May 23,  
 2020.....  
   0.4 7.3 5.4  
   0.4 7.3 5.4  
   May 23,  
 2021.....  
   0.0 0.0 NA  
   0.0 0.0 NA

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N9618A N9619V

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EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -

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	May 24,	
2001.....	\$18.1	\$28.7
	63.1%	\$18.3
	\$28.8	63.3%
	May 23,	
2002.....	16.8	28.2
	59.6	16.9
	28.4	59.4
	23,	
2003.....	15.7	27.2
	57.8	15.8
	27.4	57.7
	23,	
2004.....	14.8	26.2
	56.3	14.9
	26.4	56.3
	23,	
2005.....	13.8	25.3
	54.5	13.8
	25.4	54.5
	23,	
2006.....	12.7	24.3
	52.2	12.8
	24.4	52.2
	23,	
2007.....	11.7	23.3
	50.0	11.8
	23.4	50.2
	23,	
2008.....	10.8	22.3
	48.2	10.9
	22.5	48.5
	23,	
2009.....	10.0	21.4
	46.7	10.1
	21.5	47.0
	23,	
2010.....	9.4	20.4
	9.5	20.5
	45.9	46.2
	May 23,	
2011.....	7.1	19.4
	7.2	19.5
	36.6	36.8
	May 23,	
2012.....	6.8	18.4
	6.9	18.5
	37.1	37.4

May 23,  
 2013.....  
 6.3 17.3 36.4  
 6.4 17.4 37.0  
 May 23,  
 2014.....  
 5.1 16.0 31.8  
 5.2 16.1 32.6  
 May 23,  
 2015.....  
 3.8 14.7 26.2  
 4.0 14.7 27.1  
 May 23,  
 2016.....  
 2.7 13.4 20.0  
 2.8 13.4 20.9  
 May 23,  
 2017.....  
 1.6 12.1 13.3  
 1.7 12.1 14.4  
 May 23,  
 2018.....  
 0.7 10.6 6.2  
 0.7 10.7 6.1  
 May 23,  
 2019.....  
 0.4 9.0 4.4  
 0.4 9.0 4.4  
 May 23,  
 2020.....  
 0.4 7.3 5.4  
 0.4 7.4 5.4  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

N9620D N9622A  
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 EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE RATIO  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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May 24,  
 2001.....  
 \$18.4 \$28.8  
 64.0% \$18.7  
 \$30.1 62.2%  
 May 23,  
 2002.....  
 17.0 28.3  
 60.0 17.6  
 29.1 60.6 May  
 23,  
 2003.....  
 15.9 27.3  
 58.1 16.6  
 28.1 59.0 May  
 23,  
 2004.....  
 14.9 26.3  
 56.8 15.6  
 27.1 57.6 May  
 23,  
 2005.....  
 13.9 25.3  
 55.0 14.6  
 26.1 55.9 May



23,  
 2006.....  
   12.9 24.4  
   52.8 13.5  
 25.1 53.7 May  
   23,  
 2007.....  
   11.8 23.4  
   50.6 12.5  
 24.1 51.7 May  
   23,  
 2008.....  
   10.6 22.4  
   47.5 11.6  
 23.1 50.3 May  
   23,  
 2009.....  
   9.8 21.4 45.9  
   10.9 22.1  
 49.1 May 23,  
 2010.....  
   9.2 20.4 45.1  
   10.3 21.1  
 48.6 May 23,  
 2011.....  
   7.3 19.5 37.3  
   7.8 20.2 39.0  
   May 23,  
 2012.....  
   7.1 18.5 38.5  
   7.6 19.2 39.6  
   May 23,  
 2013.....  
   6.2 17.3 35.9  
   7.1 18.2 39.1  
   May 23,  
 2014.....  
   5.3 16.0 33.1  
   5.9 16.8 35.1  
   May 23,  
 2015.....  
   4.2 14.7 28.4  
   4.8 15.5 30.8  
   May 23,  
 2016.....  
   3.0 13.4 22.0  
   3.6 14.2 25.1  
   May 23,  
 2017.....  
   1.9 12.1 16.1  
   2.5 12.9 19.5  
   May 23,  
 2018.....  
   0.9 10.6 8.2  
   1.5 11.6 13.1  
   May 23,  
 2019.....  
   0.4 9.0 4.4  
   0.7 9.9 6.8  
   May 23,  
 2020.....  
   0.4 7.4 5.4  
   0.4 8.3 5.0  
   May 23,  
 2021.....  
   0.0 0.0 NA  
   0.0 0.0 NA

## LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N9624T N9625W

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-----EQUIPMENT  
EQUIPMENT  
NOTE ASSUMED  
NOTE ASSUMED  
OUTSTANDING  
AIRCRAFT LOAN  
TO  
OUTSTANDING  
AIRCRAFT LOAN  
TO BALANCE  
VALUE  
AIRCRAFT  
BALANCE VALUE  
AIRCRAFT (IN  
MILLIONS) (IN  
MILLIONS)  
VALUE RATIO  
(IN MILLIONS)  
(IN MILLIONS)  
VALUE RATIO -  
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May 24,

2001.....

\$18.8 \$30.1

62.3% \$18.9

\$30.2 62.4%

May 23,

2002.....

17.7 29.6

59.6 17.7

29.7 59.5 May

23,

2003.....

16.6 28.7

57.9 16.6

28.7 57.9 May

23,

2004.....

15.7 27.7

56.6 15.7

27.7 56.6 May

23,

2005.....

14.6 26.7

54.9 14.7

26.7 54.9 May

23,

2006.....

13.5 25.7

52.7 13.6

25.7 52.8 May

23,

2007.....

12.5 24.7

50.8 12.6

24.7 50.8 May

23,

2008.....

11.6 23.7

49.2 11.7

23.7 49.3 May

23,

2009.....

10.9 22.7

47.9 10.9

22.8 48.0 May

23,

2010.....

10.3 21.7

47.4 10.3

21.8 47.5 May

23,

2011.....

7.9 20.7 38.2

8.0 20.8 38.4

May 23,

2012.....

7.6 19.7 38.8

7.7 19.8 39.0  
 May 23,  
 2013.....  
 7.1 18.7 37.9  
 7.2 18.8 38.1  
 May 23,  
 2014.....  
 5.9 17.6 33.7  
 6.0 17.6 33.9  
 May 23,  
 2015.....  
 4.8 16.2 29.8  
 4.9 16.3 30.1  
 May 23,  
 2016.....  
 3.6 14.9 24.1  
 3.7 14.9 24.6  
 May 23,  
 2017.....  
 2.5 13.6 18.7  
 2.6 13.6 19.3  
 May 23,  
 2018.....  
 1.5 12.3 12.3  
 1.6 12.3 12.6  
 May 23,  
 2019.....  
 0.7 10.8 6.2  
 0.7 10.8 6.2  
 May 23,  
 2020.....  
 0.4 9.1 4.5  
 0.4 9.1 4.5  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

N9626F N9628W  
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EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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May 24,  
 2001.....  
 \$18.9 \$30.3  
 62.5% \$19.7  
 \$30.7 64.3%  
 May 23,  
 2002.....  
 17.7 29.8  
 59.5 18.4  
 29.2 62.9 May  
 23,  
 2003.....  
 16.7 28.8  
 57.9 17.3  
 28.2 61.2 May  
 23,  
 2004.....  
 15.7 27.8  
 56.6 16.3  
 27.2 59.8 May  
 23,  
 2005.....  
 14.7 26.8  
 54.9 15.2

26.3 58.0 May  
 23,  
 2006.....  
 13.6 25.8  
 52.8 14.1  
 25.3 55.9 May  
 23,  
 2007.....  
 12.6 24.8  
 50.9 12.9  
 24.3 53.2 May  
 23,  
 2008.....  
 11.7 23.8  
 49.2 12.3  
 23.3 52.6 May  
 23,  
 2009.....  
 11.0 22.8  
 48.0 11.5  
 22.3 51.5 May  
 23,  
 2010.....  
 10.4 21.8  
 47.5 10.9  
 21.4 51.2 May  
 23,  
 2011.....  
 8.0 20.8 38.6  
 8.3 20.4 40.5  
 May 23,  
 2012.....  
 7.8 19.8 39.3  
 8.0 19.4 41.3  
 May 23,  
 2013.....  
 7.2 18.8 38.0  
 7.6 18.4 41.1  
 May 23,  
 2014.....  
 6.0 17.7 34.1  
 6.8 17.3 39.2  
 May 23,  
 2015.....  
 5.0 16.3 30.5  
 5.7 16.0 35.4  
 May 23,  
 2016.....  
 3.8 15.0 25.1  
 4.5 14.7 30.6  
 May 23,  
 2017.....  
 2.7 13.7 19.9  
 3.5 13.4 26.0  
 May 23,  
 2018.....  
 1.6 12.3 13.2  
 2.4 12.1 20.2  
 May 23,  
 2019.....  
 0.7 10.8 6.2  
 1.5 10.6 14.0  
 May 23,  
 2020.....  
 0.4 9.2 4.5  
 0.7 9.0 7.4  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N9629H N961TW  
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 EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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 May 24,  
 2001.....  
 \$19.7 \$30.8  
 64.1% \$20.0  
 \$31.4 63.7%  
 May 23,  
 2002.....  
 18.4 29.3  
 62.8 18.3  
 30.4 60.4 May  
 23,  
 2003.....  
 17.3 28.3  
 61.1 17.5  
 29.4 59.4 May  
 23,  
 2004.....  
 16.3 27.3  
 59.7 16.5  
 28.4 58.2 May  
 23,  
 2005.....  
 15.3 26.4  
 58.0 15.5  
 27.4 56.6 May  
 23,  
 2006.....  
 14.2 25.4  
 55.8 14.4  
 26.4 54.6 May  
 23,  
 2007.....  
 13.0 24.4  
 53.2 13.2  
 25.4 52.2 May  
 23,  
 2008.....  
 12.3 23.4  
 52.4 12.3  
 24.4 50.4 May  
 23,  
 2009.....  
 11.5 22.4  
 51.3 11.5  
 23.4 49.3 May  
 23,  
 2010.....  
 10.9 21.4  
 51.0 11.0  
 22.4 49.1 May  
 23,  
 2011.....  
 8.3 20.5 40.4  
 8.6 21.4 40.1  
 May 23,  
 2012.....  
 8.1 19.5 41.5

8.3 20.4 41.0  
 May 23,  
 2013.....  
 7.6 18.5 41.3  
 7.8 19.4 40.3  
 May 23,  
 2014.....  
 6.9 17.4 39.5  
 6.9 18.4 37.4  
 May 23,  
 2015.....  
 5.7 16.0 35.6  
 5.8 17.0 34.1  
 May 23,  
 2016.....  
 4.5 14.7 30.8  
 4.6 15.7 29.4  
 May 23,  
 2017.....  
 3.5 13.4 26.3  
 3.6 14.4 25.1  
 May 23,  
 2018.....  
 2.5 12.1 20.6  
 2.6 13.0 19.7  
 May 23,  
 2019.....  
 1.5 10.6 14.0  
 1.5 11.7 12.7  
 May 23,  
 2020.....  
 0.7 9.0 7.4  
 0.7 10.0 6.6  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

N962TW N963TW  
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EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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May 24,  
 2001.....  
 \$20.0 \$31.4  
 63.6% \$20.0  
 \$31.4 63.8%  
 May 23,  
 2002.....  
 18.3 30.4  
 60.4 18.4  
 30.4 60.5 May  
 23,  
 2003.....  
 17.5 29.4  
 59.4 17.5  
 29.4 59.5 May  
 23,  
 2004.....  
 16.5 28.4  
 58.2 16.5  
 28.4 58.3 May  
 23,  
 2005.....  
 15.5 27.4  
 56.6 15.5

27.4 56.7 May  
 23,  
 2006.....  
 14.4 26.4  
 54.6 14.4  
 26.4 54.7 May  
 23,  
 2007.....  
 13.2 25.4  
 52.2 13.2  
 25.4 52.1 May  
 23,  
 2008.....  
 12.3 24.4  
 50.4 12.4  
 24.4 50.8 May  
 23,  
 2009.....  
 11.5 23.4  
 49.3 11.6  
 23.4 49.7 May  
 23,  
 2010.....  
 11.0 22.4  
 49.0 11.1  
 22.4 49.4 May  
 23,  
 2011.....  
 8.6 21.4 40.2  
 8.6 21.4 40.4  
 May 23,  
 2012.....  
 8.4 20.4 41.2  
 8.4 20.4 41.2  
 May 23,  
 2013.....  
 7.8 19.4 40.4  
 7.9 19.4 40.6  
 May 23,  
 2014.....  
 6.9 18.4 37.5  
 6.9 18.4 37.7  
 May 23,  
 2015.....  
 5.8 17.0 34.2  
 5.8 17.0 34.2  
 May 23,  
 2016.....  
 4.6 15.7 29.4  
 4.6 15.7 29.4  
 May 23,  
 2017.....  
 3.6 14.4 25.1  
 3.6 14.4 25.1  
 May 23,  
 2018.....  
 2.6 13.0 19.7  
 2.6 13.0 19.7  
 May 23,  
 2019.....  
 1.5 11.7 12.7  
 1.5 11.7 12.7  
 May 23,  
 2020.....  
 0.7 10.0 6.6  
 0.7 10.0 6.6  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA





8.5 20.4 41.6  
 May 23,  
 2013.....  
 7.9 19.4 40.6  
 7.9 19.4 40.8  
 May 23,  
 2014.....  
 6.9 18.4 37.7  
 7.0 18.4 37.9  
 May 23,  
 2015.....  
 5.8 17.1 34.1  
 5.9 17.1 34.4  
 May 23,  
 2016.....  
 4.6 15.7 29.3  
 4.6 15.7 29.5  
 May 23,  
 2017.....  
 3.6 14.4 25.0  
 3.6 14.4 25.1  
 May 23,  
 2018.....  
 2.6 13.1 19.6  
 2.6 13.1 19.7  
 May 23,  
 2019.....  
 1.5 11.7 12.7  
 1.5 11.7 12.7  
 May 23,  
 2020.....  
 0.7 10.0 6.6  
 0.7 10.0 6.6  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

N966TW N967TW  
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EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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May 24,  
 2001.....  
 \$20.3 \$31.5  
 64.6% \$20.6  
 \$31.5 65.3%  
 May 23,  
 2002.....  
 18.4 30.5  
 60.4 18.5  
 30.5 60.5 May  
 23,  
 2003.....  
 17.5 29.4  
 59.5 17.6  
 29.5 59.6 May  
 23,  
 2004.....  
 16.6 28.4  
 58.4 16.7  
 28.5 58.4 May  
 23,  
 2005.....  
 15.6 27.4  
 56.8 15.7

27.5 56.9 May  
 23,  
 2006.....  
 14.5 26.4  
 54.9 14.6  
 26.5 55.0 May  
 23,  
 2007.....  
 13.4 25.4  
 52.5 13.4  
 25.5 52.7 May  
 23,  
 2008.....  
 12.4 24.4  
 50.6 12.5  
 24.5 51.0 May  
 23,  
 2009.....  
 11.6 23.4  
 49.5 11.7  
 23.5 50.0 May  
 23,  
 2010.....  
 11.0 22.4  
 49.3 11.2  
 22.5 49.8 May  
 23,  
 2011.....  
 8.7 21.4 40.8  
 8.8 21.5 41.0  
 May 23,  
 2012.....  
 8.6 20.4 41.9  
 8.5 20.5 41.6  
 May 23,  
 2013.....  
 7.9 19.4 40.9  
 8.0 19.5 41.0  
 May 23,  
 2014.....  
 7.0 18.4 38.0  
 7.0 18.4 38.0  
 May 23,  
 2015.....  
 5.9 17.1 34.5  
 5.9 17.1 34.7  
 May 23,  
 2016.....  
 4.6 15.7 29.6  
 4.7 15.8 29.9  
 May 23,  
 2017.....  
 3.6 14.4 25.2  
 3.7 14.4 25.4  
 May 23,  
 2018.....  
 2.6 13.1 19.7  
 2.6 13.1 19.8  
 May 23,  
 2019.....  
 1.5 11.7 12.7  
 1.5 11.7 12.7  
 May 23,  
 2020.....  
 0.7 10.0 6.6  
 0.7 10.1 6.6  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N968TW N969TW ----

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 EQUIPMENT  
 EQUIPMENT NOTE  
 ASSUMED NOTE  
 ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 BALANCE VALUE  
 AIRCRAFT BALANCE  
 VALUE AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO -----  
 -----  
 -----

			May	
			24,	
2001.....	\$20.9	\$31.5	66.3%	
	\$21.0	\$31.5	66.8%	
			May 23,	
2002.....	18.5	30.5	60.6	
	18.5	30.5	60.7	May
			23,	
2003.....	17.6	29.5	59.7	
	17.7	29.5	59.9	May
			23,	
2004.....	16.7	28.5	58.5	
	16.7	28.5	58.7	May
			23,	
2005.....	15.7	27.5	57.0	
	15.8	27.5	57.3	May
			23,	
2006.....	14.6	26.5	55.2	
	14.7	26.5	55.4	May
			23,	
2007.....	13.4	25.5	52.7	
	13.5	25.5	53.0	May
			23,	
2008.....	12.6	24.5	51.7	
	12.7	24.5	51.9	May
			23,	
2009.....	11.9	23.5	50.7	
	12.0	23.5	51.0	May
			23,	
2010.....	11.3	22.5	50.5	
	11.4	22.5	50.8	May
			23,	
2011.....	9.0	21.5	41.7	9.0
	21.5	42.1		May 23,
2012.....	8.7	20.5	42.3	8.7
	20.5	42.7		May 23,
2013.....	8.1	19.5	41.5	8.0
	19.5	41.3		May 23,
2014.....	7.1	18.4	38.5	7.1
	18.4	38.4		May 23,
2015.....	6.1	17.1	35.4	6.1
	17.1	35.7		May 23,
2016.....	4.8	15.8	30.3	4.8
	15.8	30.6		May 23,
2017.....	3.7	14.4	25.8	3.7
	14.4	25.9		May 23,
2018.....	2.6	13.1	20.0	2.6

13.1 20.1 May 23,  
 2019.....  
 1.5 11.7 12.7 1.5  
 11.7 12.7 May 23,  
 2020.....  
 0.7 10.1 6.6 0.7  
 10.1 6.6 May 23,  
 2021.....  
 0.0 0.0 NA 0.0 0.0  
 NA

N970TW N971TW ----  
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 EQUIPMENT  
 EQUIPMENT NOTE  
 ASSUMED NOTE  
 ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 BALANCE VALUE  
 AIRCRAFT BALANCE  
 VALUE AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO -----  
 -----  
 -----

----- May  
 24,  
 2001.....  
 \$21.0 \$31.5 66.7%  
 \$21.0 \$31.5 66.7%  
 May 23,  
 2002.....  
 18.5 30.5 60.7  
 18.6 30.5 60.8 May  
 23,  
 2003.....  
 17.7 29.5 59.9  
 17.7 29.5 60.0 May  
 23,  
 2004.....  
 16.8 28.5 58.7  
 16.8 28.5 58.9 May  
 23,  
 2005.....  
 15.8 27.5 57.3  
 15.8 27.5 57.4 May  
 23,  
 2006.....  
 14.7 26.5 55.4  
 14.7 26.5 55.6 May  
 23,  
 2007.....  
 13.5 25.5 53.0  
 13.6 25.5 53.2 May  
 23,  
 2008.....  
 12.7 24.5 51.9  
 12.7 24.5 51.9 May  
 23,  
 2009.....  
 12.0 23.5 51.0  
 12.0 23.5 50.9 May  
 23,  
 2010.....  
 11.4 22.5 50.8  
 11.4 22.5 50.8 May  
 23,  
 2011.....  
 9.1 21.5 42.2 9.1  
 21.5 42.4 May 23,  
 2012.....  
 8.8 20.5 42.8 8.8  
 20.5 43.0 May 23,  
 2013.....  
 8.1 19.5 41.4 8.1  
 19.5 41.6 May 23,  
 2014.....  
 7.1 18.5 38.6 7.2  
 18.5 38.8 May 23,  
 2015.....  
 6.1 17.1 35.7 6.1  
 17.1 35.7 May 23,  
 2016.....  
 4.8 15.8 30.5 4.8

15.8 30.5 May 23,  
2017.....  
3.7 14.4 25.9 3.7  
14.4 25.9 May 23,  
2018.....  
2.6 13.1 20.1 2.6  
13.1 20.1 May 23,  
2019.....  
1.5 11.7 12.7 1.5  
11.7 12.7 May 23,  
2020.....  
0.7 10.1 6.6 0.7  
10.1 6.6 May 23,  
2021.....  
0.0 0.0 NA 0.0 0.0  
NA

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N972TW N9677W ----

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 EQUIPMENT  
 EQUIPMENT NOTE  
 ASSUMED NOTE  
 ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 BALANCE VALUE  
 AIRCRAFT BALANCE  
 VALUE AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO -----  
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			May	
			24,	
2001.....	\$21.0	\$31.5	66.7%	
	\$20.4	\$31.7	64.2%	
			May 23,	
2002.....	18.6	31.0	59.8	
	18.4	31.2	59.1	May
			23,	
2003.....	17.7	30.0	59.0	
	17.6	30.2	58.2	May
			23,	
2004.....	16.8	29.0	57.9	
	16.6	29.2	57.0	May
			23,	
2005.....	15.8	28.0	56.4	
	15.6	28.2	55.4	May
			23,	
2006.....	14.8	27.0	54.6	
	14.5	27.2	53.5	May
			23,	
2007.....	13.6	26.0	52.4	
	13.4	26.2	51.1	May
			23,	
2008.....	12.7	25.0	50.7	
	12.4	25.1	49.3	May
			23,	
2009.....	11.9	24.0	49.7	
	11.6	24.1	48.2	May
			23,	
2010.....	11.4	23.0	49.5	
	11.1	23.1	47.9	May
			23,	
2011.....	9.1	22.0	41.5	8.9
	22.1	40.3	May 23,	
2012.....	8.8	21.0	42.1	8.6
	21.1	40.9	May 23,	
2013.....	8.1	20.0	40.6	7.9
	20.1	39.5	May 23,	
2014.....	7.1	19.0	37.5	6.9
	19.1	36.4	May 23,	
2015.....	6.1	17.8	34.4	5.9
	17.9	32.8	May 23,	
2016.....	4.8	16.4	29.3	4.6
	16.5	28.1	May 23,	
2017.....	3.7	15.1	24.8	3.6
	15.2	23.8	May 23,	
2018.....	2.6	13.8	19.1	2.6

13.8 18.6 May 23,  
 2019.....  
 1.5 12.4 12.0 1.5  
 12.5 11.9 May 23,  
 2020.....  
 0.7 10.9 6.1 0.7  
 11.0 6.0 May 23,  
 2021.....  
 0.0 0.0 NA 0.0 0.0  
 NA

N979TW N980TW ----  
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 EQUIPMENT  
 EQUIPMENT NOTE  
 ASSUMED NOTE  
 ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 BALANCE VALUE  
 AIRCRAFT BALANCE  
 VALUE AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO -----  
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 -----

----- May  
 24,  
 2001.....  
 \$21.1 \$31.8 66.1%  
 \$21.1 \$31.8 66.1%  
 May 23,  
 2002.....  
 18.7 31.3 59.6  
 18.7 31.3 59.7 May  
 23,  
 2003.....  
 17.8 30.3 58.8  
 17.9 30.3 58.9 May  
 23,  
 2004.....  
 16.9 29.3 57.8  
 17.0 29.3 57.9 May  
 23,  
 2005.....  
 16.0 28.3 56.4  
 16.0 28.3 56.6 May  
 23,  
 2006.....  
 14.9 27.3 54.7  
 14.9 27.3 54.8 May  
 23,  
 2007.....  
 13.8 26.3 52.5  
 13.8 26.3 52.7 May  
 23,  
 2008.....  
 12.4 25.2 49.2  
 12.5 25.2 49.4 May  
 23,  
 2009.....  
 12.0 24.2 49.4  
 12.0 24.2 49.6 May  
 23,  
 2010.....  
 11.4 23.2 49.0  
 11.4 23.2 49.1 May  
 23,  
 2011.....  
 9.4 22.2 42.2 9.4  
 22.2 42.4 May 23,  
 2012.....  
 9.0 21.2 42.7 9.1  
 21.2 43.0 May 23,  
 2013.....  
 8.2 20.2 40.4 8.2  
 20.2 40.6 May 23,  
 2014.....  
 7.2 19.1 37.7 7.2  
 19.1 37.8 May 23,  
 2015.....  
 6.1 18.0 33.8 6.1  
 18.0 33.8 May 23,  
 2016.....  
 4.8 16.6 28.8 4.8

16.6 28.8 May 23,  
2017.....  
3.7 15.2 24.4 3.7  
15.2 24.4 May 23,  
2018.....  
2.6 13.9 18.9 2.6  
13.9 18.9 May 23,  
2019.....  
1.5 12.5 11.9 1.5  
12.5 11.9 May 23,  
2020.....  
0.7 11.0 6.0 0.7  
11.0 6.0 May 23,  
2021.....  
0.0 0.0 NA 0.0 0.0  
NA



APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N9681B N982TW

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EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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	May 24,	
2001.....	\$20.7	\$31.8
	64.9%	\$21.0
	\$32.0	65.9%
	May 23,	
2002.....	18.5	31.3
	59.0	18.7
	31.5	59.5
	23,	
2003.....	17.6	30.3
	58.2	17.9
	30.4	58.7
	23,	
2004.....	16.7	29.3
	57.0	17.0
	29.4	57.7
	23,	
2005.....	15.7	28.3
	55.5	16.0
	28.4	56.4
	23,	
2006.....	14.6	27.3
	53.7	14.8
	27.4	54.2
	23,	
2007.....	13.5	26.3
	51.4	13.8
	26.4	52.3
	23,	
2008.....	12.5	25.2
	49.3	12.5
	25.3	49.3
	23,	
2009.....	11.7	24.2
	48.3	12.0
	24.3	49.4
	23,	
2010.....	11.2	23.2
	48.1	11.4
	23.3	49.0
	23,	
2011.....	9.0	22.2
	9.4	22.3
	42.4	
	May 23,	
2012.....	8.7	21.2
		41.0

9.1 21.3 42.8  
 May 23,  
 2013.....  
 8.0 20.2 39.6  
 8.2 20.2 40.5  
 May 23,  
 2014.....  
 7.0 19.1 36.4  
 7.2 19.2 37.7  
 May 23,  
 2015.....  
 5.9 18.0 33.1  
 6.1 18.0 33.6  
 May 23,  
 2016.....  
 4.7 16.6 28.3  
 4.8 16.7 28.7  
 May 23,  
 2017.....  
 3.7 15.2 24.0  
 3.7 15.3 24.3  
 May 23,  
 2018.....  
 2.6 13.9 18.6  
 2.6 13.9 18.8  
 May 23,  
 2019.....  
 1.5 12.5 11.9  
 1.5 12.6 11.8  
 May 23,  
 2020.....  
 0.7 11.0 6.0  
 0.7 11.1 6.0  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

N983TW N984TW  
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EQUIPMENT  
 EQUIPMENT  
 NOTE ASSUMED  
 NOTE ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO  
 OUTSTANDING  
 AIRCRAFT LOAN  
 TO BALANCE  
 VALUE  
 AIRCRAFT  
 BALANCE VALUE  
 AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS)  
 VALUE RATIO  
 (IN MILLIONS)  
 (IN MILLIONS)  
 VALUE RATIO -  
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May 24,  
 2001.....  
 \$21.0 \$32.0  
 65.9% \$21.0  
 \$32.0 65.9%  
 May 23,  
 2002.....  
 18.7 31.5  
 59.6 18.7  
 31.5 59.6 May  
 23,  
 2003.....  
 17.9 30.4  
 58.8 17.9  
 30.4 58.8 May  
 23,  
 2004.....  
 17.0 29.4  
 57.8 17.0  
 29.4 57.9 May  
 23,  
 2005.....  
 16.0 28.4  
 56.4 16.0

28.4 56.4 May  
 23,  
 2006.....  
 14.9 27.4  
 54.3 14.9  
 27.4 54.3 May  
 23,  
 2007.....  
 13.8 26.4  
 52.4 13.8  
 26.4 52.5 May  
 23,  
 2008.....  
 12.5 25.3  
 49.4 12.5  
 25.3 49.5 May  
 23,  
 2009.....  
 12.0 24.3  
 49.4 12.0  
 24.3 49.5 May  
 23,  
 2010.....  
 11.4 23.3  
 48.9 11.4  
 23.3 48.9 May  
 23,  
 2011.....  
 9.5 22.3 42.6  
 9.5 22.3 42.7  
 May 23,  
 2012.....  
 9.1 21.3 43.0  
 9.1 21.3 43.1  
 May 23,  
 2013.....  
 8.2 20.2 40.7  
 8.2 20.2 40.7  
 May 23,  
 2014.....  
 7.2 19.2 37.7  
 7.2 19.2 37.7  
 May 23,  
 2015.....  
 6.1 18.0 33.6  
 6.1 18.0 33.6  
 May 23,  
 2016.....  
 4.8 16.7 28.7  
 4.8 16.7 28.7  
 May 23,  
 2017.....  
 3.7 15.3 24.3  
 3.7 15.3 24.3  
 May 23,  
 2018.....  
 2.6 13.9 18.8  
 2.6 13.9 18.8  
 May 23,  
 2019.....  
 1.5 12.6 11.8  
 1.5 12.6 11.8  
 May 23,  
 2020.....  
 0.7 11.1 6.0  
 0.7 11.1 6.0  
 May 23,  
 2021.....  
 0.0 0.0 NA  
 0.0 0.0 NA

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N937AN N944AN ----

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EQUIPMENT  
EQUIPMENT NOTE  
ASSUMED NOTE  
ASSUMED  
OUTSTANDING  
AIRCRAFT LOAN TO  
OUTSTANDING  
AIRCRAFT LOAN TO  
BALANCE VALUE  
AIRCRAFT BALANCE  
VALUE AIRCRAFT (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO -----

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----- May

24,

2001.....

\$31.4 \$45.9 68.5%

\$31.7 \$46.3 68.5%

May 23,

2002.....

30.2 44.4 67.9

30.7 45.6 67.4 May

23,

2003.....

29.2 43.0 68.0

29.9 44.1 67.8 May

23,

2004.....

28.1 41.6 67.5

28.8 42.7 67.5 May

23,

2005.....

26.3 40.2 65.5

27.0 41.3 65.5 May

23,

2006.....

24.5 38.8 63.1

25.2 39.8 63.1 May

23,

2007.....

23.5 37.3 63.0

24.2 38.4 63.0 May

23,

2008.....

21.7 35.9 60.3

22.3 37.0 60.3 May

23,

2009.....

20.3 34.5 58.8

20.9 35.5 58.8 May

23,

2010.....

19.5 33.1 58.9

20.1 34.1 58.9 May

23,

2011.....

0.0 0.0 NA 0.0 0.0

NA

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N945AN N946AN ----

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EQUIPMENT  
EQUIPMENT NOTE  
ASSUMED NOTE  
ASSUMED  
OUTSTANDING  
AIRCRAFT LOAN TO  
OUTSTANDING  
AIRCRAFT LOAN TO  
BALANCE VALUE  
AIRCRAFT BALANCE  
VALUE AIRCRAFT (IN  
MILLIONS) (IN

MILLIONS) VALUE  
RATIO (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO -----  
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----- May  
24,  
2001.....  
\$31.7 \$46.3 68.5%  
\$31.7 \$46.3 68.5%  
May 23,  
2002.....  
30.7 45.6 67.4  
30.7 45.6 67.4 May  
23,  
2003.....  
29.9 44.1 67.8  
29.9 44.1 67.8 May  
23,  
2004.....  
28.8 42.7 67.5  
28.8 42.7 67.5 May  
23,  
2005.....  
27.0 41.3 65.5  
27.0 41.3 65.5 May  
23,  
2006.....  
25.2 39.8 63.1  
25.2 39.8 63.1 May  
23,  
2007.....  
24.2 38.4 63.0  
24.2 38.4 63.0 May  
23,  
2008.....  
22.3 37.0 60.3  
22.3 37.0 60.3 May  
23,  
2009.....  
20.9 35.5 58.8  
20.9 35.5 58.8 May  
23,  
2010.....  
20.1 34.1 58.9  
20.1 34.1 58.9 May  
23,  
2011.....  
0.0 0.0 NA 0.0 0.0  
NA

N952AA N953AN ----  
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EQUIPMENT  
EQUIPMENT NOTE  
ASSUMED NOTE  
ASSUMED  
OUTSTANDING  
AIRCRAFT LOAN TO  
OUTSTANDING  
AIRCRAFT LOAN TO  
BALANCE VALUE  
AIRCRAFT BALANCE  
VALUE AIRCRAFT (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO -----  
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----- May  
24,  
2001.....  
\$32.2 \$47.0 68.5%  
\$32.9 \$48.0 68.5%  
May 23,  
2002.....  
31.2 46.3 67.4  
31.2 45.9 68.1 May  
23,  
2003.....  
30.4 44.9 67.8  
30.2 44.4 67.9 May  
23,  
2004.....  
29.3 43.4 67.5

28.9	43.0	67.3	May
	23,		
2005	.....		
	27.5	41.9	65.5
27.1	41.6	65.2	May
	23,		
2006	.....		
	25.6	40.5	63.1
25.2	40.1	62.9	May
	23,		
2007	.....		
	24.6	39.0	63.0
24.3	38.7	62.7	May
	23,		
2008	.....		
	22.7	37.6	60.3
22.5	37.2	60.3	May
	23,		
2009	.....		
	21.3	36.1	58.8
21.1	35.8	58.8	May
	23,		
2010	.....		
	20.4	34.7	58.9
20.2	34.4	58.9	May
	23,		
2011	.....		
0.0	0.0	NA	0.0 0.0
	NA		

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N954AN N955AN ----

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EQUIPMENT  
EQUIPMENT NOTE  
ASSUMED NOTE  
ASSUMED  
OUTSTANDING  
AIRCRAFT LOAN TO  
OUTSTANDING  
AIRCRAFT LOAN TO  
BALANCE VALUE  
AIRCRAFT BALANCE  
VALUE AIRCRAFT (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO -----  
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					May
				24,	
2001.....					
\$32.9	\$48.0	68.5%			
\$33.0	\$48.2	68.5%			
	May 23,				
2002.....					
31.2	45.9	68.1			
31.2	46.0	67.8	May		
	23,				
2003.....					
30.2	44.4	67.9			
30.2	44.6	67.7	May		
	23,				
2004.....					
28.9	43.0	67.3			
29.0	43.1	67.3	May		
	23,				
2005.....					
27.1	41.6	65.2			
27.2	41.7	65.2	May		
	23,				
2006.....					
25.2	40.1	62.9			
25.3	40.2	62.9	May		
	23,				
2007.....					
24.3	38.7	62.7			
24.3	38.8	62.7	May		
	23,				
2008.....					
22.5	37.2	60.3			
22.5	37.3	60.3	May		
	23,				
2009.....					
21.1	35.8	58.8			
21.1	35.9	58.8	May		
	23,				
2010.....					
20.2	34.4	58.9			
20.3	34.4	58.9	May		
	23,				
2011.....					
0.0	0.0	NA	0.0	0.0	
	NA				

N956AN N957AN ----

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EQUIPMENT  
EQUIPMENT NOTE  
ASSUMED NOTE  
ASSUMED  
OUTSTANDING  
AIRCRAFT LOAN TO  
OUTSTANDING  
AIRCRAFT LOAN TO  
BALANCE VALUE  
AIRCRAFT BALANCE  
VALUE AIRCRAFT (IN  
MILLIONS) (IN

MILLIONS) VALUE  
RATIO (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO -----  
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----- May  
24,  
2001.....  
\$33.0 \$48.2 68.5%  
\$33.1 \$48.3 68.5%  
May 23,  
2002.....  
31.2 46.0 67.8  
31.2 46.9 66.5 May  
23,  
2003.....  
30.2 44.6 67.7  
30.3 45.4 66.6 May  
23,  
2004.....  
29.0 43.1 67.3  
28.6 44.0 65.0 May  
23,  
2005.....  
27.2 41.7 65.2  
26.7 42.5 62.9 May  
23,  
2006.....  
25.3 40.2 62.9  
25.3 41.1 61.7 May  
23,  
2007.....  
24.3 38.8 62.7  
24.3 39.6 61.4 May  
23,  
2008.....  
22.5 37.3 60.3  
22.9 38.2 60.0 May  
23,  
2009.....  
21.1 35.9 58.8  
21.5 36.7 58.5 May  
23,  
2010.....  
20.3 34.4 58.9  
20.7 35.3 58.6 May  
23,  
2011.....  
0.0 0.0 NA 0.0 0.0  
NA

N788AN N789AN ----  
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EQUIPMENT  
EQUIPMENT NOTE  
ASSUMED NOTE  
ASSUMED  
OUTSTANDING  
AIRCRAFT LOAN TO  
OUTSTANDING  
AIRCRAFT LOAN TO  
BALANCE VALUE  
AIRCRAFT BALANCE  
VALUE AIRCRAFT (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO (IN  
MILLIONS) (IN  
MILLIONS) VALUE  
RATIO -----  
-----  
-----  
----- May  
24,  
2001.....  
\$90.2 \$131.7 68.5%  
\$90.3 \$131.9 68.5%  
May 23,  
2002.....  
82.9 127.6 65.0  
83.0 127.8 65.0  
May 23,  
2003.....  
79.4 123.5 64.3  
79.5 123.7 64.3  
May 23,  
2004.....  
75.8 119.4 63.4



75.9	119.6	63.4	
	May 23,		
2005.....			
72.0	115.4	62.4	
72.1	115.6	62.4	
	May 23,		
2006.....			
66.6	111.3	59.9	
66.8	111.5	59.9	
	May 23,		
2007.....			
64.3	107.2	59.9	
64.4	107.4	60.0	
	May 23,		
2008.....			
61.2	103.2	59.3	
61.3	103.3	59.3	
	May 23,		
2009.....			
58.0	99.1	58.6	
58.1	99.3	58.6	May
	23,		
2010.....			
56.6	95.0	59.6	
56.7	95.2	59.6	May
	23,		
2011.....			
0.0	0.0	NA	0.0 0.0
	NA		

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES -- (CONTINUED)

N790AN N791AN ----

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 EQUIPMENT  
 EQUIPMENT NOTE  
 ASSUMED NOTE  
 ASSUMED  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 OUTSTANDING  
 AIRCRAFT LOAN TO  
 BALANCE VALUE  
 AIRCRAFT BALANCE  
 VALUE AIRCRAFT (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO (IN  
 MILLIONS) (IN  
 MILLIONS) VALUE  
 RATIO -----

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 -----  
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----- May  
 24,

2001.....	\$90.4	\$131.9	68.5%
	\$90.4	\$131.9	68.5
		May 23,	
2002.....	83.0	127.8	65.0
	83.0	127.8	65.0
		May 23,	
2003.....	79.5	123.7	64.3
	79.5	123.7	64.3
		May 23,	
2004.....	75.9	119.7	63.4
	75.9	119.7	63.4
		May 23,	
2005.....	72.1	115.6	62.4
	72.1	115.6	62.4
		May 23,	
2006.....	66.8	111.5	59.9
	66.8	111.5	59.9
		May 23,	
2007.....	64.4	107.4	60.0
	64.4	107.4	60.0
		May 23,	
2008.....	61.3	103.3	59.3
	61.3	103.3	59.3
		May 23,	
2009.....	58.1	99.3	58.6
	58.1	99.3	58.6
		May 23,	
2010.....	56.7	95.2	59.6
	56.7	95.2	59.6
		May 23,	
2011.....	0.0	0.0	NA
	0.0	0.0	0.0
		NA	

APPENDIX IV

LOAN TO VALUE RATIOS OF EQUIPMENT NOTES

IV-1

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law, as amended, provides in regard to indemnification of directors and officers as follows:

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

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

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

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

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

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

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

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

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

(i) For purposes of this section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this section.

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

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

Article VII of American's By-Laws provides in regard to indemnification of directors and officers as follows:

Section 1. Nature of Indemnity. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil,

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

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

Section 2. Successful Defense. To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 hereof or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 3. Determination That Indemnification Is Proper. (a) Any indemnification of a director or officer of the corporation under Section 1 hereof (unless ordered by a court) shall be made by the corporation unless a determination is made that indemnification of the director or officer is not proper in the circumstances because he has not met the applicable standard of conduct set forth in Section 1 hereof. Such determination shall be made, with respect to a director or officer, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

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

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

action, suit or proceeding, whether or not the corporation is a party to such action, suit or proceeding.

Section 5. Procedure for Indemnification of Directors or Officers. Any indemnification of a director or officer of the corporation under Sections 1 and 2, or advance of costs, charges and expenses of a director or officer under Section 4 of this Article, shall be made promptly, and in any event within 60 days, upon the written request of the director or officer. If the corporation fails to respond within 60 days, then the request for indemnification shall be deemed to be approved. The right to indemnification or advances as granted by this Article shall be enforceable by the director or officer in any court of competent jurisdiction if the corporation denies such request, in whole or in part. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under Section 4 of this Article where the required undertaking, if any, has been received by the corporation) that the claimant has not met the standard of conduct set forth in Section 1 of this Article, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors or a committee thereof, its independent legal counsel, and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 of this Article, nor the fact that there has been an actual determination by the corporation (including its board of directors or a committee thereof, its independent legal counsel, and its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

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

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

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

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

Section 102(b)(7) of the Delaware General Corporation Law, as amended, provides in regard to the limitation

of liability of directors and officers as follows:

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

\* \* \* \*

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

Article Ninth of American's Restated Certificate of Incorporation provides in regard to the limitation of liability of directors and officers as follows:

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

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



ITEM 21. EXHIBITS.

EXHIBIT NUMBER DESCRIPTION OF DOCUMENT - ----- -----
4.1 Pass Through Trust Agreement, dated as of May 24, 2001, between American Airlines, Inc. ("American") and State Street Bank and Trust Company of Connecticut, National Association (the "Pass Through Trustee")
4.2 Trust Supplement No. 2001-1A- 1, dated as of May 24, 2001, between American and the Pass Through Trustee
4.3 Form of 6.977% American Airlines Exchange Pass Through Certificate, Series 2001- 1A-1 (included in Exhibit 4.2)
4.4 Trust Supplement No. 2001-1A- 2, dated as of May 24, 2001, between American and the Pass Through Trustee
4.5 Form of 6.817% American Airlines Exchange Pass Through Certificate, Series 2001- 1A-2 (included in Exhibit 4.4)
4.6 Trust Supplement No. 2001-1B, dated as of May 24, 2001, between American and the Pass Through Trustee
4.7 Form of 7.377% American Airlines Exchange Pass Through Certificate, Series 2001- 1B (included

in Exhibit  
4.6) 4.8  
Trust  
Supplement  
No. 2001-1C,  
dated as of  
May 24, 2001,  
between  
American and  
the Pass  
Through  
Trustee 4.9  
Form of  
7.379%  
American  
Airlines  
Exchange Pass  
Through  
Certificate,  
Series 2001-  
1C (included  
in Exhibit  
4.8) 4.10  
Trust  
Supplement  
No. 2001-1D,  
dated as of  
May 24, 2001,  
between  
American and  
the Pass  
Through  
Trustee 4.11  
Form of  
7.686%  
American  
Airlines  
Exchange Pass  
Through  
Certificate,  
Series 2001-  
1D (included  
in Exhibit  
4.10) 4.12  
Intercreditor  
Agreement,  
dated as of  
May 24, 2001,  
among the  
Pass Through  
Trustee,  
Boeing  
Capital  
Corporation  
(the  
"Liquidity  
Provider")  
and State  
Street Bank  
and Trust  
Company of  
Connecticut,  
National  
Association,  
as  
Subordination  
Agent (the  
"Subordination  
Agent") 4.13  
Revolving  
Credit  
Agreement  
(2001-1A-1),  
dated as of  
May 24, 2001,  
between the  
Subordination  
Agent and the  
Liquidity  
Provider 4.14  
Revolving  
Credit  
Agreement  
(2001-1A-2),  
dated as of  
May 24, 2001,  
between the  
Subordination  
Agent and the  
Liquidity  
Provider 4.15  
Revolving  
Credit  
Agreement  
(2001-1B),  
dated as of  
May 24, 2001,



- 4.16 Revolving Credit Agreement (2001-1C), dated as of May 24, 2001, between the Subordination Agent and the Liquidity Provider
- 4.17 Registration Rights Agreement, dated May 18, 2001, among American, the Pass Through Trustee, Morgan Stanley & Co, Incorporated, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Dresdner Kleinwort Wasserstein Securities LLC
- 4.18 Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, Thayer Leasing Company-1 (the "Owner Participant"), Wells Fargo Bank Northwest, National Association, as owner trustee (the "Owner Trustee"), Wilmington Trust Company, as indenture trustee (the "Indenture Trustee"), State Street Bank and Trust Company of Connecticut, National Association, as loan trustee (the "Loan Trustee"), the Pass Through Trustee, the Subordination Agent and Boeing Nevada, Inc., as original loan participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9630A ("N9630A")
- 4.19 Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9630A
- 4.20 Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9630A
- 4.21 Amended and Restated Lease Agreement, dated as of May 24, 2001, between the owner Trustee and American, relating to N9630A
- 4.22 Form of Series 2001-1 Equipment Notes, relating to N9630A (included in Exhibit 4.20)
- 4.23 Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee and State Street Bank and Trust Company of Connecticut, in its individual capacity as set forth therein, relating to one Boeing 777-223ER aircraft bearing United States registration number N788AN ("N788AN")
- 4.24 Indenture and Security Agreement, dated as of May 24, 2001, among American and the Loan Trustee, relating to N788AN
- 4.25 Form of Series 2001-1 Equipment Notes, relating to N788AN (included in Exhibit 4.24)
- 5.1 Opinion of Anne H. McNamara, Senior Vice President and General Counsel of American
- 23.1 Consent of Ernst & Young LLP
- 23.2 Consent of Anne H. McNamara, Senior Vice President and General Counsel of American (included in Exhibit 5.1)
- 23.3 Consent of Aircraft Information Services, Inc.
- 23.4 Consent of Aviation Solutions, Inc.
- 23.5 Consent of Morten Beyer & Agnew
- 24.1 Powers of Attorney
- 25.1 Statement of Eligibility of State Street Bank and Trust Company of Connecticut, National Association for the 2001-1A-1 Pass Through Certificates on Form T-1

- 25.2 Statement of Eligibility of State Street Bank and Trust Company of Connecticut, National Association for the 2001-1A-2 Pass Through Certificates on Form T-1 (included as Exhibit 25.1)
- 25.3 Statement of Eligibility of State Street Bank and Trust Company of Connecticut, National Association for the 2001-1B Pass Through Certificates on Form T-1 (included as Exhibit 25.1)
- 25.4 Statement of Eligibility of State Street Bank and Trust Company of Connecticut, National Association for the 2001-1C Pass Through Certificates on Form T-1 (included as Exhibit 25.1)
- 25.5 Statement of Eligibility of State Street Bank and Trust Company of Connecticut, National Association for the 2001-1D Pass Through Certificates on Form T-1 (included as Exhibit 25.1)
- 99.1 Form of Letter of Transmittal
- 99.2 Form of Notice of Guaranteed Delivery
- 99.3 Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
- 99.4 Form of Letter to Clients
- 99.5 Schedule I

Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99.5 filed herewith contains (a) a list of other documents applicable to the McDonnell Douglas aircraft leased by American that relate to the offering of American's Pass Through Certificates, Series 2001-1, which documents are substantially identical to those applicable to the McDonnell Douglas MD-83 aircraft bearing United States registration number N9630A (which are filed herewith as Exhibits 4.18, 4.19, 4.20, 4.21 and 4.22) and (b) a list of other documents applicable to the Boeing aircraft owned by American that relate to the offering of American's Pass Through Certificates, Series 2001-1, which documents are substantially identical to those applicable to the Boeing 777-223ER aircraft bearing United States registration number N788AN (which are filed herewith as Exhibits 4.23, 4.24 and 4.25). Exhibit 99.5 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 N9630A and N788AN, respectively.

ITEM 22. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made of the securities registered hereby, a post-effective amendment to this Registration Statement:

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

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered

(if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement; provided, however, that the undertakings set forth in paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") that are incorporated by reference in this Registration Statement.

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

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

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

(c) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(d) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, American Airlines, Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fort Worth, State of Texas, on this 16th day of November, 2001.

AMERICAN AIRLINES, INC.

By /s/ Anne H. McNamara

-----  
ANNE H. MCNAMARA  
Senior Vice President and General Counsel

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

SIGNATURES  
TITLE ----  
-----

-- DONALD  
J. CARTY  
Chairman  
of the  
Board, |  
President |  
and Chief  
Executive  
Officer;  
Director  
(Principal  
|  
Executive  
Officer) |  
| | THOMAS  
W. HORTON  
Senior  
Vice  
President  
- Finance  
| and  
Chief  
Financial  
Officer |  
(Principal  
Financial  
and |  
Accounting  
Officer) |  
| | JOHN  
W.  
BACHMANN |  
| | |  
DAVID L.  
BOREN | |  
| | EDWARD  
A. BRENNAN  
| | | By  
/s/ Anne  
H.  
McNamara  
ARMANDO M.  
CODINA | |  
-----

--- | |  
(Anne H.  
McNamara  
EARL G.  
GRAVES | |  
Attorney-  
in-Fact) |  
| ANN  
MCLAUGHLIN  
KOROLOGOS  
|  
Directors  
| Date:  
November  
16, 2001 |  
| MICHAEL  
A. MILES |  
| | |  
PHILIP J.  
PURCELL |  
| | | JOE  
M. RODGERS  
| | | |

--- | |  
(Anne H.  
McNamara  
EARL G.  
GRAVES | |  
Attorney-  
in-Fact) |  
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M. RODGERS  
| | | |

JUDITH  
RODIN | |  
| | ROGER  
T.  
STAUBACH |  
|



EXHIBIT INDEX

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No. 2001-1C,  
dated as of  
May 24, 2001,  
between  
American and  
the Pass  
Through  
Trustee 4.9  
Form of  
7.379%  
American  
Airlines  
Exchange Pass  
Through  
Certificate,  
Series 2001-  
1C (included  
in Exhibit  
4.8) 4.10

Trust  
Supplement  
No. 2001-1D,  
dated as of  
May 24, 2001,  
between  
American and  
the Pass  
Through  
Trustee 4.11  
Form of  
7.686%  
American  
Airlines  
Exchange Pass  
Through  
Certificate,  
Series 2001-  
1D (included  
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Intercreditor  
Agreement,  
dated as of  
May 24, 2001,  
among the  
Pass Through  
Trustee,  
Boeing  
Capital  
Corporation  
(the  
"Liquidity  
Provider")  
and State  
Street Bank  
and Trust  
Company of  
Connecticut,  
National  
Association,  
as

Subordination  
Agent (the  
"Subordination  
Agent") 4.13  
Revolving  
Credit  
Agreement  
(2001-1A-1),  
dated as of  
May 24, 2001,  
between the  
Subordination  
Agent and the  
Liquidity  
Provider 4.14

Revolving  
Credit  
Agreement  
(2001-1A-2),  
dated as of  
May 24, 2001,  
between the  
Subordination  
Agent and the  
Liquidity  
Provider 4.15

Revolving  
Credit  
Agreement  
(2001-1B),  
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- 99.4 Form of Letter to Clients
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Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99.5 filed herewith contains (a) a list of other documents applicable to the McDonnell Douglas aircraft leased by American that relate to the offering of American's Pass Through Certificates, Series 2001-1, which documents are substantially identical to those applicable to the McDonnell Douglas MD-83 aircraft bearing United States registration number N9630A (which are filed herewith as Exhibits 4.18, 4.19, 4.20, 4.21 and 4.22) and (b) a list of other documents applicable to the Boeing aircraft owned by American that relate to the offering of American's Pass Through Certificates, Series 2001-1, which documents are substantially identical to those applicable to the Boeing 777-223ER aircraft bearing United States registration number N788AN (which are filed herewith as Exhibits 4.23, 4.24 and 4.25). Exhibit 99.5 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 N9630A and N788AN, respectively.

PASS THROUGH TRUST AGREEMENT

Dated as of May 24, 2001

between

AMERICAN AIRLINES, INC.

and

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

as Trustee

TABLE OF CONTENTS

Page ---- ARTICLE I DEFINITIONS Section 1.01. ....2

Definitions.....2

    Section 1.02. Compliance Certificates and

Opinions.....11 Section 1.03. Form of Documents Delivered to Trustee.....12

    Section 1.04. Directions of Certificate

Holders.....12 ARTICLE II ORIGINAL ISSUANCE OF CERTIFICATES; ACQUISITION OF TRUST PROPERTY Section 2.01. Amount Unlimited; Issuable in Series.....14

    Section 2.02. Acquisition of Equipment

Notes.....16 Section 2.03. Acceptance by Trustee.....18 Section 2.04. Limitation of

Powers.....18 ARTICLE III THE CERTIFICATES Section 3.01. Form, Denomination and Execution of Certificates.....19 Section 3.02. Authentication of Certificates.....19 Section 3.03. Temporary Certificates.....20 Section 3.04. Transfer and Exchange.....20 Section 3.05. Book-Entry and Definitive Certificates.....21 Section 3.06. Mutilated, Destroyed, Lost or Stolen Certificates.....23 Section 3.07. Persons Deemed Owners.....23 Section 3.08. Cancellation.....24

    Section 3.09. Limitation of Liability for Payments.....24 Section 3.10. CUSIP Numbers.....24

ARTICLE IV DISTRIBUTIONS; STATEMENTS TO CERTIFICATEHOLDERS Section 4.01. Certificate Account and Special Payments Account.....24 Section 4.02. Distributions from Certificate Account and Special Payments Account.....25 Section 4.03. Statements to Certificateholders.....27 Section 4.04. Investment of Special Payment Moneys.....27

ARTICLE V

THE COMPANY

Section 5.01. Maintenance of Corporate Existence.....28  
Section 5.02. Consolidation, Merger, Etc.....28

ARTICLE VI

DEFAULT

Section 6.01. Indenture Events of Default and Triggering Events.....29  
Section 6.02. Incidents of Sale of Equipment Notes.....30  
Section 6.03. Judicial Proceedings Instituted by Trustee; Trustee May Bring Suit.....31  
Section 6.04. Control by Certificateholders.....31  
Section 6.05. Waiver of Past Defaults.....32  
Section 6.06. Right of Certificateholders to Receive Payments Not to Be Impaired.....33  
Section 6.07. Certificateholders May Not Bring Suit Except Under Certain Conditions.....33  
Section 6.08. Remedies Cumulative.....34  
Section 6.09. Discontinuance of Proceedings.....34  
Section 6.10. Undertaking for Costs.....34

ARTICLE VII

THE TRUSTEE

Section 7.01. Certain Duties and Responsibilities.....34  
Section 7.02. Notice of Defaults.....35  
Section 7.03. Certain Rights of Trustee.....35  
Section 7.04. Not Responsible for Recitals or Issuance of Certificates.....36  
Section 7.05. May Hold Certificates.....37  
Section 7.06. Money Held in Trust.....37  
Section 7.07. Compensation and Reimbursement.....37  
Section 7.08. Corporate Trustee Required; Eligibility.....38  
Section 7.09. Resignation and Removal; Appointment of Successor.....39  
Section 7.10. Acceptance of Appointment by Successor.....40  
Section 7.11. Merger, Conversion, Consolidation or Succession to Business.....41  
Section 7.12. Maintenance of Agencies.....41  
Section 7.13. Money for Certificate Payments to Be Held in Trust.....43  
Section 7.14. Registration of Equipment Notes in Trustee's Name.....43  
Section 7.15. Representations and Warranties of Trustee.....43  
Section 7.16. Withholding Taxes; Information Reporting.....44  
Section 7.17. Trustee's Liens.....45  
Section 7.18. Preferential Collection of Claims.....45  
Section 7.19. Capacity in Which Acting.....45



ARTICLE VIII

CERTIFICATEHOLDERS' LISTS AND REPORTS BY TRUSTEE

Section 8.01. The Company to Furnish Trustee with Names and Addresses of Certificateholders.....45  
Section 8.02. Preservation of Information; Communications to Certificateholders.....46  
Section 8.03. Reports by Trustee.....46  
Section 8.04. Reports by the Company.....46

ARTICLE IX

SUPPLEMENTAL AGREEMENTS

Section 9.01. Supplemental Agreements Without Consent of Certificateholders.....47  
Section 9.02. Supplemental Agreements with Consent of Certificateholders.....48  
Section 9.03. Documents Affecting Immunity or Indemnity.....49  
Section 9.04. Execution of Supplemental Agreements.....50  
Section 9.05. Effect of Supplemental Agreements.....50  
Section 9.06. Conformity with Trust Indenture Act.....50  
Section 9.07. Reference in Certificates to Supplemental Agreements.....50

ARTICLE X

AMENDMENTS TO INDENTURES AND OTHER NOTE DOCUMENTS

Section 10.01. Amendments and Supplements to Indentures and Other Note Documents.....50

ARTICLE XI

TERMINATION OF TRUSTS

Section 11.01. Termination of the Trusts.....51

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.01. Limitation on Rights of Certificateholders.....52  
Section 12.02. Certificates Nonassessable and Fully Paid.....52  
Section 12.03. Registration of Equipment Notes in Name of Subordination Agent.....53  
Section 12.04. Notices.....53  
Section 12.05. Governing Law.....54  
Section 12.06. Severability of Provisions.....54  
Section 12.07. Trust Indenture Act Controls.....54  
Section 12.08. Effect of Headings and Table of Contents.....55  
Section 12.09. Successors and Assigns.....55  
Section 12.10. Benefits of Agreement.....55

Section 12.11. Legal Holidays.....55  
Section 12.12. Counterparts.....55  
Section 12.13. Communication by Certificateholders with Other Certificateholders.....55  
Section 12.14. Normal Commercial Relations.....55  
Section 12.15. No Recourse Against Others.....55

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  
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(b) 7.13  
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12.07

PASS THROUGH TRUST AGREEMENT

This PASS THROUGH TRUST AGREEMENT, dated as of May 24, 2001 (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.

WITNESSETH:

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, upon the issuance of the Exchange Certificates, if any, or the effectiveness of the Shelf Registration Statement, this Basic Agreement, as supplemented from time to time, shall be subject to the provisions of the Trust Indenture Act and shall, to the extent applicable, be governed by such provisions;

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

ARTICLE I

DEFINITIONS

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

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

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

Affiliate: Means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power, directly or indirectly, to direct the management and policies of such

Person, whether through the ownership of voting securities or by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

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

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

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

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

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

**Certificate:** Means any one of the certificates executed and authenticated by the Trustee, substantially in the form specified in the relevant Trust Supplement or any Exchange Certificates issued in exchange therefor or replacement thereof pursuant to any Trust Supplement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exchange Certificates: means any certificates substantially in the form specified in a Trust Supplement and issued pursuant to the Registration Rights Agreement in exchange for the Certificates initially issued thereunder.

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.

Registration Event: has the meaning specified in the Registration Rights Agreement.

Registration Rights Agreement: means the Registration Rights Agreement dated as of May [ ], 2001 among the Company, the Trustee and the Placement Agents named therein.

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).

**Shelf Registration Statement:** has the meaning specified in the Registration Rights Agreement.

**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 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. State Street Bank and Trust Company of Connecticut, National Association acting as Pass Through Trustee is hereby authorized, in making or disposing of any investment described herein, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Pass Through Trustee or for any third person or dealing as principal for its own account.

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

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

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

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

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

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

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

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

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

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

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

(b) 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;
- (21) whether such series will be subject to a Registration Rights Agreement, and, if so, any terms appropriate thereto; and
- (22) 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 specified in such Trust Supplement, with such omissions, variations and insertions as are permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any applicable laws, rules, regulations or the rules of any securities exchange on which such Certificates may be listed or to conform to any usage in respect thereof, or as may, consistently herewith, be determined by the Trustee or the officers executing such Certificates, as evidenced by the Trustee's or such officers' execution of the Certificates.

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

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

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

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

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

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

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

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

At the option of a Certificateholder, Certificates may be exchanged for other Certificates of like series, in authorized denominations and of a like aggregate Fractional Undivided Interest, upon surrender of the Certificates to be exchanged at any such office or agency. Whenever any Certificates are so surrendered for exchange, the Trustee shall execute,

authenticate and deliver the Certificates that the Certificateholder making the exchange is entitled to receive. Every Certificate presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar duly executed by the Certificateholder thereof or its attorney duly authorized in writing.

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 12.05 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 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. Upon the occurrence of any Registration Event, this Agreement shall become subject to the provisions of the Trust Indenture Act and shall, to the extent applicable, be governed by such provisions. From and after the occurrence of any Registration Event, 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 12.16 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/ Leslie M. Benners  
Name: Leslie M. Benners  
Title: Managing Director,  
Corporate Finance and Banking

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

By: /s/ Alison Della Bella  
Name: Alison Della Bella  
Title: Assistant Vice President

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TRUST SUPPLEMENT NO. 2001-1A-1

Dated as of May 24, 2001

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 May 24, 2001

American Airlines Pass Through Trust 2001-1A-1

6.977% American Airlines

Pass Through Certificates,

Series 2001-1A-1

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TRUST SUPPLEMENT NO. 2001-1A-1

This TRUST SUPPLEMENT NO. 2001-1A-1, dated as of May 24, 2001 (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 May 24, 2001, 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").

WITNESSETH:

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 or Lessee of 46 aircraft described in Schedule III (collectively, the "Aircraft");

WHEREAS, pursuant to each Indenture, the Company or an Owner Trustee acting on behalf of an Owner Participant 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 or the Owner Trustee in and to the Aircraft and certain other property described therein;

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

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

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement, and the Note Purchase Agreements, the Trustee on behalf of the Applicable Trust shall purchase the Equipment Notes issued by the Company or an Owner Trustee acting on behalf of an Owner Participant 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 Applicable Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Applicable Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement 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, upon the occurrence of a Registration Event, this Trust Supplement shall become subject to the provisions of the Trust Indenture Act of 1939, as amended, 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.

Agent Members: has the meaning specified in Section 5.04 of this Trust Supplement.

Agreement: means the Basic Agreement as supplemented by this Trust Supplement.

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

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

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

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

Boeing: means The Boeing Company.

Clearstream: means Clearstream Banking, societe anonyme.

Class E Certificateholder: has the meaning specified in Section 4.01(a) of this Trust Supplement.

DTC: means The Depository Trust Company, and any successor entity to DTC as depository for the Applicable Certificates.

Euroclear: means Euroclear Bank S.A./N.V., as the operator of the Euroclear System.

Exchange Certificates: means the certificates substantially in the form of Exhibit A attached hereto issued in exchange for the Initial Certificates pursuant to the Registration Rights Agreement and authenticated hereunder.

Exchange Offer Registration Statement: has the meaning specified in the Registration Rights Agreement.

Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Global Exchange Certificate: has the meaning specified in Section 5.01(e) of this Trust Supplement.

Initial Certificates: has the meaning specified in Section 3.01 of this Trust Supplement.

Institutional Accredited Investor: means an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

Liquidity Provider: means Boeing Capital Corporation organized under the laws of Delaware, or any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

Non-U.S. Person: means a Person that is not a "U.S. Person," as defined in Regulation S.

Offering Memorandum: means the offering memorandum dated May 18, 2001 relating to the offering of the Initial Certificates.

Offshore Certificates Exchange Date: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Other Agreements: means (i) the Basic Agreement as supplemented by Trust Supplement No. 2001-1A-2 dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1A-2; (ii) the Basic Agreement as supplemented by Trust Supplement



No. 2001-1B dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1B; (iii) the Basic Agreement as supplemented by Trust Supplement No. 2001-1C dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1C; (iv) the Basic Agreement as supplemented by Trust Supplement No. 2001-1D dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1D; and (v) if Class E Certificates are issued, the Basic Agreement as supplemented by Trust Supplement No. 2001-1E relating to American Airlines Pass Through Trust 2001-1E.

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

Other Trusts: means the American Airlines Pass Through Trust 2001-1A-2, the American Airlines Pass Through Trust 2001-1B, the American Airlines Pass Through Trust 2001-1C and the American Airlines Pass Through Trust 2001-1D, each created on the date hereof, and if Class E Certificates are issued, the American Airlines Pass Through Trust 2001-1E.

Permanent Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Private Placement Legend: has the meaning specified in Section 5.02(a) of this Trust Supplement.

QIB: means a qualified institutional buyer as defined in Rule 144A.

Registration Event: has the meaning set forth in the Registration Rights Agreement.

Registration Rights Agreement: means the Registration Rights Agreement dated May 18, 2001 among the Placement Agents, the Trustee, the Other Trustees and the Company, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Regulation S: means Regulation S under the Securities Act or any successor regulation thereto.

Rule 144A: means Rule 144A under the Securities Act or any successor rule thereto.

Securities Act: means the U.S. Securities Act of 1933, as amended.

Shelf Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Temporary Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Triggering Event: has the meaning assigned to such term in the Intercreditor Agreement.

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

U.S. Global Certificate: has the meaning specified in Section 5.01(b) of this Trust Supplement.

U.S. Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

## 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 2001-1A-1" (the "Applicable Trust"), for the benefit of the Holders of the Applicable Certificates to be issued in respect of such Applicable Trust, and the initial Holders of the Applicable Certificates, as grantors of such Applicable Trust, by their respective acceptances of the Applicable Certificates, join in the creation of such Applicable Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and 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 Applicable Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

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

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

## ARTICLE III

### THE APPLICABLE CERTIFICATES

Section 3.01. The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "6.977% American Airlines Pass Through Certificates, Series 2001-1A-1" (the "Initial Certificates"). The exchange certificates which may be issued and offered in exchange for the Initial Certificates pursuant to the Registration Rights Agreement shall be known as the "6.977% American Airlines Exchange Pass Through

Certificates Series 2001-1A-1" (the "Exchange Certificates"). The Initial Certificates and the Exchange Certificates are hereinafter defined as the "Applicable Certificates". Each Applicable Certificate represents a fractional undivided interest in the Applicable Trust created hereby. The Applicable Certificates shall be the only instruments evidencing a fractional undivided interest in the Applicable Trust.

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

(a) The aggregate face amount of the Applicable Certificates that may be authenticated and delivered under this Agreement (except for Applicable Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Applicable Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement or upon exchange of the Initial Certificates for Exchange Certificates) is \$420,880,000.

(b) The Cut-off Date is June 29, 2001.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means May 23 and November 23 of each year, commencing on November 23, 2001, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Applicable Trust is scheduled for payment on May 23 and November 23 in certain years, beginning on November 23, 2001 and ending on May 23, 2021 as set out in Schedules I-A and I-B.

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

(e) The Applicable Certificates shall be in the form attached hereto as Exhibit A. Subject to Section 5.01(d) of this Trust Supplement, the Applicable Certificates 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 E.

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

(g) Any Person acquiring or accepting an Applicable Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees, each Owner Participant (as defined in the Note Documents) 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 Applicable Certificates or an interest therein or (ii) the purchase and holding of Applicable Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(h) The Applicable 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 May 24, 2001, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Boeing Capital Corporation, 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 Applicable Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) The Applicable Certificates will have the benefit of the following Liquidity Facility: that certain Revolving Credit Agreement, dated as of May 24, 2001, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the Applicable Trust, and Boeing Capital Corporation.

(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 Applicable Certificates at any price in the open market and may hold such Applicable Certificates to maturity.

(l) The Responsible Party is the Company.

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 Applicable Certificate, each Applicable 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 Applicable 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 Applicable Certificateholder, provided that (A) if prior to the end of such ten-day period any other Applicable Certificateholder notifies such purchasing Applicable Certificateholder that such other Applicable Certificateholder wants to participate in such purchase, then such other Applicable Certificateholder may join with the purchasing Applicable 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 Applicable Trust held by each such Applicable Certificateholder and (B) if prior to the end of such ten-day period any other Applicable Certificateholder fails to notify the purchasing Applicable Certificateholder of such other Applicable Certificateholder's desire to participate in such a purchase, then such other Applicable 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 Applicable 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 Applicable 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 Applicable 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 Applicable Certificates or the Class A-2 Certificates pursuant to clause (i) or (ii) above) to purchase all, but not less than all, of the Applicable 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 Applicable 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 Applicable Certificates and the Class A-2 Certificates pursuant to this Section 4.01(a)(iii); and

(iv) each Class C Certificateholder shall have the right (which shall not expire upon any purchase of the Applicable 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 Applicable 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 Applicable 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 Applicable 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 shall have the right (which shall not expire upon any purchase of the Applicable Certificates, or 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 Applicable 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 Applicable Certificates, the Class A-2, 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 Applicable Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pursuant to this Section 4.01(a)(v); and

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

The purchase price with respect to the Applicable Certificates shall be equal to the Pool Balance of the Applicable Certificates, together with accrued and unpaid interest in respect

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

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

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

#### ARTICLE V

##### THE CERTIFICATES

Section 5.01. Additions to Article III of the Basic Agreement. In addition to the provisions of Article III of the Basic Agreement, the following provisions shall apply to the Applicable Trust:

(a) The Initial Certificates will be issued in minimum denominations of \$100,000 or integral multiples of \$1,000 in excess thereof. The Exchange Certificates will be issued in denominations of \$1,000 or integral multiples thereof. Each Exchange Certificate shall be dated the date of its authentication;

(b) Initial Certificates offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "U.S. Global Certificate"), duly executed and authenticated by the Trustee as hereinafter provided. The U.S. Global Certificate will be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC. The aggregate principal amount of the U.S. Global Certificate may from time to time be increased or decreased by adjustments made on the records of DTC or its nominee, or of the Trustee, as custodian for DTC or its nominee, as hereinafter provided;

(c) Initial Certificates offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more temporary global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "Temporary Offshore Global Certificate") duly executed and authenticated by the Trustee as hereinafter provided. The Temporary Offshore Global Certificate will be registered in the name of a nominee of DTC for credit to the account of the Agent Members acting as depositaries for Euroclear and Clearstream and deposited with the Trustee as custodian for DTC. At any time following July 3, 2001 (the "Offshore Certificates Exchange Date"), upon receipt by the Trustee of a certificate substantially in the form of Exhibit B hereto, a single permanent global Certificate fully in registered form substantially in the form set forth in Exhibit A (the "Permanent Offshore Global Certificate"; and together with the Temporary Offshore Global Certificate, the "Offshore Global Certificates"), duly executed and authenticated by the Trustee as hereinafter provided, shall be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC, and the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of any Temporary Offshore Global Certificate in an amount equal to the principal amount of the beneficial interest



in such Temporary Offshore Global Certificate transferred. The U.S. Global Certificate and the Offshore Global Certificates are sometimes referred to as the "Global Certificates";

(d) Initial Certificates offered and sold to Institutional Accredited Investors shall be issued in the form of permanent certificated Certificates in registered form in substantially the form set forth as Exhibit A hereto (the "U.S. Physical Certificates"). Certificates issued pursuant to Section 5.04(b) in exchange for interests in any Offshore Global Certificate shall be in the form of permanent certificated Certificates in fully registered form substantially in the form set forth in Exhibit A (the "Offshore Physical Certificates"). The Offshore Physical Certificates and U.S. Physical Certificates are sometimes collectively herein referred to as the "Physical Certificates";

(e) The Exchange Certificates shall be issued in the form of one or more global Certificates substantially in the form of Exhibit A hereto (each, a "Global Exchange Certificate"), except that (i) the Private Placement Legend (hereinafter defined) shall be omitted and (ii) such Exchange Certificates shall contain such appropriate insertions, omissions, substitutions and other variations from the form set forth in Exhibit A hereto relating to the nature of the Exchange Certificates as the Responsible Officer of the Trustee executing such Exchange Certificates on behalf of the Trust may determine, as evidenced by such officer's execution on behalf of the Trust of such Exchange Certificates. Such Global Exchange Certificates shall be in registered form and be registered in the name of DTC and deposited with the Trustee, at its Corporate Trust Office, as custodian for DTC. The aggregate principal amount of any Global Exchange Certificate may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC for such Global Exchange Certificate, which adjustments shall be conclusive as to the aggregate principal amount of any such Global Exchange Certificate. Subject to clause (i) and (ii) of the first sentence of this Section 5.01(e), the terms hereof applicable to U.S. Global Certificates and/or Global Certificates shall apply to the Global Exchange Certificates, mutatis mutandis;

(f) The definitive Applicable Certificates shall be in fully registered form and shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner, all as determined by the officers executing such Applicable Certificates, as evidenced by their execution of such Applicable Certificates.

Section 5.02. Restrictive Legends. (a) Subject to Section 5.05, unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case as provided for in the Registration Rights Agreement, each Global Certificate (other than the Permanent Offshore Global Certificate) and each U.S. Physical Certificate shall bear the following legend (the "Private Placement Legend") on the face thereof:

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS

ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE

BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND IF REQUESTED, AMERICAN AIRLINES, INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

(b) Each Global Certificate shall also bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S

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(1) Not to be included on the face of the Permanent Offshore Global Certificate.

NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT TO THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.

(c) Each Certificate shall bear the following legend on the face thereof:

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

Section 5.03. Transfer and Exchange. An Applicable Certificateholder may transfer an Applicable Certificate by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Agreement, including providing a written certificate or other evidence of compliance with any restrictions on transfer. No such transfer shall be effected until, and such transferee shall succeed to the rights of an Applicable Certificateholder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by an Applicable Certificateholder as provided herein, the Trustee shall treat the person in whose name the Applicable Certificate is registered as the owner thereof for all purposes, and the Trustee shall not be affected by notice to the contrary. Furthermore, DTC shall, by acceptance of a Global Certificate, agree that transfers of beneficial interests in such Global Certificate may be effected only through a book-entry system maintained by DTC (or its agent), and that ownership of a beneficial interest in the Certificate shall be required to be reflected in a book entry. When Applicable Certificates are presented to the Registrar with a request to register the transfer or to exchange them for an equal face amount of Applicable Certificates of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met. To permit registrations of transfers and exchanges in accordance with the terms, conditions and restrictions hereof, the Trustee shall execute and authenticate Applicable Certificates at the Registrar's request.

Section 5.04. Book-entry Provisions for U.S. Global Certificate and Offshore Global Certificates. (a) Members of, or participants in, DTC ("Agent Members") shall have no rights under this Agreement with respect to any Global Certificate held on their behalf by DTC, or the Trustee as its custodian, and DTC may be treated by the Trustee and any agent of the Trustee as the absolute owner of such Global Certificate for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Trustee or any agent of the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or shall impair, as

between DTC and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Applicable Certificate. Upon the issuance of any Global Certificate, the Registrar or its duly appointed agent shall record a nominee of DTC as the registered holder of such Global Certificate.

(b) Transfers of any Global Certificate shall be limited to transfers of such Global Certificate or Offshore Global Certificate in whole, but not in part, to nominees of DTC, its successor or such successor's nominees. Beneficial interests in the U.S. Global Certificate and any Offshore Global Certificate may be transferred in accordance with the rules and procedures of DTC and the provisions of Section 5.05. Beneficial interests in the U.S. Global Certificate or an Offshore Global Certificate shall be delivered to all beneficial owners in the form of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, if (i) DTC notifies the Trustee that it is unwilling or unable to continue as depository for the U.S. Global Certificate or such Offshore Global Certificate, as the case may be, and a successor depository is not appointed by the Trustee within 90 days of such notice or (ii) an Event of Default has occurred and Applicable Certificateholders with fractional undivided interests aggregating not less than a majority in interest in the Applicable Trust advise the Trustee, the Company and DTC through Agent Members in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the Applicable Certificateholders' best interests.

(c) Any beneficial interest in one of the Global Certificates that is transferred to a Person who takes delivery in the form of an interest in the other Global Certificate will, upon such transfer, cease to be an interest in such Global Certificate and become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Certificate for as long as it remains such an interest.

(d) In connection with the transfer of the entire U.S. Global Certificate or an entire Offshore Global Certificate to the beneficial owners thereof pursuant to paragraph (b) of this Section 5.04, such U.S. Global Certificate or Offshore Global Certificate, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Trustee shall execute, authenticate and deliver, to each beneficial owner identified by DTC in exchange for its beneficial interest in such U.S. Global Certificate or Offshore Global Certificate, as the case may be, an equal aggregate principal amount of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, of authorized denominations.

(e) Any U.S. Physical Certificate delivered in exchange for an interest in the U.S. Global Certificate pursuant to paragraph (b) of this Section 5.04 shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the Private Placement Legend.

(f) Any Offshore Physical Certificate delivered in exchange for an interest in an Offshore Global Certificate pursuant to paragraph (b) of this Section shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the applicable legend regarding transfer restrictions set forth in Section 5.02(a).

(g) The registered holder of the U.S. Global Certificate or any Offshore Global Certificate may grant proxies and otherwise authorize any Person, including Agent Members and

Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Agreement or the Applicable Certificates.

Section 5.05. Special Transfer Provisions. Unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement, or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case pursuant to the Registration Rights Agreement, the following provisions shall apply to such Initial Certificates:

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of an Applicable Certificate to any Institutional Accredited Investor which is not a QIB (excluding transfers to or by Non-U.S. Persons):

(i) The Registrar shall register the transfer of any Applicable Certificate, whether or not such Applicable Certificate bears the Private Placement Legend, if (x) the requested transfer is after the time period referred to in Rule 144(k) under the Securities Act as in effect with respect to such transfer or (y) the proposed transferee has delivered to the Registrar a letter substantially in the form of Exhibit D hereto and the aggregate principal amount of the Applicable Certificates being transferred is at least \$100,000.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Certificate, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of the transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver to the transferor or at its direction, one or more U.S. Physical Certificates of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Certificate to a QIB (excluding Non-U.S. Persons):

(i) If the Initial Certificate to be transferred consists of U.S. Physical Certificates or an interest in any Temporary Offshore Global Certificate, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that it is purchasing the Initial Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it, or

the Person on whose behalf it is acting with respect to any such account, is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Trust and/or the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) Upon receipt by the Registrar of the documents referred to in clause (i) above and instructions given in accordance with DTC's and the Registrar's procedures therefor, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of the U.S. Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificates or interests in the Temporary Offshore Global Certificate, as the case may be, being transferred, and the Trustee shall cancel such Physical Certificates or decrease the amount of such Temporary Offshore Global Certificate so transferred.

(c) Transfers of Interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates. The Registrar shall register any transfer of interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates without requiring any additional certification.

(d) Transfers to Non-U.S. Persons at any Time. The following provisions shall apply with respect to any registration of any transfer of an Initial Certificate to a Non-U.S. Person:

(i) Prior to the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer of an Initial Certificate to a Non-U.S. Person upon receipt of a certificate substantially in the form set forth as Exhibit C hereto from the proposed transferor.

(ii) On and after the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer to any Non-U.S. Person if the Initial Certificate to be transferred is a U.S. Physical Certificate or an interest in the U.S. Global Certificate, upon receipt of a certificate substantially in the form of Exhibit C from the proposed transferor. The Registrar shall promptly send a copy of such certificate to the Company.

(iii) (A) Upon receipt by the Registrar of (x) the documents, if any, required by paragraph (ii) and (y) instructions in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and (B) upon receipt by the Registrar of instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Certificate in an amount equal to the

principal amount of the U.S. Physical Certificate or the U.S. Global Certificate, as the case may be, to be transferred, and the Trustee shall cancel the Physical Certificate, if any, so transferred or decrease the amount of such U.S. Global Certificate.

(e) Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates not bearing the Private Placement Legend, the Registrar shall deliver Applicable Certificates that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates bearing the Private Placement Legend, the Registrar shall deliver only Applicable Certificates that bear the Private Placement Legend unless either (i) the circumstances contemplated by paragraph (a)(i)(x) or (e)(ii) of this Section 5.05 exist or (ii) there is delivered to the Registrar an Opinion of Counsel to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(f) General. By its acceptance of any Applicable Certificate bearing the Private Placement Legend, each Holder of such an Applicable Certificate acknowledges the restrictions on transfer of such Applicable Certificate set forth in this Agreement and agrees that it will transfer such Applicable Certificate only as provided in this Agreement. The Registrar shall not register a transfer of any Applicable Certificate unless such transfer complies with the restrictions on transfer of such Applicable Certificate set forth in this Agreement. In connection with any transfer of Applicable Certificates, each Applicable Certificateholder agrees by its acceptance of the Applicable Certificates to furnish the Registrar or the Trustee such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine the sufficiency of any such certifications, legal opinions or other information.

Until such time as no Applicable Certificates remain Outstanding, the Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 5.04 or this Section 5.05. The Trustee, if not the Registrar at such time, shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

Section 6.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Applicable Trust created hereby shall terminate upon the distribution to all Certificateholders of Applicable Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.



Section 6.02. 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 6.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE APPLICABLE CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 6.04. 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 6.05. Intention of Parties. The parties hereto intend that the Applicable Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Applicable Certificateholder of an Applicable Certificate, by its acceptance of its Applicable Certificate or a beneficial interest therein, agrees to treat the Applicable Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Applicable Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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

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

By: /s/ Alison Della Bella

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Name: Alison Della Bella  
Title: Assistant Vice President

FORM OF CERTIFICATE

REGISTERED

No. \_\_\_\_\_

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST,

PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND, IF REQUESTED, TO AMERICAN AIRLINES, INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT OF THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.](2)

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

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- (1) Not to be included on the face of the Permanent Offshore Global Certificate or any Exchange Certificate.
- (2) This legend to appear on Book-Entry Certificates to be deposited with the The Depository Trust Company.

[GLOBAL CERTIFICATE](1)

AMERICAN AIRLINES PASS THROUGH TRUST 2001-1A-1

6.977% AMERICAN AIRLINES [INITIAL] [EXCHANGE] PASS THROUGH  
CERTIFICATE, SERIES 2001-1A-1

Final Expected Regular Distribution Date: May 23, 2021

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 or leased to American Airlines,  
Inc.

Certificate  
No. -----

CUSIP No. ----

\$ \_\_\_\_\_ Fractional Undivided Interest representing  
% of the Trust per \$1,000 face amount

THIS CERTIFIES THAT \_\_\_\_\_, for value received, is the registered owner  
of a \$ \_\_\_\_\_ (\_\_\_\_\_ dollars) Fractional Undivided Interest [(as such amount may  
be increased or decreased from time to time as provided in the Agreement)](2) in  
the American Airlines Pass Through Trust, Series 2001-1A-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  
May 24, 2001 (the "Basic Agreement"), as supplemented by Trust Supplement No.  
2001-1A-1 thereto dated May 24, 2001 (collectively, the "Agreement"), between  
the Trustee and American Airlines, Inc., a corporation incorporated under  
Delaware law (the "Company"), a summary of certain of the pertinent provisions  
of which is set forth below. To the extent not otherwise defined herein, the  
capitalized terms used herein have the meanings assigned to them in the  
Agreement. This Certificate is one of the duly authorized Certificates  
designated as "6.977% American Airlines [Initial] [Exchange] Pass Through  
Certificates, Series 2001-1A-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

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- (1) To be included on the face of each Global Certificate.
- (2) To be included in Global Certificates for Initial Pass Through Certificate.

"Trust Property"). Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft leased or 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 May 23 and November 23 (a "Regular Distribution Date"), commencing on November 23, 2001, 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.

[The Holder of this Certificate is entitled to the benefits of the Registration Rights Agreement, dated as of May 18, 2001, among the Company, the Trustee and the Placement Agents named therein (the "Registration Rights Agreement"). Subject to the terms of the Registration Rights Agreement, in the event that neither the consummation of the Exchange Offer nor the declaration by the Commission of a Shelf Registration to be effective (a "Registration Event") occurs on or prior to the 270th day after the date of the initial issuance of the Certificates, the interest rate per annum borne by the Certificates shall be increased by 0.50%, from and including such 270th day, to but excluding the date on which a Registration Event occurs. In the event that the Shelf Registration Statement ceases to be effective at any time during the period specified by the Registration Rights Agreement for more than 60 days, whether or not consecutive, during any 12-month period, the interest rate per annum borne by the Certificates shall be increased by 0.50% from the 61st day of the applicable 12-month period

such Shelf Registration Statement ceases to be effective until such time as the Shelf Registration Statement again becomes effective.](3)

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

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

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

As provided in the Agreement and subject to certain limitations set forth therein, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for

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(3) To be included only on each Initial Certificate.

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 \$[~~100,000~~](4) [~~1000~~](5) Fractional Undivided Interest and integral multiples of \$1,000 in excess 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.

- -----

- (4) To be included only on each Initial Certificate.
- (5) To be included on each Exchange Certificate.



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

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

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

AMERICAN AIRLINES, PASS THROUGH TRUST 2001-1A-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

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

-----  
Please print or typewrite name and address including zip code of assignee  
-----

the within Certificate and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Certificate on the books of the Company with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED  
ON ALL CERTIFICATES OTHER THAN EXCHANGE CERTIFICATES,  
PERMANENT OFFSHORE GLOBAL CERTIFICATE AND  
OFFSHORE PHYSICAL CERTIFICATES]

In connection with any transfer of this Certificate occurring prior to the date which is the earlier of (i) the date the shelf registration statement is declared effective or (ii) the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

(a) this Certificate is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

(b) this Certificate is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Certificate and the Agreement.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Certificate in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section [5.06] of the Trust Supplement shall have been satisfied.

Date: -----

-----  
NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

SIGNATURE GUARANTEE: -----

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: -----

-----  
NOTICE: To be executed by an executive officer

FORM OF CERTIFICATE FOR UNLEGGED CERTIFICATES

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines, 2001-1A-1 Pass Through Trust,  
Class A-1 Pass Through Trust Certificates (the  
"Certificates")

Dear Sirs:

This letter relates to U.S. \$\_\_\_\_\_ Fractional Undivided  
Interest of Certificates represented by a Certificate (the "Legended  
Certificate") which bears a legend outlining restrictions upon transfer of such  
Legended Certificate. Pursuant to Section 3.01 of the Pass Through Trust  
Agreement dated as of May 24, 2001 (the "Basic Agreement") between the Trustee  
and American Airlines, Inc., a Delaware corporation (the "Company"), as  
supplemented by Trust Supplement No. 2001-1A-1 thereto (the "Trust Supplement",  
and together with the Basic Agreement, the "Agreement"), we hereby certify that  
we are (or we will hold such securities on behalf of) a person outside the  
United States to whom the Certificates could be transferred in accordance with  
Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933, as  
amended. Accordingly, you are hereby requested to exchange the legended  
certificate for an unlegended certificate representing an identical principal  
amount of Certificates, all in the manner provided for in the Agreement.

You and the Company are entitled to rely upon this letter and  
are irrevocably authorized to produce this letter or a copy hereof to any  
interested party in any administrative or legal proceedings or official inquiry  
with respect to the matters covered hereby. Terms used in this certificate have  
the meanings set forth in Regulation S.

Very truly yours,  
[Name of Certificateholder]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION  
WITH TRANSFERS PURSUANT TO REGULATION S

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines 2001-1A-1 Pass Through Trust (the  
"Trust"), \_\_\_% American Airlines Pass Through Trust  
Certificates Series 2001-1A-1 (the "Certificates")

Sirs:

In connection with our proposed sale of \$\_\_\_\_\_ Fractional  
Undivided Interest of the Certificates, we confirm that such sale has been  
effected pursuant to and in accordance with Regulation S under the Securities  
Act of 1933, as amended, and, accordingly, we represent that:

(1) the offer of the Certificates was not made to a person in  
the United States;

(2) either (a) at the time the buy order was originated, the  
transferee was outside the United States or we and any person acting on our  
behalf reasonably believed that the transferee was outside the United States or  
(b) the transaction was executed in, on or through the facilities of a  
designated off-shore securities market and neither we nor any person acting on  
our behalf knows that the transaction has been pre-arranged with a buyer in the  
United States;

(3) no directed selling efforts have been made in the United  
States in contravention of the requirements of Rule 903(b) or Rule 904(b) of  
Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade  
the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period  
and the provisions of Rule 903(c)(3) or Rule 904(c)(1) of Regulation S are  
applicable thereto, we confirm that such sale has been made in accordance with  
the applicable provisions of Rule 903(c)(3) or Rule 904(c)(1), as the case may  
be.

You and American Airlines, Inc. are entitled to rely upon this  
letter and are irrevocably authorized to produce this letter or a copy hereof to  
any interested party in any administrative or legal proceedings or official  
inquiry with respect to the matters covered hereby. Terms used in this  
certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE  
DELIVERED IN CONNECTION WITH  
TRANSFERS TO NON-QIB ACCREDITED INVESTORS

Morgan Stanley & Co. Incorporated  
1585 Broadway  
New York, New York 10036

Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, New York 10010

Salomon Smith Barney, Inc.  
390 Greenwich Street  
New York, New York 10043

Dresdner Kleinwort Wasserstein Securities LLC  
75 Wall Street, 31st Floor  
New York, New York 10005

American Airlines, Inc.  
4333 Amon Carter Boulevard  
Fort Worth, Texas 76155

State Street Bank and Trust Company of  
Connecticut, National Association,  
as Pass Through Trustee  
255 Asylum Street, Goodwin Square  
Hartford, Connecticut 06103

[Owner Participant]

Ladies and Gentlemen:

In connection with our proposed purchase of % American Airlines Pass Through Certificates, Series 2001-1 (the "Certificates") we confirm that:

1. We have received a copy of the Offering Memorandum (the "Offering Memorandum"), relating to the Certificates and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agree to the matters stated in the section entitled "Transfer Restrictions" of such Offering Memorandum. We acknowledge that neither American Airlines, Inc. (the "Company") nor any Placement Agent, nor any person representing the Company or any Placement Agent, has made any representation with respect to the offer or sale of any Certificates.

2. We understand that any subsequent transfer of the Certificates is subject to certain restrictions and conditions set forth in the Pass Through Trust Agreement between the Company and State Street Bank and Trust Company of Connecticut, National Association (the "Trustee") relating to the Certificates, and we agree to be bound by, and not to resell, pledge or otherwise transfer the Certificates except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

3. We are purchasing Certificates having an aggregate principal amount of not less than \$100,000 and each account (if any) for which we are purchasing

Certificates is purchasing Certificates having an aggregate principal amount of not less than \$100,000.

4. We understand that the Certificates have not been registered under the Securities Act, that the Certificates are being sold to us in a transaction that is exempt from the registration requirements of the Securities Act and that the Certificates may not be offered or resold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that, if we should sell any Certificates within the applicable time period referred to in Rule 144(k) of the Securities Act, we will do so only (A) to the Company or a subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) inside the United States to an Institutional Accredited Investor (as defined below) acquiring \$100,000 or more aggregate principal amount of such Certificates that, prior to such transfer, furnishes to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Certificates (the form of which letter can be obtained from the Trustee), (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act or (F) pursuant to a registration statement which has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer), and we further agree to provide any person purchasing any of the Certificates from us a notice advising such purchaser that resales of the Certificates are restricted as stated herein.

5. We understand that, on any proposed resale of any Certificates, we will be required to furnish to the Company and to the Trustee such certificates, legal opinions and other information as the Company and the Trustee may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Certificates purchased by us will bear a legend to the foregoing effect.

6. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) ("Institutional Accredited Investor") and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Certificates, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investments.

7. We are acquiring the Certificates purchased by us for our own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which we exercise sole investment discretion.



You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

By: \_\_\_\_\_  
Name:  
Title:

Securities to be Purchased:  
\$ principal amount

[DTC Letter of Representations]

E-1

SCHEDULE I-B  
TRUST SUPPLEMENT NO. 2001-1A-1

AGGREGATE EQUIPMENT PRINCIPAL PAYMENTS

DATE  
SCHEDULED  
PRINCIPAL  
PAYMENTS - - -  
-----  
-----  
November 23,  
2001 \$  
52,197,787.93  
May 23, 2002  
6,034,493.28  
November 23,  
2002  
6,687,261.87  
May 23, 2003  
13,726,049.41  
November 23,  
2003  
3,678,658.94  
May 23, 2004  
15,917,698.22  
November 23,  
2004  
3,832,154.47  
May 23, 2005  
18,363,129.73  
November 23,  
2005  
3,985,650.02  
May 23, 2006  
18,918,871.98  
November 23,  
2006  
4,139,145.55  
May 23, 2007  
17,731,898.34  
November 23,  
2007  
4,292,641.10  
May 23, 2008  
16,290,556.77  
November 23,  
2008  
4,452,632.50  
May 23, 2009  
21,940,102.95  
November 23,  
2009  
4,578,538.53  
May 23, 2010  
22,913,766.58  
November 23,  
2010  
3,546,470.94  
May 23, 2011  
0.00  
November 23, 2011 0.00  
May 23, 2012  
471,691.46  
November 23,  
2012  
921,514.52  
May 23, 2013  
7,179,293.55  
November 23,  
2013  
1,993,687.45  
May 23, 2014  
17,167,653.41  
November 23,  
2014  
389,107.41  
May 23, 2015  
20,812,487.82  
November 23,  
2015 9,351.13  
May 23, 2016  
22,543,806.58  
November 23,  
2016 8,405.15  
May 23, 2017  
23,409,382.83  
November 23,  
2017 6,745.49  
May 23, 2018  
24,553,162.37  
November 23,  
2018 8,015.31

May 23, 2019  
21,456,270.93  
November 23,  
2019  
177,441.98  
May 23, 2020  
18,377,543.19  
November 23,  
2020  
3,133,493.70  
May 23, 2021  
15,033,436.61  
Total: \$  
420,880,000.00

SCHEDULE II to  
TRUST SUPPLEMENT NO. 2001-1A-1

EQUIPMENT NOTES, PRINCIPAL AMOUNTS  
AND MATURITIES

EQUIPMENT NOTES  
PRINCIPAL  
AMOUNTS

MATURITY - ----

-----

----- Series

2001-1A-1

Equipment Note

N9630A

9,543,204.89

November 23,

2020 Series

2001-1A-1

Equipment Note

N9615W

8,090,286.05

November 23,

2020 Series

2001-1A-1

Equipment Note

N9616G

8,323,738.34

November 23,

2020 Series

2001-1A-1

Equipment Note

N9617R

9,567,034.00

November 23,

2020 Series

2001-1A-1

Equipment Note

N9618A

8,608,897.42

November 23,

2020 Series

2001-1A-1

Equipment Note

N9619V

8,750,145.78

November 23,

2020 Series

2001-1A-1

Equipment Note

N9620D

9,851,146.02

November 23,

2020 Series

2001-1A-1

Equipment Note

N9622A

9,044,642.62

May 23, 2021

Series 2001-1A-

1 Equipment

Note N9624T

9,168,516.18

May 23, 2021

Series 2001-1A-

1 Equipment

Note N9625W

9,249,669.05

May 23, 2021

Series 2001-1A-

1 Equipment

Note N9626F

9,376,803.29

May 23, 2021

Series 2001-1A-

1 Equipment

Note N9628W

9,771,411.98

May 23, 2021

Series 2001-1A-

1 Equipment

Note N9629H

9,833,628.75

May 23, 2021

Series 2001-1A-

1 Equipment

Note N961TW

10,320,093.12

May 23, 2021

Series 2001-1A-

1 Equipment

Note N962TW

10,348,240.31

May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N963TW  
10,351,801.98  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N964TW  
10,483,586.98  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N965TW  
10,529,277.41  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N966TW  
10,581,341.21  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N967TW  
10,537,694.92  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N968TW  
10,537,694.92  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N969TW  
10,537,694.93  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N970TW  
10,569,466.02  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N971TW  
10,625,089.03  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N972TW  
10,689,275.08  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N9677W  
10,827,033.51  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N979TW  
11,030,534.97  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N980TW  
11,063,302.19  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N9681B  
10,867,517.08  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N982TW  
11,130,653.07  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N983TW  
11,197,643.76  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N984TW  
11,221,440.96  
May 23, 2021  
Series 2001-1A-  
1 Equipment  
Note N937AN  
4,599,198.70  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N944AN  
4,332,614.55  
November 23,

2010 Series  
2001-1A-1  
Equipment Note  
N945AN  
4,332,614.55  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N946AN  
4,332,614.55  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N952AA  
4,401,420.21  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N953AN  
4,939,342.82  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N954AN  
4,939,342.82  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N955AN  
4,951,655.56  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N956AN  
4,951,988.39  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N957AN  
4,653,754.49  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N788AN  
12,936,238.69  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N789AN  
12,958,913.06  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N790AN  
12,960,208.73  
November 23,  
2010 Series  
2001-1A-1  
Equipment Note  
N791AN  
12,961,587.06  
November 23,  
2010 Total:  
\$420,880,000.00

SCHEDULE III to  
TRUST SUPPLEMENT NO. 2001-1A-1

AIRCRAFT

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW  
B777-223ER  
N788AN  
B777-223ER  
N789AN  
B777-223ER  
N790AN  
B777-223ER  
N791AN  
B737-823  
N937AN  
B737-823  
N944AN  
B737-823  
N945AN  
B737-823  
N946AN  
B737-823  
N952AA  
B737-823  
N953AN  
B737-823  
N954AN  
B737-823  
N955AN  
B737-823  
N956AN  
B737-823  
N957AN



SCHEDULE IV to  
TRUST SUPPLEMENT NO. 2001-1A-1

I. Owned Aircraft  
Participation Agreement  
Indenture and Security Agreement  
Series 2001-1 A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note for  
each of the following Aircraft:

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

B777-223ER  
N788AN  
B777-223ER  
N789AN  
B777-223ER  
N790AN  
B777-223ER  
N791AN  
B737-823  
N937AN  
B737-823  
N944AN  
B737-823  
N945AN  
B737-823  
N946AN  
B737-823  
N952AA  
B737-823  
N953AN  
B737-823  
N954AN  
B737-823  
N955AN  
B737-823  
N956AN  
B737-823  
N957AN

II. Leased Aircraft  
Participation Agreement  
Refunding Agreement  
Lease Agreement  
Indenture and Security Agreement  
Series 2001-1A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note  
Series 2001-1D Equipment Note  
for each of the following Aircraft:

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW

=====

TRUST SUPPLEMENT NO. 2001-1A-2

Dated as of May 24, 2001

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 May 24, 2001

American Airlines Pass Through Trust 2001-1A-2  
6.817% American Airlines  
Pass Through Certificates,  
Series 2001-1A-2

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This TRUST SUPPLEMENT NO. 2001-1A-2, dated as of May 24, 2001 (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 May 24, 2001, 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").

WITNESSETH:

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 or Lessee of 46 aircraft described in Schedule III (collectively, the "Aircraft");

WHEREAS, pursuant to each Indenture, the Company or an Owner Trustee acting on behalf of an Owner Participant 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 or the Owner Trustee in and to the Aircraft and certain other property described therein;

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

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

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement, and the Note Purchase Agreements, the Trustee on behalf of the Applicable Trust shall purchase the Equipment Notes issued by the Company or an Owner Trustee acting on behalf of an Owner Participant 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 Applicable Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Applicable Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement 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, upon the occurrence of a Registration Event, this Trust Supplement shall become subject to the provisions of the Trust Indenture Act of 1939, as amended, 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.

Agent Members: has the meaning specified in Section 5.04 of this Trust Supplement.

Agreement: means the Basic Agreement as supplemented by this Trust Supplement.

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

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

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

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

Boeing: means The Boeing Company.

Clearstream: means Clearstream Banking, societe anonyme.

Class E Certificateholder: has the meaning specified in Section 4.01(a) of this Trust Supplement.

DTC: means The Depository Trust Company, and any successor entity to DTC as depository for the Applicable Certificates.

Euroclear: means Euroclear Bank S.A./N.V., as the operator of the Euroclear System.

Exchange Certificates: means the certificates substantially in the form of Exhibit A attached hereto issued in exchange for the Initial Certificates pursuant to the Registration Rights Agreement and authenticated hereunder.

Exchange Offer Registration Statement: has the meaning specified in the Registration Rights Agreement.

Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Global Exchange Certificate: has the meaning specified in Section 5.01(e) of this Trust Supplement.

Initial Certificates: has the meaning specified in Section 3.01 of this Trust Supplement.

Institutional Accredited Investor: means an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

Liquidity Provider: means Boeing Capital Corporation organized under the laws of Delaware, or any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

Non-U.S. Person: means a Person that is not a "U.S. Person," as defined in Regulation S.

Offering Memorandum: means the offering memorandum dated May 18, 2001 relating to the offering of the Initial Certificates.

Offshore Certificates Exchange Date: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Other Agreements: means (i) the Basic Agreement as supplemented by Trust Supplement No. 2001-1A-1 dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1A-1; (ii) the Basic Agreement as supplemented by Trust Supplement

No. 2001-1B dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1B; (iii) the Basic Agreement as supplemented by Trust Supplement No. 2001-1C dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1C; (iv) the Basic Agreement as supplemented by Trust Supplement No. 2001-1D dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1D; and (v) if Class E Certificates are issued, the Basic Agreement as supplemented by Trust Supplement No. 2001-1E relating to American Airlines Pass Through Trust 2001-1E.

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

Other Trusts: means the American Airlines Pass Through Trust 2001-1A-1, the American Airlines Pass Through Trust 2001-1B, the American Airlines Pass Through Trust 2001-1C and the American Airlines Pass Through Trust 2001-1D, each created on the date hereof, and if Class E Certificates are issued, the American Airlines Pass Through Trust 2001-1E.

Permanent Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Private Placement Legend: has the meaning specified in Section 5.02(a) of this Trust Supplement.

QIB: means a qualified institutional buyer as defined in Rule 144A.

Registration Event: has the meaning set forth in the Registration Rights Agreement.

Registration Rights Agreement: means the Registration Rights Agreement dated May 18, 2001 among the Placement Agents, the Trustee, the Other Trustees and the Company, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Regulation S: means Regulation S under the Securities Act or any successor regulation thereto.

Rule 144A: means Rule 144A under the Securities Act or any successor rule thereto.

Securities Act: means the U.S. Securities Act of 1933, as amended.

Shelf Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Temporary Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Triggering Event: has the meaning assigned to such term in the Intercreditor Agreement.

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

U.S. Global Certificate: has the meaning specified in Section 5.01(b) of this Trust Supplement.

U.S. Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

## 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 2001-1A-2" (the "Applicable Trust"), for the benefit of the Holders of the Applicable Certificates to be issued in respect of such Applicable Trust, and the initial Holders of the Applicable Certificates, as grantors of such Applicable Trust, by their respective acceptances of the Applicable Certificates, join in the creation of such Applicable Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and 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 Applicable Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

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

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

## ARTICLE III

### THE APPLICABLE CERTIFICATES

Section 3.01. The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "6.817% American Airlines Pass Through Certificates, Series 2001-1A-2" (the "Initial Certificates"). The exchange certificates which may be issued and offered in exchange for the Initial Certificates pursuant to the Registration Rights Agreement shall be known as the "6.817% American Airlines Exchange Pass Through



Certificates Series 2001-1A-2" (the "Exchange Certificates"). The Initial Certificates and the Exchange Certificates are hereinafter defined as the "Applicable Certificates". Each Applicable Certificate represents a fractional undivided interest in the Applicable Trust created hereby. The Applicable Certificates shall be the only instruments evidencing a fractional undivided interest in the Applicable Trust.

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

(a) The aggregate face amount of the Applicable Certificates that may be authenticated and delivered under this Agreement (except for Applicable Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Applicable Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement or upon exchange of the Initial Certificates for Exchange Certificates) is \$392,209,000.

(b) The Cut-off Date is June 29, 2001.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means May 23 and November 23 of each year, commencing on November 23, 2001, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Applicable Trust is scheduled for payment on May 23, 2011.

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

(e) The Applicable Certificates shall be in the form attached hereto as Exhibit A. Subject to Section 5.01(d) of this Trust Supplement, the Applicable Certificates 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 E.

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

(g) Any Person acquiring or accepting an Applicable Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees, each Owner Participant (as defined in the Note Documents) 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 Applicable Certificates or an interest therein or (ii) the purchase and holding of Applicable Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(h) The Applicable 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 May 24, 2001, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Boeing Capital Corporation, 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 Applicable Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) 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.

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

(k) The Responsible Party is the Company.

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 Applicable Certificate, each Applicable 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 Applicable 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 Applicable 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 Applicable Certificates pursuant to this Section 4.01(a)(i); and

(ii) if the Class A-1 Trustee is then the Controlling Party, each Applicable 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 Applicable Certificateholder, provided that (A) if prior to the end of such ten-day period any other Applicable Certificateholder notifies such purchasing Applicable Certificateholder that such other Applicable Certificateholder wants to participate in such purchase, then such other Applicable Certificateholder may join with the purchasing Applicable 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 Applicable Trust held by each such Applicable Certificateholder and (B) if prior to the end of such ten-day period any other Applicable Certificateholder fails to notify the purchasing Applicable Certificateholder of such other Applicable Certificateholder's desire to participate in such a purchase, then such other Applicable 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 Applicable Certificates pursuant to clause (i) or (ii) above) to purchase all, but not less than all, of the Class A-1 Certificates and the Applicable 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 Applicable 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 Applicable Certificates pursuant to this Section 4.01(a)(iii); and

(iv) each Class C Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates or the Applicable Certificates pursuant to clause (i), (ii) or (iii) above) to purchase all, but not less than all, of the Class A-1 Certificates, the Applicable 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 Applicable 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 Applicable Certificates and the Class B Certificates pursuant to this Section 4.01(a)(iv); and

(v) each Class D Certificateholder shall have the right (which shall not expire upon any purchase of the Class A-1 Certificates, the Applicable 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 Applicable 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 Applicable 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 Applicable Certificates, the Class B Certificates and the Class C Certificates pursuant to this Section 4.01(a)(v); and

(vi) each Class E Certificateholder (if Class E Certificates are issued) shall have the right (which shall not expire upon any purchase of the Applicable Certificates, the Class A-1 Certificates, the Class B Certificates or the Class C Certificates pursuant to clause (i), (ii), (iii), (iv) or (v) above) to purchase all, but not less than all, of the Applicable Certificates, the

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

The purchase price with respect to the Applicable Certificates shall be equal to the Pool Balance of the Applicable Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, without premium, but including any other amounts then due and payable to the Applicable Certificateholders under this Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Applicable Certificates; provided, however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Applicable Certificateholders as of such Record Date); provided, further that no such purchase of Applicable Certificates pursuant to clause (iii), (iv), (v) or (vi) above shall be effective unless the purchaser(s) shall certify to the Trustee that contemporaneously with such purchase, such purchaser(s) is purchasing, pursuant to the terms of this Agreement and the Intercreditor Agreement, all of the Applicable Certificates, the Class A-1 Certificates, the Class B Certificates, the Class C Certificates and the Class D Certificates that are senior to the securities held by such purchaser(s). Each payment of the purchase price of the Applicable Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 4.01(a). Each Applicable Certificateholder agrees by its acceptance of its Certificate that it will, upon payment from such Class A-1 Certificateholder(s), Class B Certificateholder(s), Class C Certificateholder(s), Class D Certificateholder(s) or Class E 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 Applicable Certificateholder in this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all Applicable Certificates held by such Applicable Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state of affairs occurring prior to such sale) and the purchaser(s) shall assume all of such Applicable Certificateholder's obligations under this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all such Applicable Certificates. The Applicable Certificates will be deemed to be purchased on the date payment of the purchase price is made

notwithstanding the failure of any Applicable Certificateholder to deliver any Applicable Certificate and, upon such a purchase, (i) the only rights of the Applicable Certificateholders will be to deliver the Applicable Certificates and (ii) if the purchaser(s) shall so request, each such Applicable Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Applicable Certificates to be issued to the purchaser(s) in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Applicable Certificates shall be borne by the purchaser(s) thereof.

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

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

## ARTICLE V

### THE CERTIFICATES

Section 5.01. Additions to Article III of the Basic Agreement. In addition to the provisions of Article III of the Basic Agreement, the following provisions shall apply to the Applicable Trust:

(a) The Initial Certificates will be issued in minimum denominations of \$100,000 or integral multiples of \$1,000 in excess thereof. The Exchange Certificates will be issued in denominations of \$1,000 or integral multiples thereof. Each Exchange Certificate shall be dated the date of its authentication;

(b) Initial Certificates offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "U.S. Global Certificate"), duly executed and authenticated by the Trustee as hereinafter provided. The U.S. Global Certificate will be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC. The aggregate principal amount of the U.S. Global Certificate may from time to time be increased or decreased by adjustments made on the records of DTC or its nominee, or of the Trustee, as custodian for DTC or its nominee, as hereinafter provided;

(c) Initial Certificates offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more temporary global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "Temporary Offshore Global Certificate") duly executed and authenticated by the Trustee as hereinafter provided. The Temporary Offshore Global Certificate will be registered in the name of a nominee of DTC for credit to the account of the Agent Members acting as depositaries for Euroclear and Clearstream and deposited with the Trustee as custodian for DTC. At any time following July 3, 2001 (the "Offshore Certificates Exchange Date"), upon receipt by the Trustee of a certificate substantially in the form of Exhibit B hereto, a single permanent global Certificate fully in registered form substantially in the form set forth in Exhibit A (the "Permanent Offshore Global Certificate"; and together with the Temporary Offshore Global Certificate, the "Offshore Global Certificates"), duly executed and authenticated by the Trustee as hereinafter provided, shall be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC, and the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of any Temporary Offshore Global Certificate in an amount equal to the principal amount of the beneficial interest in such Temporary Offshore Global Certificate transferred. The U.S. Global Certificate and the Offshore Global Certificates are sometimes referred to as the "Global Certificates";

(d) Initial Certificates offered and sold to Institutional Accredited Investors shall be issued in the form of permanent certificated Certificates in registered form in substantially the form set forth as Exhibit A hereto (the "U.S. Physical Certificates"). Certificates issued pursuant to Section 5.04(b) in exchange for interests in any Offshore Global Certificate shall be in the form of permanent certificated Certificates in fully registered form substantially in the form set forth in Exhibit A (the "Offshore Physical Certificates"). The Offshore Physical Certificates and U.S. Physical Certificates are sometimes collectively herein referred to as the "Physical Certificates";

(e) The Exchange Certificates shall be issued in the form of one or more global Certificates substantially in the form of Exhibit A hereto (each, a "Global Exchange Certificate"), except that (i) the Private Placement Legend (hereinafter defined) shall be omitted and (ii) such Exchange Certificates shall contain such appropriate insertions, omissions, substitutions and other variations from the form set forth in Exhibit A hereto relating to the nature of the Exchange Certificates as the Responsible Officer of the Trustee executing such Exchange Certificates on behalf of the Trust may determine, as evidenced by such officer's execution on behalf of the Trust of such Exchange Certificates. Such Global Exchange Certificates shall be in registered form and be registered in the name of DTC and deposited with the Trustee, at its Corporate Trust Office, as custodian for DTC. The aggregate principal amount of any Global Exchange Certificate may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC for such Global Exchange Certificate, which adjustments shall be conclusive as to the aggregate principal amount of any such Global Exchange Certificate. Subject to clause (i) and (ii) of the first sentence of this Section 5.01(e), the terms hereof applicable to U.S. Global Certificates and/or Global Certificates shall apply to the Global Exchange Certificates, mutatis mutandis;

(f) The definitive Applicable Certificates shall be in fully registered form and shall be typed, printed, lithographed or engraved or produced by any combination of these methods or

may be produced in any other manner, all as determined by the officers executing such Applicable Certificates, as evidenced by their execution of such Applicable Certificates.

Section 5.02. Restrictive Legends. (a) Subject to Section 5.05, unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case as provided for in the Registration Rights Agreement, each Global Certificate (other than the Permanent Offshore Global Certificate) and each U.S. Physical Certificate shall bear the following legend (the "Private Placement Legend") on the face thereof:

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF;



(3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND IF REQUESTED, AMERICAN AIRLINES, INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

(b) Each Global Certificate shall also bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS

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(1) Not to be included on the face of the Permanent Offshore Global Certificate.

AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT TO THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.

(c) Each Certificate shall bear the following legend on the face thereof:

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

Section 5.03. Transfer and Exchange. An Applicable Certificateholder may transfer an Applicable Certificate by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Agreement, including providing a written certificate or other evidence of compliance with any restrictions on transfer. No such transfer shall be effected until, and such transferee shall succeed to the rights of an Applicable Certificateholder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by an Applicable Certificateholder as provided herein, the Trustee shall treat the person in whose name the Applicable Certificate is registered as the owner thereof for all purposes, and the Trustee shall not be affected by notice to the contrary. Furthermore, DTC shall, by acceptance of a Global Certificate, agree that transfers of beneficial interests in such Global Certificate may be effected only through a book-entry system maintained by DTC (or its agent), and that ownership of a beneficial interest in the

Certificate shall be required to be reflected in a book entry. When Applicable Certificates are presented to the Registrar with a request to register the transfer or to exchange them for an equal face amount of Applicable Certificates of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met. To permit registrations of transfers and exchanges in accordance with the terms, conditions and restrictions hereof, the Trustee shall execute and authenticate Applicable Certificates at the Registrar's request.

Section 5.04. Book-entry Provisions for U.S. Global Certificate and Offshore Global Certificates. (a) Members of, or participants in, DTC ("Agent Members") shall have no rights under this Agreement with respect to any Global Certificate held on their behalf by DTC, or the Trustee as its custodian, and DTC may be treated by the Trustee and any agent of the Trustee as the absolute owner of such Global Certificate for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Trustee or any agent of the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or shall impair, as between DTC and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Applicable Certificate. Upon the issuance of any Global Certificate, the Registrar or its duly appointed agent shall record a nominee of DTC as the registered holder of such Global Certificate.

(b) Transfers of any Global Certificate shall be limited to transfers of such Global Certificate or Offshore Global Certificate in whole, but not in part, to nominees of DTC, its successor or such successor's nominees. Beneficial interests in the U.S. Global Certificate and any Offshore Global Certificate may be transferred in accordance with the rules and procedures of DTC and the provisions of Section 5.05. Beneficial interests in the U.S. Global Certificate or an Offshore Global Certificate shall be delivered to all beneficial owners in the form of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, if (i) DTC notifies the Trustee that it is unwilling or unable to continue as depository for the U.S. Global Certificate or such Offshore Global Certificate, as the case may be, and a successor depository is not appointed by the Trustee within 90 days of such notice or (ii) an Event of Default has occurred and Applicable Certificateholders with fractional undivided interests aggregating not less than a majority in interest in the Applicable Trust advise the Trustee, the Company and DTC through Agent Members in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the Applicable Certificateholders' best interests.

(c) Any beneficial interest in one of the Global Certificates that is transferred to a Person who takes delivery in the form of an interest in the other Global Certificate will, upon such transfer, cease to be an interest in such Global Certificate and become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Certificate for as long as it remains such an interest.

(d) In connection with the transfer of the entire U.S. Global Certificate or an entire Offshore Global Certificate to the beneficial owners thereof pursuant to paragraph (b) of this Section 5.04, such U.S. Global Certificate or Offshore Global Certificate, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Trustee shall execute, authenticate and deliver, to each beneficial owner identified by DTC in exchange for its

beneficial interest in such U.S. Global Certificate or Offshore Global Certificate, as the case may be, an equal aggregate principal amount of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, of authorized denominations.

(e) Any U.S. Physical Certificate delivered in exchange for an interest in the U.S. Global Certificate pursuant to paragraph (b) of this Section 5.04 shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the Private Placement Legend.

(f) Any Offshore Physical Certificate delivered in exchange for an interest in an Offshore Global Certificate pursuant to paragraph (b) of this Section shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the applicable legend regarding transfer restrictions set forth in Section 5.02(a).

(g) The registered holder of the U.S. Global Certificate or any Offshore Global Certificate may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Agreement or the Applicable Certificates.

Section 5.05. Special Transfer Provisions. Unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement, or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case pursuant to the Registration Rights Agreement, the following provisions shall apply to such Initial Certificates:

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of an Applicable Certificate to any Institutional Accredited Investor which is not a QIB (excluding transfers to or by Non-U.S. Persons):

(i) The Registrar shall register the transfer of any Applicable Certificate, whether or not such Applicable Certificate bears the Private Placement Legend, if (x) the requested transfer is after the time period referred to in Rule 144(k) under the Securities Act as in effect with respect to such transfer or (y) the proposed transferee has delivered to the Registrar a letter substantially in the form of Exhibit D hereto and the aggregate principal amount of the Applicable Certificates being transferred is at least \$100,000.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Certificate, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of the transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver to the transferor or at its direction, one or more U.S. Physical Certificates of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Certificate to a QIB (excluding Non-U.S. Persons):

(i) If the Initial Certificate to be transferred consists of U.S. Physical Certificates or an interest in any Temporary Offshore Global Certificate, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that it is purchasing the Initial Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it, or the Person on whose behalf it is acting with respect to any such account, is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Trust and/or the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) Upon receipt by the Registrar of the documents referred to in clause (i) above and instructions given in accordance with DTC's and the Registrar's procedures therefor, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of the U.S. Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificates or interests in the Temporary Offshore Global Certificate, as the case may be, being transferred, and the Trustee shall cancel such Physical Certificates or decrease the amount of such Temporary Offshore Global Certificate so transferred.

(c) Transfers of Interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates. The Registrar shall register any transfer of interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates without requiring any additional certification.

(d) Transfers to Non-U.S. Persons at any Time. The following provisions shall apply with respect to any registration of any transfer of an Initial Certificate to a Non-U.S. Person:

(i) Prior to the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer of an Initial Certificate to a Non-U.S. Person upon receipt of a certificate substantially in the form set forth as Exhibit C hereto from the proposed transferor.

(ii) On and after the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer to any Non-U.S. Person if the Initial Certificate to

be transferred is a U.S. Physical Certificate or an interest in the U.S. Global Certificate, upon receipt of a certificate substantially in the form of Exhibit C from the proposed transferor. The Registrar shall promptly send a copy of such certificate to the Company.

(iii) (A) Upon receipt by the Registrar of (x) the documents, if any, required by paragraph (ii) and (y) instructions in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and (B) upon receipt by the Registrar of instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificate or the U.S. Global Certificate, as the case may be, to be transferred, and the Trustee shall cancel the Physical Certificate, if any, so transferred or decrease the amount of such U.S. Global Certificate.

(e) Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates not bearing the Private Placement Legend, the Registrar shall deliver Applicable Certificates that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates bearing the Private Placement Legend, the Registrar shall deliver only Applicable Certificates that bear the Private Placement Legend unless either (i) the circumstances contemplated by paragraph (a)(i)(x) or (e)(ii) of this Section 5.05 exist or (ii) there is delivered to the Registrar an Opinion of Counsel to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(f) General. By its acceptance of any Applicable Certificate bearing the Private Placement Legend, each Holder of such an Applicable Certificate acknowledges the restrictions on transfer of such Applicable Certificate set forth in this Agreement and agrees that it will transfer such Applicable Certificate only as provided in this Agreement. The Registrar shall not register a transfer of any Applicable Certificate unless such transfer complies with the restrictions on transfer of such Applicable Certificate set forth in this Agreement. In connection with any transfer of Applicable Certificates, each Applicable Certificateholder agrees by its acceptance of the Applicable Certificates to furnish the Registrar or the Trustee such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine the sufficiency of any such certifications, legal opinions or other information.

Until such time as no Applicable Certificates remain Outstanding, the Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 5.04 or this Section 5.05. The Trustee, if not the Registrar at such time, shall have the

right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

Section 6.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Applicable Trust created hereby shall terminate upon the distribution to all Certificateholders of Applicable Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 6.02. 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 6.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE APPLICABLE CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 6.04. 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 6.05. Intention of Parties. The parties hereto intend that the Applicable Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Applicable Certificateholder of an Applicable Certificate, by its acceptance of its Applicable Certificate or a beneficial interest therein, agrees to treat the Applicable Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Applicable Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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

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

By: /s/ Alison Della Bella

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Name: Alison Della Bella  
Title: Assistant Vice President



FORM OF CERTIFICATE

REGISTERED

No. \_\_\_\_\_

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST,

PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND, IF REQUESTED, TO AMERICAN AIRLINES, INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT OF THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.](2)

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

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(1) Not to be included on the face of the Permanent Offshore Global Certificate or any Exchange Certificate.

(2) This legend to appear on Book-Entry Certificates to be deposited with the The Depository Trust Company.

[GLOBAL CERTIFICATE](1)

AMERICAN AIRLINES PASS THROUGH TRUST 2001-1A-2

6.817% AMERICAN AIRLINES [INITIAL] [EXCHANGE] PASS THROUGH  
CERTIFICATE, SERIES 2001-1A-2

Final Expected Regular Distribution Date: May 23, 2011

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 or leased to American Airlines,  
Inc.

Certificate  
No. -----

CUSIP No. ----

\$\_\_\_\_\_ Fractional Undivided Interest representing  
% of the Trust per \$1,000 face amount

THIS CERTIFIES THAT \_\_\_\_\_, for value received, is the registered  
owner of a \$\_\_\_\_\_ (\_\_\_\_\_ dollars) Fractional Undivided Interest [(as such  
amount may be increased or decreased from time to time as provided in the  
Agreement)]<sup>2</sup> in the American Airlines Pass Through Trust, Series 2001-1A-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 May 24, 2001 (the "Basic Agreement"), as supplemented by  
Trust Supplement No. 2001-1A-2 thereto dated May 24, 2001 (collectively, the  
"Agreement"), between the Trustee and American Airlines, Inc., a corporation  
incorporated under Delaware law (the "Company"), a summary of certain of the  
pertinent provisions of which is set forth below. To the extent not otherwise  
defined herein, the capitalized terms used herein have the meanings assigned to  
them in the Agreement. This Certificate is one of the duly authorized  
Certificates designated as "6.817% American Airlines [Initial] [Exchange] Pass  
Through Certificates, Series 2001-1A-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

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- (1) To be included on the face of each Global Certificate.
- (2) To be included in Global Certificates for Initial Pass Through Certificates.

"Trust Property"). Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft leased or 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 May 23 and November 23 (a "Regular Distribution Date"), commencing on November 23, 2001, 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.

[The Holder of this Certificate is entitled to the benefits of the Registration Rights Agreement, dated as of May 18, 2001, among the Company, the Trustee and the Placement Agents named therein (the "Registration Rights Agreement"). Subject to the terms of the Registration Rights Agreement, in the event that neither the consummation of the Exchange Offer nor the declaration by the Commission of a Shelf Registration to be effective (a "Registration Event") occurs on or prior to the 270th day after the date of the initial issuance of the Certificates, the interest rate per annum borne by the Certificates shall be increased by 0.50%, from and including such 270th day, to but excluding the date on which a Registration Event occurs. In the event that the Shelf Registration Statement ceases to be effective at any time during the period specified by the Registration Rights Agreement for more than 60 days, whether or not consecutive, during any 12-month period, the interest rate per annum borne by the Certificates shall be increased by 0.50% from the 61st day of the applicable 12-month period such Shelf Registration Statement ceases to be effective until such time as the Shelf Registration Statement again becomes effective.](3)

- - - - -  
(3) To be included only on each Initial Certificate.

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

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

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

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

The Certificates are issuable only as registered Certificates without coupons in minimum denominations of \$[100,000]<sup>4</sup> [1000]<sup>5</sup> Fractional Undivided Interest and integral multiples of \$1,000 in excess 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.

- - - - -
- (4) To be included only on each Initial Certificate.
  - (5) To be included on each Exchange Certificate.

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

AMERICAN AIRLINES, PASS THROUGH TRUST 2001-1A-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

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

-----  
Please print or typewrite name and address including zip code of assignee

-----  
the within Certificate and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Certificate on the books of the Company with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED  
ON ALL CERTIFICATES OTHER THAN EXCHANGE CERTIFICATES,  
PERMANENT OFFSHORE GLOBAL CERTIFICATE AND  
OFFSHORE PHYSICAL CERTIFICATES]

In connection with any transfer of this Certificate occurring prior to the date which is the earlier of (i) the date the shelf registration statement is declared effective or (ii) the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Certificate is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) this Certificate is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Certificate and the Agreement.



If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Certificate in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section [5.06] of the Trust Supplement shall have been satisfied.

Date: -----

-----  
NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

SIGNATURE GUARANTEE: -----

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: -----

-----  
NOTICE: To be executed by an executive officer

FORM OF CERTIFICATE FOR UNLEGGED CERTIFICATES

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines, 2001-1A-2 Pass Through Trust,  
Class A-2 Pass Through Trust Certificates  
(the "Certificates")

Dear Sirs:

This letter relates to U.S. \$\_\_\_\_\_ Fractional Undivided Interest of Certificates represented by a Certificate (the "Legended Certificate") which bears a legend outlining restrictions upon transfer of such Legended Certificate. Pursuant to Section 3.01 of the Pass Through Trust Agreement dated as of May 24, 2001 (the "Basic Agreement") between the Trustee and American Airlines, Inc., a Delaware corporation (the "Company"), as supplemented by Trust Supplement No. 2001-1A-2 thereto (the "Trust Supplement", and together with the Basic Agreement, the "Agreement"), we hereby certify that we are (or we will hold such securities on behalf of) a person outside the United States to whom the Certificates could be transferred in accordance with Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended. Accordingly, you are hereby requested to exchange the legended certificate for an unlegended certificate representing an identical principal amount of Certificates, all in the manner provided for in the Agreement.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Certificateholder]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION  
WITH TRANSFERS PURSUANT TO REGULATION S

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines 2001-1A-2 Pass Through Trust (the  
"Trust"), 6.817% American Airlines Pass Through Trust  
Certificates Series 2001-1A-2 (the "Certificates")

Sirs:

In connection with our proposed sale of \$\_\_\_\_\_ Fractional  
Undivided Interest of the Certificates, we confirm that such sale has been  
effected pursuant to and in accordance with Regulation S under the Securities  
Act of 1933, as amended, and, accordingly, we represent that:

(1) the offer of the Certificates was not made to a person in  
the United States;

(2) either (a) at the time the buy order was originated, the  
transferee was outside the United States or we and any person acting on our  
behalf reasonably believed that the transferee was outside the United States or  
(b) the transaction was executed in, on or through the facilities of a  
designated off-shore securities market and neither we nor any person acting on  
our behalf knows that the transaction has been pre-arranged with a buyer in the  
United States;

(3) no directed selling efforts have been made in the United  
States in contravention of the requirements of Rule 903(b) or Rule 904(b) of  
Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade  
the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period  
and the provisions of Rule 903(c)(3) or Rule 904(c)(1) of Regulation S are  
applicable thereto, we confirm that such sale has been made in accordance with  
the applicable provisions of Rule 903(c)(3) or Rule 904(c)(1), as the case may  
be.

You and American Airlines, Inc. are entitled to rely upon this  
letter and are irrevocably authorized to produce this letter or a copy hereof to  
any interested party in any administrative or legal proceedings or official  
inquiry with respect to the matters covered hereby. Terms used in this  
certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE  
DELIVERED IN CONNECTION WITH  
TRANSFERS TO NON-QIB ACCREDITED INVESTORS

Morgan Stanley & Co. Incorporated  
1585 Broadway  
New York, New York 10036

American Airlines, Inc.  
4333 Amon Carter Boulevard  
Fort Worth, Texas 76155

Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, New York 10010

State Street Bank and Trust Company  
of Connecticut, National Association,  
as Pass Through Trustee  
255 Asylum Street, Goodwin Square  
Hartford, Connecticut 06103

Salomon Smith Barney, Inc.  
390 Greenwich Street  
New York, New York 10043

Dresdner Kleinwort Wasserstein  
Securities LLC  
75 Wall Street, 31st Floor  
New York, New York 10005

[Owner Participant]

Ladies and Gentlemen:

In connection with our proposed purchase of % American Airlines Pass Through Certificates, Series 2001-1 (the "Certificates") we confirm that:

1. We have received a copy of the Offering Memorandum (the "Offering Memorandum"), relating to the Certificates and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agree to the matters stated in the section entitled "Transfer Restrictions" of such Offering Memorandum. We acknowledge that neither American Airlines, Inc. (the "Company") nor any Placement Agent, nor any person representing the Company or any Placement Agent, has made any representation with respect to the offer or sale of any Certificates.

2. We understand that any subsequent transfer of the Certificates is subject to certain restrictions and conditions set forth in the Pass Through Trust Agreement between the Company and State Street Bank and Trust Company of Connecticut, National Association (the "Trustee") relating to the Certificates, and we agree to be bound by, and not to resell, pledge or otherwise transfer the Certificates except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

3. We are purchasing Certificates having an aggregate principal amount of not less than \$100,000 and each account (if any) for which we are purchasing Certificates is purchasing Certificates having an aggregate principal amount of not less than \$100,000.

4. We understand that the Certificates have not been registered under the Securities Act, that the Certificates are being sold to us in a transaction that is exempt from the registration requirements of the Securities Act and that the Certificates may not be offered or resold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that, if we should sell any Certificates within the applicable time period referred to in Rule 144(k) of the Securities Act, we will do so only (A) to the Company or a subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) inside the United States to an Institutional Accredited Investor (as defined below) acquiring \$100,000 or more aggregate principal amount of such Certificates that, prior to such transfer, furnishes to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Certificates (the form of which letter can be obtained from the Trustee), (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act or (F) pursuant to a registration statement which has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer), and we further agree to provide any person purchasing any of the Certificates from us a notice advising such purchaser that resales of the Certificates are restricted as stated herein.

5. We understand that, on any proposed resale of any Certificates, we will be required to furnish to the Company and to the Trustee such certificates, legal opinions and other information as the Company and the Trustee may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Certificates purchased by us will bear a legend to the foregoing effect.

6. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) ("Institutional Accredited Investor") and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Certificates, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investments.

7. We are acquiring the Certificates purchased by us for our own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which we exercise sole investment discretion.

You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

By: \_\_\_\_\_  
Name:  
Title:

Securities to be Purchased:  
\$            principal amount

[DTC Letter of Representations]

SCHEDULE I-B  
TRUST SUPPLEMENT NO. 2001-1A-2

AGGREGATE EQUIPMENT PRINCIPAL PAYMENTS

DATE SCHEDULED  
PRINCIPAL  
PAYMENTS ---- -  
-----

November 23,  
2001 \$0.00 May  
23, 2002 0.00  
November 23,  
2002 0.00 May  
23, 2003 0.00  
November 23,  
2003 0.00 May  
23, 2004 0.00  
November 23,  
2004 0.00 May  
23, 2005 0.00  
November 23,  
2005 0.00 May  
23, 2006 0.00  
November 23,  
2006 0.00 May  
23, 2007 0.00  
November 23,  
2007 0.00 May  
23, 2008 0.00  
November 23,  
2008 0.00 May  
23, 2009 0.00  
November 23,  
2009 0.00 May  
23, 2010 0.00  
November 23,  
2010 0.00 May  
23, 2011  
392,209,000.00  
Total:  
\$392,209,000.00



SCHEDULE II to  
TRUST SUPPLEMENT NO. 2001-1A-2

EQUIPMENT NOTES, PRINCIPAL AMOUNTS  
AND MATURITIES

EQUIPMENT NOTES  
PRINCIPAL  
AMOUNTS

MATURITY - ----

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----- Series

2001-1A-2

Equipment Note

N9630A

2,020,198.87

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9615W

2,448,523.27

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9616G

2,395,243.39

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9617R

2,161,699.34

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9618A

2,249,253.31

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9619V

2,282,267.12

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9620D

1,943,187.30

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9622A

2,423,672.57

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9624T

2,367,383.22

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9625W

2,372,055.42

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9626F

2,332,172.86

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9628W

2,692,013.35

May 23, 2011

Series 2001-1A-

2 Equipment

Note N9629H

2,669,608.40

May 23, 2011

Series 2001-1A-

2 Equipment

Note N961TW

2,409,760.58

May 23, 2011

Series 2001-1A-

2 Equipment

Note N962TW

2,380,082.45

May 23, 2011

Series 2001-1A-

2 Equipment

Note N963TW

2,419,010.66  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N964TW  
2,402,720.30  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N965TW  
2,367,955.93  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N966TW  
2,315,892.16  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N967TW  
2,389,604.94  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N968TW  
2,389,604.94  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N969TW  
2,389,604.94  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N970TW  
2,361,933.88  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N971TW  
2,306,310.87  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N972TW  
2,242,124.79  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N9677W  
2,178,166.34  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N979TW  
2,023,864.94  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N980TW  
1,991,097.69  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N9681B  
2,186,882.81  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N982TW  
1,972,946.83  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N983TW  
1,905,956.09  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N984TW  
1,882,158.87  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N937AN  
14,552,283.53  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N944AN  
15,011,600.15  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N945AN  
15,011,600.15  
May 23, 2011

Series 2001-1A-  
2 Equipment  
Note N946AN  
15,011,600.15  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N952AA  
15,260,460.98  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N953AN  
15,118,108.22  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N954AN  
15,118,108.22  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N955AN  
15,157,281.97  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N956AN  
15,158,340.72  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N957AN  
15,528,396.53  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N788AN  
42,043,187.27  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N789AN  
42,117,954.66  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N790AN  
42,122,227.09  
May 23, 2011  
Series 2001-1A-  
2 Equipment  
Note N791AN  
42,124,891.93  
May 23, 2011  
Total:  
\$392,209,000.00

SCHEDULE III to  
TRUST SUPPLEMENT NO. 2001-1A-2

AIRCRAFT

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW  
B777-223ER  
N788AN  
B777-223ER  
N789AN  
B777-223ER  
N790AN  
B777-223ER  
N791AN  
B737-823  
N937AN  
B737-823  
N944AN  
B737-823  
N945AN  
B737-823  
N946AN  
B737-823  
N952AA  
B737-823  
N953AN  
B737-823  
N954AN  
B737-823  
N955AN  
B737-823  
N956AN  
B737-823  
N957AN

SCHEDULE IV to  
TRUST SUPPLEMENT NO. 2001-1A-2

I. Owned Aircraft  
Participation Agreement  
Indenture and Security Agreement  
Series 2001-1 A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note for  
each of the following Aircraft:

AIRCRAFT TYPE REGISTRATION NUMBER ---- ----- ----- -----
B777-223ER N788AN
B777-223ER N789AN
B777-223ER N790AN
B777-223ER N791AN
B737-823 N937AN
B737-823 N944AN
B737-823 N945AN
B737-823 N946AN
B737-823 N952AA
B737-823 N953AN
B737-823 N954AN
B737-823 N955AN
B737-823 N956AN
B737-823 N957AN

II. Leased Aircraft  
Participation Agreement  
Refunding Agreement  
Lease Agreement  
Indenture and Security Agreement  
Series 2001-1A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note  
Series 2001-1D Equipment Note  
for each of the following Aircraft:

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW

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TRUST SUPPLEMENT NO. 2001-1B

Dated as of May 24, 2001

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 May 24, 2001

American Airlines Pass Through Trust 2001-1B  
7.377% American Airlines  
Pass Through Certificates,  
Series 2001-1B

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TRUST SUPPLEMENT NO. 2001-1B

This TRUST SUPPLEMENT NO. 2001-1B, dated as of May 24, 2001 (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 May 24, 2001, 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").

WITNESSETH:

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 or Lessee of 46 aircraft described in Schedule III (collectively, the "Aircraft");

WHEREAS, pursuant to each Indenture, the Company or an Owner Trustee acting on behalf of an Owner Participant 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 or the Owner Trustee in and to the Aircraft and certain other property described therein;

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

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

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement, and the Note Purchase Agreements, the Trustee on behalf of the Applicable Trust shall purchase the Equipment Notes issued by the Company or an Owner Trustee acting on behalf of an Owner Participant 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 Applicable Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Applicable Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement 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, upon the occurrence of a Registration Event, this Trust Supplement shall become subject to the provisions of the Trust Indenture Act of 1939, as amended, 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.

Agent Members: has the meaning specified in Section 5.04 of this Trust Supplement.

Agreement: means the Basic Agreement as supplemented by this Trust Supplement.

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

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

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

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

Boeing: means The Boeing Company.

Clearstream: means Clearstream Banking, societe anonyme.

Class E Certificateholder: has the meaning specified in Section 4.01(a) of this Trust Supplement.

DTC: means The Depository Trust Company, and any successor entity to DTC as depository for the Applicable Certificates.

Euroclear: means Euroclear Bank S.A./N.V., as the operator of the Euroclear System.

Exchange Certificates: means the certificates substantially in the form of Exhibit A attached hereto issued in exchange for the Initial Certificates pursuant to the Registration Rights Agreement and authenticated hereunder.

Exchange Offer Registration Statement: has the meaning specified in the Registration Rights Agreement.

Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Global Exchange Certificate: has the meaning specified in Section 5.01(e) of this Trust Supplement.

Initial Certificates: has the meaning specified in Section 3.01 of this Trust Supplement.

Institutional Accredited Investor: means an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

Liquidity Provider: means Boeing Capital Corporation organized under the laws of Delaware, or any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

Non-U.S. Person: means a Person that is not a "U.S. Person," as defined in Regulation S.

Offering Memorandum: means the offering memorandum dated May 18, 2001 relating to the offering of the Initial Certificates.

Offshore Certificates Exchange Date: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Other Agreements: means (i) the Basic Agreement as supplemented by Trust Supplement No. 2001-1A-1 dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1A-1; (ii) the Basic Agreement as supplemented by Trust Supplement

No. 2001-1A-2 dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1A-2; (iii) the Basic Agreement as supplemented by Trust Supplement No. 2001-1C dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1C; (iv) the Basic Agreement as supplemented by Trust Supplement No. 2001-1D dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1D; and (v) if Class E Certificates are issued, the Basic Agreement as supplemented by Trust Supplement No. 2001-1E relating to American Airlines Pass Through Trust 2001-1E.

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

Other Trusts: means the American Airlines Pass Through Trust 2001-1A-1, the American Airlines Pass Through Trust 2001-1A-2, the American Airlines Pass Through Trust 2001-1C and the American Airlines Pass Through Trust 2001-1D, each created on the date hereof, and if Class E Certificates are issued, the American Airlines Pass Through Trust 2001-1E.

Permanent Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Private Placement Legend: has the meaning specified in Section 5.02(a) of this Trust Supplement.

QIB: means a qualified institutional buyer as defined in Rule 144A.

Registration Event: has the meaning set forth in the Registration Rights Agreement.

Registration Rights Agreement: means the Registration Rights Agreement dated May 18, 2001 among the Placement Agents, the Trustee, the Other Trustees and the Company, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Regulation S: means Regulation S under the Securities Act or any successor regulation thereto.

Rule 144A: means Rule 144A under the Securities Act or any successor rule thereto.

Securities Act: means the U.S. Securities Act of 1933, as amended.

Shelf Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Temporary Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Triggering Event: has the meaning assigned to such term in the Intercreditor Agreement.

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

U.S. Global Certificate: has the meaning specified in Section 5.01(b) of this Trust Supplement.

U.S. Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

## ARTICLE II

### DECLARATION OF TRUST

Section 2.01. Declaration of Trust. (a) The Trustee hereby declares the creation of a Trust, designated the "American Airlines Pass Through Trust 2001-1B" (the "Applicable Trust"), for the benefit of the Holders of the Applicable Certificates to be issued in respect of such Applicable Trust, and the initial Holders of the Applicable Certificates, as grantors of such Applicable Trust, by their respective acceptances of the Applicable Certificates, join in the creation of such Applicable Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and 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 Applicable Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

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

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

## ARTICLE III

### THE APPLICABLE CERTIFICATES

Section 3.01. The Certificates. (a) There is hereby created a series of Certificates to be issued under this Agreement designated as "7.377% American Airlines Pass Through Certificates, Series 2001-1B" (the "Initial Certificates"). The exchange certificates which may be issued and offered in exchange for the Initial Certificates pursuant to the Registration Rights Agreement shall be known as the "7.377% American Airlines Exchange Pass Through

Certificates Series 2001-1B" (the "Exchange Certificates"). The Initial Certificates and the Exchange Certificates are hereinafter defined as the "Applicable Certificates". Each Applicable Certificate represents a fractional undivided interest in the Applicable Trust created hereby. The Applicable Certificates shall be the only instruments evidencing a fractional undivided interest in the Applicable Trust.

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

(b) The aggregate face amount of the Applicable Certificates that may be authenticated and delivered under this Agreement (except for Applicable Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Applicable Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement or upon exchange of the Initial Certificates for Exchange Certificates) is \$297,430,000.

(c) The Cut-off Date is June 29, 2001.

(d) The Regular Distribution Dates with respect to any payment of Scheduled Payments means May 23 and November 23 of each year, commencing on November 23, 2001, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Applicable Trust is scheduled for payment on May 23 and November 23 in certain years, beginning on November 23, 2001 and ending on May 23, 2019 as set out in Schedules I-A and I-B.

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

(f) The Applicable Certificates shall be in the form attached hereto as Exhibit A. Subject to Section 5.01(d) of this Trust Supplement, the Applicable Certificates 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 E.

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

(h) Any Person acquiring or accepting an Applicable Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees, each Owner Participant (as defined in the Note Documents) 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 Applicable Certificates or an interest therein or (ii) the purchase and holding of Applicable Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(i) The Applicable 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 May 24, 2001, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Boeing Capital Corporation, 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 Applicable Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(j) The Applicable Certificates will have the benefit of the following Liquidity Facility: that certain Revolving Credit Agreement, dated as of May 24, 2001, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the Applicable Trust, and Boeing Capital Corporation.

(k) 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.

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

(m) The Responsible Party is the Company.

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 Applicable Certificate, each Applicable Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event,

(i) each Applicable 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 Applicable Certificateholder, provided that (A) if prior to the end of such ten-day period any other Applicable Certificateholder notifies such purchasing Applicable Certificateholder that

such other Applicable Certificateholder wants to participate in such purchase, then such other Applicable Certificateholder may join with the purchasing Applicable 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 Applicable Trust held by each such Applicable Certificateholder and (B) if prior to the end of such ten-day period any other Applicable Certificateholder fails to notify the purchasing Applicable Certificateholder of such other Applicable Certificateholder's desire to participate in such a purchase, then such other Applicable 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 Applicable Certificates, Class A-1 Certificates and the Class A-2 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 Applicable Certificates pursuant to this Section 4.01(a)(ii); and

(iii) each Class D 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, Class A-2 Certificates and Applicable Certificates pursuant to clause (i) or (ii) above) to purchase all, but not less than all, of the Applicable Certificates, the Class A-1 Certificates, the Class A-2 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 Applicable Certificates, the Class A-1 Certificates, the Class A-2 Certificates and the Class C Certificates pro rata based on the Fractional Undivided Interest in the Class D Trust held by each such Class D Certificateholder and (B) if prior to the end of such ten-day period any other Class D Certificateholder fails to notify the purchasing Class D Certificateholder of such other Class D Certificateholder's desire to participate in such a purchase, then such other Class D Certificateholder shall lose its right to purchase the Applicable Certificates, the Class A-1 Certificates, the Class A-2 Certificates and the Class C Certificates pursuant to this Section 4.01(a)(iii).

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

The purchase price with respect to the Applicable Certificates shall be equal to the Pool Balance of the Applicable Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, without premium, but including any other amounts then due and payable to the Applicable Certificateholders under this Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Applicable Certificates; provided; however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Applicable Certificateholders as of such Record Date); provided, further that no such purchase of Applicable Certificates pursuant to 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 Applicable Certificates, the Class A-1 Certificates, the Class A-2 Certificates, the Class C Certificates and the Class D Certificates that are senior to the securities held by such purchaser(s). Each payment of the purchase price of the Applicable Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 4.01(a). Each Applicable Certificateholder agrees by its acceptance of its Certificate that it will, upon payment from such Class C Certificateholder(s), Class D Certificateholder(s) or Class E 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 Applicable Certificateholder in this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all Applicable Certificates held by such Applicable Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due



and payable as respects any action or inaction or state of affairs occurring prior to such sale) and the purchaser(s) shall assume all of such Applicable Certificateholder's obligations under this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all such Applicable Certificates. The Applicable Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Applicable Certificateholder to deliver any Applicable Certificate and, upon such a purchase, (i) the only rights of the Applicable Certificateholders will be to deliver the Applicable Certificates and (ii) if the purchaser(s) shall so request, each such Applicable Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Applicable Certificates to be issued to the purchaser(s) in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Applicable Certificates shall be borne by the purchaser(s) thereof.

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

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

#### ARTICLE V

##### THE CERTIFICATES

Section 5.01. Additions to Article III of the Basic Agreement. In addition to the provisions of Article III of the Basic Agreement, the following provisions shall apply to the Applicable Trust:

(a) The Initial Certificates will be issued in minimum denominations of \$100,000 or integral multiples of \$1,000 in excess thereof. The Exchange Certificates will be issued in denominations of \$1,000 or integral multiples thereof. Each Exchange Certificate shall be dated the date of its authentication;

(b) Initial Certificates offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "U.S. Global Certificate"), duly executed and authenticated by the Trustee as hereinafter provided. The U.S.

Global Certificate will be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC. The aggregate principal amount of the U.S. Global Certificate may from time to time be increased or decreased by adjustments made on the records of DTC or its nominee, or of the Trustee, as custodian for DTC or its nominee, as hereinafter provided;

(c) Initial Certificates offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more temporary global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "Temporary Offshore Global Certificate") duly executed and authenticated by the Trustee as hereinafter provided. The Temporary Offshore Global Certificate will be registered in the name of a nominee of DTC for credit to the account of the Agent Members acting as depositaries for Euroclear and Clearstream and deposited with the Trustee as custodian for DTC. At any time following July 3, 2001 (the "Offshore Certificates Exchange Date"), upon receipt by the Trustee of a certificate substantially in the form of Exhibit B hereto, a single permanent global Certificate fully in registered form substantially in the form set forth in Exhibit A (the "Permanent Offshore Global Certificate"; and together with the Temporary Offshore Global Certificate, the "Offshore Global Certificates"), duly executed and authenticated by the Trustee as hereinafter provided, shall be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC, and the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of any Temporary Offshore Global Certificate in an amount equal to the principal amount of the beneficial interest in such Temporary Offshore Global Certificate transferred. The U.S. Global Certificate and the Offshore Global Certificates are sometimes referred to as the "Global Certificates";

(d) Initial Certificates offered and sold to Institutional Accredited Investors shall be issued in the form of permanent certificated Certificates in registered form in substantially the form set forth as Exhibit A hereto (the "U.S. Physical Certificates"). Certificates issued pursuant to Section 5.04(b) in exchange for interests in any Offshore Global Certificate shall be in the form of permanent certificated Certificates in fully registered form substantially in the form set forth in Exhibit A (the "Offshore Physical Certificates"). The Offshore Physical Certificates and U.S. Physical Certificates are sometimes collectively herein referred to as the "Physical Certificates";

(e) The Exchange Certificates shall be issued in the form of one or more global Certificates substantially in the form of Exhibit A hereto (each, a "Global Exchange Certificate"), except that (i) the Private Placement Legend (hereinafter defined) shall be omitted and (ii) such Exchange Certificates shall contain such appropriate insertions, omissions, substitutions and other variations from the form set forth in Exhibit A hereto relating to the nature of the Exchange Certificates as the Responsible Officer of the Trustee executing such Exchange Certificates on behalf of the Trust may determine, as evidenced by such officer's execution on behalf of the Trust of such Exchange Certificates. Such Global Exchange Certificates shall be in registered form and be registered in the name of DTC and deposited with the Trustee, at its Corporate Trust Office, as custodian for DTC. The aggregate principal amount of any Global Exchange Certificate may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC for such Global Exchange Certificate, which adjustments shall be conclusive as to the aggregate principal amount of any such Global Exchange Certificate. Subject to clause (i) and (ii) of the first sentence of this

Section 5.01(e), the terms hereof applicable to U.S. Global Certificates and/or Global Certificates shall apply to the Global Exchange Certificates, mutatis mutandis;

(f) The definitive Applicable Certificates shall be in fully registered form and shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner, all as determined by the officers executing such Applicable Certificates, as evidenced by their execution of such Applicable Certificates.

Section 5.02. Restrictive Legends. (a) Subject to Section 5.05, unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case as provided for in the Registration Rights Agreement, each Global Certificate (other than the Permanent Offshore Global Certificate) and each U.S. Physical Certificate shall bear the following legend (the "Private Placement Legend") on the face thereof:

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES

ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND IF REQUESTED, AMERICAN AIRLINES, INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

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(1) Not to be included on the face of the Permanent Offshore Global Certificate.

(b) Each Global Certificate shall also bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT TO THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.

(c) Each Certificate shall bear the following legend on the face thereof:

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

Section 5.03. Transfer and Exchange. An Applicable Certificateholder may transfer an Applicable Certificate by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Agreement, including providing a written certificate or other evidence of compliance with any restrictions on transfer. No such transfer shall be effected until, and such transferee shall succeed to the rights of an Applicable Certificateholder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by an Applicable Certificateholder as

provided herein, the Trustee shall treat the person in whose name the Applicable Certificate is registered as the owner thereof for all purposes, and the Trustee shall not be affected by notice to the contrary. Furthermore, DTC shall, by acceptance of a Global Certificate, agree that transfers of beneficial interests in such Global Certificate may be effected only through a book-entry system maintained by DTC (or its agent), and that ownership of a beneficial interest in the Certificate shall be required to be reflected in a book entry. When Applicable Certificates are presented to the Registrar with a request to register the transfer or to exchange them for an equal face amount of Applicable Certificates of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met. To permit registrations of transfers and exchanges in accordance with the terms, conditions and restrictions hereof, the Trustee shall execute and authenticate Applicable Certificates at the Registrar's request.

Section 5.04. Book-entry Provisions for U.S. Global Certificate and Offshore Global Certificates. (a) Members of, or participants in, DTC ("Agent Members") shall have no rights under this Agreement with respect to any Global Certificate held on their behalf by DTC, or the Trustee as its custodian, and DTC may be treated by the Trustee and any agent of the Trustee as the absolute owner of such Global Certificate for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Trustee or any agent of the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or shall impair, as between DTC and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Applicable Certificate. Upon the issuance of any Global Certificate, the Registrar or its duly appointed agent shall record a nominee of DTC as the registered holder of such Global Certificate.

(b) Transfers of any Global Certificate shall be limited to transfers of such Global Certificate or Offshore Global Certificate in whole, but not in part, to nominees of DTC, its successor or such successor's nominees. Beneficial interests in the U.S. Global Certificate and any Offshore Global Certificate may be transferred in accordance with the rules and procedures of DTC and the provisions of Section 5.05. Beneficial interests in the U.S. Global Certificate or an Offshore Global Certificate shall be delivered to all beneficial owners in the form of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, if (i) DTC notifies the Trustee that it is unwilling or unable to continue as depository for the U.S. Global Certificate or such Offshore Global Certificate, as the case may be, and a successor depository is not appointed by the Trustee within 90 days of such notice or (ii) an Event of Default has occurred and Applicable Certificateholders with fractional undivided interests aggregating not less than a majority in interest in the Applicable Trust advise the Trustee, the Company and DTC through Agent Members in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the Applicable Certificateholders' best interests.

(c) Any beneficial interest in one of the Global Certificates that is transferred to a Person who takes delivery in the form of an interest in the other Global Certificate will, upon such transfer, cease to be an interest in such Global Certificate and become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Certificate for as long as it remains such an interest.

(d) In connection with the transfer of the entire U.S. Global Certificate or an entire Offshore Global Certificate to the beneficial owners thereof pursuant to paragraph (b) of this Section 5.04, such U.S. Global Certificate or Offshore Global Certificate, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Trustee shall execute, authenticate and deliver, to each beneficial owner identified by DTC in exchange for its beneficial interest in such U.S. Global Certificate or Offshore Global Certificate, as the case may be, an equal aggregate principal amount of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, of authorized denominations.

(e) Any U.S. Physical Certificate delivered in exchange for an interest in the U.S. Global Certificate pursuant to paragraph (b) of this Section 5.04 shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the Private Placement Legend.

(f) Any Offshore Physical Certificate delivered in exchange for an interest in an Offshore Global Certificate pursuant to paragraph (b) of this Section shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the applicable legend regarding transfer restrictions set forth in Section 5.02(a).

(g) The registered holder of the U.S. Global Certificate or any Offshore Global Certificate may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Agreement or the Applicable Certificates.

Section 5.05. Special Transfer Provisions. Unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement, or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case pursuant to the Registration Rights Agreement, the following provisions shall apply to such Initial Certificates:

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of an Applicable Certificate to any Institutional Accredited Investor which is not a QIB (excluding transfers to or by Non-U.S. Persons):

(i) The Registrar shall register the transfer of any Applicable Certificate, whether or not such Applicable Certificate bears the Private Placement Legend, if (x) the requested transfer is after the time period referred to in Rule 144(k) under the Securities Act as in effect with respect to such transfer or (y) the proposed transferee has delivered to the Registrar a letter substantially in the form of Exhibit D hereto and the aggregate principal amount of the Applicable Certificates being transferred is at least \$100,000.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Certificate, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of the transfer and a decrease in the principal

amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver to the transferor or at its direction, one or more U.S. Physical Certificates of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Certificate to a QIB (excluding Non-U.S. Persons):

(i) If the Initial Certificate to be transferred consists of U.S. Physical Certificates or an interest in any Temporary Offshore Global Certificate, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that it is purchasing the Initial Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it, or the Person on whose behalf it is acting with respect to any such account, is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Trust and/or the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) Upon receipt by the Registrar of the documents referred to in clause (i) above and instructions given in accordance with DTC's and the Registrar's procedures therefor, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of the U.S. Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificates or interests in the Temporary Offshore Global Certificate, as the case may be, being transferred, and the Trustee shall cancel such Physical Certificates or decrease the amount of such Temporary Offshore Global Certificate so transferred.

(c) Transfers of Interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates. The Registrar shall register any transfer of interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates without requiring any additional certification.

(d) Transfers to Non-U.S. Persons at any Time. The following provisions shall apply with respect to any registration of any transfer of an Initial Certificate to a Non-U.S. Person:



(i) Prior to the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer of an Initial Certificate to a Non-U.S. Person upon receipt of a certificate substantially in the form set forth as Exhibit C hereto from the proposed transferor.

(ii) On and after the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer to any Non-U.S. Person if the Initial Certificate to be transferred is a U.S. Physical Certificate or an interest in the U.S. Global Certificate, upon receipt of a certificate substantially in the form of Exhibit C from the proposed transferor. The Registrar shall promptly send a copy of such certificate to the Company.

(iii) (A) Upon receipt by the Registrar of (x) the documents, if any, required by paragraph (ii) and (y) instructions in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and (B) upon receipt by the Registrar of instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificate or the U.S. Global Certificate, as the case may be, to be transferred, and the Trustee shall cancel the Physical Certificate, if any, so transferred or decrease the amount of such U.S. Global Certificate.

(e) Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates not bearing the Private Placement Legend, the Registrar shall deliver Applicable Certificates that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates bearing the Private Placement Legend, the Registrar shall deliver only Applicable Certificates that bear the Private Placement Legend unless either (i) the circumstances contemplated by paragraph (a)(i)(x) or (e)(ii) of this Section 5.05 exist or (ii) there is delivered to the Registrar an Opinion of Counsel to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(f) General. By its acceptance of any Applicable Certificate bearing the Private Placement Legend, each Holder of such an Applicable Certificate acknowledges the restrictions on transfer of such Applicable Certificate set forth in this Agreement and agrees that it will transfer such Applicable Certificate only as provided in this Agreement. The Registrar shall not register a transfer of any Applicable Certificate unless such transfer complies with the restrictions on transfer of such Applicable Certificate set forth in this Agreement. In connection with any transfer of Applicable Certificates, each Applicable Certificateholder agrees by its acceptance of the Applicable Certificates to furnish the Registrar or the Trustee such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall

not be required to determine the sufficiency of any such certifications, legal opinions or other information.

Until such time as no Applicable Certificates remain Outstanding, the Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 5.04 or this Section 5.05. The Trustee, if not the Registrar at such time, shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

#### ARTICLE VI

##### MISCELLANEOUS PROVISIONS

Section 6.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Applicable Trust created hereby shall terminate upon the distribution to all Certificateholders of Applicable Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 6.02. 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 6.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE APPLICABLE CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 6.04. 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 6.05. Intention of Parties. The parties hereto intend that the Applicable Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Applicable Certificateholder of an Applicable Certificate, by its acceptance of its Applicable Certificate or a beneficial interest therein, agrees to treat the Applicable Trust as a grantor trust for all United States federal, state

and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Applicable Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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

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

By: /s/ Alison Della Bella

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Name: Alison Della Bella  
Title: Assistant Vice President

FORM OF CERTIFICATE

REGISTERED

No. \_\_\_\_\_

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST,

PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND, IF REQUESTED, TO AMERICAN AIRLINES, INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.]2

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT OF THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.](3)

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

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(2) Not to be included on the face of the Permanent Offshore Global Certificate or any Exchange Certificate.

(3) This legend to appear on Book-Entry Certificates to be deposited with the The Depository Trust Company.

[GLOBAL CERTIFICATE](4)

AMERICAN AIRLINES PASS THROUGH TRUST 2001-1B

7.377% AMERICAN AIRLINES [INITIAL] [EXCHANGE] PASS THROUGH CERTIFICATE,  
SERIES 2001-1B

Final Expected Regular Distribution Date: May 23, 2019

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 or leased to American Airlines, Inc.

Certificate  
No. \_\_\_\_\_

CUSIP No. \_\_\_\_\_

\$\_\_\_\_\_ Fractional Undivided Interest representing  
0.000003362% of the Trust per \$1,000 face amount

THIS CERTIFIES THAT \_\_\_\_\_, for value received, is the registered owner of a \$\_\_\_\_\_ (\_\_\_\_\_ dollars) Fractional Undivided Interest [as such amount may be increased or decreased from time to time as provided in the Agreement](5) in the American Airlines Pass Through Trust, Series 2001-1B (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 May 24, 2001 (the "Basic Agreement"), as supplemented by Trust Supplement No. 2001-1B thereto dated May 24, 2001 (collectively, the "Agreement"), between the Trustee and American Airlines, Inc., a corporation incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "7.377% American Airlines [Initial] [Exchange] Pass Through Certificates, Series 2001-1B" (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

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(4) To be included on the face of each Global Certificate.

(5) To be included in Global Certificates for Initial Pass Through Certificates.

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 leased or 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 May 23 and November 23 (a "Regular Distribution Date"), commencing on November 23, 2001, 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.

[The Holder of this Certificate is entitled to the benefits of the Registration Rights Agreement, dated as of May 18, 2001, among the Company, the Trustee and the Placement Agents named therein (the "Registration Rights Agreement"). Subject to the terms of the Registration Rights Agreement, in the event that neither the consummation of the Exchange Offer nor the declaration by the Commission of a Shelf Registration to be effective (a "Registration Event") occurs on or prior to the 270th day after the date of the initial issuance of the Certificates, the interest rate per annum borne by the Certificates shall be increased by 0.50%, from and including such 270th day, to but excluding the date on which a Registration



Event occurs. In the event that the Shelf Registration Statement ceases to be effective at any time during the period specified by the Registration Rights Agreement for more than 60 days, whether or not consecutive, during any 12-month period, the interest rate per annum borne by the Certificates shall be increased by 0.50% from the 61st day of the applicable 12-month period such Shelf Registration Statement ceases to be effective until such time as the Shelf Registration Statement again becomes effective.](6)

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

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

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Certificateholders under the Agreement at any time by the Company and the Trustee with the consent of the Certificateholders holding Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the Trust. Any such consent by the Certificateholder of this Certificate shall be conclusive and binding on such Certificateholder and

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(6) To be included only on each Initial Certificate.

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 \$[100,000](7) [1000](8) Fractional Undivided Interest and integral multiples of \$1,000 in excess 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.

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(7) To be included only on each Initial Certificate.

(8) To be included on each Exchange Certificate.

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, PASS THROUGH TRUST 2001-1B

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

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

-----  
Please print or typewrite name and address including zip code of assignee

-----  
the within Certificate and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Certificate on the books of the Company with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED  
ON ALL CERTIFICATES OTHER THAN EXCHANGE CERTIFICATES,  
PERMANENT OFFSHORE GLOBAL CERTIFICATE AND  
OFFSHORE PHYSICAL CERTIFICATES]

In connection with any transfer of this Certificate occurring prior to the date which is the earlier of (i) the date the shelf registration statement is declared effective or (ii) the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Certificate is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) this Certificate is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Certificate and the Agreement.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Certificate in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section [5.06] of the Trust Supplement shall have been satisfied.

Date: \_\_\_\_\_

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NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

SIGNATURE GUARANTEE: \_\_\_\_\_

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date: \_\_\_\_\_

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NOTICE: To be executed by an executive officer

FORM OF CERTIFICATE FOR UNLEGGED CERTIFICATES

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines, 2001-1B Pass Through Trust, Class B  
Pass Through Trust Certificates (the "Certificates")

Dear Sirs:

This letter relates to U.S. \$\_\_\_\_\_ Fractional Undivided Interest of Certificates represented by a Certificate (the "Legended Certificate") which bears a legend outlining restrictions upon transfer of such Legended Certificate. Pursuant to Section 3.01 of the Pass Through Trust Agreement dated as of May 24, 2001 (the "Basic Agreement") between the Trustee and American Airlines, Inc., a Delaware corporation (the "Company"), as supplemented by Trust Supplement No. 2001-1B thereto (the "Trust Supplement", and together with the Basic Agreement, the "Agreement"), we hereby certify that we are (or we will hold such securities on behalf of) a person outside the United States to whom the Certificates could be transferred in accordance with Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended. Accordingly, you are hereby requested to exchange the legended certificate for an unlegended certificate representing an identical principal amount of Certificates, all in the manner provided for in the Agreement.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Certificateholder]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION  
WITH TRANSFERS PURSUANT TO REGULATION S

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines 2001-1B Pass Through Trust (the  
"Trust"), 7.377% American Airlines Pass Through Trust  
Certificates Series 2001-1B (the "Certificates")

Sirs:

In connection with our proposed sale of \$\_\_\_\_\_ Fractional  
Undivided Interest of the Certificates, we confirm that such sale has been  
effected pursuant to and in accordance with Regulation S under the Securities  
Act of 1933, as amended, and, accordingly, we represent that:

(1) the offer of the Certificates was not made to a person in  
the United States;

(2) either (a) at the time the buy order was originated, the  
transferee was outside the United States or we and any person acting on our  
behalf reasonably believed that the transferee was outside the United States or  
(b) the transaction was executed in, on or through the facilities of a  
designated off-shore securities market and neither we nor any person acting on  
our behalf knows that the transaction has been pre-arranged with a buyer in the  
United States;

(3) no directed selling efforts have been made in the United  
States in contravention of the requirements of Rule 903(b) or Rule 904(b) of  
Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade  
the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period  
and the provisions of Rule 903(c)(3) or Rule 904(c)(1) of Regulation S are  
applicable thereto, we confirm that such sale has been made in accordance with  
the applicable provisions of Rule 903(c)(3) or Rule 904(c)(1), as the case may  
be.

You and American Airlines, Inc. are entitled to rely upon this  
letter and are irrevocably authorized to produce this letter or a copy hereof to  
any interested party in any administrative or legal proceedings or official  
inquiry with respect to the matters covered hereby. Terms used in this  
certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature



FORM OF CERTIFICATE TO BE  
DELIVERED IN CONNECTION WITH  
TRANSFERS TO NON-QIB ACCREDITED INVESTORS

Morgan Stanley & Co. Incorporated  
1585 Broadway  
New York, New York 10036

American Airlines, Inc.  
4333 Amon Carter Boulevard  
Fort Worth, Texas 76155

Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, New York 10010

State Street Bank and Trust Company of  
Connecticut, National Association,  
as Pass Through Trustee  
255 Asylum Street, Goodwin Square  
Hartford, Connecticut 06103

Salomon Smith Barney, Inc.  
390 Greenwich Street  
New York, New York 10043

Dresdner Kleinwort Wasserstein Securities LLC [Owner Participant]  
75 Wall Street, 31st Floor  
New York, New York 10005

Ladies and Gentlemen:

In connection with our proposed purchase of % American Airlines Pass Through Certificates, Series 2001-1 (the "Certificates") we confirm that:

1. We have received a copy of the Offering Memorandum (the "Offering Memorandum"), relating to the Certificates and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agree to the matters stated in the section entitled "Transfer Restrictions" of such Offering Memorandum. We acknowledge that neither American Airlines, Inc. (the "Company") nor any Placement Agent, nor any person representing the Company or any Placement Agent, has made any representation with respect to the offer or sale of any Certificates.

2. We understand that any subsequent transfer of the Certificates is subject to certain restrictions and conditions set forth in the Pass Through Trust Agreement between the Company and State Street Bank and Trust Company of Connecticut, National Association (the "Trustee") relating to the Certificates, and we agree to be bound by, and not to resell, pledge or otherwise transfer the Certificates except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

3. We are purchasing Certificates having an aggregate principal amount of not less than \$100,000 and each account (if any) for which we are purchasing Certificates is purchasing Certificates having an aggregate principal amount of not less than \$100,000.

4. We understand that the Certificates have not been registered under the Securities Act, that the Certificates are being sold to us in a transaction that is exempt from the registration requirements of the Securities Act and that the Certificates may not be offered or resold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that, if we should sell any Certificates within the applicable time period referred to in Rule 144(k) of the Securities Act, we will do so only (A) to the Company or a subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) inside the United States to an Institutional Accredited Investor (as defined below) acquiring \$100,000 or more aggregate principal amount of such Certificates that, prior to such transfer, furnishes to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Certificates (the form of which letter can be obtained from the Trustee), (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act or (F) pursuant to a registration statement which has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer), and we further agree to provide any person purchasing any of the Certificates from us a notice advising such purchaser that resales of the Certificates are restricted as stated herein.

5. We understand that, on any proposed resale of any Certificates, we will be required to furnish to the Company and to the Trustee such certificates, legal opinions and other information as the Company and the Trustee may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Certificates purchased by us will bear a legend to the foregoing effect.

6. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) ("Institutional Accredited Investor") and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Certificates, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investments.

7. We are acquiring the Certificates purchased by us for our own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which we exercise sole investment discretion.

You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

By: \_\_\_\_\_

Name:  
Title:

Securities to be Purchased:  
\$ principal amount

[DTC Letter of Representations]

SCHEDULE I-B  
TRUST SUPPLEMENT NO. 2001-1B

AGGREGATE EQUIPMENT PRINCIPAL PAYMENTS

DATE SCHEDULED  
PRINCIPAL  
PAYMENTS - ----  
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November 23,  
2001 \$  
4,974,098.16  
May 23, 2002  
12,602,932.83  
November 23,  
2002  
10,057,434.29  
May 23, 2003  
12,369,352.14  
November 23,  
2003  
9,187,622.90  
May 23, 2004  
10,816,510.95  
November 23,  
2004  
10,178,890.44  
May 23, 2005  
13,422,448.09  
November 23,  
2005  
9,824,416.45  
May 23, 2006  
13,056,618.98  
November 23,  
2006  
9,142,634.84  
May 23, 2007  
10,759,248.70  
November 23,  
2007  
7,483,794.40  
May 23, 2008  
8,055,385.48  
November 23,  
2008  
4,288,185.07  
May 23, 2009  
11,495,524.46  
November 23,  
2009 0.00 May  
23, 2010  
4,568,835.33  
November 23,  
2010  
5,061,742.55  
May 23, 2011  
66,626,930.76  
November 23,  
2011 0.00 May  
23, 2012  
4,446,425.26  
November 23,  
2012  
1,484,663.31  
May 23, 2013  
4,974,098.16  
November 23,  
2013  
2,622,433.04  
May 23, 2014  
4,974,098.16  
November 23,  
2014  
3,825,794.78  
May 23, 2015  
4,974,098.16  
November 23,  
2015  
4,891,553.65  
May 23, 2016  
4,974,098.16  
November 23,  
2016  
4,974,098.16  
May 23, 2017  
4,902,152.23  
November 23,  
2017  
4,715,491.56  
May 23, 2018  
4,405,113.80  
November 23,  
2018

3,884,409.91

May 23, 2019

3,408,864.84

Total:

\$297,430,000.00

SCHEDULE II to  
TRUST SUPPLEMENT NO. 2001-1B

EQUIPMENT NOTES, PRINCIPAL AMOUNTS  
AND MATURITIES

EQUIPMENT NOTES  
PRINCIPAL  
AMOUNTS

MATURITY - ----

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----- Series

2001-1B

Equipment Note

N9630A

3,646,489.49

May 23, 2019

Series 2001-1B

Equipment Note

N9615W

3,646,489.50

May 23, 2017

Series 2001-1B

Equipment Note

N9616G

3,646,489.50

November 23,

2017 Series

2001-1B

Equipment Note

N9617R

2,827,921.99

November 23,

2018 Series

2001-1B

Equipment Note

N9618A

3,646,489.50

November 23,

2017 Series

2001-1B

Equipment Note

N9619V

3,646,489.50

May 23, 2018

Series 2001-1B

Equipment Note

N9620D

3,020,669.99

May 23, 2019

Series 2001-1B

Equipment Note

N9622A

3,646,489.50

May 23, 2018

Series 2001-1B

Equipment Note

N9624T

3,646,489.49

May 23, 2018

Series 2001-1B

Equipment Note

N9625W

3,646,489.49

November 23,

2018 Series

2001-1B

Equipment Note

N9626F

3,646,489.49

November 23,

2018 Series

2001-1B

Equipment Note

N9628W

3,646,489.49

May 23, 2019

Series 2001-1B

Equipment Note

N9629H

3,646,489.49

May 23, 2019

Series 2001-1B

Equipment Note

N961TW

3,646,489.49

May 23, 2019

Series 2001-1B

Equipment Note

N962TW

3,646,489.50

May 23, 2019

Series 2001-1B  
Equipment Note  
N963TW  
3,646,489.50  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N964TW  
3,646,489.51  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N965TW  
3,761,192.75  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N966TW  
3,818,909.00  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N967TW  
4,060,928.49  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N968TW  
4,382,461.75  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N969TW  
4,530,232.48  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N970TW  
4,526,246.49  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N971TW  
4,526,246.48  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N972TW  
4,526,246.48  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N9677W  
3,780,004.24  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N979TW  
4,404,806.48  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N980TW  
4,404,806.48  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N9681B  
4,018,770.74  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N982TW  
4,355,222.48  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N983TW  
4,355,222.48  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N984TW  
4,355,222.47  
May 23, 2019  
Series 2001-1B  
Equipment Note  
N937AN  
7,938,712.31  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N944AN  
8,011,417.49  
May 23, 2011  
Series 2001-1B  
Equipment Note



N945AN  
8,011,417.49  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N946AN  
8,011,417.49  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N952AA  
8,142,979.22  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N953AN  
8,317,240.88  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N954AN  
8,317,240.88  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N955AN  
8,338,590.74  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N956AN  
8,339,167.76  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N957AN  
8,361,671.74  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N788AN  
22,790,186.21  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N789AN  
22,830,577.94  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N790AN  
22,832,886.03  
May 23, 2011  
Series 2001-1B  
Equipment Note  
N791AN  
22,834,040.11  
May 23, 2011  
Total:  
\$297,430,000.00

SCHEDULE III to  
TRUST SUPPLEMENT NO. 2001-1B

AIRCRAFT

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER - - -  
-----  
-----  
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MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW  
B777-223ER  
N788AN  
B777-223ER  
N789AN  
B777-223ER  
N790AN  
B777-223ER  
N791AN  
B737-823  
N937AN  
B737-823  
N944AN  
B737-823  
N945AN  
B737-823  
N946AN  
B737-823  
N952AA  
B737-823  
N953AN  
B737-823  
N954AN  
B737-823  
N955AN  
B737-823  
N956AN  
B737-823  
N957AN

SCHEDULE IV to  
TRUST SUPPLEMENT NO. 2001-1B

I. Owned Aircraft  
Participation Agreement  
Indenture and Security Agreement  
Series 2001-1 A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note for  
each of the following Aircraft:

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER - - -  
-----  
-----

- B777-223ER  
N788AN
- B777-223ER  
N789AN
- B777-223ER  
N790AN
- B777-223ER  
N791AN
- B737-823  
N937AN
- B737-823  
N944AN
- B737-823  
N945AN
- B737-823  
N946AN
- B737-823  
N952AA
- B737-823  
N953AN
- B737-823  
N954AN
- B737-823  
N955AN
- B737-823  
N956AN
- B737-823  
N957AN

II. Leased Aircraft  
Participation Agreement  
Refunding Agreement  
Lease Agreement  
Indenture and Security Agreement  
Series 2001-1A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note  
Series 2001-1D Equipment Note for  
each of the following Aircraft:

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER - -  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW

=====

TRUST SUPPLEMENT NO. 2001-1C

Dated as of May 24, 2001

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 May 24, 2001

American Airlines Pass Through Trust 2001-1C  
7.379% American Airlines  
Pass Through Certificates,  
Series 2001-1C

=====

TRUST SUPPLEMENT NO. 2001-1C

This TRUST SUPPLEMENT NO. 2001-1C, dated as of May 24, 2001 (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 May 24, 2001, 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").

WITNESSETH:

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 or Lessee of 46 aircraft described in Schedule III (collectively, the "Aircraft");

WHEREAS, pursuant to each Indenture, the Company or an Owner Trustee acting on behalf of an Owner Participant 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 or the Owner Trustee in and to the Aircraft and certain other property described therein;

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

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

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement, and the Note Purchase Agreements, the Trustee on behalf of the Applicable Trust shall purchase the Equipment Notes issued by the Company or an Owner Trustee acting on behalf of an Owner Participant 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 Applicable Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Applicable Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement 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, upon the occurrence of a Registration Event, this Trust Supplement shall become subject to the provisions of the Trust Indenture Act of 1939, as amended, 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.

Agent Members: has the meaning specified in Section 5.04 of this Trust Supplement.

Agreement: means the Basic Agreement as supplemented by this Trust Supplement.

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

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

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

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

Boeing: means The Boeing Company.

Clearstream: means Clearstream Banking, societe anonyme.

Class E Certificateholder: has the meaning specified in Section 4.01(a) of this Trust Supplement.

DTC: means The Depository Trust Company, and any successor entity to DTC as depository for the Applicable Certificates.

Euroclear: means Euroclear Bank S.A./N.V., as the operator of the Euroclear System.

Exchange Certificates: means the certificates substantially in the form of Exhibit A attached hereto issued in exchange for the Initial Certificates pursuant to the Registration Rights Agreement and authenticated hereunder.

Exchange Offer Registration Statement: has the meaning specified in the Registration Rights Agreement.

Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Global Exchange Certificate: has the meaning specified in Section 5.01(e) of this Trust Supplement.

Initial Certificates: has the meaning specified in Section 3.01 of this Trust Supplement.

Institutional Accredited Investor: means an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

Liquidity Provider: means Boeing Capital Corporation organized under the laws of Delaware, or any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

Non-U.S. Person: means a Person that is not a "U.S. Person," as defined in Regulation S.

Offering Memorandum: means the offering memorandum dated May 18, 2001 relating to the offering of the Initial Certificates.

Offshore Certificates Exchange Date: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.



Other Agreements: means (i) the Basic Agreement as supplemented by Trust Supplement No. 2001-1A-1 dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1A-1; (ii) the Basic Agreement as supplemented by Trust Supplement No. 2001-1A-2 dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1A-2; (iii) the Basic Agreement as supplemented by Trust Supplement No. 2001-1B dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1B; (iv) the Basic Agreement as supplemented by Trust Supplement No. 2001-1D dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1D; and (v) if Class E Certificates are issued, the Basic Agreement as supplemented by Trust Supplement No. 2001-1E relating to American Airlines Pass Through Trust 2001-1E.

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

Other Trusts: means the American Airlines Pass Through Trust 2001-1A-1, the American Airlines Pass Through Trust 2001-1A-2, the American Airlines Pass Through Trust 2001-1B and the American Airlines Pass Through Trust 2001-1D, each created on the date hereof, and if Class E Certificates are issued, the American Airlines Pass Through Trust 2001-1E.

Permanent Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Private Placement Legend: has the meaning specified in Section 5.02(a) of this Trust Supplement.

QIB: means a qualified institutional buyer as defined in Rule 144A.

Registration Event: has the meaning set forth in the Registration Rights Agreement.

Registration Rights Agreement: means the Registration Rights Agreement dated May 18, 2001 among the Placement Agents, the Trustee, the Other Trustees and the Company, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Regulation S: means Regulation S under the Securities Act or any successor regulation thereto.

Rule 144A: means Rule 144A under the Securities Act or any successor rule thereto.

Securities Act: means the U.S. Securities Act of 1933, as amended.

Shelf Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Temporary Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Triggering Event: has the meaning assigned to such term in the Intercreditor Agreement.

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

U.S. Global Certificate: has the meaning specified in Section 5.01(b) of this Trust Supplement.

U.S. Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

## 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 2001-1C" (the "Applicable Trust"), for the benefit of the Holders of the Applicable Certificates to be issued in respect of such Applicable Trust, and the initial Holders of the Applicable Certificates, as grantors of such Applicable Trust, by their respective acceptances of the Applicable Certificates, join in the creation of such Applicable Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and 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 Applicable Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

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

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

ARTICLE III

THE APPLICABLE CERTIFICATES

Section 3.01. The Certificates.

There is hereby created a series of Certificates to be issued under this Agreement designated as "7.379% American Airlines Pass Through Certificates, Series 2001-1C" (the "Initial Certificates"). The exchange certificates which may be issued and offered in exchange for the Initial Certificates pursuant to the Registration Rights Agreement shall be known as the "7.379% American Airlines Exchange Pass Through Certificates Series 2001-1C" (the "Exchange Certificates"). The Initial Certificates and the Exchange Certificates are hereinafter defined as the "Applicable Certificates". Each Applicable Certificate represents a fractional undivided interest in the Applicable Trust created hereby. The Applicable Certificates shall be the only instruments evidencing a fractional undivided interest in the Applicable Trust.

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

(a) The aggregate face amount of the Applicable Certificates that may be authenticated and delivered under this Agreement (except for Applicable Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Applicable Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement or upon exchange of the Initial Certificates for Exchange Certificates) is \$183,530,000.

(b) The Cut-off Date is June 29, 2001.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means May 23 and November 23 of each year, commencing on November 23, 2001, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Applicable Trust is scheduled for payment on May 23 and November 23 in certain years, beginning on November 23, 2001 and ending on May 23, 2016 as set out in Schedules I-A and I-B.

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

(e) The Applicable Certificates shall be in the form attached hereto as Exhibit A. Subject to Section 5.01(d) of this Trust Supplement, the Applicable Certificates 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 E.

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

(g) Any Person acquiring or accepting an Applicable Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the

Company, the Loan Trustees, each Owner Participant (as defined in the Note Documents) 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 Applicable Certificates or an interest therein or (ii) the purchase and holding of Applicable Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(h) The Applicable 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 May 24, 2001, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Boeing Capital Corporation, 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 Applicable Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) The Applicable Certificates will have the benefit of the following Liquidity Facility: that certain Revolving Credit Agreement, dated as of May 24, 2001, between State Street Bank and Trust Company of Connecticut, National Association, as Subordination Agent under the Intercreditor Agreement, as agent and trustee for the Applicable Trust, and Boeing Capital Corporation.

(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 Applicable Certificates at any price in the open market and may hold such Applicable Certificates to maturity.

(l) The Responsible Party is the Company.

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 Applicable Certificate, each Applicable Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event,

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

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

The purchase price with respect to the Applicable Certificates shall be equal to the Pool Balance of the Applicable Certificates, together with accrued and unpaid interest in respect thereof to the date of such purchase, without premium, but including any other amounts then due and payable to the Applicable Certificateholders under this Agreement, the Intercreditor Agreement or any Note Document or on or in respect of the Applicable Certificates; provided, however, that if such purchase occurs after the Record Date relating to any Distribution Date, such purchase price shall be reduced by the amount to be distributed hereunder on such related Distribution Date (which deducted amounts shall remain distributable to, and may be retained by, the Applicable Certificateholders as of such Record Date); provided, further that no such purchase of Applicable Certificates pursuant to 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 Applicable Certificates, the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class D Certificates that are senior to the securities held by such purchaser(s). Each payment of the purchase price of the Applicable Certificates referred to in the first sentence hereof shall be made to an account or accounts designated by the Trustee and each such purchase shall be subject to the terms of this Section 4.01(a). Each Applicable Certificateholder agrees by its acceptance of its Certificate that it will, upon payment from such Class D Certificateholder(s) or Class E 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 Applicable Certificateholder in this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all Applicable Certificates held by such Applicable Certificateholder (excluding all right, title and interest under any of the foregoing to the extent such right, title or interest is with respect to an obligation not then due and payable as respects any action or inaction or state

of affairs occurring prior to such sale) and the purchaser(s) shall assume all of such Applicable Certificateholder's obligations under this Agreement, the Intercreditor Agreement, the Liquidity Facility, the Note Documents and all such Applicable Certificates. The Applicable Certificates will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Applicable Certificateholder to deliver any Applicable Certificate and, upon such a purchase, (i) the only rights of the Applicable Certificateholders will be to deliver the Applicable Certificates and (ii) if the purchaser(s) shall so request, each such Applicable Certificateholder will comply with all the provisions of Section 3.04 of the Basic Agreement to enable new Applicable Certificates to be issued to the purchaser(s) in such denominations as it shall request. All charges and expenses in connection with the issuance of any such new Applicable Certificates shall be borne by the purchaser(s) thereof.

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

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

#### ARTICLE V

##### THE CERTIFICATES

Section 5.01. Additions to Article III of the Basic Agreement. In addition to the provisions of Article III of the Basic Agreement, the following provisions shall apply to the Applicable Trust:

(a) The Initial Certificates will be issued in minimum denominations of \$100,000 or integral multiples of \$1,000 in excess thereof. The Exchange Certificates will be issued in denominations of \$1,000 or integral multiples thereof. Each Exchange Certificate shall be dated the date of its authentication;

(b) Initial Certificates offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "U.S. Global Certificate"), duly executed and authenticated by the Trustee as hereinafter provided. The U.S. Global Certificate will be registered in the name of a nominee for DTC and deposited with the

Trustee, as custodian for DTC. The aggregate principal amount of the U.S. Global Certificate may from time to time be increased or decreased by adjustments made on the records of DTC or its nominee, or of the Trustee, as custodian for DTC or its nominee, as hereinafter provided;

(c) Initial Certificates offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more temporary global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "Temporary Offshore Global Certificate") duly executed and authenticated by the Trustee as hereinafter provided. The Temporary Offshore Global Certificate will be registered in the name of a nominee of DTC for credit to the account of the Agent Members acting as depositaries for Euroclear and Clearstream and deposited with the Trustee as custodian for DTC. At any time following July 3, 2001 (the "Offshore Certificates Exchange Date"), upon receipt by the Trustee of a certificate substantially in the form of Exhibit B hereto, a single permanent global Certificate fully in registered form substantially in the form set forth in Exhibit A (the "Permanent Offshore Global Certificate"; and together with the Temporary Offshore Global Certificate, the "Offshore Global Certificates"), duly executed and authenticated by the Trustee as hereinafter provided, shall be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC, and the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of any Temporary Offshore Global Certificate in an amount equal to the principal amount of the beneficial interest in such Temporary Offshore Global Certificate transferred. The U.S. Global Certificate and the Offshore Global Certificates are sometimes referred to as the "Global Certificates";

(d) Initial Certificates offered and sold to Institutional Accredited Investors shall be issued in the form of permanent certificated Certificates in registered form in substantially the form set forth as Exhibit A hereto (the "U.S. Physical Certificates"). Certificates issued pursuant to Section 5.04(b) in exchange for interests in any Offshore Global Certificate shall be in the form of permanent certificated Certificates in fully registered form substantially in the form set forth in Exhibit A (the "Offshore Physical Certificates"). The Offshore Physical Certificates and U.S. Physical Certificates are sometimes collectively herein referred to as the "Physical Certificates";

(e) The Exchange Certificates shall be issued in the form of one or more global Certificates substantially in the form of Exhibit A hereto (each, a "Global Exchange Certificate"), except that (i) the Private Placement Legend (hereinafter defined) shall be omitted and (ii) such Exchange Certificates shall contain such appropriate insertions, omissions, substitutions and other variations from the form set forth in Exhibit A hereto relating to the nature of the Exchange Certificates as the Responsible Officer of the Trustee executing such Exchange Certificates on behalf of the Trust may determine, as evidenced by such officer's execution on behalf of the Trust of such Exchange Certificates. Such Global Exchange Certificates shall be in registered form and be registered in the name of DTC and deposited with the Trustee, at its Corporate Trust Office, as custodian for DTC. The aggregate principal amount of any Global Exchange Certificate may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC for such Global Exchange Certificate, which adjustments shall be conclusive as to the aggregate principal amount of any such Global Exchange Certificate. Subject to clause (i) and (ii) of the first sentence of this



Section 5.01(e), the terms hereof applicable to U.S. Global Certificates and/or Global Certificates shall apply to the Global Exchange Certificates, mutatis mutandis;

(f) The definitive Applicable Certificates shall be in fully registered form and shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner, all as determined by the officers executing such Applicable Certificates, as evidenced by their execution of such Applicable Certificates.

Section 5.02. Restrictive Legends. (a) Subject to Section 5.05, unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case as provided for in the Registration Rights Agreement, each Global Certificate (other than the Permanent Offshore Global Certificate) and each U.S. Physical Certificate shall bear the following legend (the "Private Placement Legend") on the face thereof:

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES

ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND IF REQUESTED, AMERICAN AIRLINES, INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

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(1) Not to be included on the face of the Permanent Offshore Global Certificate.

(b) Each Global Certificate shall also bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT TO THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.

(c) Each Certificate shall bear the following legend on the face thereof:

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

Section 5.03. Transfer and Exchange. An Applicable Certificateholder may transfer an Applicable Certificate by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Agreement, including providing a written certificate or other evidence of compliance with any restrictions on transfer. No such transfer shall be effected until, and such transferee shall succeed to the rights of an Applicable Certificateholder only upon, final acceptance and registration of the transfer by the Registrar in

the Register. Prior to the registration of any transfer by an Applicable Certificateholder as provided herein, the Trustee shall treat the person in whose name the Applicable Certificate is registered as the owner thereof for all purposes, and the Trustee shall not be affected by notice to the contrary. Furthermore, DTC shall, by acceptance of a Global Certificate, agree that transfers of beneficial interests in such Global Certificate may be effected only through a book-entry system maintained by DTC (or its agent), and that ownership of a beneficial interest in the Certificate shall be required to be reflected in a book entry. When Applicable Certificates are presented to the Registrar with a request to register the transfer or to exchange them for an equal face amount of Applicable Certificates of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met. To permit registrations of transfers and exchanges in accordance with the terms, conditions and restrictions hereof, the Trustee shall execute and authenticate Applicable Certificates at the Registrar's request.

Section 5.04. Book-entry Provisions for U.S. Global Certificate and Offshore Global Certificates. (a) Members of, or participants in, DTC ("Agent Members") shall have no rights under this Agreement with respect to any Global Certificate held on their behalf by DTC, or the Trustee as its custodian, and DTC may be treated by the Trustee and any agent of the Trustee as the absolute owner of such Global Certificate for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Trustee or any agent of the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or shall impair, as between DTC and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Applicable Certificate. Upon the issuance of any Global Certificate, the Registrar or its duly appointed agent shall record a nominee of DTC as the registered holder of such Global Certificate.

(b) Transfers of any Global Certificate shall be limited to transfers of such Global Certificate or Offshore Global Certificate in whole, but not in part, to nominees of DTC, its successor or such successor's nominees. Beneficial interests in the U.S. Global Certificate and any Offshore Global Certificate may be transferred in accordance with the rules and procedures of DTC and the provisions of Section 5.05. Beneficial interests in the U.S. Global Certificate or an Offshore Global Certificate shall be delivered to all beneficial owners in the form of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, if (i) DTC notifies the Trustee that it is unwilling or unable to continue as depository for the U.S. Global Certificate or such Offshore Global Certificate, as the case may be, and a successor depository is not appointed by the Trustee within 90 days of such notice or (ii) an Event of Default has occurred and Applicable Certificateholders with fractional undivided interests aggregating not less than a majority in interest in the Applicable Trust advise the Trustee, the Company and DTC through Agent Members in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the Applicable Certificateholders' best interests.

(c) Any beneficial interest in one of the Global Certificates that is transferred to a Person who takes delivery in the form of an interest in the other Global Certificate will, upon such transfer, cease to be an interest in such Global Certificate and become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if

any, and other procedures applicable to beneficial interests in such other Global Certificate for as long as it remains such an interest.

(d) In connection with the transfer of the entire U.S. Global Certificate or an entire Offshore Global Certificate to the beneficial owners thereof pursuant to paragraph (b) of this Section 5.04, such U.S. Global Certificate or Offshore Global Certificate, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Trustee shall execute, authenticate and deliver, to each beneficial owner identified by DTC in exchange for its beneficial interest in such U.S. Global Certificate or Offshore Global Certificate, as the case may be, an equal aggregate principal amount of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, of authorized denominations.

(e) Any U.S. Physical Certificate delivered in exchange for an interest in the U.S. Global Certificate pursuant to paragraph (b) of this Section 5.04 shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the Private Placement Legend.

(f) Any Offshore Physical Certificate delivered in exchange for an interest in an Offshore Global Certificate pursuant to paragraph (b) of this Section shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the applicable legend regarding transfer restrictions set forth in Section 5.02(a).

(g) The registered holder of the U.S. Global Certificate or any Offshore Global Certificate may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Agreement or the Applicable Certificates.

Section 5.05. Special Transfer Provisions. Unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement, or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case pursuant to the Registration Rights Agreement, the following provisions shall apply to such Initial Certificates:

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of an Applicable Certificate to any Institutional Accredited Investor which is not a QIB (excluding transfers to or by Non-U.S. Persons):

(i) The Registrar shall register the transfer of any Applicable Certificate, whether or not such Applicable Certificate bears the Private Placement Legend, if (x) the requested transfer is after the time period referred to in Rule 144(k) under the Securities Act as in effect with respect to such transfer or (y) the proposed transferee has delivered to the Registrar a letter substantially in the form of Exhibit D hereto and the aggregate principal amount of the Applicable Certificates being transferred is at least \$100,000.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Certificate, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in

accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of the transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver to the transferor or at its direction, one or more U.S. Physical Certificates of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Certificate to a QIB (excluding Non-U.S. Persons):

(i) If the Initial Certificate to be transferred consists of U.S. Physical Certificates or an interest in any Temporary Offshore Global Certificate, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that it is purchasing the Initial Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it, or the Person on whose behalf it is acting with respect to any such account, is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Trust and/or the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) Upon receipt by the Registrar of the documents referred to in clause (i) above and instructions given in accordance with DTC's and the Registrar's procedures therefor, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of the U.S. Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificates or interests in the Temporary Offshore Global Certificate, as the case may be, being transferred, and the Trustee shall cancel such Physical Certificates or decrease the amount of such Temporary Offshore Global Certificate so transferred.

(c) Transfers of Interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates. The Registrar shall register any transfer of interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates without requiring any additional certification.

(d) Transfers to Non-U.S. Persons at any Time. The following provisions shall apply with respect to any registration of any transfer of an Initial Certificate to a Non-U.S. Person:

(i) Prior to the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer of an Initial Certificate to a Non-U.S. Person upon receipt of a certificate substantially in the form set forth as Exhibit C hereto from the proposed transferor.

(ii) On and after the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer to any Non-U.S. Person if the Initial Certificate to be transferred is a U.S. Physical Certificate or an interest in the U.S. Global Certificate, upon receipt of a certificate substantially in the form of Exhibit C from the proposed transferor. The Registrar shall promptly send a copy of such certificate to the Company.

(iii) (A) Upon receipt by the Registrar of (x) the documents, if any, required by paragraph (ii) and (y) instructions in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and (B) upon receipt by the Registrar of instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificate or the U.S. Global Certificate, as the case may be, to be transferred, and the Trustee shall cancel the Physical Certificate, if any, so transferred or decrease the amount of such U.S. Global Certificate.

(e) Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates not bearing the Private Placement Legend, the Registrar shall deliver Applicable Certificates that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates bearing the Private Placement Legend, the Registrar shall deliver only Applicable Certificates that bear the Private Placement Legend unless either (i) the circumstances contemplated by paragraph (a)(i)(x) or (e)(ii) of this Section 5.05 exist or (ii) there is delivered to the Registrar an Opinion of Counsel to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(f) General. By its acceptance of any Applicable Certificate bearing the Private Placement Legend, each Holder of such an Applicable Certificate acknowledges the restrictions on transfer of such Applicable Certificate set forth in this Agreement and agrees that it will transfer such Applicable Certificate only as provided in this Agreement. The Registrar shall not register a transfer of any Applicable Certificate unless such transfer complies with the restrictions on transfer of such Applicable Certificate set forth in this Agreement. In connection with any transfer of Applicable Certificates, each Applicable Certificateholder agrees by its

acceptance of the Applicable Certificates to furnish the Registrar or the Trustee such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine the sufficiency of any such certifications, legal opinions or other information.

Until such time as no Applicable Certificates remain Outstanding, the Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 5.04 or this Section 5.05. The Trustee, if not the Registrar at such time, shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

Section 6.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Applicable Trust created hereby shall terminate upon the distribution to all Certificateholders of Applicable Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 6.02. 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 6.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE APPLICABLE CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 6.04. 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 6.05. Intention of Parties. The parties hereto intend that the Applicable Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or



association taxable as a corporation or as a partnership. Each Applicable Certificateholder of an Applicable Certificate, by its acceptance of its Applicable Certificate or a beneficial interest therein, agrees to treat the Applicable Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Applicable Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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

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

By: /s/ Alison Della Bella

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Name: Alison Della Bella  
Title: Assistant Vice President

FORM OF CERTIFICATE

REGISTERED

No. \_\_\_\_\_

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST,

PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND, IF REQUESTED, TO AMERICAN AIRLINES, INC. SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT OF THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.](2)

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

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(1) Not to be included on the face of the Permanent Offshore Global Certificate or any Exchange Certificate.

(2) This legend to appear on Book-Entry Certificates to be deposited with the The Depository Trust Company.

[GLOBAL CERTIFICATE](1)

AMERICAN AIRLINES PASS THROUGH TRUST 2001-1C

7.379% AMERICAN AIRLINES [INITIAL] [EXCHANGE] PASS THROUGH  
CERTIFICATE, SERIES 2001-1C

Final Expected Regular Distribution Date: May 23, 2016

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 or leased to American Airlines, Inc.

Certificate  
No. -----

CUSIP No. ----

\$\_\_\_\_\_ Fractional Undivided Interest representing  
% of the Trust per \$1,000 face amount

THIS CERTIFIES THAT \_\_\_\_\_, for value received, is the registered owner of a \$\_\_\_\_\_ (\_\_\_\_\_ dollars) Fractional Undivided Interest [(as such amount may be increased or decreased from time to time as provided in the Agreement)](2) in the American Airlines Pass Through Trust, Series 2001-1C (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 May 24, 2001 (the "Basic Agreement"), as supplemented by Trust Supplement No. 2001-1C thereto dated May 24, 2001 (collectively, the "Agreement"), between the Trustee and American Airlines, Inc., a corporation incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "7.379% American Airlines [Initial] [Exchange] Pass Through Certificates, Series 2001-1C" (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

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- (1) To be included on the face of each Global Certificate.
  - (2) To be included in Global Certificates for Initial Pass Through Certificates.

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 leased or 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 May 23 and November 23 (a "Regular Distribution Date"), commencing on November 23, 2001, 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.

[The Holder of this Certificate is entitled to the benefits of the Registration Rights Agreement, dated as of May 18, 2001, among the Company, the Trustee and the Placement Agents named therein (the "Registration Rights Agreement"). Subject to the terms of the Registration Rights Agreement, in the event that neither the consummation of the Exchange Offer nor the declaration by the Commission of a Shelf Registration to be effective (a "Registration Event") occurs on or prior to the 270th day after the date of the initial issuance of the Certificates, the interest rate per annum borne by the Certificates shall be increased by 0.50%, from and including such 270th day, to but excluding the date on which a Registration

Event occurs. In the event that the Shelf Registration Statement ceases to be effective at any time during the period specified by the Registration Rights Agreement for more than 60 days, whether or not consecutive, during any 12-month period, the interest rate per annum borne by the Certificates shall be increased by 0.50% from the 61st day of the applicable 12-month period such Shelf Registration Statement ceases to be effective until such time as the Shelf Registration Statement again becomes effective.](3)

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

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

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Certificateholders under the Agreement at any time by the Company and the Trustee with the consent of the Certificateholders holding Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the Trust. Any such consent by the Certificateholder of this Certificate shall be conclusive and binding on such Certificateholder and

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(3) To be included only on each Initial Certificate.

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 ~~[\$100,000]~~(4) ~~[\$1000]~~(5) Fractional Undivided Interest and integral multiples of \$1,000 in excess 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.

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- (4) To be included only on each Initial Certificate.
  - (5) To be included on each Exchange Certificate.



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, PASS THROUGH TRUST 2001-1C

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

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

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Please print or typewrite name and address including zip code of assignee

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the within Certificate and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Certificate on the books of the Company with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED  
ON ALL CERTIFICATES OTHER THAN EXCHANGE CERTIFICATES,  
PERMANENT OFFSHORE GLOBAL CERTIFICATE AND  
OFFSHORE PHYSICAL CERTIFICATES]

In connection with any transfer of this Certificate occurring prior to the date which is the earlier of (i) the date the shelf registration statement is declared effective or (ii) the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Certificate is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) this Certificate is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Certificate and the Agreement.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Certificate in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section [5.06] of the Trust Supplement shall have been satisfied.

Date: -----

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NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

SIGNATURE GUARANTEE: -----

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: -----

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NOTICE: To be executed by an executive officer

FORM OF CERTIFICATE FOR UNLEGGED CERTIFICATES

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines, 2001-1C Pass Through Trust,  
Class C Pass Through Trust Certificates (the "Certificates")

Dear Sirs:

This letter relates to U.S. \$\_\_\_\_\_ Fractional Undivided Interest of Certificates represented by a Certificate (the "Legended Certificate") which bears a legend outlining restrictions upon transfer of such Legended Certificate. Pursuant to Section 3.01 of the Pass Through Trust Agreement dated as of May 24, 2001 (the "Basic Agreement") between the Trustee and American Airlines, Inc., a Delaware corporation (the "Company"), as supplemented by Trust Supplement No. 2001-1C thereto (the "Trust Supplement", and together with the Basic Agreement, the "Agreement"), we hereby certify that we are (or we will hold such securities on behalf of) a person outside the United States to whom the Certificates could be transferred in accordance with Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended. Accordingly, you are hereby requested to exchange the legended certificate for an unlegended certificate representing an identical principal amount of Certificates, all in the manner provided for in the Agreement.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Certificateholder]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION  
WITH TRANSFERS PURSUANT TO REGULATION S

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines 2001-1C Pass Through Trust (the  
"Trust"), 7.379% American Airlines Pass Through Trust  
Certificates Series 2001-1C (the "Certificates")

Sirs:

In connection with our proposed sale of \$\_\_\_\_\_ Fractional  
Undivided Interest of the Certificates, we confirm that such sale has been  
effected pursuant to and in accordance with Regulation S under the Securities  
Act of 1933, as amended, and, accordingly, we represent that:

- (1) the offer of the Certificates was not made to a person in the United States;
- (2) either (a) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;
- (3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable; and
- (4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period and the provisions of Rule 903(c)(3) or Rule 904(c)(1) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(c)(3) or Rule 904(c)(1), as the case may be.

You and American Airlines, Inc. are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE  
DELIVERED IN CONNECTION WITH  
TRANSFERS TO NON-QIB ACCREDITED INVESTORS

Morgan Stanley & Co. Incorporated  
1585 Broadway  
New York, New York 10036

American Airlines, Inc.  
4333 Amon Carter Boulevard  
Fort Worth, Texas 76155

Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, New York 10010

State Street Bank and Trust Company  
of Connecticut, National  
Association, as Pass Through Trustee  
255 Asylum Street, Goodwin Square  
Hartford, Connecticut 06103

Salomon Smith Barney, Inc.  
390 Greenwich Street  
New York, New York 10043

Dresdner Kleinwort Wasserstein Securities LLC [Owner Participant]  
75 Wall Street, 31st Floor  
New York, New York 10005

Ladies and Gentlemen:

In connection with our proposed purchase of % American Airlines Pass Through Certificates, Series 2001-1 (the "Certificates") we confirm that:

1. We have received a copy of the Offering Memorandum (the "Offering Memorandum"), relating to the Certificates and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agree to the matters stated in the section entitled "Transfer Restrictions" of such Offering Memorandum. We acknowledge that neither American Airlines, Inc. (the "Company") nor any Placement Agent, nor any person representing the Company or any Placement Agent, has made any representation with respect to the offer or sale of any Certificates.

2. We understand that any subsequent transfer of the Certificates is subject to certain restrictions and conditions set forth in the Pass Through Trust Agreement between the Company and State Street Bank and Trust Company of Connecticut, National Association (the "Trustee") relating to the Certificates, and we agree to be bound by, and not to resell, pledge or otherwise transfer the Certificates except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

3. We are purchasing Certificates having an aggregate principal amount of not less than \$100,000 and each account (if any) for which we are purchasing Certificates is purchasing Certificates having an aggregate principal amount of not less than \$100,000.

4. We understand that the Certificates have not been registered under the Securities Act, that the Certificates are being sold to us in a transaction that is exempt from the registration requirements of the Securities Act and that the Certificates may not be offered or resold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that, if we should sell any Certificates within the applicable time period referred to in Rule 144(k) of the Securities Act, we will do so only (A) to the Company or a subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) inside the United States to an Institutional Accredited Investor (as defined below) acquiring \$100,000 or more aggregate principal amount of such Certificates that, prior to such transfer, furnishes to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Certificates (the form of which letter can be obtained from the Trustee), (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act or (F) pursuant to a registration statement which has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer), and we further agree to provide any person purchasing any of the Certificates from us a notice advising such purchaser that resales of the Certificates are restricted as stated herein.

5. We understand that, on any proposed resale of any Certificates, we will be required to furnish to the Company and to the Trustee such certificates, legal opinions and other information as the Company and the Trustee may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Certificates purchased by us will bear a legend to the foregoing effect.

6. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) ("Institutional Accredited Investor") and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Certificates, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investments.

7. We are acquiring the Certificates purchased by us for our own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which we exercise sole investment discretion.



You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

By: \_\_\_\_\_  
Name:  
Title:

Securities to be Purchased:  
\$ principal amount

[DTC Letter of Representations]

IV-1

SCHEDULE I-B  
TRUST SUPPLEMENT NO. 2001-1C

AGGREGATE EQUIPMENT PRINCIPAL PAYMENTS

DATE SCHEDULED  
PRINCIPAL  
PAYMENTS -----

-----  
November 23,  
2001 \$  
3,840,461.76  
May 23, 2002  
12,240,461.76  
November 23,  
2002  
3,840,461.76  
May 23, 2003  
7,440,461.76  
November 23,  
2003  
4,056,953.01  
May 23, 2004  
12,684,102.15  
November 23,  
2004  
15,824,991.48  
May 23, 2005  
3,840,461.76  
November 23,  
2005  
3,840,461.76  
May 23, 2006  
22,317,027.07  
November 23,  
2006  
3,840,461.76  
May 23, 2007  
3,840,461.76  
November 23,  
2007  
3,840,461.76  
May 23, 2008  
12,319,052.40  
November 23,  
2008  
3,840,461.76  
May 23, 2009  
3,341,214.16  
November 23,  
2009 335,254.55  
May 23, 2010  
0.00 November  
23, 2010  
34,217,118.44  
May 23, 2011  
0.00 November  
23, 2011 0.00  
May 23, 2012  
3,548,866.39  
November 23,  
2012  
2,458,470.64  
May 23, 2013  
3,840,461.76  
November 23,  
2013  
1,889,945.97  
May 23, 2014  
3,802,545.53  
November 23,  
2014  
1,804,301.81  
May 23, 2015  
3,840,461.76  
November 23,  
2015  
3,628,418.93  
May 23, 2016  
3,216,196.35  
Total:  
\$183,530,000.00

SCHEDULE II to  
TRUST SUPPLEMENT NO. 2001-1C

EQUIPMENT NOTES, PRINCIPAL AMOUNTS  
AND MATURITIES

EQUIPMENT NOTES  
PRINCIPAL  
AMOUNTS

MATURITY - ----

-----

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----- Series

2001-1C

Equipment Note

N9630A

2,791,033.26

May 23, 2016

Series 2001-1C

Equipment Note

N9615W

2,791,033.26

November 23,

2015 Series

2001-1C

Equipment Note

N9616G

2,791,033.26

November 23,

2015 Series

2001-1C

Equipment Note

N9617R

2,791,033.26

May 23, 2016

Series 2001-1C

Equipment Note

N9618A

2,791,033.25

May 23, 2016

Series 2001-1C

Equipment Note

N9619V

2,791,033.27

May 23, 2016

Series 2001-1C

Equipment Note

N9620D

2,791,033.26

May 23, 2016

Series 2001-1C

Equipment Note

N9622A

2,791,033.25

May 23, 2016

Series 2001-1C

Equipment Note

N9624T

2,791,033.26

May 23, 2016

Series 2001-1C

Equipment Note

N9625W

2,791,033.26

May 23, 2016

Series 2001-1C

Equipment Note

N9626F

2,791,033.26

May 23, 2016

Series 2001-1C

Equipment Note

N9628W

2,791,033.26

May 23, 2016

Series 2001-1C

Equipment Note

N9629H

2,791,033.25

May 23, 2016

Series 2001-1C

Equipment Note

N961TW

2,791,033.26

May 23, 2016

Series 2001-1C

Equipment Note

N963TW

2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N964TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N965TW  
2,791,033.25  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N966TW  
2,791,033.25  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N967TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N968TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N969TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N970TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N971TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N972TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N9677W  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N979TW  
2,791,033.25  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N980TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N9681B  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N982TW  
2,791,033.25  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N983TW  
2,791,033.26  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N984TW  
2,791,033.25  
May 23, 2016  
Series 2001-1C  
Equipment Note  
N937AN  
4,324,598.00  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N944AN  
4,345,692.00  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N945AN

4,345,692.00  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N946AN  
4,345,692.00  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N952AA  
4,417,056.00  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N953AN  
4,535,605.34  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N954AN  
4,535,605.34  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N955AN  
4,547,248.00  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N956AN  
4,547,562.66  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N957AN  
4,543,343.67  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N788AN  
12,414,909.34  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N789AN  
12,436,962.72  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N790AN  
12,438,170.00  
November 23,  
2010 Series  
2001-1C  
Equipment Note  
N791AN  
12,438,798.68  
November 23,  
2010 Total:  
\$183,530,000.00

SCHEDULE III to  
TRUST SUPPLEMENT NO. 2001-1C

AIRCRAFT

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW  
B777 - 223ER  
N788AN  
B777 - 223ER  
N789AN  
B777 - 223ER  
N790AN  
B777 - 223ER  
N791AN  
B737 - 823  
N937AN  
B737 - 823  
N944AN  
B737 - 823  
N945AN  
B737 - 823  
N946AN  
B737 - 823  
N952AA  
B737 - 823  
N953AN  
B737 - 823  
N954AN  
B737 - 823  
N955AN  
B737 - 823  
N956AN  
B737 - 823  
N957AN

SCHEDULE IV to  
TRUST SUPPLEMENT NO. 2001-1C

I. Owned Aircraft  
Participation Agreement  
Indenture and Security Agreement  
Series 2001-1 A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note for  
each of the following Aircraft:

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

B777-223ER  
N788AN  
B777-223ER  
N789AN  
B777-223ER  
N790AN  
B777-223ER  
N791AN  
B737-823  
N937AN  
B737-823  
N944AN  
B737-823  
N945AN  
B737-823  
N946AN  
B737-823  
N952AA  
B737-823  
N953AN  
B737-823  
N954AN  
B737-823  
N955AN  
B737-823  
N956AN  
B737-823  
N957AN



II. Leased Aircraft  
Participation Agreement  
Refunding Agreement  
Lease Agreement  
Indenture and Security Agreement  
Series 2001-1A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note  
Series 2001-1D Equipment Note  
for each of the following Aircraft:

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW

=====

TRUST SUPPLEMENT NO. 2001-1D

Dated as of May 24, 2001

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 May 24, 2001

American Airlines Pass Through Trust 2001-1D  
7.686% American Airlines  
Pass Through Certificates,  
Series 2001-1D

=====

TRUST SUPPLEMENT NO. 2001-1D

This TRUST SUPPLEMENT NO. 2001-1D, dated as of May 24, 2001 (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 May 24, 2001, 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").

WITNESSETH:

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 or Lessee of 46 aircraft described in Schedule III (collectively, the "Aircraft");

WHEREAS, pursuant to each Indenture, the Company or an Owner Trustee acting on behalf of an Owner Participant 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 or the Owner Trustee in and to the Aircraft and certain other property described therein;

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

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

WHEREAS, pursuant to the terms and conditions of the Basic Agreement, as supplemented by this Trust Supplement, and the Note Purchase Agreements, the Trustee on behalf of the Applicable Trust shall purchase the Equipment Notes issued by the Company or an Owner Trustee acting on behalf of an Owner Participant 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 Applicable Certificates issued hereunder and shall hold such Equipment Notes in trust for the benefit of the Applicable Certificateholders;

WHEREAS, pursuant to the terms and conditions of the Intercreditor Agreement 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, upon the occurrence of a Registration Event, this Trust Supplement shall become subject to the provisions of the Trust Indenture Act of 1939, as amended, 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.

Agent Members: has the meaning specified in Section 5.04 of this Trust Supplement.

Agreement: means the Basic Agreement as supplemented by this Trust Supplement.

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

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

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

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

Boeing: means The Boeing Company.

Clearstream: means Clearstream Banking, societe anonyme.

Class E Certificateholder: has the meaning specified in Section 4.01(a) of this Trust Supplement.

DTC: means The Depository Trust Company, and any successor entity to DTC as depository for the Applicable Certificates.

Euroclear: means Euroclear Bank S.A./N.V., as the operator of the Euroclear System.

Exchange Certificates: means the certificates substantially in the form of Exhibit A attached hereto issued in exchange for the Initial Certificates pursuant to the Registration Rights Agreement and authenticated hereunder.

Exchange Offer Registration Statement: has the meaning specified in the Registration Rights Agreement.

Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Global Exchange Certificate: has the meaning specified in Section 5.01(e) of this Trust Supplement.

Initial Certificates: has the meaning specified in Section 3.01 of this Trust Supplement.

Institutional Accredited Investor: means an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

Liquidity Provider: means Boeing Capital Corporation organized under the laws of Delaware, or any replacements or successors therefor appointed in accordance with the Intercreditor Agreement.

Non-U.S. Person: means a Person that is not a "U.S. Person," as defined in Regulation S.

Offering Memorandum: means the offering memorandum dated May 18, 2001 relating to the offering of the Initial Certificates.

Offshore Certificates Exchange Date: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Global Certificates: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Offshore Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Other Agreements: means (i) the Basic Agreement as supplemented by Trust Supplement No. 2001-1A-1 dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1A-1; (ii) the Basic Agreement as supplemented by Trust Supplement

No. 2001-1A-2 dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1A-2; (iii) the Basic Agreement as supplemented by Trust Supplement No. 2001-1B dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1B; (iv) the Basic Agreement as supplemented by Trust Supplement No. 2001-1C dated as of the date hereof relating to American Airlines Pass Through Trust 2001-1C; and (v) if Class E Certificates are issued, the Basic Agreement as supplemented by Trust Supplement No. 2001-1E relating to American Airlines Pass Through Trust 2001-1E.

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

Other Trusts: means the American Airlines Pass Through Trust 2001-1A-1, the American Airlines Pass Through Trust 2001-1A-2, the American Airlines Pass Through Trust 2001-1B and the American Airlines Pass Through Trust 2001-1C, each created on the date hereof, and if Class E Certificates are issued, the American Airlines Pass Through Trust 2001-1E.

Permanent Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

Private Placement Legend: has the meaning specified in Section 5.02(a) of this Trust Supplement.

QIB: means a qualified institutional buyer as defined in Rule 144A.

Registration Event: has the meaning set forth in the Registration Rights Agreement.

Registration Rights Agreement: means the Registration Rights Agreement dated May 18, 2001 among the Placement Agents, the Trustee, the Other Trustees and the Company, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Regulation S: means Regulation S under the Securities Act or any successor regulation thereto.

Rule 144A: means Rule 144A under the Securities Act or any successor rule thereto.

Securities Act: means the U.S. Securities Act of 1933, as amended.

Shelf Registration Statement: has the meaning set forth in the Registration Rights Agreement.

Temporary Offshore Global Certificate: has the meaning specified in Section 5.01(c) of this Trust Supplement.

Triggering Event: has the meaning assigned to such term in the Intercreditor Agreement.

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

U.S. Global Certificate: has the meaning specified in Section 5.01(b) of this Trust Supplement.

U.S. Physical Certificates: has the meaning specified in Section 5.01(d) of this Trust Supplement.

## 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 2001-1D" (the "Applicable Trust"), for the benefit of the Holders of the Applicable Certificates to be issued in respect of such Applicable Trust, and the initial Holders of the Applicable Certificates, as grantors of such Applicable Trust, by their respective acceptances of the Applicable Certificates, join in the creation of such Applicable Trust with the Trustee. The Trustee, by the execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title and interest in and to the Trust Property to be acquired pursuant to Section 2.02 of the Basic Agreement and 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 Applicable Certificates, upon the trusts set forth in the Basic Agreement and this Trust Supplement.

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

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

## ARTICLE III

### THE APPLICABLE CERTIFICATES

Section 3.01. The Certificates. There is hereby created a series of Certificates to be issued under this Agreement designated as "7.686% American Airlines Pass Through Certificates, Series 2001-1D" (the "Initial Certificates"). The exchange certificates which may be issued and offered in exchange for the Initial Certificates pursuant to the Registration Rights Agreement shall be known as the "7.686% American Airlines Exchange Pass Through

Certificates Series 2001-1D" (the "Exchange Certificates"). The Initial Certificates and the Exchange Certificates are hereinafter defined as the "Applicable Certificates". Each Applicable Certificate represents a fractional undivided interest in the Applicable Trust created hereby. The Applicable Certificates shall be the only instruments evidencing a fractional undivided interest in the Applicable Trust.

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

(a) The aggregate face amount of the Applicable Certificates that may be authenticated and delivered under this Agreement (except for Applicable Certificates authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Applicable Certificates pursuant to Sections 3.03, 3.04, 3.05 and 3.06 of the Basic Agreement or upon exchange of the Initial Certificates for Exchange Certificates) is \$25,600,000.

(b) The Cut-off Date is June 29, 2001.

(c) The Regular Distribution Dates with respect to any payment of Scheduled Payments means May 23 and November 23 of each year, commencing on November 23, 2001, until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made. The principal amount of the Equipment Notes to be held by the Applicable Trust is scheduled for payment on May 23 and November 23 in certain years, beginning on November 23, 2001 and ending on May 23, 2008 as set out in Schedules I-A and I-B.

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

(e) The Applicable Certificates shall be in the form attached hereto as Exhibit A. Subject to Section 5.01(d) of this Trust Supplement, the Applicable Certificates 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 E.

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

(g) Any Person acquiring or accepting an Applicable Certificate or an interest therein will, by such acquisition or acceptance, be deemed to represent and warrant to the Company, the Loan Trustees, each Owner Participant (as defined in the Note Documents) 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 Applicable Certificates or an interest therein or (ii) the purchase and holding of Applicable Certificates or interests therein by such Person is exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.



(h) The Applicable 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 May 24, 2001, among State Street Bank and Trust Company of Connecticut, National Association, as Trustee under each Trust (as defined therein), Boeing Capital Corporation, 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 Applicable Certificate, each Certificateholder thereof, agrees to be bound by all of the provisions of the Intercreditor Agreement, including the subordination provisions of Section 9.09 thereof.

(i) 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.

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

(k) The Responsible Party is the Company.

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 Applicable Certificate, each Applicable Certificateholder agrees that at any time after the occurrence and during the continuation of a Triggering Event,

(i) each Applicable 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, the Class A-1 and Class A-2 Certificates pursuant to the Class B Trust Agreement or the Class A-1, Class A-2 and Class B Certificates pursuant to the Class C Trust Agreement) to purchase, for the purchase price set forth in the Class A-1 Trust Agreement, the Class A-2 Trust Agreement, the Class B Trust Agreement and the Class C Trust Agreement, respectively, 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 Class C Trustee and each other Applicable Certificateholder, provided that (A) if prior to the end of such ten-day period any other Applicable Certificateholder notifies such purchasing Applicable Certificateholder that such other Applicable Certificateholder wants to participate in such purchase, then such other Applicable Certificateholder may join with the

purchasing Applicable 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 Applicable Trust held by each such Applicable Certificateholder and (B) if prior to the end of such ten-day period any other Applicable Certificateholder fails to notify the purchasing Applicable Certificateholder of such other Applicable Certificateholder's desire to participate in such a purchase, then such other Applicable 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)(i); and

(ii) each Class E Certificateholder (if Class E 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, the Class A-1 Certificates, the Class A-2 Certificates and the Class B Certificates pursuant to the Class C Trust Agreement or the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates pursuant to clause (i) above) to purchase all, but not less than all, of the Applicable Certificates, 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 A-2 Trustee, the Class B Trustee, the Class C Trustee and each other Class E Certificateholder, provided that (A) if prior to the end of such ten-day period any other Class E Certificateholder notifies such purchasing Class E Certificateholder that such other Class E Certificateholder wants to participate in such purchase, then such other Class E Certificateholder may join with the purchasing Class E Certificateholder to purchase all, but not less than all, of the Applicable Certificates, the Class 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 E Trust held by each such Class E Certificateholder and (B) if prior to the end of such ten-day period any other Class E Certificateholder fails to notify the purchasing Class E Certificateholder of such other Class E Certificateholder's desire to participate in such a purchase, then such other Class E Certificateholder shall lose its right to purchase the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates, the Class C Certificates and the Class D Certificates pursuant to this Section 4.01(a)(ii).

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

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

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

ARTICLE V

THE CERTIFICATES

Section 5.01. Additions to Article III of the Basic Agreement. In addition to the provisions of Article III of the Basic Agreement, the following provisions shall apply to the Applicable Trust:

(a) The Initial Certificates will be issued in minimum denominations of \$100,000 or integral multiples of \$1,000 in excess thereof. The Exchange Certificates will be issued in denominations of \$1,000 or integral multiples thereof. Each Exchange Certificate shall be dated the date of its authentication;

(b) Initial Certificates offered and sold in reliance on Rule 144A shall be issued initially in the form of one or more global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "U.S. Global Certificate"), duly executed and authenticated by the Trustee as hereinafter provided. The U.S. Global Certificate will be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC. The aggregate principal amount of the U.S. Global Certificate may from time to time be increased or decreased by adjustments made on the records of DTC or its nominee, or of the Trustee, as custodian for DTC or its nominee, as hereinafter provided;

(c) Initial Certificates offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of one or more temporary global Certificates in definitive, fully registered form without interest coupons, substantially in the form set forth as Exhibit A hereto (the "Temporary Offshore Global Certificate") duly executed and authenticated by the Trustee as hereinafter provided. The Temporary Offshore Global Certificate will be registered in the name of a nominee of DTC for credit to the account of the Agent Members acting as depositaries for Euroclear and Clearstream and deposited with the Trustee as custodian for DTC. At any time following July 3, 2001 (the "Offshore Certificates Exchange Date"), upon receipt by the Trustee of a certificate substantially in the form of Exhibit B hereto, a single permanent global Certificate fully in registered form substantially in the form set forth in Exhibit A (the "Permanent Offshore Global Certificate"; and together with the Temporary Offshore Global Certificate, the "Offshore Global Certificates"), duly executed and authenticated by the Trustee as hereinafter provided, shall be registered in the name of a nominee for DTC and deposited with the Trustee, as custodian for DTC, and the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of any Temporary Offshore Global Certificate in an amount equal to the principal amount of the beneficial interest in such Temporary Offshore Global Certificate transferred. The U.S. Global Certificate and the Offshore Global Certificates are sometimes referred to as the "Global Certificates";

(d) Initial Certificates offered and sold to Institutional Accredited Investors shall be issued in the form of permanent certificated Certificates in registered form in substantially the form set forth as Exhibit A hereto (the "U.S. Physical Certificates"). Certificates issued pursuant to Section 5.04(b) in exchange for interests in any Offshore Global Certificate shall be in the form of permanent certificated Certificates in fully registered form substantially in the form set forth in Exhibit A (the "Offshore Physical Certificates"). The Offshore Physical Certificates and

U.S. Physical Certificates are sometimes collectively herein referred to as the "Physical Certificates";

(e) The Exchange Certificates shall be issued in the form of one or more global Certificates substantially in the form of Exhibit A hereto (each, a "Global Exchange Certificate"), except that (i) the Private Placement Legend (hereinafter defined) shall be omitted and (ii) such Exchange Certificates shall contain such appropriate insertions, omissions, substitutions and other variations from the form set forth in Exhibit A hereto relating to the nature of the Exchange Certificates as the Responsible Officer of the Trustee executing such Exchange Certificates on behalf of the Trust may determine, as evidenced by such officer's execution on behalf of the Trust of such Exchange Certificates. Such Global Exchange Certificates shall be in registered form and be registered in the name of DTC and deposited with the Trustee, at its Corporate Trust Office, as custodian for DTC. The aggregate principal amount of any Global Exchange Certificate may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC for such Global Exchange Certificate, which adjustments shall be conclusive as to the aggregate principal amount of any such Global Exchange Certificate. Subject to clause (i) and (ii) of the first sentence of this Section 5.01(e), the terms hereof applicable to U.S. Global Certificates and/or Global Certificates shall apply to the Global Exchange Certificates, mutatis mutandis;

(f) The definitive Applicable Certificates shall be in fully registered form and shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner, all as determined by the officers executing such Applicable Certificates, as evidenced by their execution of such Applicable Certificates.

Section 5.02. Restrictive Legends. (a) Subject to Section 5.05, unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case as provided for in the Registration Rights Agreement, each Global Certificate (other than the Permanent Offshore Global Certificate) and each U.S. Physical Certificate shall bear the following legend (the "Private Placement Legend") on the face thereof:

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT,

PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND IF REQUESTED, AMERICAN AIRLINES, INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE

PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

(b) Each Global Certificate shall also bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT TO THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.

(c) Each Certificate shall bear the following legend on the face thereof:

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(1) Not to be included on the face of the Permanent Offshore Global Certificate.

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

Section 5.03. Transfer and Exchange. An Applicable Certificateholder may transfer an Applicable Certificate by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Agreement, including providing a written certificate or other evidence of compliance with any restrictions on transfer. No such transfer shall be effected until, and such transferee shall succeed to the rights of an Applicable Certificateholder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by an Applicable Certificateholder as provided herein, the Trustee shall treat the person in whose name the Applicable Certificate is registered as the owner thereof for all purposes, and the Trustee shall not be affected by notice to the contrary. Furthermore, DTC shall, by acceptance of a Global Certificate, agree that transfers of beneficial interests in such Global Certificate may be effected only through a book-entry system maintained by DTC (or its agent), and that ownership of a beneficial interest in the Certificate shall be required to be reflected in a book entry. When Applicable Certificates are presented to the Registrar with a request to register the transfer or to exchange them for an equal face amount of Applicable Certificates of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met. To permit registrations of transfers and exchanges in accordance with the terms, conditions and restrictions hereof, the Trustee shall execute and authenticate Applicable Certificates at the Registrar's request.

Section 5.04. Book-entry Provisions for U.S. Global Certificate and Offshore Global Certificates. (a) Members of, or participants in, DTC ("Agent Members") shall have no rights under this Agreement with respect to any Global Certificate held on their behalf by DTC, or the Trustee as its custodian, and DTC may be treated by the Trustee and any agent of the Trustee as the absolute owner of such Global Certificate for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Trustee or any agent of the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or shall impair, as between DTC and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Applicable Certificate. Upon the issuance of any Global Certificate, the Registrar or its duly appointed agent shall record a nominee of DTC as the registered holder of such Global Certificate.

(b) Transfers of any Global Certificate shall be limited to transfers of such Global Certificate or Offshore Global Certificate in whole, but not in part, to nominees of DTC, its successor or such successor's nominees. Beneficial interests in the U.S. Global Certificate and



any Offshore Global Certificate may be transferred in accordance with the rules and procedures of DTC and the provisions of Section 5.05. Beneficial interests in the U.S. Global Certificate or an Offshore Global Certificate shall be delivered to all beneficial owners in the form of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, if (i) DTC notifies the Trustee that it is unwilling or unable to continue as depository for the U.S. Global Certificate or such Offshore Global Certificate, as the case may be, and a successor depository is not appointed by the Trustee within 90 days of such notice or (ii) an Event of Default has occurred and Applicable Certificateholders with fractional undivided interests aggregating not less than a majority in interest in the Applicable Trust advise the Trustee, the Company and DTC through Agent Members in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the Applicable Certificateholders' best interests.

(c) Any beneficial interest in one of the Global Certificates that is transferred to a Person who takes delivery in the form of an interest in the other Global Certificate will, upon such transfer, cease to be an interest in such Global Certificate and become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Certificate for as long as it remains such an interest.

(d) In connection with the transfer of the entire U.S. Global Certificate or an entire Offshore Global Certificate to the beneficial owners thereof pursuant to paragraph (b) of this Section 5.04, such U.S. Global Certificate or Offshore Global Certificate, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Trustee shall execute, authenticate and deliver, to each beneficial owner identified by DTC in exchange for its beneficial interest in such U.S. Global Certificate or Offshore Global Certificate, as the case may be, an equal aggregate principal amount of U.S. Physical Certificates or Offshore Physical Certificates, as the case may be, of authorized denominations.

(e) Any U.S. Physical Certificate delivered in exchange for an interest in the U.S. Global Certificate pursuant to paragraph (b) of this Section 5.04 shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the Private Placement Legend.

(f) Any Offshore Physical Certificate delivered in exchange for an interest in an Offshore Global Certificate pursuant to paragraph (b) of this Section shall, except as otherwise provided by paragraph (f) of Section 5.05, bear the applicable legend regarding transfer restrictions set forth in Section 5.02(a).

(g) The registered holder of the U.S. Global Certificate or any Offshore Global Certificate may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Agreement or the Applicable Certificates.

Section 5.05. Special Transfer Provisions. Unless and until (i) an Initial Certificate is sold under an effective Shelf Registration Statement, or (ii) an Initial Certificate is exchanged for an Exchange Certificate pursuant to an effective Exchange Offer Registration Statement, in each case pursuant to the Registration Rights Agreement, the following provisions shall apply to such Initial Certificates:

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of an Applicable Certificate to any Institutional Accredited Investor which is not a QIB (excluding transfers to or by Non-U.S. Persons):

(i) The Registrar shall register the transfer of any Applicable Certificate, whether or not such Applicable Certificate bears the Private Placement Legend, if (x) the requested transfer is after the time period referred to in Rule 144(k) under the Securities Act as in effect with respect to such transfer or (y) the proposed transferee has delivered to the Registrar a letter substantially in the form of Exhibit D hereto and the aggregate principal amount of the Applicable Certificates being transferred is at least \$100,000.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Certificate, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of the transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver to the transferor or at its direction, one or more U.S. Physical Certificates of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Certificate to a QIB (excluding Non-U.S. Persons):

(i) If the Initial Certificate to be transferred consists of U.S. Physical Certificates or an interest in any Temporary Offshore Global Certificate, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Initial Certificate stating, or has otherwise advised the Trustee and the Registrar in writing, that it is purchasing the Initial Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it, or the Person on whose behalf it is acting with respect to any such account, is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Trust and/or the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) Upon receipt by the Registrar of the documents referred to in clause (i) above and instructions given in accordance with DTC's and the Registrar's procedures therefor, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of the U.S. Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificates or interests in the Temporary Offshore Global Certificate, as the case may be, being transferred, and the Trustee shall cancel such Physical Certificates or decrease the amount of such Temporary Offshore Global Certificate so transferred.

(c) Transfers of Interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates. The Registrar shall register any transfer of interests in the Permanent Offshore Global Certificate or Offshore Physical Certificates without requiring any additional certification.

(d) Transfers to Non-U.S. Persons at any Time. The following provisions shall apply with respect to any registration of any transfer of an Initial Certificate to a Non-U.S. Person:

(i) Prior to the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer of an Initial Certificate to a Non-U.S. Person upon receipt of a certificate substantially in the form set forth as Exhibit C hereto from the proposed transferor.

(ii) On and after the Offshore Certificates Exchange Date, the Registrar shall register any proposed transfer to any Non-U.S. Person if the Initial Certificate to be transferred is a U.S. Physical Certificate or an interest in the U.S. Global Certificate, upon receipt of a certificate substantially in the form of Exhibit C from the proposed transferor. The Registrar shall promptly send a copy of such certificate to the Company.

(iii) (A) Upon receipt by the Registrar of (x) the documents, if any, required by paragraph (ii) and (y) instructions in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date of such transfer and a decrease in the principal amount of such U.S. Global Certificate in an amount equal to the principal amount of the beneficial interest in such U.S. Global Certificate to be transferred, and (B) upon receipt by the Registrar of instructions given in accordance with DTC's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Certificate in an amount equal to the principal amount of the U.S. Physical Certificate or the U.S. Global Certificate, as the case may be, to be transferred, and the Trustee shall cancel the Physical Certificate, if any, so transferred or decrease the amount of such U.S. Global Certificate.

(e) Private Placement Legend. Upon the transfer, exchange or replacement of Applicable Certificates not bearing the Private Placement Legend, the Registrar shall deliver Applicable Certificates that do not bear the Private Placement Legend. Upon the transfer,

exchange or replacement of Applicable Certificates bearing the Private Placement Legend, the Registrar shall deliver only Applicable Certificates that bear the Private Placement Legend unless either (i) the circumstances contemplated by paragraph (a)(i)(x) or (e)(ii) of this Section 5.05 exist or (ii) there is delivered to the Registrar an Opinion of Counsel to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(f) General. By its acceptance of any Applicable Certificate bearing the Private Placement Legend, each Holder of such an Applicable Certificate acknowledges the restrictions on transfer of such Applicable Certificate set forth in this Agreement and agrees that it will transfer such Applicable Certificate only as provided in this Agreement. The Registrar shall not register a transfer of any Applicable Certificate unless such transfer complies with the restrictions on transfer of such Applicable Certificate set forth in this Agreement. In connection with any transfer of Applicable Certificates, each Applicable Certificateholder agrees by its acceptance of the Applicable Certificates to furnish the Registrar or the Trustee such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine the sufficiency of any such certifications, legal opinions or other information.

Until such time as no Applicable Certificates remain Outstanding, the Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 5.04 or this Section 5.05. The Trustee, if not the Registrar at such time, shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

Section 6.01. Final Termination Date. The respective obligations and responsibilities of the Company and the Trustee created hereby and the Applicable Trust created hereby shall terminate upon the distribution to all Certificateholders of Applicable Certificates and the Trustee of all amounts required to be distributed to them pursuant to this Agreement and the disposition of all property held as part of the Trust Property; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of the descendants of Joseph P. Kennedy, Sr., the father of John F. Kennedy, former President of the United States, living on the date of this Trust Supplement.

Section 6.02. 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 6.03. Governing Law. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AGREEMENT AND THE APPLICABLE

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

Section 6.04. 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 6.05. Intention of Parties. The parties hereto intend that the Applicable Trust be classified for United States federal income tax purposes as a grantor trust under Part 1E of Chapter 1J of Subtitle A of the Internal Revenue Code of 1986, as amended, and not as a trust or association taxable as a corporation or as a partnership. Each Applicable Certificateholder of an Applicable Certificate, by its acceptance of its Applicable Certificate or a beneficial interest therein, agrees to treat the Applicable Trust as a grantor trust for all United States federal, state and local income tax purposes. The Trustee shall not be authorized or empowered to do anything that would cause the Applicable Trust to fail to qualify as a grantor trust for such tax purposes (including as subject to this restriction, acquiring any Aircraft by bidding the Equipment Notes relating thereto or otherwise, or taking any action with respect to any such Aircraft once acquired).

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

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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

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

By: /s/ Alison Della Bella

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Name: Alison Della Bella  
Title: Assistant Vice President

FORM OF CERTIFICATE

REGISTERED

No. \_\_\_\_\_

[THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (B) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING \$100,000 OR MORE AGGREGATE PRINCIPAL AMOUNT OF SUCH CERTIFICATE, THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS CERTIFICATE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE), (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER), OR (F) TO AMERICAN AIRLINES, INC. OR ANY SUBSIDIARY THEREOF; (3) PRIOR TO SUCH TRANSFER (OTHER THAN A TRANSFER PURSUANT TO CLAUSE 2(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (4) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR IS A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST,

PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND, IF REQUESTED, TO AMERICAN AIRLINES INC., SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE CERTIFICATES PURSUANT TO CLAUSE 2(E) ABOVE OR UPON ANY TRANSFER OF THE CERTIFICATES UNDER RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION). AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN EXCHANGE FOR THIS CERTIFICATE 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 HEREON 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.

TRANSFERS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 5.04 AND 5.05 OF THE TRUST SUPPLEMENT OF THE PASS THROUGH TRUST AGREEMENT REFERRED TO HEREIN.](2)

BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS THAT EITHER (A) 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 A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), HAVE BEEN USED TO PURCHASE THIS CERTIFICATE OR (B) THE PURCHASE AND HOLDING OF THIS CERTIFICATE ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

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- (1) Not to be included on the face of the Permanent Offshore Global Certificate or any Exchange Certificate.
- (2) This legend to appear on Book-Entry Certificates to be deposited with the The Depository Trust Company.



[GLOBAL CERTIFICATE](1)

AMERICAN AIRLINES PASS THROUGH TRUST 2001-1D

7.686% AMERICAN AIRLINES [INITIAL] [EXCHANGE] PASS THROUGH  
CERTIFICATE, SERIES 2001-1D

Final Expected Regular Distribution Date: May 23, 2008

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 or leased to American Airlines, Inc.

Certificate  
No. \_\_\_\_\_

CUSIP No. \_\_\_\_\_

\$ \_\_\_\_\_ Fractional Undivided Interest representing  
% of the Trust per \$1,000 face amount

THIS CERTIFIES THAT \_\_\_\_\_, for value received, is the registered owner of a \$ \_\_\_\_\_ (\_\_\_\_\_ dollars) Fractional Undivided Interest [(as such amount may be increased or decreased from time to time as provided in the Agreement)](2) in the American Airlines Pass Through Trust, Series 2001-1D (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 May 24, 2001 (the "Basic Agreement"), as supplemented by Trust Supplement No. 2001-1D thereto dated May 24, 2001 (collectively, the "Agreement"), between the Trustee and American Airlines, Inc., a corporation incorporated under Delaware law (the "Company"), a summary of certain of the pertinent provisions of which is set forth below. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Agreement. This Certificate is one of the duly authorized Certificates designated as "7.686% American Airlines [Initial] [Exchange] Pass Through Certificates, Series 2001-1D" (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

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- (1) To be included on the face of each Global Certificate.
- (2) To be included in Global Certificates for Initial Pass Through Certificates.

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 (the "Trust Property"). Each issue of the Equipment Notes is or will be secured by, among other things, a security interest in Aircraft leased or 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 May 23 and November 23 (a "Regular Distribution Date"), commencing on November 23, 2001, 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.

[The Holder of this Certificate is entitled to the benefits of the Registration Rights Agreement, dated as of May 18, 2001, among the Company, the Trustee and the Placement Agents named therein (the "Registration Rights Agreement"). Subject to the terms of the Registration Rights Agreement, in the event that neither the consummation of the Exchange Offer nor the declaration by the Commission of a Shelf Registration to be effective (a "Registration Event") occurs on or prior to the 270th day after the date of the initial issuance of the Certificates, the interest rate per annum borne by the Certificates shall be increased by

0.50%, from and including such 270th day, to but excluding the date on which a Registration Event occurs. In the event that the Shelf Registration Statement ceases to be effective at any time during the period specified by the Registration Rights Agreement for more than 60 days, whether or not consecutive, during any 12-month period, the interest rate per annum borne by the Certificates shall be increased by 0.50% from the 61st day of the applicable 12-month period such Shelf Registration Statement ceases to be effective until such time as the Shelf Registration Statement again becomes effective.](3)

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

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

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Certificateholders under the Agreement at any time by the Company and the Trustee with the consent of the Certificateholders holding Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the Trust. Any such consent by the

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(3) To be included only on each Initial Certificate.

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 \$[~~\$100,000~~](4) [~~\$1000~~](5) Fractional Undivided Interest and integral multiples of \$1,000 in excess 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.

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- (4) To be included only on each Initial Certificate.
- (5) To be included on each Exchange Certificate.

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, PASS THROUGH TRUST 2001-1D

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

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

-----  
Please print or typewrite name and address including zip code of assignee

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the within Certificate and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Certificate on the books of the Company with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED  
ON ALL CERTIFICATES OTHER THAN EXCHANGE CERTIFICATES,  
PERMANENT OFFSHORE GLOBAL CERTIFICATE AND  
OFFSHORE PHYSICAL CERTIFICATES]

In connection with any transfer of this Certificate occurring prior to the date which is the earlier of (i) the date the shelf registration statement is declared effective or (ii) the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ](a) this Certificate is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ](b) this Certificate is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Certificate and the Agreement.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Certificate in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section [5.06] of the Trust Supplement shall have been satisfied.

Date: -----

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

SIGNATURE GUARANTEE: -----

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Certificate for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: -----

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NOTICE: To be executed by an executive officer



FORM OF CERTIFICATE FOR UNLEGGED CERTIFICATES

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines, 2001-1D Pass Through Trust, Class  
D Pass Through Trust Certificates (the "Certificates")

Dear Sirs:

This letter relates to U.S. \$\_\_\_\_\_ Fractional Undivided Interest of Certificates represented by a Certificate (the "Legended Certificate") which bears a legend outlining restrictions upon transfer of such Legended Certificate. Pursuant to Section 3.01 of the Pass Through Trust Agreement dated as of May 24, 2001 (the "Basic Agreement") between the Trustee and American Airlines, Inc., a Delaware corporation (the "Company"), as supplemented by Trust Supplement No. 2001-1D thereto (the "Trust Supplement", and together with the Basic Agreement, the "Agreement"), we hereby certify that we are (or we will hold such securities on behalf of) a person outside the United States to whom the Certificates could be transferred in accordance with Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended. Accordingly, you are hereby requested to exchange the legended certificate for an unlegended certificate representing an identical principal amount of Certificates, all in the manner provided for in the Agreement.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Certificateholder]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION  
WITH TRANSFERS PURSUANT TO REGULATION S

[DATE]

State Street Bank and Trust  
Company of Connecticut, National  
Association  
[Address]  
Attention: [ ]

Re: American Airlines 2001-1D Pass Through Trust (the  
"Trust"), 7.686% American Airlines Pass Through Trust  
Certificates Series 2001-1D (the "Certificates")

Sirs:

In connection with our proposed sale of \$\_\_\_\_\_ Fractional  
Undivided Interest of the Certificates, we confirm that such sale has been  
effected pursuant to and in accordance with Regulation S under the Securities  
Act of 1933, as amended, and, accordingly, we represent that:

(1) the offer of the Certificates was not made to a person in  
the United States;

(2) either (a) at the time the buy order was originated, the  
transferee was outside the United States or we and any person acting on our  
behalf reasonably believed that the transferee was outside the United States or  
(b) the transaction was executed in, on or through the facilities of a  
designated off-shore securities market and neither we nor any person acting on  
our behalf knows that the transaction has been pre-arranged with a buyer in the  
United States;

(3) no directed selling efforts have been made in the United  
States in contravention of the requirements of Rule 903(b) or Rule 904(b) of  
Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade  
the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period  
and the provisions of Rule 903(c)(3) or Rule 904(c)(1) of Regulation S are  
applicable thereto, we confirm that such sale has been made in accordance with  
the applicable provisions of Rule 903(c)(3) or Rule 904(c)(1), as the case may  
be.

You and American Airlines, Inc. are entitled to rely upon this  
letter and are irrevocably authorized to produce this letter or a copy hereof to  
any interested party in any administrative or legal proceedings or official  
inquiry with respect to the matters covered hereby. Terms used in this  
certificate have the meanings set forth in Regulation S.

Very truly yours,  
[Name of Transferor]

By: \_\_\_\_\_  
Authorized Signature

FORM OF CERTIFICATE TO BE  
DELIVERED IN CONNECTION WITH  
TRANSFERS TO NON-QIB ACCREDITED INVESTORS

Morgan Stanley & Co. Incorporated  
1585 Broadway  
New York, New York 10036

American Airlines, Inc.  
4333 Amon Carter Boulevard  
Fort Worth, Texas 76155

Credit Suisse First Boston Corporation  
Eleven Madison Avenue  
New York, New York 10010

State Street Bank and Trust Company of  
Connecticut, National Association,  
as Pass Through Trustee  
255 Asylum Street, Goodwin Square  
Hartford, Connecticut 06103

Salomon Smith Barney, Inc.  
390 Greenwich Street  
New York, New York 10043

Dresdner Kleinwort Wasserstein Securities LLC [Owner Participant]  
75 Wall Street, 31st Floor  
New York, New York 10005

Ladies and Gentlemen:

In connection with our proposed purchase of % American Airlines Pass Through Certificates, Series 2001-1 (the "Certificates") we confirm that:

1. We have received a copy of the Offering Memorandum (the "Offering Memorandum"), relating to the Certificates and such other information as we deem necessary in order to make our investment decision. We acknowledge that we have read and agree to the matters stated in the section entitled "Transfer Restrictions" of such Offering Memorandum. We acknowledge that neither American Airlines, Inc. (the "Company") nor any Placement Agent, nor any person representing the Company or any Placement Agent, has made any representation with respect to the offer or sale of any Certificates.

2. We understand that any subsequent transfer of the Certificates is subject to certain restrictions and conditions set forth in the Pass Through Trust Agreement between the Company and State Street Bank and Trust Company of Connecticut, National Association (the "Trustee") relating to the Certificates, and we agree to be bound by, and not to resell, pledge or otherwise transfer the Certificates except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

3. We are purchasing Certificates having an aggregate principal amount of not less than \$100,000 and each account (if any) for which we are purchasing Certificates is purchasing Certificates having an aggregate principal amount of not less than \$100,000.

4. We understand that the Certificates have not been registered under the Securities Act, that the Certificates are being sold to us in a transaction that is exempt from the registration requirements of the Securities Act and that the Certificates may not be offered or resold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that, if we should sell any Certificates within the applicable time period referred to in Rule 144(k) of the Securities Act, we will do so only (A) to the Company or a subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) inside the United States to an Institutional Accredited Investor (as defined below) acquiring \$100,000 or more aggregate principal amount of such Certificates that, prior to such transfer, furnishes to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Certificates (the form of which letter can be obtained from the Trustee), (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act or (F) pursuant to a registration statement which has been declared effective under the Securities Act (and which continues to be effective at the time of such transfer), and we further agree to provide any person purchasing any of the Certificates from us a notice advising such purchaser that resales of the Certificates are restricted as stated herein.

5. We understand that, on any proposed resale of any Certificates, we will be required to furnish to the Company and to the Trustee such certificates, legal opinions and other information as the Company and the Trustee may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Certificates purchased by us will bear a legend to the foregoing effect.

6. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) ("Institutional Accredited Investor") and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Certificates, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investments.

7. We are acquiring the Certificates purchased by us for our own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which we exercise sole investment discretion.

You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Very truly yours,

By: \_\_\_\_\_  
Name:  
Title:

Securities to be Purchased:  
\$ principal amount

[DTC Letter of Representations]

IV-1

SCHEDULE I-B  
TRUST SUPPLEMENT NO. 2001-1D

AGGREGATE EQUIPMENT PRINCIPAL PAYMENTS

DATE  
SCHEDULED  
PRINCIPAL  
PAYMENTS - --  
-----  
-----  
-----  
November 23,  
2001 \$  
5,119,999.91  
May 23, 2002  
2,945,340.16  
November 23,  
2002 0.00 May  
23, 2003 0.00  
November 23,  
2003 0.00 May  
23, 2004  
45,780.98  
November 23,  
2004 0.00 May  
23, 2005  
94,425.85  
November 23,  
2005 0.00 May  
23, 2006  
2,542,146.55  
November 23,  
2006 0.00 May  
23, 2007  
5,119,999.90  
November 23,  
2007  
4,612,306.76  
May 23, 2008  
5,119,999.89  
Total:  
\$25,600,000.00

SCHEDULE II to  
TRUST SUPPLEMENT NO. 2001-1D

EQUIPMENT NOTES, PRINCIPAL AMOUNTS  
AND MATURITIES

EQUIPMENT NOTES  
PRINCIPAL  
AMOUNTS

MATURITY - ----

-----

-----

----- Series

2001-1D

Equipment Note

N9630A

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9615W

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9616G

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9617R

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9618A

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9619V

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9620D

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9622A

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9624T

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9625W

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9626F

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9628W

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N9629H

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N961TW

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N962TW

800,000.00 May

23, 2008 Series

2001-1D

Equipment Note

N963TW

800,000.00 May

23, 2008 Series

2001-1D



2001-1D  
Equipment Note  
N964TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N965TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N966TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N967TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N968TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N969TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N970TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N971TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N972TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N9677W  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N979TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N980TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N9681B  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N982TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N983TW  
800,000.00 May  
23, 2008 Series  
2001-1D  
Equipment Note  
N984TW  
800,000.00 May  
23, 2008 Total:  
\$25,600,000.000

SCHEDULE III to  
TRUST SUPPLEMENT NO. 2001-1D

AIRCRAFT

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW  
B777-223ER  
N788AN  
B777-223ER  
N789AN  
B777-223ER  
N790AN  
B777-223ER  
N791AN  
B737-823  
N937AN  
B737-823  
N944AN  
B737-823  
N945AN  
B737-823  
N946AN  
B737-823  
N952AA  
B737-823  
N953AN  
B737-823  
N954AN  
B737-823  
N955AN  
B737-823  
N956AN  
B737-823  
N957AN

SCHEDULE IV to  
TRUST SUPPLEMENT NO. 2001-1D

I. Owned Aircraft  
Participation Agreement  
Indenture and Security Agreement  
Series 2001-1 A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note for  
each of the following Aircraft:

AIRCRAFT TYPE REGISTRATION NUMBER ---- ----- ----- -----
B777-223ER N788AN
B777-223ER N789AN
B777-223ER N790AN
B777-223ER N791AN
B737-823 N937AN
B737-823 N944AN
B737-823 N945AN
B737-823 N946AN
B737-823 N952AA
B737-823 N953AN
B737-823 N954AN
B737-823 N955AN
B737-823 N956AN
B737-823 N957AN

II. Leased Aircraft  
Participation Agreement  
Refunding Agreement  
Lease Agreement  
Indenture and Security Agreement  
Series 2001-1A-1 Equipment Note  
Series 2001-1A-2 Equipment Note  
Series 2001-1B Equipment Note  
Series 2001-1C Equipment Note  
Series 2001-1D Equipment Note for  
each of the following Aircraft:

AIRCRAFT  
TYPE  
REGISTRATION  
NUMBER ----  
-----  
-----  
-----

MD83 N9618A  
MD83 N9619V  
MD83 N9620D  
MD83 N9630A  
MD83 N9615W  
MD83 N9616G  
MD83 N9617R  
MD83 N9622A  
MD83 N9624T  
MD83 N9625W  
MD83 N9626F  
MD83 N9628W  
MD83 N9629H  
MD83 N961TW  
MD83 N962TW  
MD83 N963TW  
MD83 N964TW  
MD83 N965TW  
MD83 N966TW  
MD83 N967TW  
MD83 N968TW  
MD83 N969TW  
MD83 N970TW  
MD83 N971TW  
MD83 N972TW  
MD83 N9677W  
MD83 N979TW  
MD83 N980TW  
MD83 N9681B  
MD83 N982TW  
MD83 N983TW  
MD83 N984TW

=====

INTERCREDITOR AGREEMENT

Dated as of May 24, 2001

among

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Trustee of the  
American Airlines Pass Through Trust 2001-1A-1,  
American Airlines Pass Through Trust 2001-1A-2,  
American Airlines Pass Through Trust 2001-1B  
American Airlines Pass Through Trust 2001-1C  
and  
American Airlines Pass Through Trust 2001-1D

BOEING CAPITAL CORPORATION  
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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TABLE OF CONTENTS

Page ---- Article I DEFINITIONS Section 1.01

Definitions.....2

Article II TRUST ACCOUNTS; CONTROLLING PARTY Section 2.01 Agreement to Terms of Subordination; Payments from Monies Received Only.....22 Section 2.02 Trust Accounts.....23 Section 2.03 Deposits to the Collection Account and Special Payments Account; Certain Distributions.....24 Section 2.04 Distributions of Special

Payments.....24 Section 2.05 Designated Representatives.....27 Section 2.06 Controlling

Party.....28 Article

III RECEIPT, DISTRIBUTION AND APPLICATION OF AMOUNTS RECEIVED Section 3.01 Written Notice of Distribution.....29 Section 3.02 Distribution of Amounts on Deposit in the Collection

Account.....32 Section 3.03 Distribution of Amounts on Deposit Following a Triggering Event.....34 Section 3.04 Other Payments.....36 Section 3.05 Payments to the Trustees and the Liquidity Providers.....37 Section 3.06 Liquidity

Facilities.....37 Article

IV EXERCISE OF REMEDIES Section 4.01 Directions from the Controlling Party.....45 Section 4.02 Remedies Cumulative.....47 Section 4.03 Discontinuance of Proceedings.....47 Section 4.04 Right of Certificateholders to Receive Payments Not to Be Impaired.....47 Article V DUTIES OF THE SUBORDINATION AGENT; AGREEMENTS OF TRUSTEES, ETC. Section 5.01 Notice of Indenture Event of Default or Triggering Event.....47 Section 5.02

Indemnification.....48 Section 5.03 No Duties Except as Specified in Intercreditor Agreement.....48 Section 5.04 Notice from the Liquidity Providers and Trustees.....48

Article VI  
THE SUBORDINATION AGENT

Section 6.01 Authorization; Acceptance of Trusts and Duties.....49  
Section 6.02 Absence of Duties.....49  
Section 6.03 No Representations or Warranties as to Documents.....49  
Section 6.04 No Segregation of Monies; No Interest.....49  
Section 6.05 Reliance; Agents; Advice of Counsel.....50  
Section 6.06 Capacity in Which Acting.....50  
Section 6.07 Compensation.....50  
Section 6.08 May Become Certificateholder.....50  
Section 6.09 Subordination Agent Required; Eligibility.....50  
Section 6.10 Money to Be Held in Trust.....51

Article VII  
SUCCESSOR SUBORDINATION AGENT

Section 7.01 Replacement of Subordination Agent; Appointment of Successor.....51

Article VIII  
SUPPLEMENTS AND AMENDMENTS

Section 8.01 Amendments, Waivers, Etc.....53  
Section 8.02 Subordination Agent Protected.....55  
Section 8.03 Effect of Supplemental Agreements.....55  
Section 8.04 Notice to Rating Agencies.....55

Article IX  
MISCELLANEOUS

Section 9.01 Termination of Intercreditor Agreement.....55  
Section 9.02 Intercreditor Agreement for Benefit of Trustees, Liquidity Providers  
and Subordination Agent.....55  
Section 9.03 Notices.....56  
Section 9.04 Severability.....56  
Section 9.05 No Oral Modifications or Continuing Waivers.....57  
Section 9.06 Successors and Assigns.....57  
Section 9.07 Headings.....57  
Section 9.08 Counterparts.....57  
Section 9.09 Subordination.....57  
Section 9.10 Governing Law.....58  
Section 9.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity.....59

## INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT, dated as of May 24, 2001 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); BOEING CAPITAL CORPORATION, a Delaware corporation, 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 (i) in the case of each Aircraft that is owned by American at the time such Indenture is entered into (the "Owned Aircraft") American will issue on a recourse basis four (or five, under certain circumstances) series of Equipment Notes secured by such Aircraft and (ii) in the case of each Aircraft that is leased to American pursuant to a related Lease at the time the Indenture is entered into (the "Leased Aircraft"), the related Owner Trustee will issue on a nonrecourse basis five (or under certain circumstances six) 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 Purchase Agreement, the Initial Purchasers 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 Initial Purchasers under the Purchase 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) (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 for all of the Aircraft, clause (B) shall not apply.

For purposes of calculating Adjusted Expected Distributions with respect to the Certificates of any Trust, any 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, the Class C Certificates and Class D 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 undismitted, unstayed and unvacated for a period of 90 days after the date of entry thereof; or

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

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

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

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

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

"Available Amount" means, with respect to any 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 May 24, 2001, 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, a Class C Certificate or Class D Certificate as applicable.

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

"Citizen of the United States" has the meaning specified 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 Boeing Capital Corporation 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 Boeing Capital Corporation, 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 2001-1A-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. 2001-1A-1 thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 2001-1A-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 Boeing Capital Corporation 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 Boeing Capital Corporation, 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 2001-1A-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. 2001-1A-2 thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 2001-1A-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 Boeing Capital Corporation, 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 Boeing Capital Corporation, 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 2001-1B created and administered pursuant to the Class B Trust Agreement.

"Class B Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 2001-1B thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 2001-1B 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 Boeing Capital Corporation, 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 Boeing Capital Corporation, 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 2001-1C created and administered pursuant to the Class C Trust Agreement.

"Class C Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 2001-1C thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 2001-1C and the issuance of the Class C Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

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

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

"Class D Trust" means the American Airlines Pass Through Trust 2001-1D created and administered pursuant to the Class D Trust Agreement.

"Class D Trust Agreement" means the Basic Agreement, as supplemented by Trust Supplement No. 2001-1D thereto, dated as of the date hereof, governing the creation and administration of the American Airlines Pass Through Trust 2001-1D and the issuance of the Class D Certificates, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

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

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

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

"Class E Trust" means the American Airlines Pass Through Trust 2001-1E, if and when created, administered pursuant to the Basic Agreement and a Trust Supplement.

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

"Closing Date" means May 24, 2001.

"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", "Trust Indenture Estate" or "Indenture Estate" 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, the Series C Equipment Notes and the Series D Equipment Notes collectively, and in each case, any Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of the Indentures.

"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 Boeing Capital Corporation, 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, November 23, 2022, (ii) with respect to the Class A-2 Certificates, November 23, 2012, (iii) with respect to the Class B Certificates, November 23, 2020, (iv) with respect to the Class C Certificates, November 23, 2017 and (v) with respect to the Class D Certificates, May 23, 2008.

"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 the Owner Trustee or 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.

"Lease" means, with respect to any Indenture relating to a Leased Aircraft, the "Lease" referred to therein.

"Leased Aircraft" has the meaning assigned to such term in the preliminary statements of this Agreement.

"Leased Aircraft Indenture" means, with respect to each Leased Aircraft, the Indenture pertaining to such Aircraft.

"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, the indemnity provisions 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 Lease or 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 Owned Aircraft Indenture pursuant to the provisions of Section 10.01(b) thereof, the amount of money and U.S. Government Securities deposited with the Loan Trustee pursuant thereto as of such Distribution Date and (ii) the outstanding principal amount of the Equipment Notes secured by such Aircraft after giving effect to any principal payments of such Equipment Notes on or before such Distribution Date.

"LTV Ratio" means (i) for the Class A-1 Certificates, 41%, (ii) for the Class A-2 Certificates, 41%, (iii) for the Class B Certificates, 56%, (iv) for the Class C Certificates, 66% and (v) for the Class D Certificates 68% prior to May 23, 2011, and thereafter (vi) for the Class A-1 and A-2 Certificates 29%, (vii) for the Class B Certificates 46% and (viii) for the Class C Certificates 62%.

"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 Leases, 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.

"Owned Aircraft" has the meaning assigned to such term in the preliminary statements of this Agreement.

"Owned Aircraft Indenture" means, with respect to each Owned Aircraft, the Indenture pertaining to such Aircraft.

"Owner Participant" means, with respect to any Indenture pertaining to a Leased Aircraft, the Owner Participant (as defined therein) and any permitted successor or assign of such Owner Participant.

"Owner Trustee" means, with respect to any Indenture pertaining to a Leased Aircraft, the Owner Trustee (as defined therein) not in its individual capacity but solely as trustee under the related owner trust agreement, together with any successor trustee appointed pursuant to such owner trust agreement.

"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)(2)(A) of the Bankruptcy Code (or such longer period as may apply under Section 1110(b) of the Bankruptcy Code) (the "Section 1110 Period") 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 Lease related to such Equipment Note (in the case of a Leased Aircraft) or the Indenture related to such Equipment Note (in the case of an Owned Aircraft), (ii) any payment default occurring after the date of the order of relief in such proceeding shall not be taken into consideration if such payment default is cured under Section 1110(a)(2)(B) of the Bankruptcy Code before the later of 30 days after the date of such default or the expiration of the Section 1110 Period and (iii) any payment default occurring after the Section 1110 Period will not be taken into consideration if such payment default is cured before the end of the grace period, if any, set forth in the related Lease (in the case of a Leased Aircraft) or Owned Aircraft Indenture (in the case of an Owned Aircraft).

"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.

"Placement Agents" means the placement agents listed as such in the Placement Agreement.

"Placement Agreement" means the Placement Agreement, dated May 18, 2001, among the Placement Agents and American, relating to the purchase of the Certificates by the

Placement Agents, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"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.

"Registration Rights Agreement" means the Registration Rights Agreement dated as of May 18, 2001 among the Placement Agents, American and the Trustees.

"Regular Distribution Dates" means each May 23 and November 23, commencing on November 23, 2001; 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 the related Owner Trustee or 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 the related Owner Trustee or 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 the related Owner Trustee or 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 the related Owner Trustee or American and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series D Equipment Notes" means the Series D Equipment Notes issued pursuant to each Leased Aircraft Indenture by the related Owner Trustee and authenticated by the Loan Trustee thereunder, and any such Equipment Notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"Series E Equipment Notes" means the equipment notes, if any, issued pursuant to any Indenture by the related Owner Trustee or American and authenticated by the Loan Trustee thereunder, and designated "Series E Equipment Notes" thereunder, and any such equipment notes issued in exchange therefor or replacement thereof pursuant to the terms of such Indenture.

"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, 6.977% per annum, (ii) with respect to the Class A-2 Certificates, 6.817% per annum, (iii) with respect to the Class B Certificates, 7.377% per annum, (iv) with respect to the Class C Certificates, 7.379% per annum and (v) with respect to the Class D Certificates 7.686% per annum plus, in each case, an additional margin of 0.50% for any period required by the Registration Rights Agreement for the corresponding Equipment Notes.

"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 Aa3 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, the Class C Trust or the Class D Trust.

"Trust Accounts" has the meaning specified in Section 2.02(a).

"Trust Agreement" means any of the Class A-1 Trust Agreement, the Class A-2 Trust Agreement, the Class B Trust Agreement, the Class C Trust Agreement or the Class D Trust Agreement.

"Trust Property", with respect to any Trust, has the meaning specified in the Trust Agreement for such Trust.

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

"Trustee" means any of the Class A-1 Trustee, the Class A-2 Trustee, the Class B Trustee, the Class C Trustee or the Class D Trustee.

"Trustee Incumbency Certificate" has the meaning specified in Section 2.05(b).

"Trustee Representatives" has the meaning specified in Section 2.05(b).

"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) . (a) Each Trustee hereby acknowledges and agrees to the terms of subordination and distribution 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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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, Owner Trustees, Owner Participants 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, Owner Trustees or Owner Participants) 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 Owned Aircraft Indenture or Section 3.04 or clause "first" of Section 3.05 of any Leased Aircraft 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 any Class D Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of Class D Certificates on such Special Distribution Date shall be distributed to the Class D Trustee;

ninth, if the Class E Certificates have been issued and any Class E Certificates are Outstanding on such Special Distribution Date, such amount as shall be required to pay in full Expected Distributions to holders of Class E Certificates on such Special Distribution Date shall be distributed to the Class E Trustee; and

tenth, 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: (v) 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); (w) 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; (x) upon payment of Final Distributions to the holders of Class A-1 Certificates and Class A-2 Certificates, the Class B Trustee; (y) upon payment of Final Distributions to the holders of Class B Certificates, the Class C Trustee and (z) upon payment of Final Distributions to the holders of Class C Certificates, the Class D Trustee. For purposes of giving effect to the foregoing, the Trustees (other than the Controlling Party) irrevocably agree

(and the Certificateholders (other than the Certificateholders represented by the Controlling Party) shall be deemed to agree by virtue of their purchase of Certificates) that the Subordination Agent, as record holder of the Equipment Notes, shall exercise its voting rights in respect of the Equipment Notes as directed by the Controlling Party and any vote so exercised shall be binding upon the Trustees and all Certificateholders.

The Subordination Agent shall give written notice to all of the other parties to this Agreement promptly upon a change in the identity of the Controlling Party. Each of the parties hereto agrees that it shall not exercise any of the rights of the Controlling Party at such time as it is not the Controlling Party hereunder; provided, however, that nothing herein contained shall prevent or prohibit any Non-Controlling Party from exercising such rights as shall be specifically granted to such Non-Controlling Party hereunder and under the other Operative Agreements.

(c) Notwithstanding the foregoing, at any time after 18 months from the earliest to occur of (i) the date on which the entire Available Amount under any 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) (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 the Class D Certificates, if any are then Outstanding, the Class D Trustee shall separately set forth the amounts to be paid in accordance with clause "eighth" of Section 3.02 or 2.04(b) as the case may be;

(v) 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

(vi) 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 the Class D Certificates, if any are then Outstanding, the Class D Trustee shall separately set forth the amounts to be paid in accordance with clauses "first" (to reimburse payments made by the Class D Certificateholders pursuant to subclause (iii) of clause "first" of Section 3.03), "sixth" (to reimburse payments made by the Class D Certificateholders pursuant to subclause (iii) of clause "sixth" of Section 3.03) and "tenth" of Section 3.03;

(v) 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

(vi) 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 "tenth" of Section 2.04(b), clauses "first" through "eleventh" of Section 3.02 and clauses "first" through "twelfth" 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(a) . 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 any Class D Certificates are Outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to the holders of the Class D Certificates on such Distribution Date shall be distributed to the Class D Trustee;

ninth, if the Class E Certificates have been issued and any Class E Certificates are outstanding on such Distribution Date, such amount as shall be required to pay in full Expected Distributions to holders of Class E Certificates on such Distribution Date shall be distributed to the Class E Trustee; and

tenth, 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

eleventh, 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 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;

eleventh, if the Class E Certificates have been issued and any Class E Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay in full Adjusted Expected Distributions on the Class E Certificates shall be distributed to the Class E Trustee; and

twelfth, (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; (iv) after giving effect to clauses (i), (ii) and (iii) if any Class D Certificates are outstanding on such Distribution Date, such amount remaining or shall be required to pay Final Distributions on the Class D Certificates shall be distributed to the Class D Trustee and (v) after giving effect to clauses (i), (ii), (iii) and (iv) if the Class E Certificates have been issued and any Class E Certificates are Outstanding on such Distribution Date, such amount remaining as shall be required to pay Final Distributions on the Class E Certificates shall be distributed to the Class E Trustee.

Section 3.04 Other Payments(a) . (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 "eleventh" 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 "tenth" 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", "eighth" or "ninth" 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 10 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 10th (or 45th) day (or if such 10th (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). Whether or not the applicable Liquidity Provider has received such a request from the Subordination Agent, 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; provided, further, Boeing Capital Corporation shall not agree to extend the Stated Expiration Date beyond November 24, 2001 unless it shall have received the written consent of Moody's. 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. 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 Non-Extension Drawing so long as such Non-Extension Drawing has not been reimbursed in full to the Liquidity Provider.

(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) Subject to the Owner Trustees' and the Owner Participants' rights set forth in the Indentures with respect to Leased Aircraft to purchase the Equipment Notes, 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, (A) 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 and (B) with respect to any Leased Aircraft, the amount and payment dates of rentals payable by American under the Lease for such Aircraft may not be adjusted, if, as a result of such adjustment, the discounted present value of all such rentals would be less than 75% of the discounted present value of the rentals payable by American under such Lease before giving effect to such adjustment, in each case, using the weighted average interest rate of the Equipment Notes issued pursuant to such Indenture as the discount rate.

(iii) At the request of the Controlling Party, the Subordination Agent may from time to time during the continuance of an Indenture Event of Default (and before the occurrence of a Triggering Event) commission an appraisal with respect to the Aircraft subject to such Indenture.

(iv) After a Triggering Event occurs and any Equipment Note becomes a Non-Performing Equipment Note, the Subordination Agent shall obtain Appraisals with respect to all of the Aircraft (the "LTV Appraisals") as soon as practicable and additional LTV Appraisals on or prior to each anniversary of the date of such initial LTV Appraisals; provided that, if the Controlling Party reasonably objects to the appraised value of the Aircraft shown in such LTV Appraisals, the Controlling Party shall have the right to obtain or cause to be obtained substitute LTV Appraisals (including any LTV Appraisals based upon physical inspection of the Aircraft).

(b) To the extent permitted by applicable law, the Subordination Agent, at the direction of the Controlling Party, shall take such actions as it may reasonably deem most effectual to complete the sale or other disposition of such 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 in consultation with American promptly appoint a successor Subordination Agent. If a successor Subordination Agent shall not have been appointed within 60 days after such notice of resignation or removal, the retiring Subordination Agent, one or more of the Trustees 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 rent, supplemental rent or termination values payable by American under any Lease or reduce the amount of principal or interest payable by American under any Equipment Note issued under any Indenture in respect of an Owned Aircraft.

(c) If Class E Certificates are issued, this Agreement shall be amended by written agreement of the Subordination Agent and the Trustees to provide for the subordination of such Class E Certificates to the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates, the Class C Certificates and the Class D Certificates substantially in the same manner as the Class D Certificates are subordinated hereunder to the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and Class C Certificates. No such amendment shall materially adversely affect any Trustee. The amendment to this Agreement to give effect to the issuance of any Class E Certificates shall, without limitation:

(i) add the Class E Trustee as a party to this Agreement;

(ii) revise the definitions of "Cash Collateral Account", "Certificate", "Class", "Controlling Party", "Equipment Notes", "Final Legal Distribution Date", "Liquidity Facility", "Liquidity Provider", "LTV Ratio", "Stated Interest Rate", "Trust", "Trust Agreement" and "Trustee", as appropriate, to reflect the issuance of the Class E Certificates (and the subordination thereof); and

(iii) revise the provisions of this Agreement governing 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 E Certificates after payment of all relevant distributions on the Class D Certificates.

If, with respect to any Aircraft, Series E Equipment Notes are issued to any Person other than the Class E Trust, this Agreement shall be amended by written agreement of the Indenture trustees of the Series E Equipment Notes, the Trustees and the Subordination Agent to (i) provide for each holder of a Series E Equipment Note to be bound by the provisions of Section 2.06(a) so that the Controlling Party, among other things, shall be entitled to direct the Loan Trustee under the applicable Indenture as provided in such Section 2.06(a) (and such Series E Equipment Notes shall make effective provision therefor so as to bind each holder thereof to such provisions of Section 2.06(a)) and (ii) to revise the definitions of "Controlling Party" and "Equipment Notes", as appropriate, to reflect the issuance of the Series E Equipment Notes (and the prior rights, as

against the holders of such Series E Equipment Notes, of the Class A-1 Trustee, the Class A-2 Trustee, the Class B Trustee, the Class C Trustee and the Class D 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 received (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 any Liquidity Provider, at the address set forth in the respective Liquidity Facility.

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) . (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/ Alison Della Bella

-----  
Name: Alison Della Bella  
Title: Assistant Vice  
President

BOEING CAPITAL CORPORATION,  
as Class A-1 Liquidity Provider,  
Class A-2 Liquidity Provider,  
Class B Liquidity Provider and  
Class C Liquidity Provider

By: /s/ J.B. Matthews, Jr.

-----  
Name: J.B. Matthews, Jr.  
Title: Senior Director

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

By: /s/ Alison Della Bella

-----  
Name: Alison Della Bella  
Title: Assistant Vice  
President

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REVOLVING CREDIT AGREEMENT  
(2001-1A-1)

Dated as of May 24, 2001

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 2001-1A-1

as Borrower

and

BOEING CAPITAL CORPORATION,

as Liquidity Provider

American Airlines Pass Through Trust 2001-1A-1  
6.977% American Airlines  
Pass Through Certificates,  
Series 2001-1A-1

Table of Contents

Page ---- ARTICLE I DEFINITIONS Section 1.01

Definitions.....

1 ARTICLE II AMOUNT AND TERMS OF THE COMMITMENT Section 2.01 The Advances..... 9

Section 2.02 Making of Advances..... 9 Section 2.03

Fees.....11

Section 2.04 Reduction, Increase or Termination of the Maximum Commitment.....11 Section 2.05 Repayments of Interest Advances or the Final Advance.....12 Section 2.06 Repayments of Provider Advances.....12 Section 2.07 Payments to the Liquidity Provider Under the Intercreditor Agreement..14 Section 2.08 Book Entries.....14

Section 2.09 Payments from Available Funds Only.....14 Section 2.10 Extension of the Expiry Date; Non-Extension Advance.....14 ARTICLE III OBLIGATIONS OF THE BORROWER Section 3.01 Increased Costs.....15 Section 3.02 [Intentionally omitted.].....16 Section 3.03 Withholding Taxes.....17 Section 3.04

Payments.....18

Section 3.05 Computations.....18

Section 3.06 Payment on Non-Business Days.....18 Section 3.07

Interest.....19

Section 3.08 Replacement of Borrower.....20 Section 3.09 Funding Loss Indemnification.....21 Section 3.10

Illegality.....21

ARTICLE IV CONDITIONS PRECEDENT Section 4.01 Conditions Precedent to Effectiveness of Section 2.01.....22 Section 4.02 Conditions Precedent to Borrowing.....23 ARTICLE V COVENANTS Section 5.01 Affirmative Covenants of the Borrower.....23 Section 5.02 Negative Covenants of the Borrower.....24

Table of Contents

Page ---- ARTICLE VI LIQUIDITY EVENTS OF DEFAULT Section 6.01 Liquidity  
Events of Default.....24 ARTICLE  
VII MISCELLANEOUS Section 7.01 No Oral Modifications or Continuing  
Waivers.....24 Section 7.02  
Notices.....25  
Section 7.03 No Waiver;  
Remedies.....26 Section  
7.04 Further  
Assurances.....26  
Section 7.05 Indemnification; Survival of Certain  
Provisions.....26 Section 7.06 Liability of the  
Liquidity Provider.....27 Section 7.07  
Certain Costs and  
Expenses.....27 Section 7.08  
Binding Effect;  
Participations.....28 Section 7.09  
Severability.....29 Section 7.10 Governing  
Law.....29 Section  
7.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of  
Immunity..29 Section 7.12  
Counterparts.....30  
Section 7.13  
Entirety.....30  
Section 7.14  
Headings.....30  
Section 7.15 Liquidity Provider's Obligation to Make  
Advances.....30 Annex I - Interest Advance Notice of  
Borrowing Annex II - Non-Extension Advance Notice of Borrowing Annex IV  
- Final Advance Notice of Borrowing Annex V - Notice of Termination  
Annex VI - Notice of Replacement Subordination Agent

REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of May 24, 2001, 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 BOEING CAPITAL CORPORATION, a Delaware corporation (the "Liquidity Provider").

WITNESSETH:

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 or an Applied Provider Advance, as the case may be.

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

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

"Applicable Margin" means with respect to any Unpaid Advance or Applied Provider Advance, 2.00%

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

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

"Applied Provider Advance" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the 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 Seattle, Washington, 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.

"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 by the Liquidity Provider pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and a Relevant Country in which the Liquidity Provider is organized and resident for tax purposes or a change in the Code that overrides the provisions of such treaty or (v) any Taxes caused by any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld). "Relevant Country" means any of Germany, France, the United Kingdom, Switzerland, The Netherlands and Ireland.

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

"Effective Date" has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(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 November 24, 2001, 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 3780 Kilroy Airport Way, M/C D091-0070, Suite 750, Long Beach, California 90806, 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 to a lending office outside of the United States without the prior written consent of American (such consent not to be unreasonably withheld).

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

"LIBOR Rate" means, with respect to any Interest Period, (a) the rate per annum appearing on display page 3750 (British Bankers Association - LIBOR) of the Dow Jones Markets Service (or any successor or substitute therefor) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period as the rate for dollars deposits with a maturity comparable to such Interest Period, or (b) if the rate specified in clause (a) above is not available, the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates per annum at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

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

"Liquidity Indemnitee" means the 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 \$44,047,196, as the same may be reduced or increased 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.

"Offering Memorandum" means the Offering Memorandum dated May 18, 2001, relating to the Certificates, as such Offering Memorandum may be amended or supplemented.

"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, the United Kingdom or Ireland, (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.

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

"Reference Banks" means the principal London offices of: The Royal Bank of Scotland; JP Morgan Chase; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the 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 (whether or not having the force of law), 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 any other condition regarding this Agreement or any Advance 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.

(f) 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", "Leased Aircraft", "Liquidity Facility", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non- Extended Facility", "Operative Agreements", "Owned Aircraft", "Participation Agreements", "Performing Equipment Note", "Person", "Placement Agents", "Placement Agreement", "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", "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. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider's office at the address specified in Section 7.02 hereof. 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.

(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 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, Increase or Termination of the Maximum Commitment.

(a) Automatic Reduction. Promptly following each date on which the Required Amount is (i) 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) and (ii) increased or decreased as a result of any increase or decrease in the Stated Interest Rate of the Class A-1 Certificates pursuant to the definition of "Stated Interest Rate" set forth in the Intercreditor Agreement, the Maximum Commitment shall be automatically increased or decreased to an amount equal to such increased or decreased Required Amount (as calculated by the Borrower). The Borrower shall give notice of

any such automatic reduction or increase of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction or increase 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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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. By written agreement between the Borrower and the Liquidity Provider, entered into at any time prior to the 25(th) day prior to the then-effective Expiry Date (with the written consent of Moody's, so long as Boeing Capital Corporation is the Liquidity Provider), the then-

effective Expiry Date may be extended, effective on such 25th day (unless such then-effective Expiry Date is on or after the date that is 15 days after the Final Legal Distribution Date for the Class A-1 Certificates), for a period of 364 days after such then-effective Expiry Date (unless the obligations of the Liquidity Provider are earlier terminated in accordance with the terms hereof). If the Borrower and the Liquidity Provider do not so agree to extend the then-effective Expiry Date, (or if Moody's does not consent to such extension, if Boeing Capital Corporation is the Liquidity Provider) prior to such 25(th) day (and 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 such 25th day (but prior to such Expiry Date) to request a Non- Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor Agreement.

### ARTICLE III

#### OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. If as a result of any Regulatory Change or any compliance by the Liquidity Provider or its head office with any official request or directive regarding the same (whether or not having the force of law) there shall be (x) 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, (y) 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, or (z) any reduction reasonably deemed by the Liquidity Provider to be material in the rate of return on the Liquidity Provider's capital as a consequence of its commitment hereunder, its funding Advances or maintaining Unpaid Advances or its funding or maintaining the Downgrade Advance or the Non-Extension Advance to a level below that which the Liquidity Provider could have achieved but for such adoption, change or compliance (taking into consideration the Liquidity Provider's policies with respect to capital adequacy), and in case of any 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 after obtaining actual knowledge 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 (consistent with its internal lending policies and legal and regulatory restrictions) for reducing any Increased Costs and to use all commercially reasonable efforts (consistent with its internal lending policies and legal and regulatory restrictions) 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 document issued by the Basel Committee on Banking Supervision entitled "The New Basel Capital Accord" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect commercial banking institutions organized in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) to the extent that amounts claimed hereunder result from a failure by the Liquidity Provider to comply with its obligations under this Section 3.01; or (d) to the extent 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 the Liquidity Provider is not a United States person for U.S. federal income tax purposes and 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 and actually utilizes 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 utilized.

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 or Form W-8ECI, as applicable, if the Liquidity Provider is not a United States person for U.S. federal income tax purposes, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the 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. Whenever any Tax is payable with respect to a payment hereunder, as promptly as possible thereafter, 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. The Borrower shall, for federal income tax purposes, treat any Advances as a loan to the Subordination Agent on behalf of the Class A-1 Trust, unless otherwise required by law.

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: The Chase Manhattan Bank, New York, New York; ABA #021000021; Account name: Boeing Capital Corporation; Account number: 910 1 307412; Reference: Liquidity Facility Fee, or to such other account as the Liquidity Provider may from time to time direct the Subordination Agent.

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

Section 3.06 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such



payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next interest payment date for such Advance.

#### Section 3.07 Interest.

(a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Class 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 2.00% 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 (consistent with its internal lending policies and legal and regulatory restrictions) to avoid the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided, that the foregoing shall not obligate the 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), (iii) and (iv), 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 fully executed copy of the Fee Letter;

(v) A copy of the Offering Memorandum and specimen copies of the Class A-1 Certificates;

(vi) 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

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

(d) All conditions precedent to the issuance of the Certificates under the Trust 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 Placement Agents under the Placement Agreement shall have been satisfied (unless any of such conditions precedent under the Placement Agreement shall have been waived by the Placement Agents).

(e) 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 subject to 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 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 received 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, to:

Operations Department  
C/O BOEING CAPITAL CORPORATION  
Mail Code 6Y-16  
500 Naches Avenue SW  
Renton, Washington 98055

Telephone: (425) 393-1078  
Telecopy: (425) 393-1008

with a copy to:

BOEING CAPITAL CORPORATION  
3780 Kilroy Airport Way, M/C D091-0070  
Suite 750  
Long Beach, California 90806  
Attention: BCC Treasury

Telephone: (562) 997-3419  
Telecopy: (562) 997-3338

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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft. 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 relating to the



Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 hereof and the indemnities contained in Section 4.02 of the Participation Agreements relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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 counsel for the Liquidity Provider in connection with any waiver or consent under the Operative Documents 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 or a corporation formed under the laws of the United States or any state thereof, (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: \_\_\_\_\_  
Name:  
Title:

BOEING CAPITAL CORPORATION,  
as Liquidity Provider

By: \_\_\_\_\_  
Name:  
Title:

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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1A-1), dated as of May \_\_, 2001, 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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1A-1), dated as of May \_\_, 2001, 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].

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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1A-1), dated as of May \_\_, 2001, 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].

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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1A-1), dated as of May \_\_, 2001, 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]

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 May \_\_, 2001, 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 2001- 1A-1, as Borrower, and Boeing Capital  
Corporation (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,

Boeing Capital Corporation,  
as Liquidity Provider

By:

-----  
Name:  
Title:

cc: State Street Bank and Trust Company of Connecticut,  
National Association, as Class A-1 Trustee

ANNEX VI to  
REVOLVING CREDIT AGREEMENT

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]  
Attention:

Re: Revolving Credit Agreement, dated as of May \_\_, 2001, 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 2001- 1A-1, as Borrower, and Boeing Capital Corporation (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  
(2001-1A-2)

Dated as of May 24, 2001

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 2001-1A-2

as Borrower

and

BOEING CAPITAL CORPORATION,  
as Liquidity Provider

American Airlines Pass Through Trust 2001-1A-2  
6.817% American Airlines  
Pass Through Certificates,  
Series 2001-1A-2

Table of Contents Page ---- ARTICLE I DEFINITIONS  
Section 1.01 Definitions. 1  
ARTICLE II AMOUNT AND TERMS OF THE COMMITMENT Section  
2.01 The Advances 9  
Section 2.02 Making of Advances 9  
Section 2.03 Fees 9  
Section 2.04 Reduction, Increase or Termination of  
the Maximum Commitment . 11 Section 2.05 Repayments of  
Interest Advances or the Final Advance ..... 12  
Section 2.06 Repayments of Provider Advances  
..... 12 Section 2.07 Payments  
to the Liquidity Provider Under the Intercreditor  
Agreement ..... 14  
Section 2.08 Book Entries  
..... 14  
Section 2.09 Payments from Available Funds Only  
..... 14 Section 2.10 Extension of  
the Expiry Date; Non-Extension Advance ..... 14  
ARTICLE III OBLIGATIONS OF THE BORROWER Section 3.01  
Increased Costs ..... 15  
Section 3.02 [Intentionally omitted.]  
..... 16 Section 3.03  
Withholding Taxes ..... 17 Section  
3.04 Payments ..... 18  
Section 3.05 Computations ..... 18  
Section 3.06 Payment on Non-Business Days  
..... 18 Section 3.07  
Interest ..... 19  
Section 3.08 Replacement of Borrower  
..... 20 Section 3.09  
Funding Loss Indemnification  
..... 21 Section 3.10  
Illegality ..... 21  
ARTICLE IV CONDITIONS PRECEDENT Section 4.01 Conditions  
Precedent to Effectiveness of Section 2.01 ..... 22  
Section 4.02 Conditions Precedent to Borrowing  
..... 23 ARTICLE V COVENANTS  
Section 5.01 Affirmative Covenants of the Borrower  
..... 23 Section 5.02 Negative  
Covenants of the Borrower ..... 24

Table of Contents Page ----	ARTICLE VI LIQUIDITY
EVENTS OF DEFAULT Section 6.01	Liquidity Events of Default .....
24	ARTICLE VII MISCELLANEOUS Section 7.01
No Oral Modifications or Continuing Waivers .....	24
Section 7.02 Notices .....	25
Section 7.03 No Waiver; Remedies .....	26
Section 7.04 Further Assurances .....	26
Section 7.05 Indemnification; Survival of Certain Provisions .....	26
Section 7.06 Liability of the Liquidity Provider .....	27
Section 7.07 Certain Costs and Expenses .....	27
Section 7.08 Binding Effect; Participations .....	28
Section 7.09 Severability .....	29
Section 7.10 Governing Law .....	29
Section 7.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity .....	29
Section 7.12 Counterparts .....	30
Section 7.13 Entirety .....	30
Section 7.14 Headings .....	30
Section 7.15 Liquidity Provider's Obligation to Make Advances .....	30
Annex I - Interest Advance Notice of Borrowing	
Annex II - Non-Extension Advance Notice of Borrowing	
Annex III - Downgrade Advance Notice of Borrowing	
Annex IV - Final Advance Notice of Borrowing	
Annex V - Notice of Termination	
Annex VI - Notice of Replacement Subordination Agent	

REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of May 24, 2001, 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 BOEING CAPITAL CORPORATION, a Delaware corporation (the "Liquidity Provider").

WITNESSETH:

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 or an Applied Provider Advance, as the case may be.

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

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

"Applicable Margin" means with respect to any Unpaid Advance or Applied Provider Advance, 2.00%

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

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

"Applied Provider Advance" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the 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 Seattle, Washington, 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.

"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 by the Liquidity Provider pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and a Relevant Country in which the Liquidity Provider is organized and resident for tax purposes or a change in the Code that overrides the provisions of such treaty or (v) any Taxes caused by any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld). "Relevant Country" means any of Germany, France, the United Kingdom, Switzerland, The Netherlands and Ireland.

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

"Effective Date" has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(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 November 24, 2001, 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 3780 Kilroy Airport Way, M/C D091-0070, Suite 750, Long Beach, California 90806, 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 to a lending office outside of the United States without the prior written consent of American (such consent not to be unreasonably withheld).

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

"LIBOR Rate" means, with respect to any Interest Period, (a) the rate per annum appearing on display page 3750 (British Bankers Association - LIBOR) of the Dow Jones Markets Service (or any successor or substitute therefor) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period as the rate for dollars deposits with a maturity comparable to such Interest Period, or (b) if the rate specified in clause (a) above is not available, the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates per annum at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

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

"Liquidity Indemnitee" means the 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 \$40,105,331, as the same may be reduced or increased 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.

"Offering Memorandum" means the Offering Memorandum dated May 18, 2001, relating to the Certificates, as such Offering Memorandum may be amended or supplemented.

"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, the United Kingdom or Ireland, (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.

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

"Reference Banks" means the principal London offices of: The Royal Bank of Scotland; JP Morgan Chase; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the 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 (whether or not having the force of law), 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 any other condition regarding this Agreement or any Advance 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.

(f) 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", "Leased Aircraft", "Liquidity Facility", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non-Extended Facility", "Operative Agreements", "Owned Aircraft", "Participation Agreements", "Performing Equipment Note", "Person", "Placement Agents", "Placement Agreement", "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", "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. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider's office at the address specified in Section 7.02 hereof. 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.

(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 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, Increase or Termination of the Maximum Commitment.

(a) Automatic Reduction. Promptly following each date on which the Required Amount is (i) 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) and (ii) increased or decreased as a result of any increase or decrease in the Stated Interest Rate of the Class A-2 Certificates pursuant to the definition of "Stated Interest Rate" set forth in the Intercreditor Agreement, the Maximum Commitment shall be automatically increased or decreased to an amount equal to such increased or decreased Required Amount (as calculated by the Borrower). The Borrower shall give

notice of any such automatic reduction or increase of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction or increase 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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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. By written agreement between the Borrower and the Liquidity Provider, entered into at any time prior to the 25(th) day prior to the then-effective Expiry Date (with the written consent of Moody's, so long as Boeing Capital Corporation is the Liquidity Provider), the then-

effective Expiry Date may be extended, effective on such 25th day (unless such then- effective Expiry Date is on or after the date that is 15 days after the Final Legal Distribution Date for the Class A-2 Certificates), for a period of 364 days after such then- effective Expiry Date (unless the obligations of the Liquidity Provider are earlier terminated in accordance with the terms hereof). If the Borrower and the Liquidity Provider do not so agree to extend the then-effective Expiry Date, (or if Moody's does not consent to such extension, if Boeing Capital Corporation is the Liquidity Provider) prior to such 25(th) day (and 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 such 25th day (but prior to such Expiry Date) to request a Non- Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor Agreement.

### ARTICLE III

#### OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. If as a result of any Regulatory Change or any compliance by the Liquidity Provider or its head office with any official request or directive regarding the same (whether or not having the force of law) there shall be (x) 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, (y) 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, or (z) any reduction reasonably deemed by the Liquidity Provider to be material in the rate of return on the Liquidity Provider's capital as a consequence of its commitment hereunder, its funding Advances or maintaining Unpaid Advances or its funding or maintaining the Downgrade Advance or the Non-Extension Advance to a level below that which the Liquidity Provider could have achieved but for such adoption, change or compliance (taking into consideration the Liquidity Provider's policies with respect to capital adequacy), and in case of any 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 after obtaining actual knowledge 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 (consistent with its internal lending policies and legal and regulatory restrictions) for reducing any Increased Costs and to use all commercially reasonable efforts (consistent with its internal lending policies and legal and regulatory restrictions) 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 document issued by the Basel Committee on Banking Supervision entitled "The New Basel Capital Accord" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect commercial banking institutions organized in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) to the extent that amounts claimed hereunder result from a failure by the Liquidity Provider to comply with its obligations under this Section 3.01; or (d) to the extent 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 the Liquidity Provider is not a United States person for U.S. federal income tax purposes and 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 and actually utilizes 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 utilized.

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 or Form W-8ECI, as applicable, if the Liquidity Provider is not a United States person for U.S. federal income tax purposes, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the 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. Whenever any Tax is payable with respect to a payment hereunder, as promptly as possible thereafter, 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. The Borrower shall, for federal income tax purposes, treat any Advances as a loan to the Subordination Agent on behalf of the Class A-2 Trust, unless otherwise required by law.

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: The Chase Manhattan Bank, New York, New York; ABA #021000021; Account name: Boeing Capital Corporation; Account number: 910 1 307412; Reference: Liquidity Facility Fee, or to such other account as the Liquidity Provider may from time to time direct the Subordination Agent.

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

Section 3.06 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such

payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next interest payment date for such Advance.

#### Section 3.07 Interest.

(a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Class 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 2.00% 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 (consistent with its internal lending policies and legal and regulatory restrictions) to avoid the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided, that the foregoing shall not obligate the 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), (iii) and (iv), 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 fully executed copy of the Fee Letter;

(v) A copy of the Offering Memorandum and specimen copies of the Class A-2 Certificates;

(vi) 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

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

(d) All conditions precedent to the issuance of the Certificates under the Trust 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 Placement Agents under the Placement Agreement shall have been satisfied (unless any of such conditions precedent under the Placement Agreement shall have been waived by the Placement Agents).

(e) 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 subject to 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 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 received 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, to:

Operations Department  
C/O BOEING CAPITAL CORPORATION  
Mail Code 6Y-16  
500 Naches Avenue SW  
Renton, Washington 98055

Telephone: (425) 393-1078  
Telecopy: (425) 393-1008

with a copy to:

BOEING CAPITAL CORPORATION  
3780 Kilroy Airport Way, M/C D091-0070  
Suite 750  
Long Beach, California 90806  
Attention: BCC Treasury

Telephone: (562) 997-3419  
Telecopy: (562) 997-3338



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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft. 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 relating to the

Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 hereof and the indemnities contained in Section 4.02 of the Participation Agreements relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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 counsel for the Liquidity Provider in connection with any waiver or consent under the Operative Documents 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 or a corporation formed under the laws of the United States or any state thereof, (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: \_\_\_\_\_  
Name:  
Title:

BOEING CAPITAL CORPORATION,  
as Liquidity Provider

By: \_\_\_\_\_  
Name:  
Title:

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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1A-2), dated as of May \_\_, 2001, 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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1A-2), dated as of May \_\_, 2001, 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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1A-2), dated as of May \_\_, 2001, 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].



FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1A-2), dated as of May \_\_, 2001, 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 May \_\_, 2001, 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 2001- 1A-2, as Borrower, and Boeing Capital Corporation  
(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,

Boeing Capital Corporation,  
as Liquidity Provider

By:

-----  
Name:  
Title:

cc: State Street Bank and Trust Company of Connecticut,  
National Association, as Class A-2 Trustee

ANNEX VI to  
REVOLVING CREDIT AGREEMENT

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]

Attention:

Re: Revolving Credit Agreement, dated as of May \_\_, 2001, 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 2001- 1A-2, as Borrower, and Boeing Capital Corporation (the "Liquidity Agreement")

Ladies and Gentlemen:

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

-----  
[Name of Transferee]

-----  
[Address of Transferee]

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

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

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

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

By:

-----  
Name:  
Title:

VI-1

REVOLVING CREDIT AGREEMENT  
(2001-1B)

Dated as of May 24, 2001

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 2001-1B

as Borrower

and

BOEING CAPITAL CORPORATION,

as Liquidity Provider

American Airlines Pass Through Trust 2001-1B  
7.377% American Airlines  
Pass Through Certificates,  
Series 2001-1B

Table of Contents

Page ---- ARTICLE I DEFINITIONS Section 1.01

Definitions.....1  
 ARTICLE II AMOUNT AND TERMS OF THE COMMITMENT Section 2.01 The  
 Advances.....9  
     Section 2.02 Making of  
 Advances.....9 Section  
     2.03  
 Fees.....11  
     Section 2.04 Reduction, Increase or Termination of the Maximum  
 Commitment.....11 Section 2.05 Repayments of Interest Advances or  
 the Final Advance.....12 Section 2.06 Repayments of  
 Provider Advances.....12 Section 2.07  
 Payments to the Liquidity Provider Under the Intercreditor  
 Agreement...14 Section 2.08 Book  
 Entries.....14  
     Section 2.09 Payments from Available Funds  
 Only.....14 Section 2.10 Extension of  
 the Expiry Date; Non-Extension Advance.....14 ARTICLE III  
 OBLIGATIONS OF THE BORROWER Section 3.01 Increased  
 Costs.....15 Section  
     3.02 [Intentionally  
 omitted.].....16 Section 3.03  
     Withholding  
 Taxes.....17 Section  
     3.04  
 Payments.....18  
     Section 3.05  
 Computations.....18  
     Section 3.06 Payment on Non-Business  
 Days.....18 Section 3.07  
 Interest.....19  
     Section 3.08 Replacement of  
 Borrower.....20 Section 3.09  
     Funding Loss  
 Indemnification.....21 Section  
     3.10  
 Illegality.....21  
 ARTICLE IV CONDITIONS PRECEDENT Section 4.01 Conditions Precedent to  
 Effectiveness of Section 2.01.....22 Section 4.02  
     Conditions Precedent to  
 Borrowing.....23 ARTICLE V COVENANTS  
     Section 5.01 Affirmative Covenants of the  
 Borrower.....23 Section 5.02 Negative  
 Covenants of the Borrower.....24

Table of Contents

Page ---- ARTICLE VI LIQUIDITY EVENTS OF DEFAULT Section 6.01 Liquidity  
 Events of Default.....24 ARTICLE  
 VII MISCELLANEOUS Section 7.01 No Oral Modifications or Continuing  
 Waivers.....24 Section 7.02  
 Notices.....25  
     Section 7.03 No Waiver;  
 Remedies.....26 Section  
     7.04 Further  
     Assurances.....26  
     Section 7.05 Indemnification; Survival of Certain  
     Provisions.....26 Section 7.06 Liability of the  
     Liquidity Provider.....27 Section 7.07  
     Certain Costs and  
     Expenses.....27 Section 7.08  
     Binding Effect;  
     Participations.....28 Section 7.09  
 Severability.....29  
     Section 7.10 Governing  
 Law.....29 Section  
     7.11 Submission to Jurisdiction; Waiver of Jury Trial; Waiver of  
     Immunity...29 Section 7.12  
 Counterparts.....30  
     Section 7.13  
 Entirety.....30  
     Section 7.14  
 Headings.....30  
     Section 7.15 Liquidity Provider's Obligation to Make  
     Advances.....30

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



REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of May 24, 2001, 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 BOEING CAPITAL CORPORATION, a Delaware corporation (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 or an Applied Provider Advance, as the case may be.

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

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

"Applicable Margin" means with respect to any Unpaid Advance or Applied Provider Advance, 2.00%

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

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

"Applied Provider Advance" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the 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 Seattle, Washington, 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.

"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 by the Liquidity Provider pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and a Relevant Country in which the Liquidity Provider is organized and resident for tax purposes or a change in the Code that overrides the provisions of such treaty or (v) any Taxes caused by any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld). "Relevant Country" means any of Germany, France, the United Kingdom, Switzerland, The Netherlands and Ireland.

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

"Effective Date" has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(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 November 24, 2001, 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 3780 Kilroy Airport Way, M/C D091-0070, Suite 750, Long Beach, California 90806, 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 to a lending office outside of the United States without the prior written consent of American (such consent not to be unreasonably withheld).

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

"LIBOR Rate" means, with respect to any Interest Period, (a) the rate per annum appearing on display page 3750 (British Bankers Association - LIBOR) of the Dow Jones Markets Service (or any successor or substitute therefor) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period as the rate for dollars deposits with a maturity comparable to such Interest Period, or (b) if the rate specified in clause (a) above is not available, the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates per annum at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

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

"Liquidity Indemnitee" means the 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 \$32,912,117, as the same may be reduced or increased 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.

"Offering Memorandum" means the Offering Memorandum dated May 18, 2001, relating to the Certificates, as such Offering Memorandum may be amended or supplemented.

"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, the United Kingdom or Ireland, (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.

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

"Reference Banks" means the principal London offices of: The Royal Bank of Scotland; JP Morgan Chase; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the 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 (whether or not having the force of law), 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 any other condition regarding this Agreement or any Advance 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.

(f) 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 Cash Collateral Account", "Class B Certificates", "Class B Certificateholders", "Class B Trust", "Class B Trust Agreement", "Class B 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", "Leased Aircraft", "Liquidity Facility", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non-Extended Facility", "Operative Agreements", "Owned Aircraft", "Participation Agreements", "Performing Equipment Note", "Person", "Placement Agents", "Placement Agreement", "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", "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. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider's office at the address specified in Section 7.02 hereof. 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.

(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 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, Increase or Termination of the Maximum Commitment.

(a) Automatic Reduction. Promptly following each date on which the Required Amount is (i) 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) and (ii) increased or decreased as a result of any increase or decrease in the Stated Interest Rate of the Class B Certificates pursuant to the definition of "Stated Interest Rate" set forth in the Intercreditor Agreement, the Maximum Commitment shall be automatically increased or decreased to an amount equal to such increased or decreased Required Amount (as calculated by the Borrower). The Borrower shall give

notice of any such automatic reduction or increase of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction or increase 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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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. By written agreement between the Borrower and the Liquidity Provider, entered into at any time prior to the 25(th) day prior to the then-effective Expiry Date (with the written consent of Moody's, so long as Boeing Capital Corporation is the Liquidity Provider), the then-

effective Expiry Date may be extended, effective on such 25th day (unless such then-effective Expiry Date is on or after the date that is 15 days after the Final Legal Distribution Date for the Class B Certificates), for a period of 364 days after such then-effective Expiry Date (unless the obligations of the Liquidity Provider are earlier terminated in accordance with the terms hereof). If the Borrower and the Liquidity Provider do not so agree to extend the then-effective Expiry Date, (or if Moody's does not consent to such extension, if Boeing Capital Corporation is the Liquidity Provider) prior to such 25(th) day (and 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 such 25th day (but prior to such Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor Agreement.

### ARTICLE III

#### OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. If as a result of any Regulatory Change or any compliance by the Liquidity Provider or its head office with any official request or directive regarding the same (whether or not having the force of law) there shall be (x) 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, (y) 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, or (z) any reduction reasonably deemed by the Liquidity Provider to be material in the rate of return on the Liquidity Provider's capital as a consequence of its commitment hereunder, its funding Advances or maintaining Unpaid Advances or its funding or maintaining the Downgrade Advance or the Non-Extension Advance to a level below that which the Liquidity Provider could have achieved but for such adoption, change or compliance (taking into consideration the Liquidity Provider's policies with respect to capital adequacy), and in case of any 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 after obtaining actual knowledge 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 (consistent with its internal lending policies and legal and regulatory restrictions) for reducing any Increased Costs and to use all commercially reasonable efforts (consistent with its internal lending policies and legal and regulatory restrictions) 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 document issued by the Basel Committee on Banking Supervision entitled "The New Basel Capital Accord" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect commercial banking institutions organized in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) to the extent that amounts claimed hereunder result from a failure by the Liquidity Provider to comply with its obligations under this Section 3.01; or (d) to the extent 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 the Liquidity Provider is not a United States person for U.S. federal income tax purposes and 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 and actually utilizes 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 utilized.

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 or Form W-8ECI, as applicable, if the Liquidity Provider is not a United States person for U.S. federal income tax purposes, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the 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. Whenever any Tax is payable with respect to a payment hereunder, as promptly as possible thereafter, 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. The Borrower shall, for federal income tax purposes, treat any Advances as a loan to the Subordination Agent on behalf of the Class B Trust, unless otherwise required by law.

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: The Chase Manhattan Bank, New York, New York; ABA #021000021; Account name: Boeing Capital Corporation; Account number: 910 1 307412; Reference: Liquidity Facility Fee, or to such other account as the Liquidity Provider may from time to time direct the Subordination Agent.

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

Section 3.06 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such

payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next interest payment date for such Advance.

#### Section 3.07 Interest.

(a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Class 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 2.00% 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 (consistent with its internal lending policies and legal and regulatory restrictions) to avoid the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided, that the foregoing shall not obligate the 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), (iii) and (iv), 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 fully executed copy of the Fee Letter;

(v) A copy of the Offering Memorandum and specimen copies of the Class B Certificates;

(vi) 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

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

(d) All conditions precedent to the issuance of the Certificates under the Trust 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 Placement Agents under the Placement Agreement shall have been satisfied (unless any of such conditions precedent under the Placement Agreement shall have been waived by the Placement Agents).

(e) 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 subject to 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 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 received 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, to:

Operations Department  
C/O BOEING CAPITAL CORPORATION  
Mail Code 6Y-16  
500 Naches Avenue SW  
Renton, Washington 98055

Telephone: (425) 393-1078  
Telecopy: (425) 393-1008

with a copy to:

BOEING CAPITAL CORPORATION  
3780 Kilroy Airport Way, M/C D091-0070  
Suite 750  
Long Beach, California 90806  
Attention: BCC Treasury  
Telephone: (562) 997-3419  
Telecopy: (562) 997-3338

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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft. 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 relating to the

Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 hereof and the indemnities contained in Section 4.02 of the Participation Agreements relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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 counsel for the Liquidity Provider in connection with any waiver or consent under the Operative Documents 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 or a corporation formed under the laws of the United States or any state thereof, (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: \_\_\_\_\_  
Name:  
Title:

BOEING CAPITAL CORPORATION,  
as Liquidity Provider

By: \_\_\_\_\_  
Name:  
Title:



INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1B), dated as of May \_\_, 2001, 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]

NON-EXTENSION ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1B), dated as of May \_\_, 2001, 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].

DOWNGRADE ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned subordination agent (the "Borrower"), hereby certifies to Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1B), dated as of May \_\_, 2001, 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].

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1B), dated as of May \_\_, 2001, 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]

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 May \_\_, 2001, 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 2001-1B, as Borrower, and Boeing Capital  
Corporation (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,

Boeing Capital Corporation,  
as Liquidity Provider

By:

-----  
Name:  
Title:

cc: State Street Bank and Trust Company of Connecticut, National  
Association, as Class B Trustee

NOTICE OF REPLACEMENT SUBORDINATION AGENT

[Date]  
Attention:

Re: Revolving Credit Agreement, dated as of May \_\_, 2001, 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 2001-1B, as Borrower, and Boeing Capital Corporation (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  
(2001-1C)

Dated as of May 24, 2001

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 2001-1C

as Borrower

and

BOEING CAPITAL CORPORATION,

as Liquidity Provider

American Airlines Pass Through Trust 2001-1C  
7.379% American Airlines  
Pass Through Certificates,  
Series 2001-1C

Table of Contents

Page ---- ARTICLE I DEFINITIONS Section 1.01 Definitions ..... 1  
ARTICLE II AMOUNT AND TERMS OF THE COMMITMENT Section 2.01 The  
Advances ..... 9  
Section 2.02 Making of Advances ..... 9 Section  
2.03 Fees ..... 9 Section  
11 Section 2.04 Reduction, Increase or Termination of the Maximum  
Commitment ..... 11 Section 2.05 Repayments of Interest  
Advances or the Final Advance ..... 12 Section 2.06  
Repayments of Provider Advances ..... 12 Section 2.07 Payments  
to the Liquidity Provider Under the Intercreditor Agreement ..... 14  
Section 2.08 Book Entries ..... 14  
Section 2.09 Payments from Available Funds Only ..... 14 Section 2.10 Extension of  
the Expiry Date; Non-Extension Advance ..... 14  
ARTICLE III OBLIGATIONS OF THE BORROWER Section 3.01 Increased Costs ..... 15  
Section 3.02 [Intentionally omitted.] ..... 15  
Section 3.03 Withholding Taxes ..... 16 Section 3.03  
3.04 Payments ..... 17 Section  
Section 3.05 Computations ..... 18  
Section 3.06 Payment on Non-Business Days ..... 18  
Section 3.07 Interest ..... 18 Section 3.07  
Section 3.08 Replacement of Borrower ..... 19  
Section 3.09 Funding Loss Indemnification ..... 20 Section 3.09  
Section 3.10 Illegality ..... 21 Section 3.10  
ARTICLE IV CONDITIONS PRECEDENT Section 4.01 Conditions Precedent to  
Effectiveness of Section 2.01 ..... 22 Section 4.02  
Conditions Precedent to Borrowing ..... 23  
ARTICLE V COVENANTS  
Section 5.01 Affirmative Covenants of the Borrower ..... 23  
Section 5.02 Negative Covenants of the Borrower ..... 24



Table of Contents

Page ---- ARTICLE VI LIQUIDITY EVENTS OF DEFAULT Section 6.01  
Liquidity Events of Default ..... 24 ARTICLE VII  
MISCELLANEOUS Section 7.01 No Oral Modifications or Continuing  
Waivers ..... 24 Section 7.02 Notices  
.....  
25 Section 7.03 No Waiver; Remedies ..... 26 Section  
7.04 Further Assurances ..... 26  
Section 7.05 Indemnification; Survival of Certain Provisions  
..... 26 Section 7.06 Liability of the  
Liquidity Provider ..... 27  
Section 7.07 Certain Costs and Expenses  
..... 27 Section 7.08  
Binding Effect; Participations ..... 28 Section 7.09  
Severability ..... 29  
Section 7.10 Governing Law ..... 29  
Section 7.11 Submission to Jurisdiction; Waiver of Jury Trial;  
Waiver of Immunity ..... 29 Section 7.12 Counterparts  
..... 30  
Section 7.13 Entirety .....  
30 Section 7.14 Headings .....  
30 Section 7.15 Liquidity Provider's Obligation to Make Advances  
..... 30

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

REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of May 24, 2001, 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 BOEING CAPITAL CORPORATION, a Delaware corporation (the "Liquidity Provider").

WITNESSETH:

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 or an Applied Provider Advance, as the case may be.

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

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

"Applicable Margin" means with respect to any Unpaid Advance or Applied Provider Advance, 2.00%

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

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

"Applied Provider Advance" means an Applied Downgrade Advance or an Applied Non-Extension Advance.

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day in the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the 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 Seattle, Washington, 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.

"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 by the Liquidity Provider pursuant thereto, (iv) any withholding Taxes imposed by the United States except to the extent such withholding Taxes would not have been required to be deducted or withheld from payments hereunder but for a change after the date hereof in the income tax treaty between the United States and a Relevant Country in which the Liquidity Provider is organized and resident for tax purposes or a change in the Code that overrides the provisions of such treaty or (v) any Taxes caused by any change in the Lending Office without the prior written consent of American (such consent not to be unreasonably withheld). "Relevant Country" means any of Germany, France, the United Kingdom, Switzerland, The Netherlands and Ireland.

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

"Effective Date" has the meaning specified in Section 4.01. The delivery of the certificate of the Liquidity Provider contemplated by Section 4.01(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 November 24, 2001, 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 3780 Kilroy Airport Way, M/C D091-0070, Suite 750, Long Beach, California 90806, 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 to a lending office outside of the United States without the prior written consent of American (such consent not to be unreasonably withheld).

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

"LIBOR Rate" means, with respect to any Interest Period, (a) the rate per annum appearing on display page 3750 (British Bankers Association - LIBOR) of the Dow Jones Markets Service (or any successor or substitute therefor) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period as the rate for dollars deposits with a maturity comparable to such Interest Period, or (b) if the rate specified in clause (a) above is not available, the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates per annum at which deposits in Dollars are offered by the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (London time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the London interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (c) if none of the Reference Banks is quoting a rate for deposits in Dollars in the London interbank market for such a period and amount, the interest rate per annum equal to the average (rounded up, if necessary, to the nearest 1/100th of 1%) of the rates at which deposits in Dollars are offered by the principal New York offices of the Reference Banks (or, if fewer than all of the Reference Banks are quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, such fewer number of Reference Banks) at approximately 11:00 a.m. (New York time) on the day that is two Business Days prior to the first day of such Interest Period to prime banks in the New York interbank market for a period comparable to such Interest Period and in an amount approximately equal to the principal amount of the LIBOR Advance to be outstanding during such Interest Period, or (d) if none of the principal New York offices of the Reference Banks is quoting a rate for deposits in Dollars in the New York interbank market for the applicable period and amount, the Base Rate.

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

"Liquidity Indemnitee" means the 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 \$20,314,018, as the same may be reduced or increased 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.

"Offering Memorandum" means the Offering Memorandum dated May 18, 2001, relating to the Certificates, as such Offering Memorandum may be amended or supplemented.

"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, the United Kingdom or Ireland, (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.

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

"Reference Banks" means the principal London offices of: The Royal Bank of Scotland; JP Morgan Chase; Citibank, N.A.; and such other or additional banking institutions as may be designated from time to time by mutual agreement of American and the 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 (whether or not having the force of law), 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 any other condition regarding this Agreement or any Advance 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.

(f) 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", "Leased Aircraft", "Liquidity Facility", "Liquidity Obligations", "Loan Trustee", "Moody's", "Non- Extended Facility", "Operative Agreements", "Owned Aircraft", "Participation Agreements", "Performing Equipment Note", "Person", "Placement Agents", "Placement Agreement", "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", "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. Each Notice of Borrowing shall be effective upon delivery of a copy thereof to the Liquidity Provider's office at the address specified in Section 7.02 hereof. 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.

(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 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, Increase or Termination of the Maximum Commitment.

(a) Automatic Reduction. Promptly following each date on which the Required Amount is (i) 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) and (ii) increased or decreased as a result of any increase or decrease in the Stated Interest Rate of the Class C Certificates pursuant to the definition of "Stated Interest Rate" set forth in the Intercreditor Agreement, the Maximum Commitment shall be automatically increased or decreased to an amount equal to such increased or decreased Required Amount (as calculated by the Borrower). The Borrower shall give

notice of any such automatic reduction or increase of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction or increase 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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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. By written agreement between the Borrower and the Liquidity Provider, entered into at any time prior to the 25(th) day prior to the then-effective Expiry Date (with the written consent of Moody's, so long as Boeing Capital Corporation is the Liquidity Provider), the then-

effective Expiry Date may be extended, effective on such 25th day (unless such then-effective Expiry Date is on or after the date that is 15 days after the Final Legal Distribution Date for the Class C Certificates), for a period of 364 days after such then-effective Expiry Date (unless the obligations of the Liquidity Provider are earlier terminated in accordance with the terms hereof). If the Borrower and the Liquidity Provider do not so agree to extend the then-effective Expiry Date, (or if Moody's does not consent to such extension, if Boeing Capital Corporation is the Liquidity Provider) prior to such 25(th) day (and 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 such 25th day (but prior to such Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.06(d) of the Intercreditor Agreement.

### ARTICLE III

#### OBLIGATIONS OF THE BORROWER

Section 3.01 Increased Costs. If as a result of any Regulatory Change or any compliance by the Liquidity Provider or its head office with any official request or directive regarding the same (whether or not having the force of law) there shall be (x) 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, (y) 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, or (z) any reduction reasonably deemed by the Liquidity Provider to be material in the rate of return on the Liquidity Provider's capital as a consequence of its commitment hereunder, its funding Advances or maintaining Unpaid Advances or its funding or maintaining the Downgrade Advance or the Non-Extension Advance to a level below that which the Liquidity Provider could have achieved but for such adoption, change or compliance (taking into consideration the Liquidity Provider's policies with respect to capital adequacy), and in case of any 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 after obtaining actual knowledge 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 (consistent with its internal lending policies and legal and regulatory restrictions) for reducing any Increased Costs and to use all commercially reasonable efforts (consistent with its internal lending policies and legal and regulatory restrictions) 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 document issued by the Basel Committee on Banking Supervision entitled "The New Basel Capital Accord" shall not be considered a Regulatory Change proposed as of the date of this Agreement); (b) if a claim hereunder in respect of an Increased Cost arises through circumstances peculiar to the Liquidity Provider and that do not affect commercial banking institutions organized in the same jurisdiction generally that are in compliance with the law, rule, regulation or interpretation giving rise to the Regulatory Change relating to such Increased Cost; (c) to the extent that amounts claimed hereunder result from a failure by the Liquidity Provider to comply with its obligations under this Section 3.01; or (d) to the extent 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 the Liquidity Provider is not a United States person for U.S. federal income tax purposes and 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 and actually utilizes 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 utilized.

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 or Form W-8ECI, as applicable, if the Liquidity Provider is not a United States person for U.S. federal income tax purposes, including thereon a valid U.S. taxpayer identification number (or, with respect to any such participant, such form or documentation as may be applicable) covering all amounts receivable by it in connection with the transactions contemplated by the Operative Agreements and (y) thereafter from time to time such additional forms or documentation as may be necessary to establish an available exemption from withholding of United States Tax on payments hereunder so that such forms or documentation are effective for all periods during which it is the 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. Whenever any Tax is payable with respect to a payment hereunder, as promptly as possible thereafter, 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. The Borrower shall, for federal income tax purposes, treat any Advances as a loan to the Subordination Agent on behalf of the Class C Trust, unless otherwise required by law.

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: The Chase Manhattan Bank, New York, New York; ABA #021000021; Account name: Boeing Capital Corporation; Account number: 910 1 307412; Reference: Liquidity Facility Fee, or to such other account as the Liquidity Provider may from time to time direct the Subordination Agent.

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

Section 3.06 Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day other than a Business Day, such

payment shall be made on the next succeeding Business Day and no additional interest shall be due as a result (and if so made, shall be deemed to have been made when due). If any payment in respect of interest on an Advance is so deferred to the next succeeding Business Day, such deferral shall not delay the commencement of the next Interest Period for such Advance (if such Advance is a LIBOR Advance) or reduce the number of days for which interest will be payable on such Advance on the next interest payment date for such Advance.

#### Section 3.07 Interest.

(a) Subject to Sections 2.07 and 2.09, the Borrower shall pay, or shall cause to be paid, without duplication, interest on (i) the unpaid principal amount of each Advance from and including the date of such Advance (or, in the case of an Applied Provider Advance, from and including the date on which the amount thereof was withdrawn from the Class 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 2.00% 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 (consistent with its internal lending policies and legal and regulatory restrictions) to avoid the need for such conversion, including, without limitation, designating a different Lending Office, if such designation or other action would avoid the need to convert such LIBOR Advances to Base Rate Advances; provided, that the foregoing shall not obligate the 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), (iii) and (iv), 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 fully executed copy of the Fee Letter;

(v) A copy of the Offering Memorandum and specimen copies of the Class C Certificates;

(vi) 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

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

(d) All conditions precedent to the issuance of the Certificates under the Trust 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 Placement Agents under the Placement Agreement shall have been satisfied (unless any of such conditions precedent under the Placement Agreement shall have been waived by the Placement Agents).

(e) 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 subject to 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 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 received 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, to:

Operations Department  
C/O BOEING CAPITAL CORPORATION  
Mail Code 6Y-16  
500 Naches Avenue SW  
Renton, Washington 98055

Telephone: (425) 393-1078  
Telecopy: (425) 393-1008

with a copy to:

BOEING CAPITAL CORPORATION  
3780 Kilroy Airport Way, M/C D091-0070  
Suite 750  
Long Beach, California 90806  
Attention: BCC Treasury

Telephone: (562) 997-3419  
Telecopy: (562) 997-3338

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 relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft. 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 relating to the

Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft. The provisions of Sections 3.01, 3.03, 3.09, 7.05 and 7.07 hereof and the indemnities contained in Section 4.02 of the Participation Agreements relating to the Owned Aircraft and Section 10 of the Participation Agreements relating to the Leased Aircraft 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 counsel for the Liquidity Provider in connection with any waiver or consent under the Operative Documents 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 or a corporation formed under the laws of the United States or any state thereof, (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: -----  
Name:  
Title:

BOEING CAPITAL CORPORATION,  
as Liquidity Provider

By: -----  
Name:  
Title:

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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1C), dated as of May \_\_, 2001, 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]

## 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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1 C), dated as of May \_\_, 2001, 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 Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1C), dated as of May \_\_, 2001, 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].

FINAL ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Boeing Capital Corporation (the "Liquidity Provider"), with reference to the Revolving Credit Agreement (2001-1C), dated as of May \_\_, 2001, 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]

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 May \_\_, 2001, 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 2001- 1C, as Borrower, and Boeing Capital  
Corporation (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,

Boeing Capital Corporation,  
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 May \_\_, 2001, 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 2001- 1C, as Borrower, and Boeing Capital Corporation (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:

## REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made and entered into May 18, 2001, among AMERICAN AIRLINES, INC., a Delaware corporation (the "Company"), STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, as trustee under each of the Trusts (as defined below) (the "Trustee") and MORGAN STANLEY & CO. INCORPORATED ("Morgan Stanley"), Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Dresdner Kleinwort Wasserstein Securities LLC (collectively with Morgan Stanley, the "Placement Agents").

This Agreement is made pursuant to the Placement Agreement dated May 18, 2001, among the Company and the Placement Agents (the "Placement Agreement"), which provides for the sale to the Placement Agents of (i) \$420,880,000 aggregate principal amount of 6.977% 2001-1A-1 Pass Through Certificates (the "Class A-1 Certificates"), (ii) \$392,209,000 aggregate principal amount of 6.817 % 2001-1A-2 Pass Through Certificates (the "Class A-2 Certificates"), (iii) \$297,430,000 aggregate principal amount of 7.377% 2001-1B Pass Through Certificates (the "Class B Certificates"), (iv) \$183,530,000 aggregate principal amount of 7.379% 2001-1C Pass Through Certificates, (the "Class C Certificates) and (v) \$25,600,000 aggregate principal amount of 7.686% 2001-1D Pass Through Certificates, and together with the Class A-1 Certificates, the Class A-2 Certificates, the Class B Certificates and the Class C Certificates, (the "Offered Certificates.") In order to induce the Placement Agents to enter into the Placement Agreement, the Company has agreed to provide to the Placement Agents and their direct and indirect transferees the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Placement Agreement.

The Offered Certificates will be issued pursuant to the Pass Through Trust Agreement, dated as of May 24, 2001, between the Company and the Trustee (the "Basic Agreement"), as supplemented with respect to each series of Certificates by a separate Pass Through Trust Supplement between the Company and the Trustee to be dated as of the date on which the Closing Time (as defined in the Placement Agreement) will occur (the "Closing Time") (individually, a "Trust Supplement") (the Basic Agreement, as supplemented by each such Trust Supplement, being referred to herein as the "Pass Through Trust Agreements"). The Pass Through Trust Agreements are related to the creation and administration of American Airlines, Inc., Pass Through Trust Series 2001-1A-1 (the "Class A-1 Trust"), American Airlines, Inc., Pass Through Trust Series 2001-1A-2 (the "Class A-2 Trust"), American Airlines, Inc., Pass Through Trust Series 2001-1B (the "Class B Trust"), American Airlines, Inc., Pass Through Trust Series 2001-1C (the "Class C Trust") and American Airlines, Inc., Pass Through Trust Series 2001-1D (the "Class D Trust"; and together with the Class A-1 Trust, the Class A-2 Trust, the Class B Trust and the Class C Trust, the "Trusts").



In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"1933 Act" shall mean the Securities Act of 1933, as amended from time to time.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Agreement" shall have the meaning set forth in the preamble.

"Applicable Trust Agreement" shall mean, (i) with respect to the Class A-1 Certificates, the Class A-1 Holders or the Class A-1 Trustee, the Class A-1 Trust Agreement, (ii) with respect to the Class A-2 Certificates, the Class A-2 Holders or the Class A-2 Trustee, the Class A-2 Trust Agreement, (iii) with respect to the Class B Certificates, the Class B Holders or the Class B Trustee, the Class B Trust Agreement, (iv) with respect to the Class C Certificates, the Class C Holders or the Class C Trustee, the Class C Trust Agreement and (v) with respect to the Class D Certificates, the Class D Holders or the Class D Trustee, the Class D Trust Agreement.

"Class A-1 Certificates" shall have the meaning set forth in the second paragraph of this Agreement.

"Class A-1 Exchange Certificates" shall mean securities issued under the Class A-1 Trust Agreement of equal outstanding principal amount as and containing terms identical to the Class A-1 Certificates (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Class A-1 Certificates or, if no such interest has been paid, from the Closing Time, (ii) the transfer restrictions thereon shall be modified or eliminated, as appropriate and (iii) provisions relating to an increase in the stated rate of interest thereon shall be eliminated), to be offered to Holders of the Class A-1 Certificates in exchange for such Class A-1 Certificates pursuant to the Exchange Offer.

"Class A-1 Holder" shall mean each Placement Agent, for so long as it owns any Class A-1 Registrable Certificates, and each of its successors, assigns and direct and indirect transferees who become registered owners of Class A-1 Registrable Certificates under the Class A-1 Trust Agreement; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Class A-1 Holder" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"Class A-1 Registrable Certificates" shall mean the Class A-1 Certificates; provided, however, that the Class A-1 Certificates shall cease to be Class A-1 Registrable Certificates upon the earliest to occur of (i) the consummation of the Exchange Offer, (ii) a Registration Statement with respect to such Class A-1 Certificates shall have been

declared effective under the 1933 Act and such Class A-1 Certificates shall have been disposed of pursuant to such Registration Statement, (iii) such Class A-1 Certificates shall have been sold to the public pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) under the 1933 Act or (iv) such Class A-1 Certificates shall have ceased to be outstanding.

"Class A-1 Trust Agreement" shall mean the Pass Through Trust Agreement relating to the Class A-1 Certificates, as may be amended from time to time in accordance with the terms thereof.

"Class A-1 Trustee" shall mean 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 under the terms of the Class A-1 Trust Agreement.

"Class A-2 Certificates" shall have the meaning set forth in the second paragraph of this Agreement.

"Class A-2 Exchange Certificates" shall mean securities issued under the Class A-2 Trust Agreement of equal outstanding principal amount as and containing terms identical to the Class A-2 Certificates (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Class A-2 Certificates or, if no such interest has been paid, from the Closing Time, (ii) the transfer restrictions thereon shall be modified or eliminated, as appropriate and (iii) provisions relating to an increase in the stated rate of interest thereon shall be eliminated), to be offered to Holders of the Class A-2 Certificates in exchange for such Class A-2 Certificates pursuant to the Exchange Offer.

"Class A-2 Holder" shall mean each Placement Agent, for so long as it owns any Class A-2 Registrable Certificates, and each of its successors, assigns and direct and indirect transferees who become registered owners of Class A-2 Registrable Certificates under the Class A-2 Trust Agreement; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Class A-2 Holder" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"Class A-2 Registrable Certificates" shall mean the Class A-2 Certificates; provided, however, that the Class A-2 Certificates shall cease to be Class A-2 Registrable Certificates upon the earliest to occur of (i) the consummation of the Exchange Offer, (ii) a Registration Statement with respect to such Class A-2 Certificates shall have been declared effective under the 1933 Act and such Class A-2 Certificates shall have been disposed of pursuant to such Registration Statement, (iii) such Class A-2 Certificates shall have been sold to the public pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) under the 1933 Act or (iv) such Class A-2 Certificates shall have ceased to be outstanding.

"Class A-2 Trust Agreement" shall mean the Pass Through Trust Agreement relating to the Class A-2 Certificates, as may be amended from time to time in accordance with the terms thereof.

"Class A-2 Trustee" shall mean 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 under the terms of the Class A-2 Trust Agreement.

"Class B Certificates" shall have the meaning set forth in the second paragraph of this Agreement.

"Class B Exchange Certificates" shall mean securities issued under the Class B Trust Agreement of equal outstanding principal amount as and containing terms identical to the Class B Certificates (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Class B Certificates or, if no such interest has been paid, from the Closing Time, (ii) the transfer restrictions thereon shall be modified or eliminated, as appropriate and (iii) provisions relating to an increase in the stated rate of interest thereon shall be eliminated), to be offered to Holders of the Class B Certificates in exchange for such Class B Certificates pursuant to the Exchange Offer.

"Class B Holder" shall mean each Placement Agent, for so long as it owns any Class B Registrable Certificates, and each of its successors, assigns and direct and indirect transferees who become registered owners of Class B Registrable Certificates under the Class B Trust Agreement; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Class B Holder" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"Class B Registrable Certificates" shall mean the Class B Certificates; provided, however, that the Class B Certificates shall cease to be Class B Registrable Certificates upon the earliest to occur of (i) the consummation of the Exchange Offer, (ii) a Registration Statement with respect to such Class B Certificates shall have been declared effective under the 1933 Act and such Class B Certificates shall have been disposed of pursuant to such Registration Statement, (iii) such Class B Certificates shall have been sold to the public pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) under the 1933 Act or (iv) such Class B Certificates shall have ceased to be outstanding.

"Class B Trust Agreement" shall mean the Pass Through Trust Agreement relating to the Class B Certificates, as may be amended from time to time in accordance with the terms thereof.

"Class B Trustee" shall mean 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 under the terms of the Class B Trust Agreement.

"Class C Certificates" shall have the meaning set forth in the second paragraph of this Agreement.

"Class C Exchange Certificates" shall mean securities issued under the Class C Trust Agreement of equal outstanding principal amount as and containing terms identical to the Class C Certificates (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Class C Certificates or, if no such interest has been paid, from the Closing Time, (ii) the transfer restrictions thereon shall be modified or eliminated, as appropriate and (iii) provisions relating to an increase in the stated rate of interest thereon shall be eliminated), to be offered to Holders of the Class C Certificates in exchange for such Class C Certificates pursuant to the Exchange Offer.

"Class C Holder" shall mean each Placement Agent, for so long as it owns any Class C Registrable Certificates, and each of its successors, assigns and direct and indirect transferees who become registered owners of Class C Registrable Certificates under the Class C Trust Agreement; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Class C Holder" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"Class C Registrable Certificates" shall mean the Class C Certificates; provided, however, that the Class C Certificates shall cease to be Class C Registrable Certificates upon the earliest to occur of (i) the consummation of the Exchange Offer, (ii) a Registration Statement with respect to such Class C Certificates shall have been declared effective under the 1933 Act and such Class C Certificates shall have been disposed of pursuant to such Registration Statement, (iii) such Class C Certificates shall have been sold to the public pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) under the 1933 Act or (iv) such Class C Certificates shall have ceased to be outstanding.

"Class C Trust Agreement" shall mean the Pass Through Trust Agreement relating to the Class C Certificates, as may be amended from time to time in accordance with the terms thereof.

"Class C Trustee" shall mean 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 under the terms of the Class C Trust Agreement.

"Class D Certificates" shall have the meaning set forth in the second paragraph of this Agreement.

"Class D Exchange Certificates" shall mean securities issued under the Class D Trust Agreement of equal outstanding principal amount as and containing terms identical to the Class D Certificates (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Class D Certificates or, if no such interest has been paid, from the Closing Time, (ii) the transfer restrictions thereon shall be modified or eliminated, as appropriate and (iii) provisions relating to an increase in the stated rate of interest thereon shall be eliminated), to be offered to Holders of the Class D Certificates in exchange for such Class D Certificates pursuant to the Exchange Offer.

"Class D Holder" shall mean each Placement Agent, for so long as it owns any Class D Registrable Certificates, and each of its successors, assigns and direct and indirect transferees who become registered owners of Class D Registrable Certificates under the Class D Trust Agreement; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Class D Holder" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"Class D Registrable Certificates" shall mean the Class D Certificates; provided, however, that the Class D Certificates shall cease to be Class D Registrable Certificates upon the earliest to occur of (i) the consummation of the Exchange Offer, (ii) a Registration Statement with respect to such Class D Certificates shall have been declared effective under the 1933 Act and such Class D Certificates shall have been disposed of pursuant to such Registration Statement, (iii) such Class D Certificates shall have been sold to the public pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) under the 1933 Act or (iv) such Class D Certificates shall have ceased to be outstanding.

"Class D Trust Agreement" shall mean the Pass Through Trust Agreement relating to the Class D Certificates, as may be amended from time to time in accordance with the terms thereof.

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

"Closing Time" shall mean the Closing Time as defined in the Placement Agreement.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"Exchange Certificates" shall mean, together, the Class A-1 Exchange Certificates, the Class A-2 Exchange Certificates, the Class B Exchange Certificates, the Class C Exchange Certificates and the Class D Exchange Certificates.

"Exchange Dates" shall have the meaning set forth in Section 2(a)(ii) of this Agreement.

"Exchange Offer" shall mean the exchange offer by the Company of Exchange Certificates for Registrable Certificates pursuant to Section 2(a) hereof.

"Exchange Offer Registration" shall mean a registration under the 1933 Act effected pursuant to Section 2(a) hereof.

"Exchange Offer Registration Statement" shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form) and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"Holder" shall mean a Class A-1 Holder, a Class A-2 Holder, a Class B Holder, a Class C Holder or a Class D Holder.

"Majority Holders" shall mean, together, the Holders of a majority in aggregate principal amount of the Registrable Certificates then outstanding; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Certificates is required hereunder, Registrable Certificates held by the Company or any of its affiliates (as such term is defined in Rule 405 under the 1933 Act) (other than the Placement Agents or subsequent holders of Registrable Certificates if such subsequent holders are deemed to be such affiliates solely by reason of their holding of such Registrable Certificates) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount.

"Morgan Stanley" shall have the meaning set forth in the preamble.

"Offered Certificates" shall have the meaning set forth in the second paragraph of this Agreement.

"Pass Through Trust Agreements" shall have the meaning set forth in the third paragraph of this Agreement.

"Person" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Placement Agents" shall have the meaning set forth in the preamble.

"Placement Agreement" shall have the meaning set forth in the second paragraph of this Agreement.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Certificates covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including all material incorporated by reference therein.

"Registrable Certificates" shall mean, together, the Class A-1 Registrable Certificates, the Class A-2 Registrable Certificates, the Class B Registrable Certificates, the Class C Registrable Certificates and the Class D Registrable Certificates.

"Registration Expenses" shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all SEC, stock exchange or National Association of Securities Dealers, Inc. registration and filing fees, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualification of any of the Exchange Certificates or Registrable Certificates), (iii) all reasonable expenses of any Persons in preparing or assisting in preparing word processing, printing and distributing of any Registration Statement, any Prospectus any amendments or supplements thereto and other documents relating to the performance of and compliance with this Agreement, (iv) all rating agency fees (it being understood that no rating agency shall be engaged by a Placement Agent), (v) all fees and disbursements relating to the qualification of the Trust Agreements under applicable securities laws, (vi) the fees and disbursements of the Trustees and their counsel, (vii) the fees and disbursements of counsel for the Company and, in the case of a Shelf Registration Statement, the fees and disbursements of one counsel for the Holders (which counsel shall be selected by the Majority Holders and which counsel may also be counsel for the Placement Agents) and (viii) the fees and disbursements of the independent public accountants of the Company, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, but excluding fees and expenses of counsel to the underwriters (other than reasonable fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Certificates by a Holder.

"Registration Statement" shall mean any registration statement of the Company that covers any of the Exchange Certificates or Registrable Certificates pursuant to the provisions of this Agreement and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SEC" shall mean the Securities and Exchange Commission.

"Shelf Registration" shall mean a registration effected pursuant to Section 2(b) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company pursuant to the provisions of Section 2(b) of this Agreement which covers all of the Registrable Certificates (but no other securities unless approved by the Holders whose Registrable Certificates are covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"TIA" shall have the meaning set forth in Section 3(1) of this Agreement.

"Trustee" shall have the meaning set forth in the first paragraph of this Agreement and shall also include the Trustee's successors.

"Underwriters" shall have the meaning set forth in Section 3 of this Agreement.

"Underwritten Registration" or "Underwritten Offering" shall mean a registration in which Registrable Certificates are sold to an Underwriter for reoffering to the public.

2. Registration Under the 1933 Act. (a) To the extent not prohibited by any applicable law or applicable interpretation of the Staff of the SEC, the Company shall use its reasonable best efforts (i) to cause to be filed with the SEC an Exchange Offer Registration Statement covering the offer to the Holders to exchange (A) all of the Class A-1 Registrable Certificates for Class A-1 Exchange Certificates, (B) all of the Class A-2 Registrable Certificates for Class A-2 Exchange Certificates, (C) all of the Class B Registrable Certificates for Class B Exchange Certificates, (D) all of the Class C Registrable Certificates for Class C Exchange Certificates and (E) all of the Class D Registrable Certificates for Class D Exchange Certificates, (ii) to have the Exchange Offer Registration Statement declared effective and (iii) to have such Registration Statement remain effective until the closing of the Exchange Offer. The Company shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement has been declared effective by the SEC and use its reasonable best efforts to have the Exchange Offer consummated not later than the date that is 270 days (or, if such date is not a business day, the first business day thereafter) after the Closing Time. The Company shall, or shall cause the Trustees to, commence the Exchange Offer by mailing the related exchange offer Prospectus and accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law:

(i) that the Exchange Offer is being made pursuant to this Registration Rights Agreement and that all Registrable Certificates validly tendered will be accepted for exchange;



(ii) the dates of acceptance for exchange (which shall be a period of at least 30 days (or such shorter period as allowed by applicable law or SEC rules and interpretations) from the date such notice is mailed) (the "Exchange Dates");

(iii) that any Registrable Certificate not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Registration Rights Agreement;

(iv) that Holders electing to have a Registrable Certificate exchanged pursuant to the Exchange Offer will be required to surrender such Registrable Certificate, together with the enclosed letters of transmittal, to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice prior to the close of business on the last Exchange Date; and

(v) that Holders will be entitled to withdraw their election, not later than the close of business on the last Exchange Date, by sending to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount and class of Registrable Certificates delivered for exchange, and a statement that such Holder is withdrawing his election to have such Certificates exchanged.

As soon as practicable after the last Exchange Date, the Company shall or shall cause the Trustees to:

(i) accept for exchange Registrable Certificates or portions thereof tendered and not validly withdrawn pursuant to the Exchange Offer;

(ii) deliver, or cause to be delivered, to the Class A-1 Trustee for cancellation all Class A-1 Registrable Certificates or portions thereof so accepted for exchange by the Company, and issue, and cause the Class A-1 Trustee to promptly authenticate and mail to each Class A-1 Holder, Class A-1 Exchange Certificates equal in principal amount to the principal amount of the Class A-1 Registrable Certificates surrendered by such Class A-1 Holder;

(iii) deliver, or cause to be delivered, to the Class A-2 Trustee for cancellation all Class A-2 Registrable Certificates or portions thereof so accepted for exchange by the Company, and issue, and cause the Class A-2 Trustee to promptly authenticate and mail to each Class A-2 Holder, Class A-2 Exchange Certificates equal in principal amount to the principal amount of the Class A-2 Registrable Certificates surrendered by such Class A-2 Holder;

(iv) deliver, or cause to be delivered, to the Class B Trustee for cancellation all Class B Registrable Certificates or portions thereof so accepted for exchange by the Company, and issue, and cause the Class B Trustee to promptly authenticate and mail to

each Class B Holder, Class B Exchange Certificates equal in principal amount to the principal amount of the Class B Registrable Certificates surrendered by such Class B Holder;

(v) deliver, or cause to be delivered, to the Class C Trustee for cancellation all Class C Registrable Certificates or portions thereof so accepted for exchange by the Company, and issue, and cause the Class C Trustee to promptly authenticate and mail to each Class C Holder, Class C Exchange Certificates equal in principal amount to the principal amount of the Class C Registrable Certificates surrendered by such Class C Holder; and

(vi) deliver, or cause to be delivered, to the Class D Trustee for cancellation all Class D Registrable Certificates or portions thereof so accepted for exchange by the Company, and issue, and cause the Class D Trustee to promptly authenticate and mail to each Class D Holder, Class D Exchange Certificates equal in principal amount to the principal amount of the Class D Registrable Certificates surrendered by such Class D Holder.

The Company shall use its reasonable best efforts to complete the Exchange Offer as provided above and shall comply with the applicable requirements of the 1933 Act, the 1934 Act and other applicable laws, rules and regulations in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate applicable law or any applicable interpretation of the Staff of the SEC. The Company shall inform the Placement Agents of the names and addresses of the Holders to whom the Exchange Offer is made, and the Placement Agents shall have the right, subject to applicable law, to contact such Holders and otherwise facilitate the tender of Registrable Certificates in the Exchange Offer.

Each Holder participating in the Exchange Offer shall be required to represent to the Company at or prior to the consummation of the Exchange Offer that (i) any Exchange Certificates received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Offered Certificates or the Exchange Certificates within the meaning of the 1933 Act, and (iii) such Holder is not an "affiliate," as defined in Rule 405 of the 1933 Act, of the Company or any Trustee, nor a broker-dealer tendering Offered Certificates acquired directly from the Company for its own account. If such Holder is a broker-dealer, it will be required to represent that the Offered Certificates were acquired as a result of market-marking activities or other trading activities and that it will deliver a prospectus in connection with any resale of such Exchange Certificates. Each such Holder, whether or not it is a broker-dealer, shall also represent that it is not acting on behalf of any person that could not truthfully make any of the foregoing representations contained in this paragraph.

Upon consummation of the Exchange Offer in accordance with this Section 2(a), the provisions of this Agreement shall continue to apply (to the extent applicable) solely with respect to Registrable Certificates held by the Placement Agents or any Participating

Broker-Dealers (as defined in Section 4(a)) as provided in (and subject to) Section 2(b)(ii), and the Company shall have no further obligation to register Offered Certificates (other than such Registrable Certificates of the Placement Agents and Participating Broker-Dealers) pursuant to Section 2(b) of this Agreement.

(b) In the event that (i) the Company determines that the Exchange Offer Registration provided for in Section 2(a) above is not available or may not be consummated as soon as practicable after the last Exchange Date because it would violate applicable law or the applicable interpretations of the Staff of the SEC, or (ii) the Exchange Offer has been completed and in the opinion of counsel for the Placement Agents a Registration Statement must be filed and a Prospectus must be delivered by the Placement Agents in connection with any primary offering or sale of Registrable Certificates, the Company shall use its reasonable best efforts to cause to be filed as soon as practicable after such determination, date or notice of such opinion of counsel is given to the Company, as the case may be, a Shelf Registration Statement providing for the sale by the Holders of all of the Registrable Certificates (in the case of clause (i) above) or by the Placement Agents (in the case of clause (ii) above) and to have such Shelf Registration Statement declared effective by the SEC. In the event the Company is required to file a Shelf Registration Statement solely as a result of the matters referred to in clause (iii) of the preceding sentence, the Company shall use its reasonable best efforts to file and have declared effective by the SEC both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Certificates and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement) with respect to offers and sales of Registrable Certificates held by the Placement Agents after completion of the Exchange Offer. The Company agrees to use its reasonable best efforts to keep the Shelf Registration Statement continuously effective for a period of two years after its effective date with respect to the Registrable Certificates or such shorter period that will terminate when all of the Registrable Certificates covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or may be freely sold pursuant to Rule 144(k) under the 1933 Act. The Company further agrees to supplement or amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement or by the 1933 Act or by any other rules and regulations thereunder for shelf registration or if reasonably requested by a Holder with respect to information relating to such Holder, and to use its best efforts to cause any such amendment to become effective and such Shelf Registration Statement to become usable as soon as thereafter practicable. The Company agrees to furnish to the Holders of Registrable Certificates copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) The Company shall pay all Registration Expenses in connection with the registration pursuant to Section 2(a) or Section 2(b). Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Certificates pursuant to the Shelf Registration Statement.

(d) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof or a Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effective unless it has been declared effective by the SEC; provided, however, that if,

after it has been declared effective, the offering of Registrable Certificates pursuant to a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Shelf Registration Statement will be deemed not to have become effective during the period of such interference until the offering of Registrable Certificates pursuant to such Registration Statement may legally resume. In the event that neither the consummation of the Exchange Offer nor the declaration by the SEC of a Shelf Registration to be effective (each a "Registration Event") occurs on or prior to the 270th day (or, if such 270th day is not a business day, the first business day thereafter) after the Closing Time, the interest rate per annum borne by the Offered Certificates shall be increased by 0.50%, effective from and including such 270th day (or, if such 270th day is not a business day, the first business day thereafter), to but excluding the date on which a Registration Event occurs provided that if, to permit additional Holders of Offered Certificates (who have notified the Company in writing its intention to participate in the Exchange Offer) to participate in the Exchange Offer, the length of such Exchange Offer is extended beyond such 270th day (or, if such 270th day is not a business day, the first business day thereafter), the interest rate shall not be increased if the Exchange Offer is consummated within 60 days of such extension. In the event that the Shelf Registration Statement required to be effective pursuant to Section 2(b) hereof ceases to be effective at any time during the period specified by Section 2(b) hereof for more than 60 days, whether or not consecutive, during any 12-month period, the interest rate borne by the Offered Certificates shall be increased by 0.50% per annum from the 61st day of the applicable 12-month period such Shelf Registration Statement ceases to be effective until such time as the Shelf Registration Statement again becomes effective.

(e) Without limiting the remedies available to the Placement Agents and the Holders, the Company acknowledges that any failure by the Company to comply with its obligations under Section 2(a) and Section 2(b) hereof may result in material irreparable injury to the Placement Agents or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, each Placement Agent or any Holder may obtain such relief as may be required to specifically enforce the Company's obligations under Section 2(a) and Section 2(b) hereof.

3. Registration Procedures. In connection with the obligations of the Company with respect to the Registration Statements pursuant to Section 2(a) and Section 2(b) hereof, the Company shall as reasonably expeditiously as possible:

(a) prepare and file with the SEC a Registration Statement on the appropriate form under the 1933 Act, which form (x) shall be selected by the Company, (y) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Certificates by the selling Holders thereof and (z) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the SEC to be filed therewith, and use its best efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to (x) keep such

Registration Statement effective for the applicable period under this Agreement, (y) cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the 1933 Act and (z) keep each Prospectus current during the period described under Section 4(3) and Rule 174 under the 1933 Act that is applicable to transactions by brokers or dealers with respect to the Registrable Certificates or Exchange Certificates;

(c) in the case of a Shelf Registration, furnish to each Holder of Registrable Certificates, to counsel for the Placement Agents, to counsel for the Holders and to each Underwriter of an Underwritten Offering of Registrable Certificates, if any, and each such Underwriter's Counsel, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or Underwriter may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Certificates; and the Company consents to the use of such Prospectus and any amendment or supplement thereto in accordance with applicable law by each of the selling Holders of Registrable Certificates and any such Underwriters in connection with the offering and sale of the Registrable Certificates covered by and in the manner described in such Prospectus or any amendment or supplement thereto in accordance with applicable law;

(d) use its reasonable best efforts to register or qualify the Registrable Certificates under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Certificates covered by a Registration Statement shall reasonably request in writing by the time the applicable Registration Statement is declared effective by the SEC, to cooperate with such Holders in connection with any filings required to be made with the National Association of Securities Dealers, Inc. and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Certificates owned by such Holder; provided, however, that the Company shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (ii) file any general consent to service of process or (iii) subject itself to taxation in any such jurisdiction if it is not so subject;

(e) in the case of a Shelf Registration, notify each Holder of Registrable Certificates, counsel for the Holders and counsel for the Placement Agents promptly and, if requested by any such Holder or counsel, confirm such advice in writing, (i) when a Registration Statement has become effective and when any post-effective amendment thereto has been filed and becomes effective, (ii) of any request by the SEC or any state securities authority for amendments and supplements to a Registration Statement and Prospectus or for material additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) if, between the effective date of a Registration Statement and the closing of any sale of Registrable Certificates covered thereby, the

representations and warranties of the Company contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects or if the Company receives any notification with respect to the suspension of the qualification of the Registrable Certificates for sale in any jurisdiction or the initiation of any proceeding for such purpose, (v) of the happening of any event during the period a Shelf Registration Statement is effective which makes any statement made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or Prospectus in order to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading and (vi) of any determination by the Company that a post-effective amendment to a Registration Statement would be appropriate;

(f) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment and provide immediate notice to each Holder of the withdrawal of any such order;

(g) in the case of a Shelf Registration, furnish to each Holder of Registrable Certificates, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(h) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Certificates to facilitate the timely preparation and delivery of certificates representing Registrable Certificates to be sold and not bearing any restrictive legends and enable such Registrable Certificates to be in such denominations (consistent with the provisions of the Applicable Trust Agreement) and registered in such names as the selling Holders may reasonably request at least two business days prior to the closing of any sale of Registrable Certificates;

(i) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(e)(v) hereof, use its best efforts to prepare and file with the SEC a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Certificates, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company agrees to notify the Holders to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event, and the Holders hereby agree to suspend use of the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission;

(j) a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or any document which is to be incorporated by reference into a Registration

Statement or a Prospectus after initial filing of a Registration Statement, provide copies of such document to the Placement Agents and their counsel (and, in the case of a Shelf Registration Statement, the Holders and their counsel) and make such of the representatives of the Company as shall be reasonably requested by the Placement Agents or their counsel (and, in the case of a Shelf Registration Statement, the Holders or their counsel) available for discussion of such document, and shall not at any time file or make any amendment to the Registration Statement, any Prospectus or any amendment of or supplement to a Registration Statement or a Prospectus or any document which is to be incorporated by reference into a Registration Statement or a Prospectus, of which the Placement Agents and their counsel (and, in the case of a Shelf Registration Statement, the Holders and their counsel) shall not have previously been advised and furnished a copy or to which the Placement Agents or their counsel (and, in the case of a Registration Statement, the Holders or their counsel) shall object;

(k) obtain a CUSIP number for all Exchange Certificates or Registrable Certificates, as the case may be, not later than the effective date of a Registration Statement;

(l) cause the Trust Agreements to be qualified under the Trust Indenture Act of 1939, as amended (the "TIA") in connection with the registration of the Exchange Certificates or Registrable Certificates, as the case may be, cooperate with the Trustees and the Holders to effect such changes to the Trust Agreements as may be required for the Trust Agreements to be so qualified in accordance with the terms of the TIA and execute, and use its best efforts to cause the Trustees to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Trust Agreements to be so qualified in a timely manner;

(m) in the case of a Shelf Registration, upon execution of customary confidentiality agreements reasonably satisfactory to the Company and its counsel, (other than a Placement Agent) make available for inspection by a representative of the Holders of the Registrable Certificates, any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, and attorneys and accountants designated by the Holders, at reasonable times and in a reasonable manner, all financial and other records, pertinent documents and properties of the Company, and cause the respective officers, directors and employees of the Company to supply all information reasonably requested by any such representative, Underwriter, attorney or accountant in connection with a Shelf Registration Statement as shall be necessary to enable such persons to conduct a reasonable investigation within the meaning of Section 11 of the 1933 Act;

(n) use its reasonable best efforts to cause the Exchange Certificates or Registrable Certificates, as the case may be, to be rated by two nationally recognized statistical rating organizations (as such term is defined in Rule 436(g)(2) under the 1933 Act);

(o) if reasonably requested by any Holder of Registrable Certificates covered by a Registration Statement, (i) promptly incorporate in a Prospectus supplement or post-effective amendment such information with respect to such Holder as such Holder reasonably requests to be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as the Company has received notification of the matters to be incorporated in such filing; and

(p) in the case of a Shelf Registration, enter into such customary agreements and take all such other actions in connection therewith (including those requested by the Holders of a majority of the Registrable Certificates being sold) in order to expedite or facilitate the disposition of such Registrable Certificates including, but not limited to, an Underwritten Offering and in such connection, (i) to the extent possible, make such representations and warranties to the Holders and any Underwriters of such Registrable Certificates with respect to the business of the Company and its subsidiaries, the Registration Statement, Prospectus and documents incorporated by reference or deemed incorporated by reference therein, if any, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested, (ii) obtain opinions of counsel to the Company (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to the Holders of a majority in principal amount of Registrable Certificates being sold and such Underwriters and their respective counsel) addressed to each selling Holder and Underwriter of Registrable Certificates, covering the matters customarily covered in opinions requested in underwritten offerings, (iii) obtain "cold comfort" letters from the independent certified public accountants of the Company (and, if necessary, any other certified public accountant of any subsidiary of the Company, or of any business acquired by the Company for which financial statements and financial data are or are required to be included in the Registration Statement) addressed to each selling Holder and Underwriter of Registrable Certificates, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, and (iv) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in principal amount of the Registrable Certificates being sold or the Underwriters, and which are customarily delivered in underwritten offerings, to evidence the continued validity of the representations and warranties of the Company made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in an underwriting agreement.

In the case of a Shelf Registration Statement, the Company may require each Holder of Registrable Certificates to furnish to the Company such information regarding the Holder and the proposed distribution by such Holder of such Registrable Certificates as the Company may from time to time reasonably request in writing. The Company may exclude from such registration the Registrable Certificates of any Holder who fails to furnish such information within a reasonable time after receiving such request.

In the case of a Shelf Registration Statement, each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in



Section 3(e)(v) hereof, such Holder will forthwith discontinue disposition of Registrable Certificates pursuant to a Shelf Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(i) hereof, and, if so directed by the Company, such Holder will deliver to the Company (at the Company's expense) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Certificates current at the time of receipt of such notice. If the Company shall give any such notice to suspend the disposition of Registrable Certificates pursuant to a Registration Statement, the Company shall extend the period during which the Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions.

The Holders of Registrable Certificates covered by a Shelf Registration Statement who desire to do so may sell such Registrable Certificates in an Underwritten Offering. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers (the "Underwriters") that will administer the offering will be selected by the Majority Holders of the Registrable Certificates included in such offering, subject to the consent of the Company (which shall not be unreasonably withheld).

4. Participation of Broker-Dealers in Exchange Offer. (a) The Staff of the SEC has taken the position that any broker-dealer that receives Exchange Certificates for its own account in the Exchange Offer in exchange for Offered Certificates that were acquired by such broker-dealer as a result of market making or other trading activities (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the 1933 Act and must deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Certificates. No Participating Broker-Dealers other than the Placement Agents and persons who have obtained the Company's prior written consent to act as a market maker shall have any rights as Participating Broker-Dealers under this Agreement.

The Company understands that it is the Staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Certificates, without naming the Participating Broker-Dealers or specifying the amount of Exchange Certificates owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligation under the 1933 Act in connection with resales of Exchange Certificates for their own accounts, so long as the Prospectus otherwise meets the requirements of the 1933 Act.

(b) In light of Section 4(a) above, notwithstanding the other provisions of this Agreement, the Company agrees that the provisions of this Agreement as they relate to a Shelf Registration shall also apply to the Exchange Offer Registration to the extent, and with such reasonable modifications thereto as may be reasonably requested by the Placement Agents or by one or more Participating Broker-Dealers, in each case as provided in clause (ii) below, in order to expedite or facilitate the disposition of any Exchange Certificates by Participating

Broker-Dealers consistent with the positions of the Staff recited in Section 4(a) above; provided that:

(i) the Company shall not be required to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement, as would otherwise be contemplated by Section 3(i), for a period exceeding 90 days after the last Exchange Date (as such period may be discontinued and extended pursuant to the penultimate paragraph of Section 3 of this Agreement) and Participating Broker-Dealers shall not be authorized by the Company to deliver and shall not deliver such Prospectus after such period in connection with the resales contemplated by this Section 4; and

(ii) the application of the Shelf Registration procedures set forth in Section 3 of this Agreement to an Exchange Offer Registration, to the extent not required by the positions of the Staff of the SEC or the 1933 Act and the rules and regulations thereunder, will be in conformity with the reasonable request to the Company by the Placement Agents or with the reasonable request in writing to the Company by one or more broker-dealers who certify to the Placement Agents and the Company in writing that they anticipate that they will be Participating Broker-Dealers in accordance with Section 4(a); provided that in connection with such application of the Shelf Registration procedures set forth in Section 3 to an Exchange Offer Registration, the Company shall be obligated (x) to deal only with one entity representing the Participating Broker-Dealers, which shall be Morgan Stanley unless it elects not to act as such representative, (y) to pay the fees and expenses of only one counsel representing the Participating Broker-Dealers, which shall be counsel to the Placement Agents unless such counsel elects not to so act, and (z) to cause to be delivered only one, if any, "cold comfort" letter with respect to the Prospectus in the form existing on the last Exchange Date and with respect to each subsequent amendment or supplement, if any, effected during the period specified in clause (i) above.

(c) The Placement Agents shall have no liability to the Company or any Holder with respect to any request that it may make pursuant to Section 4(b) above.

5. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless the Placement Agents, each Holder and each Person, if any, who controls any Placement Agent or any Holder within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, or is under common control with, or is controlled by, any Placement Agent or any Holder, from and against all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by the Placement Agent, any such Holder or any such controlling or affiliated Person in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) pursuant to which Exchange Certificates or Registrable Certificates were registered under the 1933 Act, including all documents incorporated therein by reference, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or caused by any untrue statement or alleged untrue

statement of a material fact contained in any Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Placement Agents or any Holder furnished to the Company in writing through Morgan Stanley or any selling Holder expressly for use therein provided, however, that the foregoing indemnity agreement shall not inure to the benefit of any Holder to the extent that any such losses, claims, damages or liabilities result from the fact that such Holder sold securities to a person to whom there was not sent or given by or on behalf of such Holder (if required by law so to have been delivered) a copy of the final Prospectus (in the case of any preliminary Prospectus) or a prospectus amendment or supplement (in the case of any Prospectus) at or prior to the written confirmation of the sale of the Registrable Certificates to such person if the Company had previously furnished copies thereof to such Holder and such untrue statement or omission or alleged untrue statement or omission was corrected in such final Prospectus or prospectus amendment or supplement, nor shall this indemnity agreement inure to the benefit of any Holder from whom the person asserting any such losses, claims, damages or liabilities purchased the Registrable Certificates concerned if at the time of such purchase such Holder had received written notice from the Company that the use of such Prospectus, amendment, supplement or preliminary Prospectus was suspended as provided in the penultimate paragraph of Section 3. In connection with any Underwritten Offering permitted by Section 3, the Company will also indemnify the Underwriters, if any, selling brokers, dealers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the 1933 Act and the 1934 Act) to the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, the Placement Agents and the other selling Holders and each of their respective directors, officers who sign the Registration Statement and each Person, if any, who controls the Company, any Placement Agent and any other selling Holder within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act to the same extent as the foregoing indemnity from the Company to the Placement Agents and the Holders, but only with reference to information relating to such Holder furnished to the Company in writing by such Holder expressly for use in any Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto).

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to either of paragraph (a) or paragraph (b) above, such Person (the "indemnified party") shall promptly notify the Person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and

any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (a) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Placement Agents and all Persons, if any, who control any Placement Agent within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, (b) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each Person, if any, who controls the Company within the meaning of either such Section and (c) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Holders and all Persons, if any, who control any Holders within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In such case involving the Placement Agents and Persons who control the Placement Agents, such firm shall be designated in writing by Morgan Stanley & Co. Incorporated. In such case involving the Holders and such Persons who control Holders, such firm shall be designated in writing by the Majority Holders. In all other cases, such firm shall be designated by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent (which consent shall not be unreasonably withheld) but, if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 90 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party for such fees and expenses of counsel in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which such indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party (which consent shall not be unreasonably withheld), unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in paragraph (a) or paragraph (b) of this Section 5 is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable

by such indemnified party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Holders shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Holders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Holders' respective obligations to contribute pursuant to this Section 5(d) are several in proportion to the respective principle amount of Registrable Certificates of such Holder that were registered pursuant to a Registration Statement.

(e) The Company and each Holder agree that it would not be just or equitable if contribution pursuant to this Section 5 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5, no Holder shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which Registrable Certificates were sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Placement Agents, any Holder or any person controlling any Placement Agent or any Holder, or by or on behalf of the Company, its officers or directors or any person controlling the Company, (iii) acceptance of any of the Exchange Certificates and (iv) any sale of Registrable Certificates pursuant to a Shelf Registration Statement.

6. Miscellaneous. (a) No Inconsistent Agreements. The Company has not entered into, and on or after the date of this Agreement will not enter into, any agreement that is inconsistent with the rights granted to the Holders of Registrable Certificates in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's other issued and outstanding securities under any such agreements.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company has obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Certificates affected by such amendment, modification, supplement, waiver or consent; provided, however, that no amendment, modification, supplement, waiver or consents to any departure from the provisions of Section 5 hereof shall be effective as against any Holder of Registrable Certificates unless consented to in writing by such Holder.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder, at the most current address given by such Holder to the Company by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Placement Agents, the address set forth in the Placement Agreement, and (ii) if to the Company, initially at the Company's address set forth in the Placement Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c).

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next business day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the person giving the same to each applicable Trustee, at the address specified in the Applicable Trust Agreement.

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Certificates in violation of the terms of the Placement Agreement or the Trust Agreements. If any transferee of any Holder shall acquire Registrable Certificates, in any manner, whether by operation of law or otherwise, such Registrable Certificates shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Certificates, such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Placement Agents (in their capacity as Placement Agents) shall have no liability or obligation to the Company with respect to any failure by any other Holder to comply with, or any breach by any other Holder of, any of the obligations of such other Holder under this Agreement.

(e) Purchases and Sales of Certificates. The Company shall not, and shall use its best efforts to cause its affiliates (as defined in Rule 405 under the 1933 Act) to not, purchase

and then resell or otherwise transfer any Certificates prior to consummation of the Exchange Offer or a Shelf Registration Statement being declared effective.

(f) Third Party Beneficiary. The Holders shall be third party beneficiaries to the agreements made hereunder and shall have the right to enforce such agreements directly to the extent they deem such enforcement necessary or advisable to protect their rights hereunder.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(j) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) Trustees. The Trustees shall take such action as may be reasonably requested by the Company in connection with the Company satisfying its obligations arising under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement  
as of the date first written above.

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners  
-----  
Name: Leslie M. Benners  
Title: Managing Director,  
Corporate Finance and Banking

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

By: /s/ Alison Della Bella  
-----  
Name: Alison Della Bella  
Title: Assistant Vice President

Confirmed and accepted as of  
the date first above written:

MORGAN STANLEY & CO. INCORPORATED  
CREDIT SUISSE FIRST BOSTON CORPORATION  
SALOMON SMITH BARNEY INC.  
DRESDNER KLEINWORT WASSERSTEIN SECURITIES LLC

By: MORGAN STANLEY & CO. INCORPORATED

By: /s/ P.M. Kaufer  
-----  
Name: Patrick M. Kaufer  
Title: Principal



-----  
AMENDED AND RESTATED PARTICIPATION AGREEMENT

Dated as of May 24, 2001

among

AMERICAN AIRLINES, INC.,  
as Lessee

THAYER LEASING COMPANY-1,  
as Owner Participant

WELLS FARGO BANK NORTHWEST,  
NATIONAL ASSOCIATION,  
not in its individual capacity except as expressly  
provided herein but solely  
as Owner Trustee

WILMINGTON TRUST COMPANY,  
not in its individual capacity except as expressly  
provided herein but solely  
as Indenture Trustee

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
not in its individual capacity except as expressly  
provided herein but solely  
as Loan Trustee, Pass Through Trustee and Subordination Agent

and  
BOEING NEVADA, INC.,  
as Original Loan Participant

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One Aircraft of the make and model and bearing  
U.S. Registration Number and Manufacturer's  
Serial Number listed on Schedule I hereto

Leased to American Airlines, Inc.

-----  
AA-Boeing EETC-Leased Aircraft Participation Agreement

INDEX TO PARTICIPATION AGREEMENT

	Page ----	SECTION 1. Purchase of Equipment Notes;	
Refunding.....	4	SECTION 2. Equipment Notes.....	5
		SECTION 3. Owner Participant's Instructions to the Owner Trustee; Confirmation of Authorizations .....	6
		SECTION 4. Conditions	
Precedent.....	6	SECTION	
5. Conditions Precedent to the Obligations of the Lessee; Conditions Precedent with Respect to the Pass Through Trustee.....	13	SECTION 6. Successor Trustee; Execution and Delivery of the Amended and Restated Indenture.....	13
		SECTION 7. Execution and Delivery of the Amended and Restated Lease.....	14
		SECTION 8. Execution and Delivery of the Amended and Restated Trust Agreement.....	14
		SECTION 9. Extent of Interest of Noteholders.....	14
		SECTION 10. Lessee's Representations, Warranties and	
Indemnities.....	14	SECTION 11. Representations and Warranties.....	34
		SECTION 12. Certain	
Covenants.....	42	SECTION 13. Other	
Documents.....	51	SECTION 14. [Intentionally left	
blank].....	51	SECTION 15. Liabilities of the Owner Participant and the Original Loan Participants.....	51
		SECTION 16. Certain Covenants of the Lessee.....	52
		SECTION 17. [Intentionally left	
blank].....	55	SECTION 18.	
Notices.....			

SECTION 19. Certain Covenants of the Owner Participant..... 55

SECTION 20. Right to Restructure..... 57

SECTION 21. [Intentionally left blank]..... 59

SECTION 22. Concerning the Owner Trustee..... 59

SECTION 23. [Intentionally left blank]..... 59

SECTION 24. Successor Loan Trustee; Amendment of Pass Through Trust Documents..... 59

SECTION 25. Miscellaneous..... 60

SCHEDULE I	Certain Terms and Addresses for Notices and Account Details
EXHIBIT I	Form of Trust Agreement
EXHIBIT II	Form of Indenture
EXHIBIT III	Form of Lease
EXHIBIT IV	Form of Opinion of General Counsel of the Lessee
EXHIBIT V	Form of Opinion of Special Counsel for the Owner Trustee
EXHIBIT VI	Form of Opinion of Special Counsel for the Loan Trustee
EXHIBIT VII	Forms of Opinion of Special Counsel for the Owner Participant and General Counsel of the Owner Participant
EXHIBIT VIII	Form of Opinion of Special Oklahoma City Counsel
EXHIBIT IX	Form of Opinion of Special Counsel for the Pass Through Trustee
EXHIBIT X	Form of Opinion of Special Counsel for the Liquidity Provider
EXHIBIT XI	Form of Owner Participant Guaranty
EXHIBIT XII	Form of Purchase Agreement Assignment
EXHIBIT XIII	Form of Assignment and Assumption Agreement
EXHIBIT XIV	Form of Manufacturer Consent
ANNEX A	Definitions
ANNEX B	Return Conditions

AMENDED AND RESTATED PARTICIPATION AGREEMENT

This AMENDED AND RESTATED PARTICIPATION AGREEMENT, dated as of May 24, 2001, among (i) AMERICAN AIRLINES, INC., a Delaware corporation (herein, together with its successors and permitted assigns, called "American" or the "Lessee"), (ii) THAYER LEASING COMPANY-1, a Delaware corporation (herein, together with its successors and permitted assigns, called the "Owner Participant"), (iii) WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, (formerly named First Security Bank, National Association) a national banking association, not in its individual capacity except as expressly stated herein but solely as trustee under the Trust Agreement (as hereinafter defined) (herein in such capacity, together with its successors and assigns, called the "Owner Trustee"), (iv) WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity except as expressly stated herein, but solely as trustee under the Original Indenture (as hereinafter defined) (in such capacity, the "Indenture Trustee"), (v) STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity except as expressly stated herein, but solely as successor trustee to the Indenture Trustee pursuant to the Instrument of Resignation (as hereinafter defined) (herein in such capacity, together with its successors and assigns in such capacity, called the "Loan Trustee"), (vi) BOEING NEVADA, INC., a Delaware corporation (herein called the "Original Loan Participant"), (vii) STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity except as otherwise provided herein, but solely as trustee (in such capacity, the "Pass Through Trustee") for each of the Pass Through Trusts created under the Pass Through Trust Agreement, each dated as of the date hereof, between the Lessee and the Pass Through Trustee (including the relevant Pass Through Trust Supplements, the "Pass Through Trust Agreements"), and (viii) STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity except as otherwise provided herein, but solely as subordination agent and trustee (in such capacity, the "Subordination Agent").

WITNESSETH:

WHEREAS, the Owner Participant is the grantor of an owner trust having Wells Fargo Bank Northwest, National Association, as owner trustee pursuant to a trust agreement, dated as of April 9, 2001, between the Owner Participant and the Owner Trustee, in its individual capacity (the "Original Trust Agreement"), pursuant to which the Owner Trustee agreed, among other things, to hold the Trust Estate defined in Annex A to the Original Lease referred to below (the "Trust Estate") for the benefit of the

AA-Boeing EETC-Leased Aircraft Participation Agreement

Owner Participant on the terms specified in the Original Trust Agreement, subject, however, to the lien created under the Original Indenture;

WHEREAS, the Owner Trustee is the owner of an aircraft of the make and model and bearing U.S. Registration Number and Manufacturer's Serial Number specified in Schedule I hereto (the "Aircraft", as such term is defined in Annex A hereto, and, unless the context otherwise requires, capitalized terms used herein without definition shall have the meanings set forth in Annex A hereto for all purposes of this Participation Agreement);

WHEREAS, the Lessee, the Owner Participant, the Owner Trustee, the Indenture Trustee and the Original Loan Participant entered into an Amended and Restated Participation Agreement, dated as of April 9, 2001 (the "Original Participation Agreement"), providing for the lease of the Aircraft;

WHEREAS, concurrently with the execution and delivery of the Original Participation Agreement:

(i) the Owner Participant and the Owner Trustee, entered into the Original Trust Agreement;

(ii) the Owner Trustee and the Indenture Trustee entered into the Original Indenture, pursuant to which the Owner Trustee issued to the Original Loan Participant a note substantially in the form set forth in Article 2.01 of the Original Indenture (the "Original Note") as evidence of the participation of the Original Loan Participant in the refunding of the Aircraft;

(iii) the Owner Trustee and the Lessee entered into an Amended and Restated Lease Agreement, dated as of April 9, 2001, relating to the Aircraft (the "Original Lease"), pursuant to which, subject to the terms and conditions set forth therein, the Owner Trustee agreed to lease to the Lessee, and the Lessee agreed to lease from the Owner Trustee, the Aircraft; and

(iv) the Owner Participant and the Lessee entered into an Amended and Restated Tax Indemnity Agreement, dated as of April 9, 2001, relating to the Aircraft (the "Original Tax Indemnity Agreement").

WHEREAS, pursuant to the Instrument of Resignation, Appointment and Acceptance, to be dated as of the Closing Date (the "Instrument of Resignation"), among the Lessee, the Owner Trustee, the Indenture Trustee, the Loan Trustee and the Original Loan Participant, the Indenture Trustee will resign under the Original Indenture, and the Pass Through Trustee, the Lessee and the Owner Trustee will accept such resignation and

the appointment of the Loan Trustee as successor to the Indenture Trustee under the Original Indenture;

WHEREAS, in connection with the consummation of the transactions contemplated by this Agreement:

(i) the Owner Trustee and the Owner Participant will amend and restate the Original Trust Agreement (the Original Trust Agreement, as so amended, the "Trust Agreement"), substantially in the form of Exhibit I hereto;

(ii) the Owner Participant and the Lessee will amend and restate the Original Tax Indemnity Agreement (the Original Tax Indemnity Agreement, as so amended, the "Tax Indemnity Agreement"), in the form of agreed to by such parties;

(iii) subject to the terms hereof, the Owner Trustee and the Loan Trustee will amend and restate the Original Indenture (the Original Indenture, as so amended, the "Indenture"), substantially in the form of Exhibit II hereto, for the benefit of the holder or holders of the Equipment Notes (as defined below), under which Indenture the Owner Trustee shall issue to the Subordination Agent as agent and trustee for each Pass Through Trustee equipment notes substantially in the form of Exhibit A to the Indenture (as further defined in the Indenture, being herein collectively called the "Equipment Notes" and, individually, an "Equipment Note");

WHEREAS, Section 20A of the Original Participation Agreement contemplates redemption of the Original Notes pursuant to Section 2.12 of the Original Indenture as part of a refinancing transaction;

WHEREAS, pursuant to the Pass Through Trust Agreement, on the Closing Date, several pass through trusts (herein being collectively called the "Pass Through Trusts" and, individually, a "Pass Through Trust") will be created to facilitate the transactions contemplated hereby, including, without limitation, the issuance and sale of the Pass Through Certificates;

WHEREAS, the proceeds from the sale of the Equipment Notes will be applied to redeem the Original Notes with any excess payments being retained for the benefit of the Owner Participant; and

WHEREAS, in connection with the consummation of the transactions contemplated by this Agreement, the Owner Trustee and the Lessee will amend and restate the Original Lease (the Original Lease, as so amended and restated, the "Lease"),

substantially in the form of Exhibit III hereto, containing amendments, modifications and additions necessary to give effect to the transactions described herein;

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

SECTION 1. Purchase of Equipment Notes; Refunding.

(a) Subject to the satisfaction or waiver of the conditions set forth herein, at 9:00 a.m. New York City time on May 24, 2001 or at such other date and time, not later than June 29, 2001, as shall be specified by the Lessee (the "Closing Date"), (i) immediately prior to the Closing (as hereinafter defined), if the Closing Date is other than a Lease Period Date, the Lessee shall pay to the Owner Trustee Basic Rent for the period from the immediately preceding Lease Period Date, prorated to reflect the actual number of days in such period (such payment to be made directly to the Loan Trustee in accordance with Section 3(d) of the Lease), (ii) each Pass Through Trustee for each Pass Through Trust shall pay to the Loan Trustee on behalf of the Owner Trustee an amount equal to the aggregate amount of Equipment Notes being purchased by such Pass Through Trust and the Loan Trustee shall (w) hold on behalf of the Owner Trustee an amount equal to the aggregate outstanding amount of the Original Note being redeemed as set forth in clause (v) of this Section 1(a), and (x) pay to the Owner Trustee on behalf of the Owner Participant, the balance of the proceeds of the issuance of the Equipment Notes over such amount of the Original Note, (iii) subject to the deposit with the Loan Trustee of the amounts referred to in clauses (i) and (ii) above, the Owner Trustee shall direct the Loan Trustee to disburse to the Original Loan Participant an amount equal to the then outstanding principal amount of the Original Note outstanding on the Closing Date together with accrued and unpaid interest on such Original Note to the Closing Date, as a prepayment of such Original Note in accordance with Section 2.12 of the Original Indenture, (iv) the Original Loan Participant shall, against receipt of payment for its Original Note as aforesaid, deliver to the Loan Trustee the Original Note for cancellation, and (v) simultaneously with the prepayment of the Original Note described in clause (iii) above, (A) the Original Loan Participant shall authorize, and the Owner Trustee and the Loan Trustee shall enter into, the Indenture as provided in Section 6, (B) the Owner Participant and the Owner Trustee shall enter into the Trust Agreement as provided in Section 8, (C) the Owner Trustee and the Lessee shall enter into the Lease as provided in Section 7, and (D) the Owner Trustee shall issue, pursuant to Article II of the Indenture and Section 2 hereof, to the Subordination Agent as agent and trustee for the Pass Through Trustee for each Pass Through Trust, the Equipment Notes, to be purchased by the Pass Through Trusts hereunder.



(b) The Owner Participant, by its execution and delivery hereof, requests and directs the Owner Trustee to execute and deliver this Agreement and, subject to the terms hereof, to take the actions contemplated herein.

(c) Each of the Original Loan Participant and each Pass Through Trustee, by its execution and delivery hereof, authorizes the Loan Trustee to act for its benefit as contemplated in this Agreement and requests and directs the Loan Trustee to execute and deliver this Agreement and the Indenture and, subject to the terms hereof and thereof, to take the actions contemplated herein and therein.

(d) In case each Pass Through Trustee shall for any reason fail to purchase the Equipment Notes to be purchased by it pursuant to Section 1(a) above, neither the Owner Trustee nor the Lessee shall have any obligation to pay to the Original Loan Participant any amount in respect of the prepayment of the Original Notes, the Original Notes shall remain outstanding and in full force and effect, and the actions contemplated by Sections 6, 7 and 8 hereof shall not take place.

(e) The closing (the "Closing") of the transactions described in this Agreement shall take place at the offices of Debevoise & Plimpton, 875 Third Avenue, New York, New York, on the Closing Date, or at such other place as the parties hereto may agree.

(f) All payments pursuant to this Section 1 shall be made in immediately available funds to such accounts and at such banks as the parties hereto shall designate in writing not less than one Business Day prior to the Closing Date.

(g) Subject to the terms and conditions hereof, in order to facilitate the refinancing by the Owner Trustee of the Original Notes contemplated hereby, the Lessee intends to enter into a placement agreement, to be dated on or prior to the Closing Date, among the Lessee and one or more placement agents (the "Placement Agents") named therein (the "Placement Agreement"); and the Lessee will enter into the Pass Through Trust Agreements and Pass Through Trust Supplements as the "issuer," as defined in and solely for purposes of the Securities Act of 1933, as amended (the "Securities Act"), of the Pass Through Certificates being issued thereunder, and as the "obligor," as defined in and solely for purposes of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), with respect to such Pass Through Certificates and will undertake to perform certain administrative and ministerial duties under such Pass Through Trust Supplements.

## SECTION 2. Equipment Notes.

(a) The aggregate principal amount of the Equipment Notes shall be the amount set out in Schedule I.

(b) Subject to adjustment as provided in the Registration Rights Agreement, the Equipment Notes of each Series will bear interest at the rate, mature on the date, and be payable as to principal in the amounts, to be specified in the Indenture.

(c) The Equipment Notes shall be payable as to principal in accordance with the terms of the Indenture, and the Equipment Notes of each Series shall provide for a fixed rate of interest per annum and shall contain the terms and provisions provided for the Equipment Notes of such Series in the Indenture. The Owner Trustee shall execute, and the Loan Trustee shall authenticate and deliver to the Subordination Agent as agent and trustee for the Pass Through Trustee for each Pass Through Trust, the Equipment Notes in accordance with the provisions of this Participation Agreement. Subject to the terms hereof and of the other Operative Documents, all such Equipment Notes shall be dated and authenticated as of the Closing Date and shall bear interest therefrom, shall be registered in the name of the Subordination Agent or in such names as shall be specified by the Subordination Agent, and shall be paid in the manner and at such places as are set forth in the Indenture.

**SECTION 3. Owner Participant's Instructions to the Owner Trustee; Confirmation of Authorizations.**

(a) Owner Participant's Instructions to the Owner Trustee. The Owner Participant, by its execution and delivery hereof, hereby authorizes and directs the Owner Trustee, subject to the conditions set forth in Section 4 having been fulfilled to the satisfaction of the Owner Participant or waived by the Owner Participant, to take the actions specified in Section 3.1 of the Trust Agreement.

(b) Confirmation of Authorizations. The Owner Participant agrees, in the case of any Replacement Engine substituted pursuant to Section 9(g) or 10(b) of the Lease, that it will authorize and direct the Owner Trustee to take the actions specified in such Sections of the Lease with respect to such Replacement Engine upon due compliance with the terms and conditions set forth in such Sections of the Lease with respect to such Replacement Engine.

**SECTION 4. Conditions Precedent.** The obligation of each Pass Through Trustee to make the payment described in Section 1(a)(ii), and the obligations of the Owner Trustee and the Owner Participant to participate in the transactions contemplated by this Agreement on the Closing Date are subject to the fulfillment to the satisfaction or waiver in writing by the Pass Through Trustee, the Owner Participant and the Owner Trustee, as the case may be, prior to or on the Closing Date, of the following conditions precedent (except that paragraphs (f) and (l) shall not be conditions precedent to the obligations of the Owner Trustee hereunder; and paragraphs (g) and (n) shall not be conditions precedent to the obligations of the Owner Participant hereunder):

(a) The Owner Trustee shall have tendered to the Loan Trustee for authentication the Equipment Notes issued to effect the refunding contemplated by Section 1 hereof, and the Loan Trustee shall have authenticated such Equipment Notes and shall have tendered the Equipment Notes to the Subordination Agent as agent and trustee for each Pass Through Trustee in accordance with Section 2.

(b) Each Pass Through Trustee, the Owner Trustee and the Owner Participant each shall have received executed counterparts or conformed copies of the following documents:

- (i) the Lease;
- (ii) the Trust Agreement;
- (iii) the Indenture;
- (iv) the Purchase Agreement Assignment;
- (v) this Participation Agreement;
- (vi) the Pass Through Trust Agreements; and
- (vii) the Tax Indemnity Agreement (for the Owner Participant only);
- (viii) the Intercreditor Agreement;
- (ix) the Liquidity Facilities;
- (x) the Instrument of Resignation; and
- (xi) the Owner Participant Guaranty; and
- (xii) the Manufacturer Consent.

(c) Each Pass Through Trustee, the Owner Trustee and the Owner Participant each shall have received the following:

- (i) an incumbency certificate of the Lessee as to the person or persons authorized to execute and deliver this Agreement, the Lease and any other documents to be executed on behalf of the Lessee in connection with the transactions contemplated hereby and the signatures of such person or persons;

(ii) a copy of the resolutions of the board of directors of the Lessee or the executive committee thereof, certified by the Secretary or an Assistant Secretary of the Lessee, duly authorizing the transactions contemplated hereby and the execution and delivery of each of the documents required to be executed and delivered on behalf of the Lessee in connection with the transactions contemplated hereby; and

(iii) a copy of the certificate of incorporation of the Lessee certified by the Secretary of State of the State of Delaware, a copy of the By-Laws of the Lessee, certified by the Secretary or an Assistant Secretary of the Lessee, and evidence from the Secretary of the State of the State of Delaware as to the good standing of the Lessee.

(iv) a copy of the resolutions of the board of directors of Boeing Capital Corporation or the executive committee thereof, certified by the Secretary or an Assistant Secretary of Boeing Capital Corporation, duly authorizing the execution, delivery and performance by Boeing Capital Corporation of the Owner Participant Guaranty;

(v) a copy of the resolutions of the board of directors of the Owner Participant, certified by the Secretary or an Assistant Secretary of the Owner Participant, duly authorizing the transactions contemplated hereby and the execution and delivery of each of the documents required to be executed and delivered on behalf of the Owner Participant in connection with the transactions contemplated hereby;

(vi) a copy of the resolutions of the board of directors of the Owner Trustee in its individual capacity certified by the Secretary or an Assistant Secretary of the Owner Trustee, duly authorizing the execution, delivery and performance by the Owner Trustee, in its individual capacity, of each of the Operative Documents to which the Owner Trustee is or will be a party in either such capacity and any other documents to be executed by or on behalf of the Owner Trustee, in its individual capacity or as trustee, as appropriate, in connection with the transactions contemplated hereby;

(vii) a copy of the articles of association and by-laws of the Loan Trustee, certified by the Secretary or an Assistant Secretary of the Loan Trustee, which by-laws contain a provision duly authorizing the execution, delivery and performance by the Loan Trustee of each of the Operative Documents to which the Loan Trustee is or will be a party and any other documents to be executed by or on behalf of the Loan Trustee in connection with the transactions contemplated hereby; and

(viii) such other documents and evidence with respect to the Lessee, the Owner Trustee, the Owner Participant, or the Pass Through Trustee as the Pass Through Trustee, the Owner Trustee and the Owner Participant, as appropriate, may reasonably request in order to establish the consummation of the transactions contemplated by this Participation Agreement, the taking of all corporate and other proceedings in connection therewith and compliance with the conditions herein or therein set forth.

(d) Each Pass Through Trustee, the Owner Trustee and the Owner Participant each shall have received a certificate signed by an authorized officer of the Lessee, dated the Closing Date, certifying that:

(i) the Aircraft has been duly certified by the Federal Aviation Administration as to type and airworthiness in accordance with the terms of the Original Lease and has a current, valid United States standard certificate of airworthiness issued by the FAA;

(ii) the FAA Bill of Sale, the Original Lease and the Original Indenture have been duly recorded, and the Original Trust Agreement has been duly filed, with the FAA pursuant to the Transportation Code;

(iii) the Instrument of Resignation, the Lease and the Indenture shall have been duly filed for recordation (or shall be in the process of being duly filed for recordation) with the FAA and the Trust Agreement shall have been filed (or shall be in the process of being filed) with the FAA;

(iv) the Aircraft has been registered with the Federal Aviation Administration in the name of the Owner Trustee and the Lessee has the regulatory authority to operate the Aircraft on the Lessee's routes;

(v) the representations and warranties contained herein of the Lessee are correct as though made on and as of the Closing Date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were correct on and as of such earlier date); and

(vi) no event has occurred and is continuing which constitutes an Event of Default or an Event of Loss or would constitute an Event of Default or an Event of Loss but for the requirement that notice be given or time elapse or both.

(e) Each Pass Through Trustee, the Owner Trustee and the Owner Participant each shall have received a certificate signed by an authorized officer of the Loan Trustee, dated the Closing Date, certifying that the representations and warranties contained herein of the Loan Trustee are correct as though made on and as of the Closing Date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were correct on and as of such earlier date).

(f) Each Pass Through Trustee and the Owner Participant each shall have received a certificate signed by an authorized officer of the Owner Trustee, dated the Closing Date, certifying that the representations and warranties contained herein of the Owner Trustee are correct as though made on and as of the Closing Date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were correct on and as of such earlier date).

(g) Each Pass Through Trustee and the Owner Trustee each shall have received a certificate signed by an authorized officer of the Owner Participant, dated the Closing Date, certifying that the representations and warranties contained herein of the Owner Participant are correct as though made on and as of the Closing Date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were correct on and as of such earlier date).

(h) Each Pass Through Trustee, the Owner Trustee and the Owner Participant each shall have received an independent insurance broker's report, together with certificates of insurance from such broker, as to the due compliance with the terms of Section 11 of the Lease relating to insurance with respect to the Aircraft.

(i) Each Pass Through Trustee shall have received copies of all Uniform Commercial Code financing statements covering the security interests created by or pursuant to the Granting Clause of the Original Indenture and all Uniform Commercial Code financing statements describing the Lease as a lease and any continuation statements relating thereto.

(j) (A) A termination of the UCC-1 financing statement on file in the State of Utah shall have been executed and delivered by Wilmington Trust Company as secured party under the existing filings, and such termination statement, upon Closing, shall be filed promptly with the Secretary of State of Utah, (B) a UCC-1 financing statement covering the security interests created by the Indenture naming the Owner Trustee, as debtor, and the Loan Trustee, as secured party, shall have been duly filed with the Secretary of State of the State of Utah, (C) a UCC-1 financing statement covering the security interests created by the Indenture naming the Owner Trustee, as debtor, and the Loan Trustee, as secured party, shall have been executed and delivered by the Owner

Trustee, and such financing statement, upon Closing, shall be filed promptly with the Recorder of Deeds of the District of Columbia, (D) a termination of the UCC-1 financing statement on file in the State of Texas shall have been executed and delivered by the Owner Trustee as secured party under the existing filings, and such termination statement, upon Closing, shall be filed promptly with the Secretary of State of Texas, (E) a UCC-1 financing statement describing the Lease as a lease naming the Owner Trustee as secured party and Lessee as debtor, shall have been executed and delivered by the Loan Trustee, the Owner Trustee and the Lessee, and such financing statement, upon Closing, shall be filed promptly with the Secretary of State of Texas, and (F) a UCC-1 financing statement describing the Lease as a lease shall have been executed and delivered by the Lessee, the Owner Trustee and the Loan Trustee, and such financing statement, upon Closing, shall be filed promptly with the Secretary of State of Delaware.

(k) Each Pass Through Trustee, the Owner Trustee and the Owner Participant each shall have received an opinion addressed to it from Anne H. McNamara, Esq., Senior Vice President - Administration (or such other internal counsel to the Lessee as shall be reasonably satisfactory to each Pass Through Trustee, the Owner Trustee and the Owner Participant) substantially in the form of Exhibit IV hereto.

(l) Each Pass Through Trustee and the Owner Participant each shall have received an opinion addressed to it from Ray, Quinney & Nebeker, special counsel for the Owner Trustee, substantially in the form of Exhibit V hereto.

(m) Each Pass Through Trustee, the Owner Trustee and the Owner Participant each shall have received an opinion addressed to it from Bingham Dana L.L.P., special counsel for the Loan Trustee, Subordination Agent and Pass Through Trustee, substantially in the form of Exhibit VI hereto.

(n) Each Pass Through Trustee and the Owner Trustee each shall have received an opinion addressed to it from Fulbright & Jaworski L.L.P., special counsel for the Owner Participant, Boeing Capital Corporation, as Owner Participant Guarantor, and the Original Loan Participant, substantially in the form of Exhibit VII hereto, and an opinion addressed to it from John A. Catron, counsel of the Owner Participant, Boeing Capital Corporation, and the Original Loan Participant, substantially in the form of Exhibit VII hereto.

(o) Each Pass Through Trustee, the Owner Trustee and the Owner Participant each shall have received an opinion addressed to it from Crowe & Dunlevy, P.C., special counsel in Oklahoma City, Oklahoma, substantially in the form of Exhibit VIII hereto.

(p) Each Pass Through Trustee shall have received an opinion addressed to it from Fulbright & Jaworski L.L.P., special counsel for the Liquidity Provider, and an

opinion addressed to it from John A. Catron, Counsel of the Liquidity Provider, substantially in the form of Exhibit X hereto.

(q) The Lessee shall have entered into the Placement Agreement and the Pass Through Trust Agreements, the Pass Through Certificates shall have been issued and sold pursuant to the Placement Agreement and the Pass Through Trust Agreements, and the Placement Agents shall have transferred to each Pass Through Trustee in immediately available funds an amount equal to the aggregate purchase price of the Equipment Notes to be purchased from the Owner Trustee by such Pass Through Trustee.

(r) 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 illegal for any Pass Through Trustee to make the payments described in Section 1(a) or for the Owner Trustee or Owner Participant to participate in the transactions contemplated by this Agreement on the Closing Date.

(s) All approvals and consents of any trustee or holder of any indebtedness or obligations of the Lessee which are required in connection with each Pass Through Trustee's making of the payments described in Section 1(a) or the Owner Trustee's or Owner Participant's participation in the transactions contemplated by this Agreement on the Closing Date shall have been duly obtained.

(t) The Owner Participant shall have received the Boeing Letter Agreement duly executed by American, in form and substance satisfactory to the Owner Participant.

(u) 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 Participation Agreement and the other Operative Documents or the transactions contemplated hereby and thereby.

(v) The Owner Trustee shall have made such filings as are required by Section 131.3 of the New York Banking Law.

Promptly following the recording of the Instrument of Resignation, the Lease and the Indenture pursuant to the Transportation Code and the filing of the Trust Agreement pursuant to such Transportation Code, the Lessee will cause Crowe & Dunlevy, P.C., special counsel in Oklahoma City, Oklahoma, to deliver to each Pass Through Trustee, the Lessee, the Loan Trustee, the Owner Participant and the Owner Trustee an opinion as to the due recording of the Instrument of Resignation, the Lease and the Indenture.



SECTION 5. Conditions Precedent to the Obligations of the Lessee;  
Conditions Precedent with Respect to the Pass Through Trustee.

(a) The Lessee's obligation to participate in the transactions contemplated by this Agreement and to execute and deliver the Lease are subject to (i) the interest rates, principal amounts and amortization schedules of the Equipment Notes being satisfactory to the Lessee, (ii) the fulfillment, prior to or on the Closing Date, of the conditions precedent listed in subsections (a) and (b), clauses (i) through (iii) of subsection (d), and subsections (e), (f), (g), (j), (q) and (r) of Section 4 with respect to the other parties hereto and (iii) the receipt by the Lessee of (a) each certificate referred to in subsections (e), (f) and (g) of Section 4, (b) each opinion referred to in subsections (l) through (o) of Section 4, addressed to the Lessee or accompanied by a letter from counsel rendering such opinion authorizing the Lessee to rely on such opinion as if it were addressed to the Lessee, (c) the Boeing Letter Agreement, duly executed by Boeing Capital Corporation, in form and substance satisfactory to the Lessee, and (d) such other documents and evidence with respect to the Liquidity Provider each Pass Through Trustee and each party hereto as the Lessee may reasonably request in order to establish the due consummation of the transactions contemplated by this Agreement, the taking of all necessary corporate action in connection therewith and compliance with the conditions herein set forth.

(b) The respective obligations of each of the Lessee, the Owner Participant, the Owner Trustee and the Loan Trustee to participate in the transactions contemplated hereby are subject to the receipt by each of them of (i) a certificate signed by an authorized officer of each Pass Through Trustee, dated the Closing Date, certifying that the representations and warranties contained herein of such Pass Through Trustee are correct as though made on and as of the Closing 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), (ii) an opinion addressed to each of them of Bingham Dana L.L.P., special counsel for each Pass Through Trustee, substantially in the form of Exhibit IX hereto, and (iii) such other documents and evidence with respect to each Pass Through Trustee as it may reasonably request in order to establish the due consummation of the transactions contemplated by this Agreement, the taking of all necessary corporate action in connection therewith and compliance with the conditions herein set forth.

SECTION 6. Successor Trustee; Execution and Delivery of the Amended and Restated Indenture. The Original Loan Participant, the Owner Trustee and the Lessee hereby waive notice of the resignation of the Indenture Trustee pursuant to the Instrument of Resignation. Each of the Original Loan Participant, Lessee, Pass Through Trustee and Owner Trustee agrees that, notwithstanding the provisions of Section 8.02 of the Original Indenture, the Loan Trustee is an acceptable successor to the Indenture Trustee and the provisions of Section 8.02(b) of the Original Indenture are hereby waived by the Original Loan Participant, the Owner Trustee, the Indenture Trustee and the Loan Trustee. The

Original Loan Participant and the Owner Participant, by execution and delivery hereof, request and direct the Owner Trustee and the Loan Trustee to execute and deliver the Indenture, and the Owner Trustee and the Loan Trustee agree to execute and deliver the Indenture (the Indenture to be executed and delivered shall set forth the interest rates, principal amounts and amortization schedules of the Equipment Notes determined as contemplated by Section 2 hereof). The Lessee, by execution and delivery hereof, consents to such execution and delivery of the Indenture. The Indenture shall be effective as of the Closing.

SECTION 7. Execution and Delivery of the Amended and Restated Lease. The Loan Trustee and the Owner Participant, by execution and delivery hereof, request and instruct the Owner Trustee to execute and deliver the Lease; and the Owner Trustee and the Lessee agree to execute and deliver the Lease. The Lease shall be effective as of the Closing.

SECTION 8. Execution and Delivery of the Amended and Restated Trust Agreement. The Owner Trustee, in its individual capacity, and the Owner Participant, by execution and delivery hereof, agree (subject to the terms of this Agreement) to execute and deliver the Trust Agreement. The Trust Agreement shall be effective as of the Closing Date.

SECTION 9. Extent of Interest of Noteholders. A Noteholder shall have no further interest in, or other right with respect to, the Indenture Estate when and if the principal of, Make-Whole Amount, if any, and interest on all Equipment Notes held by such Noteholder and all other sums payable to such Noteholder hereunder and under the Indenture shall have been paid in full. By acceptance of an Equipment Note, each Noteholder agrees that it will look solely to the income and proceeds from the Indenture Estate to the extent available for distribution to such Noteholder as provided in Section 2.11 of the Indenture and that neither the Owner Participant nor the Owner Trustee shall be personally liable to such Noteholder for any amounts payable under the Equipment Notes or the Indenture, except as expressly provided in the Operative Documents.

SECTION 10. Lessee's Representations, Warranties and Indemnities.

(a) In General. The Lessee represents and warrants that:

(i) the Lessee is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware, is a Certificated Air Carrier and a Citizen of the United States and 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 Lessee 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;

(ii) the execution, delivery and performance of the Operative Documents to which the Lessee is a party have been duly authorized by all necessary corporate action on the part of the Lessee, do not require any stockholder approval, or approval or consent of any trustee or holder of any indebtedness or obligations of the Lessee, and do not contravene any law, governmental rule, regulation or order binding on the Lessee or the Certificate of Incorporation or By-Laws of the Lessee or contravene the provisions of, or constitute a default under, or result in the creation of any Lien (other than Permitted Liens as permitted under the Lease) upon the property of the Lessee or on the Aircraft under, any indenture, mortgage, contract or other agreement to which the Lessee is a party or by which it or any of its properties may be bound or affected;

(iii) neither the execution and delivery by the Lessee of the Operative Documents to which it is a party, nor the consummation of any of the transactions by the Lessee contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, or the registration with, or the taking of any other action in respect of, the Department of Transportation, the FAA, or any other Federal, state, local or foreign governmental authority or agency, other than (i) the registration of the issuance and sale of the Pass Through Certificates, to be issued pursuant to the provisions of the Pass Through Trust Documents, under the Securities Act, as may be required under the Registration Rights Agreement 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 Documents under the Indenture, pursuant to an order of the Securities and Exchange Commission, as may be required under the Registration Rights Agreement and (iii) the registration and filings referred to in Section 10(a)(viii);

(iv) this Agreement has been duly executed and delivered and constitutes, and each other Operative Document to which the Lessee is a party has been duly executed and delivered and constitutes, a legal, valid and binding obligation of the Lessee enforceable against the Lessee in accordance with its terms except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws

affecting the rights of creditors generally and by general principles of equity and except, in the case of the Lease, as limited by applicable laws which may affect the remedies provided in the Lease, which laws, however, do not make the remedies provided in the Lease inadequate for the practical realization of the rights and benefits provided thereby;

(v) there are no pending or threatened actions or proceedings before any court, governmental authority or administrative agency or arbitrator which would materially adversely affect the consolidated financial condition of the Lessee and its consolidated subsidiaries, taken as a whole, or the ability of the Lessee to perform its obligations under the Operative Documents to which it is a party;

(vi) the Lessee and its subsidiaries have filed or caused to be filed all Federal, state, local and foreign tax returns which are required to be filed and have paid or caused to be paid all taxes shown to be due and payable on such returns or (except to the extent being contested in good faith and for the payment of which adequate reserves have been provided) on any assessment received by the Lessee or any of its subsidiaries, to the extent that such taxes have become due and payable, except to the extent that the failure to file any such tax returns or to pay any such Taxes could not reasonably be expected to have a material adverse effect on the financial condition of the Lessee and its subsidiaries, taken as a whole; the Federal income tax liability, if any, of the Lessee has been determined by the Internal Revenue Service (or the statute of limitations has expired with respect to a redetermination of such liability) and (except to the extent being contested in good faith and for the payment of which adequate reserves have been provided) paid for all years prior to and including the fiscal year ended December 31, 1992; the Federal income tax returns of the Lessee for the fiscal years ended December 31, 1993 to December 31, 2000, inclusive, are subject to examination by the Internal Revenue Service;

(vii) the audited consolidated balance sheet of the Lessee and its subsidiaries as of the end of each of its last three fiscal years, and the related consolidated statements of operations and cash flows for the three fiscal years then ended, fairly present the consolidated financial position of the Lessee and its consolidated subsidiaries as at the end of each such fiscal year and the consolidated results of their operations and cash flows for each such fiscal year in accordance with generally accepted accounting principles applied on a consistent basis (except as may be noted in such financial statements); from December 31, 1997 to the date of this Participation Agreement, there has been no material adverse change in

such consolidated financial position of the Lessee and its consolidated subsidiaries, taken as a whole;

(viii) except for (A) the filing for recording pursuant to the Transportation Code of the Lease (with the Indenture covering the Aircraft attached), the Trust Agreement, the Indenture and the Instrument of Resignation, (B) the filing of financing statements (and continuation statements at periodic intervals) with respect to the security interests created by such documents under the Uniform Commercial Code of Texas, Utah, Delaware and The District of Columbia, and (C) the taking of possession by the Loan Trustee of the original chattel paper counterpart of the Lease, no further action, including any filing or recording of any document (including any financing statement in respect thereof under Article 9 of the Uniform Commercial Code of any applicable jurisdiction) is necessary or advisable under the laws of the United States of America or any State thereof in order to perfect the Owner Trustee's interest in the Aircraft as against Lessee and any third parties, or to perfect the security interest in the Owner Trustee's interest in the Indenture Estate created under the Indenture in favor of the Loan Trustee (with respect to such portion of the Aircraft as is covered by the recording system established by the Federal Aviation Administration pursuant to the Transportation Code) and in the Lease;

(ix) the Lessee 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;

(x) the Lessee is not in default in the performance of any term or condition of the Purchase Agreement which materially adversely impairs the transactions contemplated hereby;

(xi) none of the proceeds from the issuance of the Pass Through Certificates or from the acquisition by the Owner Participant of its beneficial interest in the Trust Estate will be used directly or indirectly by the Lessee to purchase or carry any "margin stock" as such term is defined in Regulation G of the Board of Governors of the Federal Reserve System;

(xii) the Lessee has not voluntarily subjected the Aircraft to any lease or mortgage, the existence of which has not been disclosed to the Lessor;

(xiii) neither the Lessee nor any Person authorized to act on its behalf has (1) directly or indirectly offered any interest in the Trust Estate

or any similar interest for sale to, or solicited any offer to acquire the same from, any Person other than the Owner Participant and not more than 35 other institutional investors, or (2) directly or indirectly offered the Pass Through Certificates for sale to any Person other than in a manner required by the Securities Act and by the rules and regulations thereunder;

(xiv) no event has occurred and is continuing which constitutes an Event of Default or an Event of Loss would constitute an Event of Default or an Event of Loss but for the requirement that notice be given or time elapse or both; and

(xv) the original counterpart of the Lease was delivered to the Loan Trustee on the Closing Date.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, IN THE PURCHASE AGREEMENT ASSIGNMENT, OR IN THE LEASE TO THE CONTRARY, THE LESSEE DOES NOT MAKE NOR SHALL THE LESSEE BE DEEMED TO HAVE MADE, AND THE LESSEE HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE WORKMANSHIP, DESIGN, PATENT INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR USE OF THE AIRCRAFT AS OF THE CLOSING DATE. NOTHING CONTAINED IN THE PRECEDING SENTENCE SHALL BE INTERPRETED TO BE IN DEROGATION OF OR CONSTRUED TO LIMIT THE LESSEE'S INDEMNITY OBLIGATIONS HEREUNDER OR TO EXCUSE THE PERFORMANCE BY THE LESSEE OF ITS OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT

(b) General Indemnity.

(1) Claims Defined. For the purposes of this Section 10(b), "Claims" shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions or suits of whatsoever kind and nature (whether or not on the basis of negligence, strict or absolute liability or liability in tort) which 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 10(b), shall include all costs, disbursements and expenses (including reasonable legal fees and expenses) of an Indemnitee in connection therewith or related thereto.

(2) Indemnitee Defined. For the purposes of this Section 10(b), "Indemnitee" means the Owner Trustee (in both its individual capacity and as Owner Trustee), the Owner Participant, each Pass Through Trustee (in both its individual capacity and as Pass Through Trustee) so long as such Pass Through Trustee is the holder of any Equipment Note, the Original Loan Participant (with respect to matters arising

prior to (or relating to the period prior to) the Closing Date), the Indenture Trustee (in both its individual capacity and as Indenture Trustee, with respect to matters arising prior to the Closing Date), the Loan Trustee (in both its individual capacity and as Loan Trustee), the Subordination Agent, so long as such Subordination Agent holds any Equipment Note as agent and trustee of any Pass Through Trustee, each Liquidity Provider and their respective successors and permitted assigns, directors, officers, employees, agents and servants (the respective successors and permitted assigns, directors, officers, employees, agents and servants of (a) the Owner Trustee (in both its individual capacity and as Owner Trustee), together with the Owner Participant, (b) the Owner Participant, together with the Owner Participant, (c) each Pass Through Trustee (in both its individual capacity and as Pass Through Trustee) together with the Pass Through Trustee, (d) any Original Loan Participant, together with such Original Loan Participant, (e) the Loan Trustee (in both its individual capacity and as Loan Trustee), together with the Loan Trustee, (f) the Subordination Agent, together with the Subordination Agent, (g) the Liquidity Provider, together with the Liquidity Provider, being in each case referred to herein collectively as the "Related Indemnitee Group" for each such party). No holder of a Pass Through Certificate in its capacity as such holder shall be an Indemnitee for purposes hereof.

(3) Claims Indemnified. Subject to the exclusions stated in subsection (4) below, whether or not any of the transactions contemplated hereby shall be consummated, the Lessee agrees to indemnify, protect, defend and hold harmless on an After-Tax Basis each Indemnitee against Claims in any way resulting from or arising out of (i) the Operative Documents, the Pass Through Trust Documents or any sublease under the Lease or the enforcement of any of the terms thereof, or any amendment, modification or waiver in respect thereof or any of the transactions contemplated hereby or thereby, (ii) the purchase, acceptance or rejection of the Aircraft including, without limitation, the Airframe, any Engine, engine or Part (or any portion thereof) hereunder, (iii) the manufacture, design, purchase, resale, acceptance, non-acceptance or rejection of the Aircraft hereunder or under the Lease, (iv) the Aircraft, whether or not arising out of the ownership, delivery, non-delivery, lease, sublease, possession, use, non-use, substitution, airworthiness, state of airworthiness, control, maintenance, repair, replacement, operation, registration, re-registration, condition, sale, storage, modification, alteration, return, transfer or other disposition of the Aircraft, the Airframe, any Engine, any engine installed on the Airframe, any Part or any Passenger Convenience Equipment (or portion thereof) (including, without limitation, any death or injury to passengers or others, any damage to any property, the environment, latent or other defects, whether or not discoverable, strict tort liability, and any Claim for patent, trademark or copyright infringement), (v) any breach of or failure to perform or observe, or any other non-compliance with, any covenant, condition or agreement or other obligations to be performed by the Lessee under any Operative Document, or the falsity of any representation or warranty of the Lessee in any of the Operative Documents to which the Lessee is a party or any sublease under the Lease or the enforcement of any of the terms thereof,

or any amendment, modification or waiver in respect thereof or any of the transactions contemplated hereby or thereby, other than covenants, conditions, agreements, obligations, representations and warranties in the Tax Indemnity Agreement, or (vi) the offer, sale or delivery of any Equipment Notes or Pass Through Certificates or any interest in the Trust Estate. Without limitation of the foregoing, the Lessee agrees to pay the reasonable ongoing fees, and the reasonable ongoing 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 Owner Trustee, the Loan Trustee and the Liquidity Provider in connection with the transactions contemplated by the Operative Documents.

(4) Claims Excluded. The following are excluded from the Lessee's agreement to indemnify any Indemnitee under this Section 10(b):

(i) Any Claim to the extent caused by acts or events occurring after the earlier of (x) the return of the Aircraft pursuant to the Return Conditions (it being understood that the date of the placement of the Aircraft in storage as provided in Section G of the Return Conditions constitutes the date of return of the Aircraft under the Lease), and (y) the expiration or earlier termination of the Lease under circumstances not requiring the return of the Aircraft, unless and to the extent such Claim is attributable to the failure of the Lessee to perform its obligations under the Lease in full compliance therewith or acts occurring in connection with the exercise of remedies pursuant to Section 15 of the Lease following the occurrence and continuance of an Event of Default thereunder;

(ii) Any Claim to the extent attributable to a Tax, or any Claim of the Owner Participant to the extent attributable to a Loss, whether or not Lessee is required to indemnify therefor under Section 10(c) of this Participation Agreement or the Tax Indemnity Agreement, provided that this Section 10(b)(4)(ii) shall not exclude the reasonable out-of-pocket costs, disbursements and expenses incurred with respect to Taxes for which the Lessee is required to indemnify under Section 10(c) of this Participation Agreement;

(iii) Any Claim to the extent caused by the gross negligence or willful misconduct of such Indemnitee or any of its Related Indemnitee Group (other than any gross negligence or willful misconduct imputed as a matter of law to such Indemnitee solely by reason of its interest in the Aircraft or its status as a party to any of the Operative Documents);



(iv) Any Claim to the extent caused by the noncompliance by such Indemnitee or any of its Related Indemnitee Group with any of the terms of, or any misrepresentation by such Indemnitee or any of its Related Indemnitee Group contained in, this Participation Agreement, any other Operative Document or any Pass Through Trust Document to which such Indemnitee or any of its Related Indemnitee Group is a party or any agreement relating hereto or thereto (except if such non-compliance was based on an inaccurate representation or warranty of the Lessee);

(v) Any Claim that constitutes a Permitted Lien attributable to such Indemnitee;

(vi) Any Claim to the extent caused by the offer, sale, assignment, transfer, participation or other disposition (voluntary or involuntary) by or on behalf of such Indemnitee of any Equipment Notes or Pass Through Certificates or any interest in the Trust Estate or the Trust Agreement, or any similar security, other than a transfer by such Indemnitee of its interests in the Aircraft pursuant to Section 9, 10, 15 or 20 of the Lease and any related provision of the Indenture including, without limitation, Article 8 thereof except for the cancellation of any Equipment Notes in connection with a refinancing under Section 20 of this Participation Agreement or a redemption under Section 2.08 of the Indenture;

(vii) Any Claim to the extent caused by a failure on the part of the Owner Trustee to distribute in accordance with the Trust Agreement any amounts received and distributable by it thereunder to the extent such failure was not caused by or attributable to the Lessee;

(viii) 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 to the extent such failure was not caused by or attributable to the Lessee, (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 to the extent such failure was not caused by or attributable to the Lessee 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 to the extent such failure was not caused by or attributable to the Lessee;

(ix) Any Claim to the extent caused by the authorization or giving or withholding by such Indemnitee of any future amendments, supplements, waivers or consents with respect to any of this Participation Agreement and the other Operative Documents or the Pass Through Trust Documents, other than such as have been requested by or consented to by the Lessee, or such that occur as a result of an Event of Default that shall have occurred and is continuing, or such as are required or contemplated by (and, if contemplated by, in compliance with) the provisions of the Operative Documents or the Pass Through Trust Documents in order to give effect thereto;

(x) Any Claim to the extent caused by an Indenture Default that does not also constitute an Event of Default under the Lease or an event which would constitute such an Event of Default but for the requirement that notice be given or time elapse or both;

(xi) Any Claim that would not have arisen but for the appointment of a successor or an additional Owner Trustee without the consent of the Lessee unless such successor or an additional Owner Trustee or Indenture Trustee has been appointed in connection with the exercise or remedies pursuant to Section 15 of the Lease following the occurrence and continuance of an Event of Default or if such appointment is expressly required by any Operative Document or by applicable law;

(xii) Any Claim to the extent caused by the failure of a Person other than the Lessee to pay a cost, fee or expense expressly payable by such Person in accordance with Section 12(a), 12(b), 12(c), 12(f), 12(h), 12(j), 19(b), 19(c), or 20(a) and 20(b) hereof, or Section G of the Return Conditions, or Sections 9, or 11 of the Lease;

(xiii) Any Claim that is an ordinary and usual operating or overhead expense other than to the extent caused by (a) the occurrence of an Event of Default or an Event of Loss or (b) circumstances beyond the scope of routine portfolio administration (such routine portfolio administration to be deemed to include tax preparation and other normally occurring administrative tasks but shall not include any administrative obligations of the Lessee under the Operative Documents or the Pass Through Trust Documents performed by any Indemnitee);

(xiv) Any Claim to the extent that such Claim relates to amounts payable by the Owner Trustee to the Loan Trustee in respect of the Equipment Notes or otherwise under the Indenture with respect to Make-Whole Amount, if any, payable as a result of (x) a redemption or purchase

of any Equipment Notes pursuant to Section 2.08 of the Indenture or (y) an Indenture Default that does not constitute a Lease Event of Default;

(xv) [Intentionally left blank];

(xvi) Any Claim to the extent such Claim is expressly payable or borne by a Person other than the Lessee pursuant to any provision of any Operative Document or any Pass Through Trust Document;

(xvii) [Intentionally left blank];

(xviii) [Intentionally left blank];

(xix) [Intentionally left blank];

(xx) Any Claim that is directly attributable to a "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975(c)(i) of the Code that arises solely as a result of (x) such Indemnatee's use of plan assets of any "employee benefit plan" as defined in Section 3(3) of ERISA or a "plan" as defined in Section 4975 of the Code, including any entity whose assets are deemed to constitute plan assets under Department of Labor Reg.ss.2510.3-101, to acquire or hold its interest(s) in the Trust Estate or in any Equipment Note, as applicable or (y) in the case of an Indemnatee which is the Owner Participant or any of its Affiliates, the reliance by any plan maintained or sponsored by the Owner Participant or any of its Affiliates on the administrative exemption issued to any of the Placement Agents;

(xxi) 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 notes issued with respect to the other aircraft and held by the Pass Through Trustees; and

(xxii) Any Claim attributable to the deregistration of the Aircraft as a result of the failure of the Owner Participant to be a Citizen of the United States.

A limitation on the Claims of one Indemnatee under this Section 10(b)(4) shall not provide a basis for limiting any Claim of any other Indemnatee.

(5) Insured Claims. In the case of any Claim indemnified by the Lessee hereunder which is covered by a policy of insurance maintained by the Lessee pursuant to Section 11 of the Lease, each Indemnatee agrees to cooperate, at the Lessee's expense, with the insurers in the exercise of their rights to investigate, defend or compromise such Claim as may be required to retain the benefits of such insurance with respect to such Claim.

(6) Claims Procedure. An Indemnatee shall promptly notify the Lessee of any Claim as to which indemnification is sought, provided that the failure to provide such prompt notice shall not release the Lessee from any of its obligations to indemnify hereunder. Any amount payable to any Indemnatee pursuant to this Section 10(b) shall be paid on an After-Tax Basis within thirty days after receipt of a written demand therefor from such Indemnatee accompanied by a written statement describing in reasonable detail the Claims which are the subject of and basis for such indemnity and the computation of the amount so payable. Subject to the rights of insurers under policies of insurance maintained pursuant to Section 11 of the Lease, so long as no Event of Default shall have occurred and be continuing, the Lessee (at its sole cost and expense) shall have the right to investigate, and the right in its sole discretion to defend or compromise, any Claim for which indemnification is sought under this Section 10(b); provided that in no event shall the right of any Indemnatee under this Section 10(b) be adversely affected thereby and provided further that no such Claim shall involve a material risk of the sale, forfeiture or loss (including loss of use) of the Airframe or any Engine or any interest therein or any meaningful risk of criminal liability or any material risk of civil penalty against Lessor, any Pass Through Trustee or Owner Participant, and the Indemnatee shall cooperate with all reasonable requests of the Lessee in connection therewith; provided, however, that so long as an Event of Default has occurred and is continuing, such Indemnatee shall have the right, along with the concomitant right of the Lessee, to investigate, defend or compromise any such Claim; provided that the Lessee shall reimburse such Indemnatee for all reasonable costs and expenses incurred by it in connection therewith. The Lessee will provide the Indemnatee with such information not within the control of such Indemnatee, as is in the Lessee's control or as reasonably available to the Lessee, which such Indemnatee may reasonably request and shall otherwise cooperate with such Indemnatee so as to enable such Indemnatee to fulfill its obligations under this Section 10(b)(6). Where the Lessee or the insurers under a policy of insurance maintained by the Lessee undertake the defense of an Indemnatee with respect to a Claim, and so long as the Lessee is entitled to control such defense, no additional legal fees or expenses of such Indemnatee in connection with the defense of such Claim shall be indemnified hereunder unless such fees or expenses were incurred at the request of the Lessee or such insurers; provided, however, that if (i) in the written opinion of counsel to such Indemnatee an actual or potential material conflict of interest exists where it is advisable for such Indemnatee to be represented by separate counsel or (ii) such Indemnatee has been indicted or otherwise charged in a criminal complaint and such Indemnatee informs the Lessee that such Indemnatee desires to be represented by separate counsel, the reasonable

fees and expenses of any such separate counsel shall be borne by the Lessee. Subject to the requirements of any policy of insurance, an Indemnitee may participate at its own expense in any judicial proceeding controlled by the Lessee pursuant to the preceding provisions; provided that such party's participation does not, in the reasonable opinion of the independent counsel appointed by the Lessee or its insurers to conduct such proceedings, significantly interfere with such control; and such participation shall not constitute a waiver of the indemnification provided in this Section 10(b). Notwithstanding anything to the contrary contained herein, (x) the Lessee shall not under any circumstances be liable for the fees and expenses of more than one counsel for each of (i) the Owner Participant and the Owner Trustee (and their respective successors and permitted assigns, agents and servants and other members of their respective Related Indemnitee Groups) and (ii) the Subordination Agent, any Pass Through Trustee and the Loan Trustee (and their respective successors and permitted assigns, agents and servants) except in the case specified in the proviso to the fourth sentence of this paragraph (6) and (y) the Lessee shall not defend or compromise any Claim if such proceedings will involve a material risk of the sale, forfeiture or loss of, or the creation of any Lien (other than a Permitted Lien) on the Airframe, any Engine or any part of any thereof, or the Indenture Estate or the Trust Estate or any part of any thereof, unless the Lessee shall have provided security for Lessee's obligations under this Section 10(b) with respect to such Claim reasonably satisfactory to the relevant Indemnitees in respect to such risk.

(7) Subrogation. To the extent that a Claim indemnified by the Lessee under this Section 10(b) is in fact paid in full by the Lessee and/or an insurer under a policy of insurance maintained by the Lessee pursuant to Section 11 of the Lease, the Lessee and/or such insurer, as the case may be, shall be subrogated to the rights and remedies of the Indemnitee on whose behalf such Claim was paid (other than rights of such Indemnitee under insurance policies maintained at its own expense) with respect to the transaction or event giving rise to such Claim, except that the Lessee shall not be subrogated to any rights or remedies that the Owner Trustee may have against the Owner Participant under Section 7.1 of the Trust Agreement or that the Loan Trustee may have against the Owner Trustee under Section 11.01 of the Indenture. So long as no Event of Default (or event that with the lapse of time would constitute an Event of Default under Section 14(a), 14(g), 14(h) or 14(i) of the Lease) shall have occurred and be continuing, should an Indemnitee receive any refund, in whole or in part, with respect to any Claim paid by the Lessee hereunder, it shall promptly pay the amount refunded (but not an amount in excess of the amount the Lessee or any of its insurers has paid in respect of such Claim) over to the Lessee. Moreover, if, by reason of any Claim that the Lessee has paid or indemnified against pursuant to this Section 10(b), an Indemnitee realizes an actual reduction in any Taxes that was not previously taken into account in computing a payment by the Lessee pursuant to this Section 10(b), then such Indemnitee shall promptly pay to the Lessee an amount equal to the actual net reduction in Taxes realized by such Indemnitee attributable thereto plus the actual reduction in Taxes realized by such Indemnitee as a result of any payment to the Lessee pursuant to this sentence. Each

Indemnitee shall in good faith use reasonable diligence in filing its tax returns and in dealing with taxing authorities to seek and claim any tax benefits that would result in such net reductions in Taxes.

(8) No Guaranty. Nothing set forth in this Section 10(b) shall constitute a guaranty by the Lessee that the Aircraft shall have any particular useful life or residual value or a guaranty to the Loan Trustee, the Subordination Agent or any Pass Through Trustee that the Equipment Notes will be paid.

(c) General Tax Indemnity.

(1) General. Subject to Section 10(c)(2) hereof, the Lessee agrees to indemnify, protect, defend and hold harmless on an After-Tax Basis each Tax Indemnitee against any and all Taxes imposed with respect to any period after the Closing Date on any Tax Indemnitee, the Lessee, the Aircraft, the Airframe, any Engine or any Part, upon or with respect to (A) the Aircraft, the Airframe, any Engine or any Part or any interest in any thereof or the applicability of the Lease to the Aircraft, the Airframe, any Engine or any Part or any interest in any thereof, (B) the lease, sublease, hiring, acceptance, delivery, transport, location, ownership, control, insurance, possession, use, non-use, substitution, airworthiness, state of airworthiness, control, maintenance, repair, replacement, operation, registration, re-registration, condition, sale, storage, modification, alteration, return, transfer or other disposition of the Aircraft, the Airframe, any Engine or any Part, (C) any Basic Rent or Supplemental Rent payable by the Lessee, (D) the exercise of remedies pursuant to Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing or (E) otherwise in connection with the transactions contemplated by the Operative Documents.

(2) Taxes Excluded from Indemnity. The Lessee shall have no obligation under the Lease with respect to Taxes described in any one or more of the following clauses; provided that clauses (ii) and (vi) below shall not apply in determining the additional amount necessary to make any payment under this Section 10 on an After-Tax Basis:

(i) [Intentionally left blank];

(ii) Taxes imposed by any government or taxing authority on, based on, measured by or with respect to capital, net worth, doing business, retained earnings, tax preferences, gross or net income or gross or net receipts or that are franchise Taxes; provided that there shall not be excluded by this clause (ii)(x) any such Taxes imposed by any government or taxing authority located outside the United States to the extent such Taxes would have been imposed had the sole connection between the Tax Indemnitee and such government or taxing authority been (I) the

registration, location, use, operation or presence of the Aircraft, the Airframe, any Engine or any Part in such jurisdiction, (II) the presence, activity or other connection of the Lessee or an Affiliate of the Lessee in or with such jurisdiction, or (III) the Lessee's making a payment from or through such jurisdiction or (y) any sales, use, transfer, license, value added, property, excise or rental Taxes (or Taxes in the nature thereof) imposed by any government or taxing authority;

(iii) Taxes imposed on any Tax Indemnitee to the extent such Taxes result from, or would not have been imposed but for, (w) a Lessor's Lien, a Subordination Agent's Lien or a Trustee's Lien, (x) the willful misconduct or gross negligence of such Tax Indemnitee, (y) the breach or inaccuracy of any representation, warranty or covenant of such Tax Indemnitee in the Operative Documents or the Pass Through Trust Documents (which is not attributable to a breach of any representation, warranty or covenant of the Lessee), or (z) the failure of such Tax Indemnitee to comply with any certification, information, documentation, reporting or other similar requirement, if such compliance is necessary or appropriate to claim any relief from such Taxes for which such Tax Indemnitee was eligible, unless such failure to comply is due to the failure of the Lessee to provide timely written notice to such Tax Indemnitee of such requirement or otherwise to comply with its obligations under Section 10(c)(6) hereof;

(iv) Taxes imposed on any Tax Indemnitee in excess of the Taxes that would have been imposed and indemnified against had there not been a transfer (whether voluntary or involuntary) (x) by a Tax Indemnitee of any interest in the Aircraft, the Airframe, any Engine, any Part, the Trust Estate, or any interest arising under any Operative Document (other than such a transfer pursuant to Section 9, 10, or 20 of the Lease or the exercise of remedies pursuant to Section 15 of the Lease) or (y) of any interest (direct or indirect) in a Tax Indemnitee; provided that in the case of any such transfer by the initial Owner Participant within two years of the Commencement Time, this clause (iv) shall apply to the transferee of the initial Owner Participant only (I) if such transfer is to a transferee Owner Participant that is not a United States person for U.S. federal income tax purposes or has its principal office, or participates in this transaction through an office, located outside the United States or (II) with respect to Taxes imposed on such transferee in the relevant jurisdiction of a type that would not have been incurred by a typical bank, leasing company, financial institution or other company (which may include insurance companies and utilities) regularly engaged in leasing transactions;

(v) Taxes imposed on any Tax Indemnitee on or with respect to a transfer (whether voluntary or involuntary) (x) by a Tax Indemnitee of any interest in the Aircraft, the Airframe, any Engine, any Part, the Trust Estate, or any interest arising under any Operative Document (other than such a transfer pursuant to Section 9, 10, or 20 of the Lease or the exercise of remedies pursuant to Section 15 of the Lease) or (y) of any interest (direct or indirect) in a Tax Indemnitee;

(vi) Taxes to the extent imposed with respect to any period commencing after (x) the return of the Aircraft to the Lessor pursuant to the Return Conditions or, if the Aircraft is stored pursuant to Section G of the Return Conditions of this Participation Agreement following termination thereof, the date of the placement of the Aircraft in storage or (y) the expiration or earlier termination of the Lease under circumstances not requiring the return of the Aircraft; provided that there shall not be excluded by this clause (vi) any Taxes to the extent (I) attributable to events occurring or matters arising prior to or simultaneously with the earlier of such times, any failure of the Lessee to perform its obligations under the Lease in full compliance therewith, or the exercise of remedies pursuant to Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing or (II) imposed with respect to any payment by the Lessee under the Operative Documents after such date;

(vii) Taxes imposed on any Tax Indemnitee by any government or taxing authority to the extent such Taxes would not have been imposed but for a present or former connection between such Tax Indemnitee and such government or taxing authority unrelated to the transactions contemplated by the Operative Documents or the Pass Through Trust Documents;

(viii) Taxes to the extent such Taxes would not have been imposed but for an amendment to any Operative Document or any Pass Through Trust Document without the prior written consent of the Lessee, unless such amendment is requested by the Lessee, is expressly required by any Operative Document or any Pass Through Trust Document or is made as a result of an Event of Default that shall have occurred and be continuing;

(ix) Taxes for so long as such Taxes are being contested in accordance with the provisions of Section 10(c)(5) hereof, except to the extent a payment by the Lessee is required pursuant to such Section 10(c)(5);



(x) Taxes imposed on any Tax Indemnitee in excess of the Taxes that would have been imposed if such Tax Indemnitee at all times had been a United States person for U.S. federal income tax purposes;

(xi) value added Taxes imposed in lieu of income Tax by the United States or any state or local government or taxing authority thereof or therein;

(xii) Taxes that are directly attributable to a "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975(c)(i) of the Code that arise solely as a result of (x) such Indemnitee's use of plan assets of any "employee benefit plan" as defined in Section 3(3) of ERISA or a "plan" as defined in Section 4975 of the Code, including any entity whose assets are deemed to constitute plan assets under Department of Labor Reg.ss.2510.3-101, to acquire or hold its interest(s) in the Trust Estate or in any Equipment Note, as applicable or (y) in the case of a Tax Indemnitee which is the Owner Participant or any of its Affiliates, the reliance by any plan maintained or sponsored by the Owner Participant or any of its Affiliates on the administrative exemption issued to any of the Placement Agents;

(xiii) Taxes to the extent imposed by reason of the trust created under the Trust Agreement not being treated as a "grantor trust" or otherwise being disregarded for U.S. federal income tax purposes, except to the extent such Taxes would have otherwise been imposed on another Tax Indemnitee and been subject to indemnification by the Lessee under this Section 10(c);

(xiv) Taxes on, based on, measured by or with respect to any consideration payable for services rendered by any Pass Through Trustee, the Subordination Agent, the Owner Trustee or the Loan Trustee; and

(xv) [Intentionally left blank];

(3) Tax Savings. If, by reason of any Claims or Taxes paid or indemnified against by the Lessee pursuant to Section 10(b) or this Section 10(c), any Indemnitee or Tax Indemnitee (or any related Person) at any time realizes a net reduction in any Taxes not indemnified against by the Lessee and not taken into account previously in computing the amount of any indemnity payable by the Lessee under Section 10(b) or this Section 10(c), such Indemnitee or Tax Indemnitee shall, subject to Section 10(c)(9) hereof if an Event of Default or Specified Default has occurred and is continuing, promptly pay to the Lessee an amount that, after subtraction of any further reduction in Taxes such Tax Indemnitee or Indemnitee realizes as a result of the payment thereof,

which reduction was not previously taken into account in computing an amount payable by the Lessee hereunder, is equal to the amount of such net Tax reduction; provided that any subsequent loss of a Tax benefit for which a payment has been made to the Lessee under this Section 10(c)(3) (or which was taken into account in computing an amount payable by the Lessee under this Section 10(c)) shall be treated as an indemnifiable Tax hereunder without regard to the exclusions set forth in Section 10(c)(2) hereof. Each Tax Indemnitee shall in good faith use diligence in filing its tax returns and in dealing with taxing authorities to seek and claim any Tax benefit that would result in such a reduction in Taxes or would minimize the Taxes indemnifiable by the Lessee hereunder.

(4) Payment. The Lessee shall pay any Tax for which it is liable pursuant to this Section 10(c) directly to the appropriate taxing authority, if allowable, or if not so allowable, directly to the relevant Tax Indemnitee. Any amount payable directly to any Tax Indemnitee pursuant to this Section 10(c) shall be paid to such Tax Indemnitee on or prior to the later of (A) 30 days after receipt by the Lessee of a written demand therefor from such Tax Indemnitee accompanied by a written statement describing in reasonable detail the Taxes that are the subject of such indemnity and the computation of the amount so payable, (B) three Business Days prior to the due date for the payment of such Taxes (including all extensions) or (C) in the case of amounts which are being contested in accordance with Section 10(c)(5) hereof, the time such contest (including all appeals, if any) is finally resolved; provided that the Lessee shall pay any amounts due pursuant to Section 10(c)(5) hereof at the time or times required by such clause. If requested by a Tax Indemnitee in writing, the Lessee shall furnish to such Tax Indemnitee the original or a certified copy of a receipt (if any is reasonably available to the Lessee) for the Lessee's payment of any Tax directly to a taxing authority pursuant to this Section 10(c) or such other evidence of such payment by the Lessee as is reasonably acceptable to such Tax Indemnitee and reasonably available to the Lessee.

(5) Contests; Refunds. If a written claim is made against any Tax Indemnitee for any Tax for which the Lessee may be obligated pursuant to this Section 10(c), or if any Tax Indemnitee shall determine that any Tax for which the Lessee may be obligated pursuant to this Section 10(c) may be payable, such Tax Indemnitee shall notify the Lessee promptly in writing. If timely requested by the Lessee in writing, such Tax Indemnitee shall in good faith diligently contest through appropriate administrative and judicial proceedings (including pursuing all judicial appeals, but not to the United States Supreme Court) in the name of such Tax Indemnitee (or, if requested by the Lessee and permitted by applicable law, and subject to the conditions set forth in the next sentence, permit the Lessee to contest in the name of the Lessee or such Tax Indemnitee), the validity, applicability and amount of such Tax by (x) resisting payment thereof, (y) not paying the same except under protest, if protest be necessary or proper, or (z) if payment be made, seeking a refund thereof in appropriate administrative and judicial proceedings; provided that (A) prior to taking such administrative or judicial action the Lessee shall have agreed to pay (and shall pay) such Tax Indemnitee on

demand all reasonable out-of-pocket costs and expenses which such Tax Indemnatee may incur in connection with contesting such claim, including, without limitation, all reasonable legal, accountants' and investigatory fees and disbursements, (B) if such contest shall be conducted in a manner requiring the payment of the Tax, the Lessee shall advance to such Tax Indemnatee (on an interest-free basis) the amount of such payment and shall agree to indemnify such Tax Indemnatee against any adverse tax consequences to such Tax Indemnatee resulting from such interest-free loan, (C) the action to be taken will not result in any material danger of forfeiture, sale or loss of the Aircraft, the Airframe or any Engine (unless the Lessee shall have provided to the Lessor a bond or other sufficient protection against such risk acceptable to the Lessor and such Tax Indemnatee), (D) if an Event of Default or Specified Default shall have occurred and be continuing, the Lessee shall have provided security for its related tax indemnity obligation reasonably acceptable to such Tax Indemnatee, (E) prior to commencing any contest involving income Taxes or any judicial action (but not administrative action) involving non-income Taxes, if reasonably requested by the Tax Indemnatee, the Lessee shall have provided to such Tax Indemnatee an opinion of tax counsel (who may be an employee of American in the case of a judicial action involving non-income Taxes) selected by the Lessee and reasonably acceptable to such Tax Indemnatee to the effect that there is a reasonable basis (consistent with ABA Opinion 85-352) for contesting such claim, and (F) the amount of the potential indemnity (together with the amount of all similar or logically related claims that have been or could be raised in any audit involving such Tax Indemnatee for which the Lessee may be liable to pay an indemnity under this Section 10(c)) exceeds \$10,000 in connection with the Lease. The Lessee shall be permitted to conduct such a contest (i) in its name if contesting in its name is allowable under applicable law or (ii) in the name of the relevant Tax Indemnatee, if consented to by the relevant Tax Indemnatee (it being understood that the relevant Tax Indemnatee shall consider in good faith the Lessee's request to conduct a contest in the name of the relevant Tax Indemnatee). Otherwise, the relevant Tax Indemnatee shall conduct such contest. In any contest under this Section 10(c)(5) conducted by the Lessee, the Lessee shall determine the forum and manner in which such contest shall be conducted and, upon the written request of the relevant Tax Indemnatee, will advise such Tax Indemnatee of that status of such contest. In any contest under this Section 10(c)(5) conducted by a Tax Indemnatee, such Tax Indemnatee shall determine the forum for such contest and the manner in which it shall be conducted; provided that such Tax Indemnatee shall consult in good faith with the Lessee and its counsel, and provide to the Lessee and its counsel any communications to or from the relevant taxing authority or administrative or judicial body, with respect to the issues for which the Lessee may be obligated under this Section 10(c).

If any Tax Indemnatee shall obtain a refund of all or part of any Tax paid by the Lessee or for which the Lessee shall have reimbursed such Tax Indemnatee, such Tax Indemnatee shall pay the Lessee an amount equal to the amount of such refund, including any interest received on such refund attributable to such Tax that is properly attributable

to the period subsequent to such payment or reimbursement by the Lessee, reduced by any Taxes payable by such Tax Indemnitee as a result of the receipt or accrual of such refund and interest, and increased by any reduction in Taxes actually realized by such Tax Indemnitee as a result of any payment by such Tax Indemnitee pursuant to this sentence, which reduction was not previously taken into account in computing an amount payable by the Lessee hereunder. If it is later determined that the Tax Indemnitee was not entitled to such refund, the portion of such refund that is repaid, recaptured or disallowed will be treated as Taxes for which the Lessee must indemnify the Tax Indemnitee pursuant to this Section 10(c) but without regard to Section 10(c)(2) hereof.

If a Tax Indemnitee elects not to contest any Tax that it is otherwise required to contest in accordance with this Section 10(c)(5), or elects to settle, compromise or otherwise terminate any such contest without the consent of the Lessee, such election shall constitute a waiver by such Tax Indemnitee of any right to any amount that might otherwise be payable by the Lessee pursuant to this Section 10(c) with respect to such Tax (other than any expenses of the contest) and, if the Lessee has theretofore provided such Tax Indemnitee with an interest-free loan to pay such amount, such Tax Indemnitee shall promptly repay an amount which, after subtraction of any further reduction in Taxes actually realized by such Tax Indemnitee as a result of such payment, which reduction was not previously taken into account in computing an amount payable by the Lessee hereunder, shall be equal to the amount of such interest-free loan, together with interest on the amount of such loan from the date such loan was made to the date of repayment pursuant to this sentence at the rate that would have been paid by the relevant taxing authority had such contest resulted in a refund.

(6) Reports; Returns; Forms. If any report or return is required to be filed with respect to any property Tax (or any Tax in the nature of a property Tax) subject to indemnification by the Lessee under this Section 10(c), the Lessee shall, if permitted by applicable law to do so, timely file such report or return (except for any such report or return as to which the Lessor has notified the Lessee that the Lessor intends to file such report or return) so as to show ownership of the Aircraft in the Lessor and, if requested by the Lessor, send a copy of such report or return to the Lessor; provided that the Lessor shall have furnished the Lessee, at the Lessee's request, with such information, not within the control of the Lessee, as is in the control of the Lessor or the Owner Participant, if any, and is reasonably available to such Person and necessary to file such report or return (it being understood that neither the Lessor nor the Owner Participant shall be required to furnish copies of its actual Tax returns). If the Lessee is not permitted by applicable law to file any such report or return with respect to such Tax, or has insufficient information to do so, the Lessee will promptly notify the Lessor of such requirement and prepare and deliver to the Lessor a proposed form of such report or return, within a reasonable time prior to the time such report or return is to be filed. If any report or return is required to be filed with respect to any Tax (other than a property Tax or Tax in the nature thereof) for which the Lessee is obligated under this Section 10(c), the Lessee will notify the

relevant Tax Indemnatee thereof upon the Lessee's obtaining actual knowledge of such requirement. In addition, the Lessee will furnish upon written request such data in its possession or otherwise reasonably available to it as any Tax Indemnatee may reasonably request to enable such Tax Indemnatee to comply with the requirements of any taxing authority arising out of such Tax Indemnatee's participation in the transactions contemplated by the Lease.

Each Tax Indemnatee agrees to furnish from time to time to or as directed by the Lessee, upon the Lessee's written request and at the Lessee's expense, such duly executed and properly completed forms, statements or certificates as may be necessary or appropriate in order to claim any available reduction of any Tax for which the Lessee may be obligated under this Section 10(c); provided that the Lessee shall have furnished such Tax Indemnatee with any information necessary to complete such form, statement or certificate that is not otherwise reasonably available to such Tax Indemnatee.

(7) Verification. At the request of the Lessee, any statement prepared by a Tax Indemnatee pursuant to this Section 10(c), and any amount payable by or to the Lessee pursuant to this Section 10(c), shall be verified and certified by a nationally recognized firm of independent accountants (which may be the firm that audits such Tax Indemnatee's financial statements) selected by the Tax Indemnatee and reasonably acceptable to the Lessee. The costs of any such verification and certification shall be borne by the Lessee unless such firm determines that any amount payable (A) by the Lessee to a Tax Indemnatee is less than 95% of the amount determined to be so payable by such Tax Indemnatee or (B) by any Tax Indemnatee to the Lessee is greater than the amount determined to be so payable by such Tax Indemnatee by at least 5%, in either of which cases the cost of such verification and certification shall be paid by the Tax Indemnatee. In the event such firm shall determine that such amount or statement is incorrect, then such firm shall determine what it believes to be the correct amount, and such determination shall be binding upon the parties. Any Tax return of a Tax Indemnatee provided to such firm shall be confidential and shall be used by it only for purposes of such verification and certification and shall not be disclosed to the Lessee.

(8) Meaning of Certain Terms. For purposes of this Section 10(c), any reference to the Lessor, the Owner Trustee, the Owner Participant, the Loan Trustee, Indenture Estate or a Tax Indemnatee shall, with respect to any Tax imposed with respect to a combined, consolidated or affiliated group of which such Person is a member, also include such group and any member thereof.

(9) Application of Payments During Event of Default. If, at the time any amount would otherwise be payable to the Lessee under this Section 10(c), an Event of Default or Specified Default shall have occurred and be continuing, such amount shall be held by the relevant Tax Indemnatee as security for the obligations of the Lessee under the Operative Documents and invested in accordance with Section 25 of the Lease and, if

the Lessor declares the Lease to be in default pursuant to Section 14 thereof, applied against the Lessee's obligations under the Operative Documents as and when due. At such time as there shall not be continuing any such Event of Default or Specified Default, such amount shall be paid to the Lessee to the extent not previously applied under the preceding sentence.

(10) Non-Parties. If a Tax Indemnitee is not a party to this Agreement, the Lessee may require such Tax Indemnitee to agree in writing, in a form reasonably acceptable to the Lessee, to the terms of this Section 10(c) prior to making any payments to such Tax Indemnitee under this Section 10(c).

(d) Survival. The Indemnities, representations and warranties and other obligations of the Lessee (subject to Section 10(b)(4)(i) and 10(c)(2)(vi)) and the obligations of each Indemnitee and Tax Indemnitee under this Section 10, shall survive the expiration or other termination of the Operative Documents or any of the Pass Through Trust Documents.

#### SECTION 11. Representations and Warranties.

(a) The Owner Participant represents and warrants that neither it nor any person authorized by it to act on its behalf has directly or indirectly offered any Equipment Note or Pass Through Certificate or any interest in and to the Trust Estate, the Trust Agreement, or any similar security for sale, or solicited any offer to acquire any of the same other than in a manner required or permitted by the Securities Act of 1933, as amended, and by the rules and regulations thereunder. The Owner Participant represents and warrants that its interest in and to the Trust Estate and the Trust Agreement was acquired for its own account and it was purchased for investment and not with a view to any resale or distribution thereof; provided, however, that such representation shall in no way limit the Owner Participant's right to transfer such interest pursuant to, and in accordance with all the terms and conditions of, Section 19(c) hereof.

(b) Each of the Owner Participant and the Owner Trustee represents that neither it nor any Person authorized to act on its behalf has (i) directly or indirectly offered any interest in or to the Trust Estate or the Trust Agreement to, or solicited any offer to acquire any of the same from, anyone other than the Owner Participant and not more than 35 other institutional investors, (ii) directly or indirectly offered the Equipment Notes or Pass Through Certificates for sale to, or solicited any offer to acquire any of the same from, anyone other than the Original Loan Participant and not more than 35 other institutional investors or (iii) offered any interest in the Trust Estate or any Equipment Notes or Pass Through Certificates in a manner that would violate the Securities Act of 1933, as amended, the regulations thereunder or judicial or administrative interpretations thereof having the force of law.

(c) The Owner Trustee represents and warrants, both in its individual capacity and as trustee, that it has not directly or indirectly offered any Equipment Notes or Pass Through Certificates or any interest in or to the Trust Estate, the Trust Agreement, or any similar security, for sale to, or solicited any offer to acquire any of the same from, anyone.

(d) State Street Bank and Trust Company of Connecticut, National Association (in its individual capacity, together with its successors and permitted assigns, "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:

(i) 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 9.10 of the Indenture, will promptly comply with Section 9.10 of the Indenture and has full power, authority and legal right to enter into and perform its obligations under each the Operative Documents and the Pass Through Trust 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.

(ii) 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 Trust 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, instrument 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.

(iii) 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 Trust 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.

(iv) This Agreement, each other Operative Document and each Pass Through Trust 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 applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

(v) 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 Lessee against Claims in any way resulting from or arising out of a breach by it of its obligations under this Section 11(d)(v).

(vi) The Equipment Notes to be issued to the Subordination Agent pursuant hereto are being acquired by it to be held under the Intercreditor Agreement.



(vii) 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 Lessee 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 Trust Document, except as may be otherwise agreed to in writing by the Lessee.

(viii) [Intentionally left blank];

(ix) 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 Trust 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 Trust 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 Trust 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.

(x) Except with the consent of the Lessee, 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.

(xi) 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 Trust Document.

(xii) The representation and warranties contained in Section 7.15 of each Pass Through Trust Agreement are true, complete and correct as of the Closing Date.

(e) The Owner Trustee, in its individual capacity (except with respect to clauses (iii) and (v) below) and as Owner Trustee, represents and warrants that:

(i) the Owner Trustee, in its individual capacity, is a national banking association duly organized and validly existing in good standing under the laws of the United States, has full corporate power and authority to carry on its business as now conducted and to enter into and perform its obligations hereunder and under the Trust Agreement and (assuming due authorization, execution and delivery of the Trust Agreement by the Owner Participant) has full power and authority, as Owner Trustee and/or, to the extent expressly provided herein or therein, in its individual capacity, to enter into and perform its obligations under each of the Operative Documents to which it is a party;

(ii) the Owner Trustee in its trust capacity and, to the extent expressly provided therein, in its individual capacity, has duly authorized, executed and delivered the Trust Agreement and (assuming the due authorization, execution and delivery of the Trust Agreement by the Owner Participant) each of the other Operative Documents to which it is a party and the Equipment Notes; and the Trust Agreement constitutes a legal, valid and binding obligation of the Owner Trustee, in its individual capacity, enforceable against it in its individual capacity or as Owner Trustee, as the case may be, in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity;

(iii) assuming the due authorization, execution and delivery of the Trust Agreement by the Owner Participant, each of the Operative Documents (other than the Trust Agreement) to which it is a party constitutes, or when entered into will constitute, a legal, valid and binding obligation of the Owner Trustee, in its individual

capacity or as Owner Trustee, as the case may be, enforceable against it in its individual capacity or as Owner Trustee, as the case may be, in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity;

(iv) neither the execution and delivery by the Owner Trustee, in its individual capacity or as Owner Trustee, as the case may be, of the Operative Documents to which it is or will be a party or the Equipment Notes, nor the consummation by the Owner Trustee, in its individual capacity or as Owner Trustee, as the case may be, of any of the transactions contemplated hereby or thereby, nor the compliance by the Owner Trustee, in its individual capacity or as Owner Trustee, as the case may be, with any of the terms and provisions hereof and thereof, (A) requires or will require any approval of its stockholders, or approval or consent of any trustees or holders of any indebtedness or obligations of it, or (B) violates or will violate its articles of association or by-laws, or contravenes or will contravene any provision of, or constitutes or will constitute a default under, or results or will result in any breach of, or results or will result in the creation of any Lien (other than as permitted under the Lease) upon its property under, any indenture, mortgage, chattel mortgage, deed of trust, conditional sale contract, bank loan or credit agreement, license or other agreement or instrument to which it is a party or by which it is bound, or contravenes or will contravene any law, governmental rule or regulation of the United States of America or the State of Utah governing the banking or trust powers of the Owner Trustee, or any judgment or order applicable to or binding on it;

(v) there are no Taxes payable by the Owner Trustee, either in its individual capacity or as Owner Trustee, imposed by the State of Utah or any political subdivision thereof in connection with the execution and delivery by the Owner Trustee in its individual capacity of the Trust Agreement, and, in its individual capacity or as Owner Trustee, as the case may be, of this Agreement, the other Operative Documents to which it is a party or the Equipment Notes;

(vi) there are no pending or threatened actions or proceedings against the Owner Trustee, either in its individual capacity or as Owner Trustee, before any court or administrative agency which, if determined adversely to it, would materially adversely affect the ability of the Owner Trustee, in its individual capacity or as Owner Trustee, as the case may be, to perform its obligations under the Trust Agreement, the other Operative Documents to which it is a party or the Equipment Notes;

(vii) both its chief executive office, and the place where its records concerning the Aircraft and all its interest in, to and under all documents relating to the Trust Estate, are located at Salt Lake City, Utah, and the Owner Trustee, in its individual capacity, agrees to give the Owner Participant, the Loan Trustee and the Lessee at least 30 days' prior written notice of any relocation of said chief executive office or said place from its present location;

(viii) no consent, approval, order or authorization of, giving of notice to, or registration with, or taking of any other action in respect of, any United States or local governmental authority or agency or any United States federal governmental authority or agency regulating the banking or trust powers of the Owner Trustee, in its individual capacity, is required for the execution and delivery of, or the carrying out by, the Owner Trustee in its individual capacity or as Owner Trustee, as the case may be, of any of the transactions contemplated hereby or by the Trust Agreement or of any of the transactions contemplated by any other of the Operative Documents to which the Owner Trustee is or will be a party, other than any such consent, approval, order, authorization, registration, notice or action as has been duly obtained, given or taken;

(ix) on the Closing Date, each of the Trust Estate and the Indenture Estate shall be free of any Lessor's Liens attributable to the Owner Trustee in its individual capacity;

(x) all funds received by the Owner Trustee from the Owner Participant pursuant to the Trust Agreement will be administered by it in accordance with the Trust Agreement; and

(xi) it is a Citizen of the United States without making use of a voting trust agreement or a voting powers agreement.

(f) The Owner Participant represents and warrants that:

(i) the Owner Participant is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware and has the corporate power and authority to carry on its present business and operations, to own or lease its properties and to enter into and perform its obligations under this Agreement, the Tax Indemnity Agreement and the Trust Agreement, and this Agreement, the Tax Indemnity Agreement and the Trust Agreement have been duly authorized, executed and delivered by it and are legal, valid and binding on it and are enforceable against it in accordance with their respective terms, except as such

enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general equity principles;

(ii) the execution and delivery by the Owner Participant of this Agreement, the Tax Indemnity Agreement and the Trust Agreement and compliance by it with all of the provisions thereof do not and on the Closing Date will not contravene any law or any order of any court or governmental authority or agency applicable to or binding on it (it being understood that no representation or warranty is made with respect to laws, rules, or regulations relating to aviation or to the nature of the equipment owned by the Owner Trustee or with respect to ERISA as Section 4975 of the Code (other than as set forth in Section (vii) hereof) other than such laws, rules, or regulations relating to the citizenship requirements of the Owner Participant under applicable law) or contravene the provisions of, or constitute a default under, its articles of incorporation or by-laws or any indenture, mortgage, contract or other material agreement or instrument to which it is a party or by which it or any of its property may be bound or affected;

(iii) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body (other than as required by the Transportation Code or the regulations promulgated thereunder) is required for the due execution, delivery or performance by it of this Agreement, the Tax Indemnity Agreement and the Trust Agreement;

(iv) the Trust Estate is free of Lessor's Liens and Original Owner Participant's Liens attributable to it;

(v) it is a Citizen of the United States;

(vi) there are no pending or threatened actions or proceedings before any court or administrative agency which would materially adversely affect its financial condition or its ability to perform its obligations under this Agreement, the Tax Indemnity Agreement or the Trust Agreement; and

(vii) no part of the funds used by it to purchase and hold its interest pursuant to Section 1 constitutes assets of any "employee benefit plan" (as defined in Section 3(3) of ERISA) or a plan (as defined in Section 4975 of the Code) or an entity whose assets are deemed to constitute plan assets under Department of Labor Reg. Section 2510.3-101.

(g) The Original Loan Participant represents and warrants that:

(i) as of the Closing Date it is the owner of Original Notes in the aggregate principal amount of the amount specified in Schedule I, free and clear of Liens attributable to it; and

(ii) this Agreement has been duly authorized, executed and delivered by the Original Loan Participant and constitutes the legal, valid and binding obligation of the Original Loan Participant, enforceable against the Original Loan Participant in accordance with its terms, except as such enforceability may be limited by application of bankruptcy, insolvency, moratorium or similar laws affecting the rights of creditors generally, and by general principles of equity.

#### SECTION 12. Certain Covenants.

(a) The Lessee agrees promptly to pay all expenses, fees and other costs incurred from time to time in connection with or arising out of the negotiation, preparation, execution and delivery of this Agreement, the Pass Through Trust Documents, the Placement Agreement, the other Operative Documents and any other documents or instruments referred to herein or therein including, without limitation: (x) the initial and ongoing fees of the Owner Trustee, the Indenture Trustee, the Subordination Agent, each Pass Through Trustee, the Loan Trustee and the Liquidity Provider in connection with the transactions contemplated hereby and, (y) all the reasonable out-of-pocket costs and expenses incurred by the Indenture Trustee, the Loan Trustee, the Owner Trustee, the Owner Participant, the Original Loan Participant, the Subordination Agent, each Pass Through Trustee and the Liquidity Provider in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Operative Documents, the Pass Through Trust Documents, the Placement Agreement, and any other documents or instruments referred to herein or therein, including, without limitation,

(i) the reasonable fees, expenses and disbursements of (A) Shearman & Sterling, special counsel for the Placement Agents, (B) Morris, James, Hitchens & Williams LLP, special counsel for the Indenture Trustee, (C) Ray, Quinney & Nebeker, special counsel for the Owner Trustee, (D) Crowe & Dunlevy, P.C., special counsel in Oklahoma City, Oklahoma and (E) Bingham Dana L.L.P., special counsel for the Loan Trustee, each Pass Through Trustee and the Subordination Agent; and

(ii) all other reasonable expenses incurred in connection with such actions and transactions, including, without limitation, printing and

document production or reproduction expenses, the fees, expenses and/or commissions payable to each of the Placement Agents in connection with the offering and sale of the Pass Through Certificates, printing and document production or reproduction expenses payable in connection with the offering and sale of the Pass Through Certificates and all fees, taxes and other charges payable in connection with the recording or filing of the instruments and financing statements described in this Agreement.

Notwithstanding the foregoing, the Lessee shall not pay the fees, expenses and disbursements of Fulbright & Jaworski L.L.P, special counsel for the Owner Participant, the Owner Participant Guarantor, the Original Loan Participant and the Liquidity Provider.

Each of the Owner Trustee, the Owner Participant, the Original Loan Participant, the Lessee, each Pass Through Trustee, the Liquidity Provider, the Placement Agents, the Subordination Agent, the Indenture Trustee and the Loan Trustee shall promptly submit to the Lessee copies of the invoices in respect of the foregoing transaction costs as they are received.

The Owner Participant shall pay any break costs, exit fees and other amounts owing to, and costs and liabilities incurred by, the holders of the Original Note in connection with any repayment of the Original Note in connection with the refinancing contemplated hereunder.

(b) The Owner Participant covenants that if (i) it ceases to be a Citizen of the United States and (ii) either (A) the Aircraft shall or would thereupon become ineligible for registration in the name of the Owner Trustee under the Transportation Code as in effect at such time, or under the law of the current jurisdiction of registry of the Aircraft, as the case may be, and the regulations then applicable thereunder, or (B) the Aircraft is registered in a jurisdiction other than the United States in circumstances in which clause (A) does not apply and the Lessee at any time upon notice to the Owner Participant proposes to register the Aircraft within four months in any jurisdiction to which clause (A) would apply upon such reregistration, then the Owner Participant at its own expense shall promptly (and, in any event, within a period of 30 days) either transfer, pursuant to Section 19(c) hereof, such of its right, title and interest in and to the Trust Agreement, the Trust Estate, and this Agreement, or take such other action, as may be necessary to prevent any deregistration of the Aircraft or to make possible its registration in the United States. Each party hereto agrees to take such steps, at the Owner Participant's expense, as the Owner Participant shall reasonably request in order to assist the Owner Participant in complying with its obligations under this Section 12(b). The Owner Participant hereby agrees to indemnify the Lessee, the Indenture Trustee, the Liquidity Provider, the Owner Trustee, the Loan Trustee, the Subordination Agent and each Pass Through Trustee and against any and all losses, liabilities and expenses incurred by the Lessee, the Indenture

Trustee, the Loan Trustee, the Subordination Agent and each Pass Through Trustee to the extent that any such losses, liabilities or expenses are caused by the Owner Participant's breach of the first sentence in this Section 12(b).

(c) The Owner Trustee in its individual capacity covenants that if at any time it shall cease to be a Citizen of the United States, it will resign immediately as Owner Trustee (if and so long as such citizenship is necessary under the Transportation Code, or the law of the current jurisdiction of the registry of the Aircraft, as the case may be, as in effect at such time or, if it is not necessary, if and so long as the Owner Trustee's citizenship (in its individual capacity) would have any adverse effect on the Lessee or any Participant). The Owner Trustee in its individual capacity hereby unconditionally agrees with and for the benefit of the parties to this Agreement that the Owner Trustee in its individual capacity will not directly or indirectly create, incur, assume or suffer to exist any Lessor's Liens on or against any part of the Trust Estate, the Indenture Estate or the Aircraft arising out of any act or omission of or claim against or affecting the Owner Trustee in its individual capacity, and the Owner Trustee in its individual capacity agrees that it will at its own cost and expense promptly take such action as may be necessary to duly discharge and satisfy in full (i) all Lessor's Liens attributable to the Owner Trustee in its individual capacity and (ii) any other Liens attributable to the Owner Trustee in its individual capacity on any part of the Trust Estate or the Indenture Estate which result from claims against the Owner Trustee in its individual capacity not related to the ownership of the Aircraft, the administration of the Trust Estate or the Indenture Estate or the transactions contemplated by the Operative Documents or the Pass Through Trust Documents. The Owner Trustee, in its individual capacity, hereby agrees to indemnify and hold harmless the Lessee, the Indenture Trustee, the Liquidity Provider, the Loan Trustee, the Subordination Agent and each Pass Through Trustee from and against any loss, cost or expense (including reasonable legal fees and expenses) which may be suffered or incurred by any of them as a result of the failure of the Owner Trustee to discharge and satisfy any such Lessor's Lien or other lien or encumbrance.

(d) Each of the Owner Participant and the Owner Trustee (in its individual capacity and as Owner Trustee) agrees with the Lessee, the Indenture Trustee, the Loan Trustee, the Subordination Agent and each Pass Through Trustee that it will comply with all of the terms of the Trust Agreement (as the same may hereafter be amended or supplemented from time to time in accordance with the terms thereof) applicable to it in its respective capacity, the noncompliance with which would adversely affect any such party and shall not take any action, or cause any action to be taken, which would amend, modify or supplement any provision of the Trust Agreement in a manner adversely affecting any such party without the prior written consent of such party, which consent shall not be unreasonably withheld. The Owner Trustee confirms for the benefit of the Lessee, the Loan Trustee and each Noteholder that it will comply with the provisions of Article IV of the Trust Agreement. The Owner Participant agrees not to terminate or revoke the trust created by the Trust Agreement without the prior written consent of the



Lessee and (so long as the Indenture shall not have been discharged) the Loan Trustee and the Subordination Agent, which consent in the case of the Lessee shall not be unreasonably withheld. The Owner Participant further agrees not to remove the institution acting as Owner Trustee, and not to replace the institution acting as Owner Trustee in the event that such institution resigns as Owner Trustee, unless the Owner Participant shall have consulted in good faith with the Lessee and the Loan Trustee prior to such removal or replacement as to the identity, location and fee schedules of the proposed successor trustee, provided that (i) the Owner Participant shall retain the right, notwithstanding any such consultation, to act in its sole discretion (provided that the Owner Participant shall not choose a replacement Owner Trustee which, in the good faith opinion of the Lessee, may result in additional liability to the Lessee pursuant to Section 10(c) hereof, except in the case of a mandatory or voluntary resignation of the Owner Trustee where the Lessee has not proposed an alternative Owner Trustee which is reasonably satisfactory to the Owner Participant) and (ii) no such consultation with the Lessee shall be required if an Event of Default shall have occurred and be continuing. The Owner Trustee and the Owner Participant agree that no co-trustee or separate trustee shall be appointed pursuant to Section 9.2 of the Trust Agreement without the Lessee's (so long as no Event of Default shall have occurred and be continuing) prior written consent, such consent not to be unreasonably withheld. The Owner Participant agrees that if, at any time, so long as no Event of Default has occurred and is continuing, the Lessee certifies that the Lessee has, or in the good faith opinion of the Lessee will, become obligated to pay an amount pursuant to Section 10(c) hereof and the amount that has or will become payable would be reduced or eliminated if the situs of the Trust Estate were changed and if, as a consequence thereof, the Lessee requests that the situs of the trust be moved to another state in the United States from the state in which it is then located, the Owner Participant shall direct such change in situs of the Trust Estate as may be specified in writing by the Lessee and the Owner Participant will, at the Lessee's sole cost and expense, take whatever action as may be reasonably necessary to accomplish such change; provided that the Lessee shall provide such additional indemnification for Taxes imposed by the jurisdiction to which the Trust Estate is to be moved as the Owner Participant may reasonably request. The Loan Trustee shall, at the Lessee's sole cost and expense, execute such documents and take such action as may be necessary to effect such change in the situs of the Trust Estate; provided that the Lien created by the Indenture shall continue to be perfected and shall not be otherwise adversely affected by such change.

(e) [Intentionally left blank];

(f) The Subordination Agent and each Pass Through Trustee hereby unconditionally agrees to perform its respective obligations under the Indenture (including, without limitation, those contained in Section 9.12 of the Indenture) as though such obligations were fully set forth herein.

(g) The Owner Trustee, in its capacity as Owner Trustee, will not incur any indebtedness for money borrowed, or enter into any business or other activity, except as contemplated hereby and by the other Operative Documents.

(h) The Loan Trustee in its individual capacity hereby unconditionally agrees with and for the benefit of the parties to this Agreement that the Loan Trustee in its individual capacity or as Loan Trustee will not directly or indirectly create, incur, assume or suffer to exist any Liens on or against any part of the Trust Estate, the Indenture Estate or the Aircraft arising out of any act or omission of or claim against the Loan Trustee in its individual capacity, and the Loan Trustee in its individual capacity agrees that it will at its own cost and expense promptly take such action as may be necessary duly to discharge and satisfy in full (i) all such Liens attributable to the Loan Trustee in its individual capacity and (ii) any other liens or encumbrances attributable to the Loan Trustee in its individual capacity on any part of the Trust Estate or the Indenture Estate which result from claims against the Loan Trustee in its individual capacity not related to the administration of the Indenture Estate. The Loan Trustee hereby agrees to indemnify and hold harmless the Lessee, the Owner Trustee, the Owner Participant, each Pass Through Trustee, the Liquidity Provider and the Subordination Agent from and against any loss, cost or expense (including reasonable legal fees and expenses) which may be suffered or incurred by any of them as a result of the failure of the Loan Trustee to discharge and satisfy any such Lien or such other lien or encumbrance.

(i) The Owner Trustee agrees that any profit, income, interest, dividend or gain realized upon the maturity, sale or other disposition of any Permitted Investment made by the Loan Trustee pursuant to Section 9.07 of the Indenture, and paid to the Lessee on behalf of the Owner Trustee by the Loan Trustee in accordance with the terms of such Section 9.07, shall be entirely for the account of, and the sole property of, the Lessee who, for such purposes, shall not be deemed to be acting as agent of the Owner Trustee, and the Lessee shall have no obligation to pay over such income, interest, dividend or gain to the Owner Trustee.

(j) The Loan Trustee, and by its acceptance of an Equipment Note, each holder thereof (or each Pass Through Trustee, so long as the relevant Pass Through Trust Supplement is in effect) hereby waives to the fullest extent permitted by law the benefit of the provisions of Section 1111(b) of Title 11 of the United States Code to the extent such provisions give recourse against the Owner Trustee (in its individual capacity) and the Owner Participant on account of any amount payable as principal of, Make-Whole Amount, if any, and interest on the Equipment Notes. If (i) all or any part of the Trust Estate becomes the property of, or the Owner Participant becomes, a debtor subject to the reorganization provisions of the Bankruptcy Reform Act of 1978 or any successor provision, (ii) pursuant to such reorganization provisions the Owner Trustee (in its individual capacity) or the Owner Participant is required, by reason of the Owner Trustee (in its individual capacity) or the Owner Participant being held to have recourse liability

to a holder of an Equipment Note, a Pass Through Trustee or the Loan Trustee, directly or indirectly, to make payment on account of any amount payable as principal, Make-Whole Amount, if any, or interest on the Equipment Notes and (iii) such holder, such Pass Through Trustee or the Loan Trustee actually receives any Excess Payment (as hereinafter defined) which reflects any payment by the Owner Trustee (in its individual capacity) or the Owner Participant on account of (ii) above, then such holder, such Pass Through Trustee or the Loan Trustee shall promptly refund to the Owner Trustee or the Owner Participant (whichever shall have made such payment) such Excess Payment. For purposes of this Section 12(j), "Excess Payment" means the amount by which such payment exceeds the amount which would have been received by such holder, such Pass Through Trustee or the Loan Trustee if the Owner Trustee (in its individual capacity) or the Owner Participant had not become subject to the recourse liability referred to in clause (ii) above. Nothing contained in this Section 12(j) shall prevent any holder of an Equipment Note, any Pass Through Trustee or the Loan Trustee from enforcing any personal recourse obligation (and retaining the proceeds thereof) of the Owner Trustee (in its individual capacity) or the Owner Participant under this Participation Agreement or the Indenture (and any exhibits or annexes thereto).

(k) [Intentionally left blank];

(l) In connection with a foreign sublease, the Lessee at any time, upon notice to the Loan Trustee, Owner Trustee and the Owner Participant, may cause the Aircraft to be registered under the applicable statutes of any other country in which a Permitted Sublessee could be based in the name of the Owner Trustee or, if required by applicable law, in the name of any other Person, and the Owner Trustee and the Owner Participant will cooperate with the Lessee's reasonable requests in effecting such foreign registration. Such foreign registration is subject to the satisfaction of the conditions below or waiver thereof by the Owner Trustee:

(i) no Specified Default or Event of Default shall have occurred and be continuing at the date of such request or at the effective date of the change in registration; provided that it shall not be necessary to comply with this condition (i) if the change in registration involves the re-registration of the Aircraft under the laws of the U.S.;

(ii) all necessary governmental approvals required for the subleased Airframe or any Engine to be imported into the applicable country shall have been obtained prior to commencement of any such sublease and any foreign exchange permits necessary to allow all rent and other payments provided for under any sublease shall be in full force and effect;

(iii) each of the Owner Trustee, the Owner Participant and the Loan Trustee, shall have received a legal opinion addressed to it from counsel to the Lessee reasonably satisfactory to such Persons (x) to the effect that (A) after giving effect to such change in registration, all filing, recording or other action necessary to perfect and protect the Owner Trustee's rights and interests in and to the Aircraft and the Lease has been accomplished and solely in the case of the Loan Trustee, after giving effect to such change in registration, the Lien on the Aircraft and the other property included in the Indenture Estate shall continue as a valid and duly perfected Lien and that all filing, recording or other action necessary to perfect and protect the Lien of the Indenture has been accomplished (or if such opinion cannot be given at the time by which the Owner Trustee, the Owner Participant and the Loan Trustee have been requested to consent to a change in registration, (1) the opinion shall detail what filing, recording or other action is necessary and (2) the Owner Trustee, the Owner Participant and the Loan Trustee, shall have received a certificate from the Lessee 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 delivered to the Owner Trustee, the Owner Participant and the Loan Trustee on or prior to the effective date of such change in registration), (B) the terms of the Lease are legal, valid and binding and enforceable in such jurisdiction (subject to customary exceptions), and (C) it is not necessary for the Owner Trustee or the Owner Participant to qualify to do business in such jurisdiction or otherwise satisfy any other applicable law, rule or regulation existing at the date of such request (or if such opinion cannot be given, the opinion shall detail what other existing law, rule or regulation must be satisfied by the Owner Trustee or the Owner Participant, as the case may be) solely as a result of the proposed re-registration, and (D) the laws of such foreign jurisdiction require fair compensation by the government of such jurisdiction payable in a currency freely convertible into United States dollars for the loss of use or of title to the subleased equipment in the event of the requisition by such foreign government of such use or title or the Lessee has agreed to provide insurance covering the risk of requisition of use or of title of the Aircraft by the government of such country for so long as the Aircraft is registered under the laws of such country, and (y) in addition, if such country is not, at the time of re-registration, the U.S. or a Permitted Country to the effect that there exist no possessory rights in favor of the Lessee under the laws of such country that would, assuming at such time the Lessee is not insolvent or bankrupt, prevent the return of the Aircraft in accordance with and when permitted by the terms of the Lease upon the exercise by the Owner Trustee of its remedies under the Lease;

(iv) the Owner Trustee the Owner Participant and the Loan Trustee, shall have received assurances reasonably satisfactory to the Owner Trustee, the Owner Participant and the Loan Trustee, that the insurance provisions of the Lease shall have been complied with after giving effect to such change in registration;

(v) such re-registration will not result in the imposition by such country of any taxes on the Owner Trustee, the Owner Participant and the Loan Trustee, for which the Lessee is not required to indemnify the Owner Trustee, the Owner Participant and the Loan Trustee, unless the Lessee agrees to indemnify the Owner Trustee, the Owner Participant and the Loan Trustee, for any taxes imposed by such country in connection with or relating to the transactions contemplated by the Operative Documents that would not have been imposed but for such re-registration; provided that it shall not be necessary to comply with the conditions contained in this clause (v) if such change in registration results in the re-registration of the Aircraft under the laws of the U.S., except to the extent that the provisions of the tax indemnification provisions relating to the Owner Participant were amended in effecting a previous foreign registration;

(vi) such re-registration will not divest the Owner Trustee of title to the Aircraft or adversely affect the Lien of the Indenture; and

(vii) the Lessee shall have paid or made provision for the payment of all reasonable out-of-pocket expenses (including reasonable attorneys' fees) of the Owner Trustee, the Owner Participant and the Loan Trustee, in connection with such change in registration; provided further that the Lessee shall not cause the Aircraft to be registered under the laws of any foreign jurisdiction without the prior written consent of the Owner Participant, if (A) the civil aviation laws of such foreign jurisdiction impose unusual requirements or liabilities on lessors of civil aircraft, and (B) the Owner Participant would be required to comply with such requirements or suffer such liabilities upon the registration of the Aircraft in such foreign jurisdiction, and compliance therewith or acceptance of such liabilities by the Owner Participant would result in a material burden on the business activities of the Owner Participant.

(m) Each of the Loan Trustee and the Pass Through Trustee hereby agrees, subject to the terms of Section 12(1) hereof, for the benefit of the Lessee, to cooperate with the Lessee in effecting any foreign registration of the Aircraft pursuant to Section 7(a)(i) of the Lease.

(n) [Intentionally left blank];

(o) The Owner Participant agrees that in each instance in which the Lease provides that title to the Aircraft, Airframe, any Engine, engine, Part or Obsolete Part shall be transferred to or vest in the Lessee, title to such Aircraft, Airframe, Engine, engine, Part or Obsolete Part shall vest in the Lessee, free and clear of all right, title and interest of the Owner Participant and of Lessor's Liens, and the Owner Participant shall do all acts necessary to discharge all of such Liens and other rights held by it in such Aircraft, Airframe, Engine, engine, Part or Obsolete Part.

(p) Each of the Loan Trustee and the Pass Through Trustee severally agrees for the benefit of the Lessee that (i) it shall comply with Section 5.01 of the Indenture and (ii) in each instance in which the Lease provides that title to any Part or Obsolete Part shall be transferred to or vest in the Lessee, title to such Part or Obsolete Part shall vest in the Lessee, free and clear of all Liens attributable to it and other rights held by it, and the Loan Trustee and the Pass Through Trustee, as applicable, shall do all acts necessary to discharge all of its Liens and other rights held by it in such, Part or Obsolete Part.

(q) The Owner Trustee, in its individual capacity, hereby agrees that it will perform all of its administrative duties under this Agreement and the other Operative Documents (whether in its individual capacity or as Owner Trustee) solely in the State of Utah, except to the extent necessary to exercise any of its rights or remedies to the extent permitted by applicable laws in connection with an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

(r) With respect to any transfer of Equipment Notes, the Loan Trustee and the Owner Trustee agree for the benefit of the Lessee, to comply with the provisions of Section 2.04 of the Indenture.

(s) [Intentionally left blank].

(t) Each of State Street, the Loan Trustee, the Owner Participant, the Original Loan Participant, the Subordination Agent, each Pass Through Trustee and any other holder of an Equipment Note, covenants that, except as expressly permitted under Section 15 of the Lease following an Event of Default that has occurred and is continuing, neither it, nor any Person claiming through or under it, will take or cause to be taken any action inconsistent with the Lessee's rights under the Lease and its right to quiet enjoyment of, or otherwise interrupt or interfere in any way with continuing possession, use or operation of, the Aircraft, the Airframe or any Engine by the Lessee or any sublessee, assignee or transferee under any sublease, assignment or transfer then in effect and permitted by the terms of the Lease; provided that the existence of any event or condition that constitutes or was caused by or resulting from, any TWA Matter, shall not constitute a breach of this covenant by any such party.

(u) The Loan Trustee, the Pass Through Trustee and the Subordination Agent hereby acknowledge and agree with the Owner Trustee that for purposes of Section 8.01(j) of the Indenture no Owner Participant Guaranty shall be considered to "cease[]" to be a valid and enforceable obligation of the Owner Participant Guarantor" to the extent such Owner Participant Guarantor is released from its obligations thereunder pursuant to the last sentence of Section 19(c).

(v) In the event the Debt Rate is increased pursuant to Section 2(d) of the Registration Rights Agreement and such increase remains in effect for more than one Lease Period, the Lessee, the Owner Trustee and the Owner Participant agree to make corresponding adjustments to the Termination Values and Stipulated Loss Values for the Aircraft set forth in Schedule B to the Lease, to take into account such increase of the Debt Rate, in a manner consistent with the preparation of such Schedule to the Lease as was in effect as of the Closing Date, provided that such adjustment shall only be effective for so long as such increased Debt Rate remains in effect.

SECTION 13. Other Documents. The Owner Participant agrees to comply with all of the terms of the Trust Agreement (as the same may hereafter be amended from time to time in accordance with the terms thereof) applicable to it and with Sections 7, 9, 11, 12 and 15 of the Lease. The Lessee hereby consents in all respects to the execution and delivery of the Indenture and to all of the terms thereof, and the Lessee acknowledges receipt of an executed counterpart of the Indenture. Notwithstanding the foregoing, the Loan Trustee and the Owner Trustee hereby agree for the benefit of the Lessee that the Indenture and the Pass Through Trust Documents shall not be amended, modified or supplemented without the prior written consent of the Lessee if such amendment, modification or supplement would adversely affect the Lessee. The Loan Trustee and the Owner Trustee agree to furnish promptly to the Lessee copies of any amendment, modification or supplement to any Operative Document to which the Lessee is not a party to the extent the Indenture Trustee or the Owner Trustee, as the case may be, shall have in its possession a copy of such amendment, modification or supplement.

SECTION 14. [Intentionally left blank]

SECTION 15. Liabilities of the Owner Participant and the Original Loan Participants. Neither the Owner Participant nor any Original Loan Participant shall have any obligation or duty to the Lessee with respect to the transactions contemplated hereby except those obligations or duties expressly set forth in this Agreement or, in the case of the Owner Participant, the Tax Indemnity Agreement. Without limiting the generality of the foregoing, under no circumstances whatsoever shall the Owner Participant, as such, or any Original Loan Participant, as such, be liable to the Lessee for any action or inaction on the part of the Owner Trustee or the Loan Trustee in connection with the Indenture, the Trust Agreement, the Lease, the Aircraft, the administration of the Trust Estate or the Indenture Estate or otherwise, whether or not such action or inaction is

caused by the willful misconduct or gross negligence of the Owner Trustee or the Loan Trustee unless such action or inaction is at the direction of the Owner Participant (in the case of action or inaction on the part of the Owner Trustee) or such Original Loan Participant (in the case of action or inaction on the part of the Loan Trustee).

SECTION 16. Certain Covenants of the Lessee. The Lessee covenants and agrees with the Owner Participant, each Pass Through Trustee, the Loan Trustee and the Owner Trustee as follows:

(a) From and after the Closing Date, the Lessee will cause to be done, executed, acknowledged and delivered all and every such further acts, conveyances and assurances as the Owner Trustee, the Owner Participant, each Pass Through Trustee or the Loan Trustee shall require for accomplishing the purposes of this Agreement and the other Operative Documents and the Pass Through Trust Documents, which further acts, conveyances and assurances shall otherwise be consistent with this Agreement, the other Operative Documents and the Pass Through Trust Documents. The Lessee shall cause the Aircraft to be duly registered, and at all times to remain duly registered, in the name of the Owner Trustee, except as otherwise required or permitted hereunder or under the Lease, under the Transportation Code, or shall furnish to the Owner Trustee such information as may be required to enable the Owner Trustee to make application for such registration, and shall promptly furnish to the Owner Trustee such information as may be required to enable the Owner Trustee to timely file any reports required to be filed by it as the Lessor under the Lease or as the owner of the Aircraft with any governmental authority because of the Owner Trustee's ownership of the Aircraft.

(b) The Lessee will cause the Lease covering the Aircraft, the Trust Agreement and the Indenture covering the Aircraft to be promptly filed and recorded, or filed for recording, to the extent permitted under the Transportation Code, and the rules and regulations of the FAA thereunder, or required under any other applicable law.

(c) The Lessee will furnish to the Owner Trustee and the Loan Trustee annually after the execution hereof (but not later than March 15th of each year), commencing with the year 2002, an opinion of Crowe & Dunlevy, P.C., or other counsel reasonably acceptable to the Owner Trustee and the Loan Trustee, stating either:

(i) that in the opinion of such counsel such action has been taken with respect to the recording, filing, re-recording and re-filing of the Lease, the Indenture, the Trust Agreement and any supplements thereto, including any financing or continuation statements, and such other filings and recordings as is necessary to maintain, for the 15-month period succeeding the date of such opinion, the rights and interests of the Owner Trustee in and to the Aircraft, and, with respect to the Indenture, 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 rights and interests.

(d) The Lessee shall at all times maintain its corporate existence except as permitted by Section 16(e) hereof. The Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its rights (charter and statutory) and franchises; provided, however, that the Lessee shall not be required to preserve any right or franchise if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Lessee. Notwithstanding the proviso to the immediately preceding sentence, the Lessee shall, for so long as and to the extent required under Section 1110 of the Bankruptcy Code in order that the Owner Trustee and the Loan Trustee be entitled to the benefits of Section 1110 of the Bankruptcy Code with respect to the right to repossess the Airframe, Engines and Parts as provided in the Lease, remain a Certificated Air Carrier.

(e) The Lessee shall not consolidate with or merge into any other corporation or convey, transfer or lease all or substantially all of its assets as an entirety to any Person, unless:

(i) the person formed by such consolidation or into which the Lessee is merged or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Lessee as an entirety (the "Successor"): shall, if and to the extent required under Section 1110 of the Bankruptcy Code in order that the Owner Trustee, the Owner Participant and the Loan Trustee continue to be entitled to any benefits of Section 1110 with respect to the Aircraft, be a Certificated Air Carrier; and shall execute and deliver to the Owner Trustee, the Owner Participant, and the Loan Trustee an agreement in form reasonably satisfactory to such Persons containing an assumption by such Successor of the due and punctual performance and observance of each covenant and condition of each of the Operative Documents to which the Lessee is a party and each other Operative Document to which the Lessee is a party, to be performed or observed by the Lessee;

(ii) immediately after giving effect to such transaction, no Specified Default or Event of Default shall have occurred and be continuing; and

(iii) the Lessee shall have delivered to the Owner Trustee, the Owner Participant and the Loan Trustee an officer's certificate and an opinion of counsel (which may be American's general counsel), each stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement described in clause (i) above comply with this Section 16(e) and that all conditions precedent herein provided for 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 an officer's certificate of the Lessee) and, in the case of such opinion, that such assumption agreement has been duly authorized, executed and delivered by the Successor, constitutes its legal, valid and binding obligation and is enforceable against such Successor in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or 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 all or substantially all of the assets of the Lessee as an entirety in accordance with this Section 16(e), the Successor shall succeed to, be substituted for, and may exercise every right and power of and shall assume every obligation and liability of, the Lessee under this Agreement and the other Operative Documents and Pass Through Trust Documents with the same effect as if the Successor had been named as the Lessee herein provided that in no event will any such conveyance release the transferor Lessee from any liability to the extent caused by any breach existing at the time of such conveyance by the Lessee of any of its representations, warranties, covenants or obligations contained herein or in the Lease. No such conveyance, transfer or lease of all or substantially all of the assets of the Lessee shall have the effect of releasing the Lessee or any successor which shall theretofore have become such in the manner prescribed in this Section 16(e) from its liability hereunder or under any other Operative Document to which it is a party. The Lessee shall not assign its rights and obligations under this Agreement and the other Operative Documents without the prior written consent of the Owner Trustee and the Loan Trustee; provided, however, that so long as the Equipment Notes have been repaid in full, no such consent shall be required for any assignment by the Lessee to any Affiliate thereof that is a Certificated Air Carrier and the obligations of which under the Operative Documents have been guaranteed by American in form reasonably satisfactory to the Owner Participant. Nothing contained herein shall permit any lease, sublease or other arrangement for the use, operation or possession of the Aircraft except in compliance with the Lease.

(f) The provisions of Sections 17 and 22 of the Lease are hereby incorporated by reference herein for the express benefit of each Pass Through Trustee. The Lessee shall notify the Loan Trustee and the Owner Trustee thirty days prior to any change in the

location of the chief executive office of the Lessee. In the event the Aircraft is requisitioned for use by the Government pursuant to the Civil Reserve Air Fleet Program referred to in Section 7(b)(iv) of the Lease, the Lessee shall provide the Owner Trustee and the Loan Trustee with the name and address of the Contracting Office Representative for the Air Mobility Command of the United States Air Force for notification as required under Section 15 of the Lease.

SECTION 17. [Intentionally left blank]

SECTION 18. Notices. Unless otherwise specifically provided herein, all notices required 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 registered or certified mail, postage prepaid, courier service, telegram, telex, telecopy, cable or facsimile (confirmed by telephone or in writing in the case of notice by telegram, telex, telecopy, cable or facsimile) or any other customary means of communication, and any such notice shall be effective when delivered if to the Lessee, the Owner Participant, the Original Loan Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Subordination Agent, each Pass Through Trustee or the Liquidity Provider, at their respective addresses or telex or facsimile numbers set forth in Schedule I to this Agreement, or to such other address or telex or facsimile number as such party may hereafter specify for such purpose by notice to the other parties hereto.

SECTION 19. Certain Covenants of the Owner Participant.

(a) [Intentionally left blank];

(b) The Owner Participant agrees with and for the benefit of the other parties to this Agreement that it will not directly or indirectly create, incur, assume or suffer to exist any Lessor's Liens or Original Owner Participant's Liens other than Lessor's Liens attributable to the Owner Trustee on or against any part of the Trust Estate or the Aircraft arising out of any act or omission of or claim against or affecting any part of the Trust Estate or the Aircraft and agrees that it will, at its own cost and expense, take such action as may be necessary to duly discharge and satisfy in full any such Lessor's Lien or Original Owner Participant's Lien (by bonding or otherwise, so long as Lessee's operation and use of the Aircraft is not impaired and the Lien of the Indenture is not impaired), the Owner Participant hereby agrees to indemnify and hold harmless the Lessee, the Liquidity Provider, the Loan Trustee, the Subordinated Agent and each Pass Through Trustee against any loss, cost or expense (including reasonable legal fees and expenses) which may be suffered or incurred by any of them as the result of the failure of the Owner Participant to discharge and satisfy any such Lessor's Lien or Original Owner Participant's Lien.

(c) The Owner Participant shall not assign, convey or otherwise transfer any of its right, title or interest in and to all or any part of any of the Operative Documents or the Trust Estate, except that the Owner Participant may assign or otherwise transfer all (but not less than all) thereof to any transferee, provided that (i) such transferee (x) is (A) a Citizen of the United States or qualifies through a discretionary trust arrangement or similar arrangement that is sufficient to permit registration of the Aircraft with the FAA (without regard to any provision of applicable law that permits registration of an aircraft by limiting its location and usage) and (B) a "United States Person" (as defined in Section 7701(a)(30) of the Code) for Federal income tax purposes, (y) has (or has its obligations guaranteed, pursuant to a guaranty agreement substantially in the form attached hereto Exhibit XI or otherwise reasonably satisfactory to the Lessee and the Loan Trustee, by a Person that has) a tangible net worth of at least \$50,000,000, and (z) has the requisite power, authority and legal right to enter into and carry out the transactions contemplated hereby; (ii) such transferee is not an airline or other commercial operator of aircraft or any Affiliate of any thereof; (iii) such transferee is (A) a bank, trust company, insurance company, pension trust, finance or leasing company or other corporation or financial institution and is not a limited liability company, partnership or similar entity (any such transferee being referred to as an "Acceptable Entity"), (B) a limited liability company, partnership or similar entity, all of the membership, partnership or similar ownership interests (in any such case, an "Interest") of which are directly or indirectly owned by not more than nine Persons, each of which (x) is an Acceptable Entity and (y) is and will continue to be a "United States Person" (as defined in Section 7701(a)(30) of the Code) for Federal income tax purposes provided that (1) no transfer of any Interest by any Person which holds the same shall violate the applicable provisions of the Securities Act or any other law, as the case may be, or require registration under the Securities Act, and (2) the holders of ownership interests in any Acceptable Entity shall not be taken into account in determining the number of Persons indirectly owning Interests in such limited liability company, partnership or similar entity; or (C) any other entity approved by the Lessee, such approval not to be unreasonably withheld (any transferee described in clause (A), (B) or (C), an "Acceptable Person"); (iv) such transfer does not violate the applicable provisions of the Securities Act or any other law, as the case may be, or require registration under the Securities Act; (v) such transferee assumes all obligations of the Owner Participant under the Operative Documents to which the Owner Participant is a party or by which the Owner Participant is bound pursuant to an agreement substantially in the form attached hereto as Exhibit XIII or otherwise reasonably satisfactory to the Lessee and the Loan Trustee; (vi) after giving effect to such transfer, there will be no more than one Owner Participant; (vii) the Owner Participant shall deliver the Lessee and the Loan Trustee an opinion of counsel reasonably satisfactory to the Lessee and the Loan Trustee (it being agreed that in-house counsel shall be deemed acceptable), that each of the agreement referred to in clause (v) above and any guaranty delivered pursuant to clause (i)(y) above has been duly authorized executed and delivered by such transferee, in the case of such agreement, and by the guarantor, in the case of any such guaranty, constitutes its legal, valid and binding

obligation and is enforceable against such transferee in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally or by general principles of equity; (viii) the Owner Participant shall deliver to the Lessee and the Loan Trustee one or more certificates of a duly authorized officer of the transferor and, if necessary, transferee Owner Participant containing, when taken together, representations and warranties addressing all of the matters contained in clauses (i), (iii) and (vi) of this paragraph (c) and an opinion delivered by counsel of the type referred to in clause (vii) of this paragraph (c) to the effect that such transfer (A) complies with the provisions of clause (i)(z) of this paragraph (c) and (B) does not require registration under the Securities Act (it being understood that such counsel may assume such facts as such counsel deems reasonably necessary in order to deliver the opinion referred to in clause (B) of this clause (viii)); and (ix) the Owner Participant pays all reasonable expenses of the Owner Trustee, the Loan Trustee, the Pass Through Trustee the Lessee and the other parties hereto in connection with such transfer; and provided, further, that unless such transferee is Boeing or an Affiliate thereof, the Owner Participant may not transfer its interest until one month after the Closing Date. If the Owner Participant intends to transfer its interests hereunder, it shall give prior written notice thereof as soon as practicable, but in no event less than 10 Business Days prior thereto, to the Lessee and the Loan Trustee, specifying the name and address of the proposed transferee. The Owner Participant may at any time grant participations in its interest in the Operative Documents to any person on customary terms so long as no such participant shall be an Owner Participant of record, such grant complies with clauses (i)(x), (ii), (iv) and (ix) above, and the transferring Owner Participant makes the representation and warranty described in Section 4(j) of the form of assignment and assumption agreement attached hereto as Exhibit XIII.

Any agreement or instrument pursuant to which the Owner Participant sells such a participation shall provide that the Owner Participant shall retain the sole right to exercise the rights of the "Owner Participant" pursuant to the Operative Documents.

In connection with any transfer by the Owner Participant of its interest in the Trust Estate in compliance with this Section 19(c), any Owner Participant Guarantor which delivered an Owner Participant Guaranty in respect of the obligations of the transferring Owner Participant shall be released from its obligations under such Owner Participant Guaranty.

#### SECTION 20. Right to Restructure.

(a) Back-leveraging. So long as the Equipment Notes have been repaid in full, the Owner Participant will be permitted to grant a security interest in the Lease or "back-leverage" the transaction to a third party, provided that (i) no such grant or "back-leveraging" will require any participation by the Lessee, (ii) such third party agrees to

preserve the Lessee's quiet enjoyment of the Aircraft, (iii) the Owner Participant pays all reasonable expenses of the other parties to the Operative Documents in connection with such grant or "back-leveraging", (iv) such grant or "back-leveraging" does not violate the Securities Act or any other law, as the case may be, or require registration under the Securities Act or, without the Lessee's consent (such consent not to be unreasonably withheld), involve a Rule 144A/Reg S or other capital markets transaction, (v) none of the obligations, liabilities and risks of the Lessee in the use and operation of the Aircraft or under or in respect of the Lease shall be increased, and none of the Lessee's rights and benefits in respect thereof shall be diminished, as a result of any such grant or "back-leveraging", and the Owner Participant agrees to indemnify the Lessee for any such adverse consequences resulting from such grant or "back-leveraging", (vi) the Owner Participant pays any Make-Whole Amount resulting from the redemption of the Equipment Notes and (vii) such transaction is permitted under the Indenture.

(b) Special Structure. So long as the Equipment Notes shall have been repaid in full, Boeing or an Affiliate thereof shall have the right to restructure the transaction contemplated herein using (i) a "cross border" lease, a tax lease or a head-lease/sublease structure and (ii) any other type of transaction, which may involve special structural arrangements other than securitizations of the rent or the debt pursuant to an EETC or similar structure in which the Lessee would act as issuer (any such structure described in subclauses (i) and (ii) above, a "Special Structure"), provided that such Special Structure shall satisfy the requirements of subclauses (ii)-(vii) of Section 20(a) hereof. Any Special Structure may result in additional persons participating in such transactions. The Lessee agrees to cooperate in the implementation of any such restructuring and to take such action as may reasonably be requested by Boeing to accomplish such restructuring, including taking such actions as may be agreed by the parties acting reasonably taking into account Market-Based Transactions for the type of Special Structure selected. In any such Special Structure Boeing shall be entitled to retain all the benefits of any such transaction. All transactional and incremental ongoing costs and expenses incurred in connection with such Special Structure (including reasonable fees and expenses of the Lessee's counsel) shall be borne by Boeing and there shall be no change in the Lessee's scheduled rental payments. Notwithstanding the foregoing, the Lessee shall not be required to enter into any Special Structure if such Special Structure would materially increase, individually or in the aggregate, the obligations of the Lessee under the Operative Documents, or would require the Lessee to pay, directly or indirectly, increased amounts of money in connection with such Special Structure, other than de minimis increased amounts. Boeing shall provide the Lessee with such other indemnification as the Lessee shall reasonably request in connection with such Special Structure on terms to be agreed by the parties acting reasonably taking into account Market-Based Transactions.

(c) Except as described above in this Section 20(b), the Owner Participant will have no other rights to restructure or refinance the transaction, including without

limitation to include a "head-lease" structure, without the Lessee's consent, such consent not to be unreasonably withheld.

(d) No provision in the preceding paragraphs of this Section 20 shall be construed to limit the issuance, or the Owner Participant's right to effect the issuance, of Series E Equipment Notes provided, that the Owner Participant shall not cause the Owner Trustee to issue Series E Equipment Notes pursuant to the Indenture, unless it shall have received Ratings Confirmation (as defined in the Intercreditor Agreement). If Series E Equipment Notes are initially issued to other than the Pass Through Trustee for the Class E Certificates, the Owner Participant will cause the Owner Trustee to cause such Series E Equipment Notes to be subject to the provisions of the Intercreditor Agreement that allow the "Controlling Party" (as defined in the Intercreditor Agreement), during the continuance of an "Indenture Event of Default" (as defined in the Intercreditor Agreement), to direct the Loan Trustee in taking action under the Indenture.

SECTION 21. [Intentionally left blank]

SECTION 22. Concerning the Owner Trustee. Wells Fargo Bank Northwest, National Association is entering into this Agreement solely in its capacity as Owner Trustee under the Trust Agreement and not in its individual capacity (except as expressly stated herein) and in no case shall Wells Fargo Bank Northwest, National Association (or any entity acting as successor Owner Trustee under the Trust Agreement) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Owner Trustee hereunder, provided, however, that Wells Fargo Bank Northwest, National Association (or any such successor Owner Trustee) shall be personally liable hereunder for its own gross negligence or willful misconduct or for its breach of its covenants, representations and warranties contained herein, to the extent covenanted or made in its individual capacity.

SECTION 23. [Intentionally left blank]

SECTION 24. Successor Loan Trustee; Amendment of Pass Through Trust Documents.

(a) In the event that the Loan Trustee gives notice of its resignation pursuant to Section 9.08(b) of the Indenture, the Lessee may direct the Owner Trustee to appoint, and the Owner Trustee shall promptly appoint, a successor Loan Trustee.

(b) In the event that either the Owner Trustee or the Lessee obtains knowledge of the existence of any of the grounds for removal of the Loan Trustee set forth in Section 9.08 of the Indenture, the Owner Trustee or the Lessee, as the case may be, shall promptly give notice (the "Removal Notice") to the other by telephone, confirmed in writing. Within five Business Days after the giving of the Removal Notice, the Lessee

may direct the Owner Trustee to remove, and the Owner Trustee shall remove, the Loan Trustee and appoint a successor Loan Trustee, provided that, if within ten Business Days after the giving of the Removal Notice the Loan Trustee shall not have been removed, the Owner Trustee shall be deemed without further act to have delegated to the Lessee the right, on behalf of the Owner Trustee, to remove the Loan Trustee and appoint a successor, and, in the event of the removal of the Loan Trustee in accordance with such delegation, the Lessee agrees to appoint promptly a successor Loan Trustee.

(c) The Lessee shall not enter into any modification or amendment of (i) Section 3.01(g) of the Pass Through Trust Supplements or (ii) any Pass Through Trust Documents in any manner affecting the Pass Through Trusts created pursuant to the Pass Through Trust Supplements, in each case without the consent of the Owner Participant, such consent not to be unreasonably withheld.

#### SECTION 25. Miscellaneous.

(a) Any capitalized term not herein defined, when used herein in capitalized form, shall have the meaning attributed thereto in the Lease.

(b) Nothing contained in this Agreement, or in the Lease, the Indenture, the Trust Agreement or the Tax Indemnity Agreement shall be construed as a guarantee by the Lessee of payments due pursuant to the Equipment Notes or the Pass Through Certificates or of the residual value or useful life of the Aircraft or any portion thereof.

(c) Any provision of this Agreement which is prohibited and 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. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver or modification is sought or to the extent required by the Indenture, with the consent of each Pass Through Trustee. The section and paragraph headings in this Agreement and the index preceding this Agreement are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof and all references herein to numbered sections, unless otherwise indicated, are to sections of this Agreement.

(d) The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the Lessee and, subject to the terms of Section 16(e) hereof, its successors and



permitted assigns, the Loan Trustee and its successors as Loan Trustee under the Indenture, the Owner Trustee and its successors as Owner Trustee under the Trust Agreement, the Owner Participant and, subject to the provisions of Section 19(c) hereof, its successors and permitted assigns, and the Original Loan Participant and, the Noteholders. Each Noteholder other than the Original Loan Participant, by its acceptance of any Equipment Note, shall be deemed to have irrevocably and unconditionally agreed to perform the obligations of a Noteholder hereunder and under the Indenture. No purchaser or holder of any Equipment Note (including any Noteholder) shall be deemed to be a successor or assign of any of the Original Loan Participants.

(e) With respect to any opinion required to be delivered under any Operative Document by counsel to any party hereto, each party hereto hereby irrevocably instructs its applicable counsel to deliver such opinion to and for the benefit of the parties that are the addressees of such opinion.

(f) The Lessee, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent and the Original Loan Participant shall keep the terms of this Participation Agreement, the Original Participation Agreement, Schedule B to the Lease, Schedule B to the Original Lease, Schedule I to the Original Indenture, the Purchase Agreement Assignment, the Tax Indemnity Agreement and the Original Tax Indemnity Agreement (collectively, the "Confidential Information") confidential and shall not disclose, or cause to be disclosed, the same to any Person, except (i) to prospective and permitted transferees of the Lessee's, the Owner Participant's, the Owner Trustee's, the Indenture Trustee's, the Loan Trustee's, the Pass Through Trustee's, the Subordination Agent's or the Original Loan Participant's interest or their respective counsel or special counsel, independent insurance brokers, auditors or other agents if such Persons shall have agreed to hold such Confidential Information confidential in accordance with the provisions set forth herein, (ii) to the Lessee's, the Owner Participant's, the Owner Trustee's, the Indenture Trustee's, the Loan Trustee's, the Pass Through Trustee's, the Subordination Agent's or the Original Loan Participant's counsel or special counsel, independent insurance brokers, auditors, or other agents, Affiliates or investors who agree to hold such information confidential, (iii) to any Person with whom the Lessee or the Owner Participant (or any Affiliate thereof) is in good faith conducting negotiations relating to any restructuring, refinancing, transfer, sale, assignment or other disposition of rights and interest permitted under the terms of this Participation Agreement, if such Persons shall have agreed to hold such Confidential Information confidential in accordance with the provisions set forth herein, (iv) as may be required by any order of any court or administrative agency or by any statute, rule, regulation or order of any governmental authority (the "Court Order"); provided that if any party (such party, the "Disclosing Party") is required by such a Court Order to disclose any Confidential Information, the Disclosing Party will promptly notify the other party (such other party, the "Non-Disclosing Party") prior to such disclosure to enable the Non-Disclosing Party to seek a

protective order or to take other action that the Non-Disclosing Party in its reasonable discretion deems appropriate, and the Disclosing Party will cooperate with the Non-Disclosing Party in its efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded the Confidential Information and (v) to such other Persons as are reasonably deemed necessary by the disclosing party in order to protect the interests of such party or for the purposes of enforcing such documents by such party; provided that any and all disclosures permitted by clauses (iii), (iv) or (v) above shall be made only to the extent necessary to meet the specific requirements or needs of the Persons making such disclosures. Each party shall in each instance obtain the prior written approval of each party concerning the exact text and timing of news releases, articles and other informational releases to the public media concerning the transaction governed by this Participation Agreement.

(g) Each of the Lessee, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee and the Subordination Agent covenant that until the Series A-1 Equipment Notes and Series A-2 Equipment Notes have been paid in full, it shall not file an involuntary bankruptcy petition or initiate any other form of insolvency proceeding against the respective Pass Through Trust holding such Equipment Notes.

THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS 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 parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

AMERICAN AIRLINES, INC.  
as Lessee

By: /s/ Leslie M. Benners  
-----  
Name: Leslie M. Benners  
Title: Managing Director, Corporate  
Finance and Banking

THAYER LEASING COMPANY-1  
as Owner Participant

By: /s/ J.B. Matthews, Jr.  
-----  
Name: J.B. Matthews, Jr.  
Title: Senior Director

WELLS FARGO BANK NORTHWEST,  
NATIONAL ASSOCIATION,  
as Owner Trustee

By: /s/ C. Scott Nielsen  
-----  
Name: C. Scott Nielsen  
Title: Vice President

WILMINGTON TRUST COMPANY  
as Indenture Trustee

By: /s/ Michael G. Oller, Jr.  
-----  
Name: Michael G. Oller, Jr.  
Title: Financial Services Officer

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
as Pass Through Trustee under each of  
the Pass Through Trust Agreements

By: /s/ Patrick E. Thebado  
-----

Name: Patrick E. Thebado  
Title: Vice President

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

By: /s/ Alison Della Bella  
-----

Name: Alison Della Bella  
Title: Assistant Vice President

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

By: /s/ Alison Della Bella  
-----

Name: Alison Della Bella  
Title: Assistant Vice President

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
in its individual capacity as set  
forth herein

By: /s/ Patrick E. Thebado  
-----

Name: Patrick E. Thebado  
Title: Vice President

BOEING NEVADA, INC.  
as Original Loan Participant

By: /s/ J.B. Matthews, Jr.

-----  
Name: J.B. Matthews, Jr.  
Title: Senior Director

SCHEDULE I TO  
PARTICIPATION  
AGREEMENT

Certain Terms

Aircraft

Model:	DC-9-83 (MD-83)
U.S. Registration Number:	N9630A
Manufacturer's Serial Number:	53561
Date of Purchase Agreement:	11/13/1997
Aggregate Principal Amount of the Equipment Notes:	\$18,800,927
Aggregate Principal Amount of the Original Notes:	\$12,332,150

Addresses for Notices and Account Details

LESSEE: American Airlines, Inc.	4333 Amon Carter Boulevard Fort Worth, TX 76155 Attn: Treasurer Telex: 4630158 Facsimile: 817-967-4318	Chase Manhattan Bank ABA #: 0210 0002 1 Account No.: 910-1-019884
OWNER TRUSTEE: Wells Fargo Bank Northwest, N.A.	Wells Fargo Bank Northwest, N.A.. Corporate Trust Services MAC U1254-031 Salt Lake City, UT 84111 Attn: Nancy Dahl Phone: 801-246-5630 Facsimile: 801-246-5053	Wells Fargo Bank Northwest N.A. ABA # 121000248 Corporate Trust Services Account No.: 051-09221-15 Re: American N9630A
OWNER PARTICIPANT: Thayer Leasing Company-1	Thayer Leasing Company-1 c/o Boeing Capital Corporation Seattle Operations Group Mail code 6Y-16 500 Naches Avenue SW Renton, WA 98055 Facsimile: 425-393-1008 With a copy to:	Chase Manhattan Bank ABA #: 0210 0002 1 Boeing Capital Corporation Account No.: 910 1 307412 Reference: Thayer Leasing Company-1 and MSN53561

SCHEDULE I TO  
PARTICIPATION  
AGREEMENT

Boeing Capital Corporation  
3780 Kilroy Airport Way, M/C  
D091-0070  
Suite 750  
Long Beach, California 90806  
Attn: BCC Treasury  
Fax: (562) 997-3338

INDENTURE TRUSTEE:  
Wilmington Trust Company

Wilmington Trust Company  
Rodney Square North  
1100 North Market Street  
Wilmington, DE 19890  
Attn: Corporate Trust  
Administration  
Facsimile: 302-651-8882

Wilmington Trust Company  
ABA # 0311 00092  
Attention: Michael G. Oller, Jr.  
Account No.: 42914-0

ORIGINAL LOAN PARTICIPANT:  
Boeing Nevada, Inc

Boeing Nevada, Inc.  
2325-B Renaissance Dr., Suite 7  
Las Vegas, NV 89119  
Phone: 702-940-2580

The Chase Manhattan Bank  
One Chase Manhattan Plaza  
New York, NY 10081  
ABA#: 0210-0002-1  
For the account of Boeing  
Nevada, Inc.

with a copy to:  
Boeing Nevada, Inc.  
c/o The Boeing Company  
P.O. Box 3707  
Attn: Operations and Legal  
M/C 6Y-11  
Facsimile: 4235-393-2903

Account No. 910-2-682201  
Reference:  
Boeing Nevada, Inc./MSN53561

LOAN TRUSTEE:  
State Street Bank and Trust  
Company of Connecticut, N.A.

State Street Bank and Trust  
Company of Connecticut, N.A  
225 Asylum Street  
Hartford, CT 06103  
Attn: Alison Della Bella  
Tel: 617-662-1704  
Facsimile: 617-662-1458

State Street Bank and Trust  
Company of Connecticut, N.A  
c/o State Street Bank and Trust  
Company  
Boston, MA  
ABA #011-00-0028  
Corporate Trust  
DDA #9903-990-1  
FFC: American Airlines EETC 2001-1  
Attn: May Tran

PASS THROUGH TRUSTEE:  
State Street Bank and Trust  
Company of Connecticut, N.A

State Street Bank and Trust  
Company of Connecticut, N.A  
225 Asylum Street  
Hartford, CT 06103 Company  
Attn: Alison Della Bella  
Tel: 617-662-1704  
Facsimile: 617-662-1458

State Street Bank and Trust  
Company of Connecticut, N.A  
c/o State Street Bank and Trust  
Boston, MA  
ABA #011-00-0028  
Corporate Trust  
DDA #9903-990-1  
FFC: American Airlines EETC 2001-1  
Attn: May Tran

SUBORDINATION AGENT:  
State Street Bank and Trust  
Company of Connecticut, N.A

State Street Bank and Trust  
Company of Connecticut, N.A  
225 Asylum Street  
Hartford, CT 06103 Company  
Attn: Alison Della Bella  
Tel: 617-662-1704  
Facsimile: 617-662-1458

State Street Bank and Trust  
Company of Connecticut, N.A  
c/o State Street Bank and Trust  
Boston, MA  
ABA #011-00-0028  
Corporate Trust  
DDA #9903-990-1  
FFC: American Airlines EETC 2001-1  
Attn: May Tran



EXHIBIT I to  
PARTICIPATION AGREEMENT

FORM OF TRUST AGREEMENT

EXHIBIT II to  
PARTICIPATION AGREEMENT

FORM OF INDENTURE

EXHIBIT III to  
PARTICIPATION AGREEMENT

FORM OF LEASE

EXHIBIT IV to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF GENERAL COUNSEL OF THE LESSEE

EXHIBIT V to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF SPECIAL COUNSEL FOR THE OWNER TRUSTEE

EXHIBIT VI to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF SPECIAL COUNSEL FOR THE  
LOAN TRUSTEE

EXHIBIT VII to  
PARTICIPATION AGREEMENT

FORMS OF OPINION OF SPECIAL COUNSEL FOR THE  
OWNER PARTICIPANT AND GENERAL COUNSEL OF  
THE OWNER PARTICIPANT

EXHIBIT VIII to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF SPECIAL OKLAHOMA CITY COUNSEL



EXHIBIT IX to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF SPECIAL COUNSEL FOR THE  
PASS THROUGH TRUSTEE

EXHIBIT X to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF SPECIAL COUNSEL FOR THE  
LIQUIDITY PROVIDER

EXHIBIT XI to  
PARTICIPATION AGREEMENT

FORM OF OWNER PARTICIPANT GUARANTY

EXHIBIT XII to  
PARTICIPATION AGREEMENT

FORM OF AMENDED AND RESTATED PURCHASE  
AGREEMENT ASSIGNMENT

EXHIBIT XIII to  
PARTICIPATION AGREEMENT

FORM OF OWNER PARTICIPATION TRANSFER AGREEMENT

EXHIBIT XIV to  
PARTICIPATION AGREEMENT

FORM OF MANUFACTURER CONSENT

DEFINITIONS

GENERAL PROVISIONS

(a) In each Operative Document, unless otherwise expressly provided, a reference to:

(i) each of "Lessee," "Lessor," "Owner Trustee," "Owner Participant," "Loan Trustee," "Subordination Agent," "Pass Through Trustee," "Original Loan Participant," "Liquidity Provider," or any other person includes, without prejudice to the provisions of any Operative Document, any successor in interest to it and any permitted transferee, permitted purchaser or permitted assignee of it;

(ii) words importing the plural include the singular and words importing the singular include the plural;

(iii) any agreement, instrument or document, or any annex, schedule or exhibit thereto, or any other part thereof, includes, without prejudice to the provisions of any Operative Document, that agreement, instrument or document, or annex, schedule or exhibit, or part, respectively, as amended, modified or supplemented from time to time in accordance with its terms and in accordance with Operative Documents, and any agreement, instrument or document entered into in substitution or replacement therefor;

(iv) any provision of any law includes any such provision as amended, modified, supplemented, substituted, reissued or reenacted prior to the Commencement Time, and thereafter from time to time;

(v) the words "Agreement," "this Agreement," "hereby," "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in any Operative Document refer to such Operative Document as a whole and not to any particular provision of such Operative Document;

(vi) the words "including," "including, without limitation," "including, but not limited to," and terms or phrases of similar import when used in any Operative Document, with respect to any matter or thing, mean including, without limitation, such matter or thing; and

(vii) a "Section," a "subsection," an "Exhibit," an "Annex" or a "Schedule" in any Operative Document, or in any annex thereto, is a reference to a section or a subsection of, or an exhibit, an annex or a schedule to, such Operative Document or such annex, respectively.

(b) Each exhibit, annex and schedule to each Operative Document is incorporated in, and shall be deemed to be a part of, such Operative Document.

(c) Headings used in any Operative Document are for convenience only and shall not in any way affect the construction of, or be taken into consideration in interpreting, such Operative Document.

#### DEFINED TERMS

"Accrued Basic Rent" means, for any period of days within a Lease Period, the amount determined by multiplying the Basic Rent installment for such Lease Period designated in Schedule B to the Lease by a fraction, the numerator of which shall be the actual number of days in such period and the denominator of which shall be the actual number of days in such Lease Period.

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

"After-Tax Basis", in the context of determining the amount of a payment to be made on such basis, means the payment of an amount which, after subtraction of the net increase, if any, in U.S. Federal, state and local income tax liability incurred by the Indemnitee or Tax Indemnitee to whom the payment is made as a result of the receipt or accrual of such payment (taking into account any Tax benefits realized or deemed to be realized by such Indemnitee or Tax Indemnitee as a result of the event or circumstances giving rise to such payment), shall equal the amount that would have been payable if no net increase in such tax liability had been incurred.

"Aircraft" means the Airframe leased under the Lease, together with the two Engines described in Schedule A to the Lease (or any Replacement Engine substituted for any Engine under the Lease), whether or not any of such initial or substituted Engines may from time to time be installed on such Airframe or may be installed on any other airframe or on any other aircraft.

"Airframe" means (i) the Aircraft (except Engines or engines from time to time installed thereon) bearing U.S. registration number and Manufacturer's serial number specified on Schedule A to the Lease and Schedule I to the Indenture, and leased under the Lease by Lessor to Lessee; and (ii) any and all Parts so long as the same shall be incorporated or installed in or attached to such aircraft, or so long as title thereto shall



remain vested in Lessor in accordance with the terms of Section 8 of the Lease after removal from such aircraft.

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

"Average Certificate Rate" means the weighted average interest rate applicable to the Equipment Notes at the time outstanding, computed on the basis of a 360-day year of twelve 30-day months.

"Bankruptcy Code" means the U.S. Bankruptcy Code, 11 United States Code Section 101 et seq., as amended, or any successor statutes thereto.

"Base Lease Expiry Date" has the meaning specified in Schedule B to the Lease.

"Base Rate" means the rate of interest per annum announced by Citibank, N.A. at its principal office in New York as its "base" or "prime" rate from time to time; provided that if Citibank N.A. shall no longer announce such a "prime" or "base" rate, the Prime Rate shall be the rate for 90-day directly placed commercial paper (or the midpoint in the range of such rate if more than one rate is published) as of the opening of business on the date in question (or the arithmetic average of such rates at the opening of business on each day during any period in question), as quoted in The Wall Street Journal.

"Basic Pass Through Trust Agreement" or "Basic Agreement" means that certain Pass Through Trust Agreement, dated as of the Closing Date, between American and State Street, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Basic Rent" for the Aircraft means the rent payable for the Aircraft pursuant to Section 3(b) specified in Schedule B to the Lease, or, during any Renewal Term, the rent payable for the Aircraft pursuant to Section 20(a) of the Lease.

"Boeing" means The Boeing Company, a Delaware corporation.

"Boeing Capital Corporation" means Boeing Capital Corporation, a Delaware corporation.

"Boeing Letter Agreement" means the letter agreement, entered into on or prior to the Closing Date, between American and Boeing Capital Corporation, a Delaware corporation.

"Business Day" means any day other than a Saturday, Sunday or a day on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, the city and state in which the principal corporate trust

office of the Owner Trustee is located or the city and state in which the principal corporate trust office of the Loan Trustee is located or the city and state in which the Loan Trustee disburses funds.

"Casualty Loss Determination Date" for the Aircraft means each of the dates specified in Schedule B to the Lease which is the same as or immediately precedes a Loss Payment Date on which Stipulated Loss Value is payable with respect to the Aircraft.

"Certificated Air Carrier" means a Person holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49, United States Code, for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo or that otherwise is certified or registered to the extent required to fall within the purview of Section 1110.

"Citizen of the United States" has the meaning specified for such term in section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the U.S. enacted in substitution or replacement therefor.

"Claims" means any and all liabilities, obligations, losses, damages, penalties, claims, actions or suits of whatsoever kind and nature (whether or not on the basis of negligence, strict or absolute liability or liability in tort), including all costs, disbursements and expenses (including reasonable legal fees and expenses).

"Closing" has the meaning specified in Section 1(e) of the Participation Agreement.

"Closing Date" means the date set out on the cover page of the Lease.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Time" has the meaning specified in Schedule A to the Original Lease.

"Confidential Information" means (a) the existence and terms of any sublease of the Airframe or Engines pursuant to Section 7(b) of the Lease and the identity of the Permitted Sublessee thereunder (other than the sublease from American to TWA Airlines LLC); (b) all information obtained in connection with any inspection conducted pursuant to Section 12 of the Lease; (c) each certification furnished pursuant to Section 11(a) and Section 11(b) of the Lease; and (d) all information contained in each report furnished pursuant to Section 11(e) of the Lease.

"Continuous Stay Period" has the meaning specified in Section 8.04 of the Indenture.

"Controlling Party" has the meaning specified in Section 2.06 of the Intercreditor Agreement.

"Cost" for the Aircraft has the meaning set forth in the Schedule B to the Lease.

"CRAF Program" has the meaning set forth in Section 7(b)(iv) of the Lease.

"Debt" means any liability for borrowed money, or any liability for the payment of money in connection with any letter of credit transaction, or other liabilities evidenced or to be evidenced by bonds, debentures, notes or other similar instruments.

"Debt Rate" means, with respect to any Series, the rate per annum specified for such Series under the heading "Interest Rate" in Schedule II to the Indenture, as such rate may be adjusted as necessary to provide for the increased interest rate borne by the Equipment Notes in the circumstances specified in Section 2(d) of the Registration Rights Agreement.

"Direction" has the meaning specified in Section 2.15 of the Indenture.

"Dollars" and "\$" mean the lawful currency of the United States of America.

"Enforcement Date" has the meaning specified in Section 8.03 of the Indenture.

"Engine" means (i) each of the two Pratt & Whitney Model JT80-219 engines described on Schedule A to the Lease and Schedule I to the Indenture whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft and (ii) any Replacement Engine which may from time to time be substituted pursuant to Section 9(g) or 10(b) of the Lease for an Engine leased under the Lease; together in each case with any and all Parts incorporated or installed in or attached thereto or any and all Parts removed therefrom so long as title thereto shall remain vested in Lessor in accordance with the terms of Section 8 of the Lease after removal from such Engine. Except as otherwise set forth in the Lease, at such time as a Replacement Engine shall be so substituted and the Engine for which substitution is made shall be released from the lien of the Indenture, such replaced Engine shall cease to be an Engine under the Lease. The term "Engines" means, as of any date of determination, all Engines then leased under the Lease.

"Equipment Note Register" has the meaning specified in Section 2.04 of the Indenture.

"Equipment Note Registrar" has the meaning specified in Section 2.04 of the Indenture.

"Equipment Notes" means the equipment notes issued pursuant to Section 2.02 of the Indenture and shall include any equipment notes issued in exchange therefor or replacement thereof pursuant to the Indenture.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Event of Default" has the meaning specified in Section 14 of the Lease.

"Event of Loss" with respect to any property means any of the following events with respect to such property:

(i) loss of such property or the use thereof due to theft, disappearance, destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

(ii) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss or a compromised or constructive total loss;

(iii) the condemnation, confiscation or seizure of, or requisition of title to or use of, such property (other than a requisition for use of the Aircraft by the U.S. Government which shall not have resulted in a loss of possession of such property for a period continuing beyond the end of the Term or any Renewal Term then in effect);

(iv) as a result of any rule, regulation, order or other action by the FAA, the Department of Transportation or other governmental body of the U.S. or other country of registry of the Aircraft having jurisdiction, the use of such property in the normal course of passenger air transportation shall have been prohibited for a period of six consecutive months, unless such rule, regulation, order or other action shall have prohibited such use with respect to all aircraft of such make and model registered in the applicable jurisdiction, unless Lessee (or any Permitted Sublessee), prior to or, if earlier, until the end of the Term or any Renewal Term, the expiration of such six-month or shorter period, as the case may be, shall have undertaken and shall be diligently carrying forward all steps which in its judgment are necessary or desirable to permit the normal use of such property by Lessee (or any Permitted Sublessee) or, in any event, if such use shall have been prohibited for a period of twelve consecutive months; or

(v) the operation or location of the Aircraft, while under requisition for use by the U.S. Government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of the Lease, if Lessee shall be unable to obtain indemnity or insurance in lieu thereof from the U.S. Government;

provided that if such property is returned to Lessee having substantially the same value and utility as such property had immediately prior to such event prior to the date upon which Stipulated Loss Value is required to be paid, then such event will, at the option of Lessee, not constitute an Event of Loss.

"Excepted Property" means (i) indemnity or other payments paid or payable by American to or in respect of the Owner Participant or the Owner Trustee in its individual capacity or any member or their respective Related Indemnitee Groups pursuant to the Participation Agreement or any corresponding payment of Supplemental Rent under the Lease, (ii) proceeds of public liability insurance (or government indemnities in lieu thereof) in respect of the Aircraft paid or payable as a result of insurance claims or amounts in respect of such indemnities paid or payable to or for the benefit of, or losses suffered by, the Owner Trustee or the Loan Trustee in their respective individual capacities or the Owner Participant or by any affiliated or otherwise related additional insureds or loss payees (collectively, the "Related Insured Parties"), (iii) proceeds of insurance maintained in conformity with Section 11(f) of the Lease by the Owner Participant or any Affiliate thereof (whether directly or through the Owner Trustee), (iv) payments of Supplemental Rent or other payments by American payable under the Tax Indemnity Agreement, (v) payments of Supplemental Rent by the Lessee with respect to the foregoing, (vi) fees payable to the Owner Trustee pursuant to Section 12(a) of the Participation Agreement, (vii) any right to restitution from American, as lessee under the Lease, in respect of any determination of the invalidity of any Excepted Property, (viii) the respective rights of the Owner Trustee or the Loan Trustee in their respective individual capacities or the Owner Participant (or of any member of their Related Indemnitee Groups or any Related Insured Party) to the proceeds of the foregoing and (ix) any right to demand, collect or otherwise receive and enforce the payment of any amount described in clauses (i) through (viii) above (other than the right to declare the Lease to be in Default or to exercise any remedies thereunder; provided that the Owner Trustee or the Owner Participant, as the case may be, may demand payment of any Excepted Property and may commence any action in equity or at law against Lessee to require payment of the same) and any and all interest payable in respect thereof. Excepted Property shall not include amounts paid by the Lessee to the Loan Trustee pursuant to Sections 10(b) and 10(c) of the Participation Agreement and payable by the Loan Trustee to the Subordination Agent or any Pass Through Trustee pursuant to Section 3.05(b) of the Indenture.

"Excess Payment" has the meaning set forth in Section 12(j) of the Participation Agreement.

"FAA" means the Federal Aviation Administration of the United States of America and any successor governmental authority.

"FAA Bill of Sale" means the bill of sale for the Aircraft on AC Form 8050-2 in favor of the Owner Trustee, recorded with the FAA.

"Federal Aviation Act" means the Transportation Code.

"Federal Funds Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by State Street from three Federal funds brokers of recognized standing selected by it.

"Fee Letter" has the meaning set forth in Section 1.01 of the Intercreditor Agreement.

"Government" means the government of any of the Permitted Countries and any instrumentality or agency of any thereof.

"Indemnatee" has the meaning set forth in Section 10(b) (2) of the Participation Agreement.

"Indenture" means the Amended and Restated Trust Indenture and Security Agreement relating to the Aircraft, between Lessor (in its individual capacity only as expressly provided therein and otherwise as Owner Trustee) and the Loan Trustee named therein, dated as of the Closing Date, together with the Annexes, Exhibits and Schedules as originally executed or as modified, supplemented or amended from time to time pursuant to the applicable provisions thereof.

"Indenture Default" means any event that is, or after notice or passage of time, or both, would be, an Indenture Event of Default.

"Indenture Documents" shall mean the Participation Agreement, the Lease, the Purchase Agreement Assignment, and the Owner Participant Guaranty.

"Indenture Estate" has the meaning set forth in the Granting Clause of the Indenture.

"Indenture Event of Default" has the meaning set forth in Article 8 of the Indenture.

"Indenture Indemnatee" means (i) the Loan Trustee, (ii) State Street, (iii) the Subordination Agent, so long as it holds any Equipment Notes as agent and trustee of any

Pass Through Trustee (iv) the Liquidity Provider, and (v) each Pass Through Trustee, so long as it is the holder of any Equipment Notes, and each of their respective directors, officers, employees, agents and servants. No holder of a Pass Through Certificate in its capacity as such shall be an Indenture Indemnitee.

"Indenture Supplement" means a supplement to the Indenture, substantially in the form of Exhibit B to the Indenture, which shall particularly describe any Replacement Engine included in the property subject to the Lien of the Indenture.

"Indenture Trustee" means Wilmington Trust Company, a Delaware banking corporation.

"Indentured Property" shall mean all property included in the Indenture Estate.

"Independent Appraisal" means an appraisal mutually agreed to by two nationally recognized independent aircraft appraisers, one of which appraisers shall be chosen by Lessor and one by Lessee, or, if such appraisers cannot agree on such appraisal, an appraisal arrived at by a third independent aircraft appraiser chosen by the mutual consent of such two appraisers, provided that, if either party shall fail to appoint an appraiser within 15 days after a written request to do so by the other party, or if such two appraisers cannot agree on such appraisal and fail to appoint a third appraiser within 20 days after the date of the appointment of the second of such appraisers, then either party may apply to the American Arbitration Association to make such appointment. In the event such third independent appraiser shall be chosen to provide such appraisal, unless the parties agree otherwise, such appraisal shall be required to be made within 20 days of such appointment. An "Independent Appraisal" of the fair market rental value or fair market sales value of the Aircraft shall mean an appraisal which assumes that the sale or lease transaction would be an arm's-length transaction between an informed and willing lessee or buyer, as the case may be, under no compulsion to lease or buy, as the case may be, and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be, and assumes that the Aircraft is unencumbered by the Lease or any renewal or purchase option under the Lease and is in the condition required thereunder; provided that an Independent Appraisal undertaken pursuant to Section 15 of the Lease shall value the Aircraft on an "as-is, where-is" basis. The fees and expenses of appraisers for an Independent Appraisal, whenever undertaken pursuant to the Lease, shall be borne equally by Lessor and Lessee and each shall separately bear any fees, costs and expenses of its respective attorneys and experts (other than the appraisers referred to above) incurred in connection with such Independent Appraisal, except that the costs of an Independent Appraisal undertaken pursuant to Section 15 of the Lease shall be for the account of Lessee.

"Instrument of Resignation" has the meaning set forth in the recitals to the Participation Agreement.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Closing Date, among the Pass Through Trustees, the Liquidity Provider, and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Lease" means the Amended and Restated Lease Agreement relating to the Aircraft, between the Lessor and American dated as of the Closing Date, together with the Annexes and Schedules as originally executed or as modified, amended or supplemented pursuant to the applicable provisions of the Lease and in accordance with the Indenture.

"Lease Default" means an event which with notice or lapse of time or both would become a Lease Event of Default.

"Lease Event of Default" means an "Event of Default" as defined in Section 14 of the Lease.

"Lease Period" means the period commencing immediately following the Commencement Time and ending on and including the date immediately preceding the first Lease Period Date listed on Schedule B to the Lease and each of the remaining consecutive semiannual periods commencing on and including the Lease Period Date to but excluding the Base Lease Expiry Date.

"Lease Period Date" means each date listed in the column "Lease Period Dates" on Schedule B to the Lease.

"Lease Supplement" means a Lease Supplement, substantially in the form of Exhibit A to the Lease, executed and delivered in connection with one or more Replacement Engines.

"Lease Termination Date" has the meaning specified for the term "Termination Date" in Section 9(a) of the Lease.

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

"Lessor" means Owner Trustee as lessor under the Lease.

"Lessor's Liens" means any Lien on or relating to or affecting the Aircraft, the Engines or any part thereof arising as a result of (1) Claims against or affecting Lessor or Owner Participant, as applicable, not related to the ownership of the Aircraft or the transactions contemplated by the Lease or the Participation Agreement; (2) acts or omissions of Lessor or Owner Participant, as applicable, not related to the transactions contemplated by the Lease or any other agreement entered into with the written consent



of Lessee in connection therewith or not expressly provided for under the terms of the Lease or any such agreement; (3) Taxes or Claims imposed against Lessor or Owner Participant, as applicable, which are not indemnified against by Lessee pursuant to the Participation Agreement; or (4) Claims against Lessor or Owner Participant, as applicable, arising out of the voluntary transfer (other than pursuant to certain voluntary transfers permitted by the Participation Agreement) by Lessor of its interest in the Aircraft or the Lease including, without limitation, by means of granting a security interest therein; provided, that, for purposes of Section 12(c) of the Participation Agreement, any Lien that is attributable solely to Owner Participant or Lessor and would otherwise constitute a Lessor's Lien shall not constitute a Lessor's Lien, so long as (A) the existence of such Lien poses no material risk of the sale, forfeiture or loss (including loss of use) of the Aircraft, or any Engine or any interest therein, (B) the existence of such Lien does not interfere with or interrupt the possession, maintenance, repair, overhaul, use or operation of the Aircraft by Lessee and (C) Lessor or Owner Participant, as the case may be, is diligently contesting such Lien in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of sale, forfeiture or loss (including loss of use) of the Aircraft or any Engine or any interest therein or any meaningful risk of criminal liability or any material risk of civil penalty against Lessee; and provided further, that Lessor and Owner Participant shall, under no circumstances, have any obligation under the Operative Documents or the Pass Through Trust Documents to discharge any Liens arising out of, resulting from or relating to any TWA Matter.

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

"Liquidity Facilities" means the revolving credit agreements, dated as of the Closing Date, between the Subordination Agent, as borrower, and the Liquidity Provider, and any replacements thereof, in each case as the same may be amended or supplemented or otherwise modified from time to time in accordance with its terms.

"Liquidity Provider" means Boeing Capital Corporation, a Delaware corporation, solely in its capacity as liquidity provider and not in any other capacity, together with any successor thereto as liquidity provider.

"Loan Trustee" means State Street Bank and Trust Company of Connecticut, National Association, as successor trustee to the Indenture Trustee pursuant to the Instrument of Resignation, and each other Person that may from time to time be acting as loan trustee under the Indenture.

"Loan Trustee Liens" means any Lien attributable to State Street as the Loan Trustee with respect to the Aircraft, any interest therein or any other portion of the Indenture Estate arising as a result of (i) claims against State Street or the Loan Trustee

not related to its interest in the Aircraft of the administration of the Indenture Estate pursuant to the Indenture, (ii) acts of State Street or the Loan Trustee not permitted by, or the failure of State Street or the Loan Trustee to take any action required by, the Operative Documents or the Pass Through Trust Documents, (iii) claims against State Street or the Loan Trustee relating to Taxes or Claims that are excluded from the indemnification pursuant to Section 10 (c)(4) or 10(b)(2) of the Participation Agreement, or (iv) claims against State Street or the Loan Trustee arising out of the transfer by any such party of all or any portion of its interest in the Aircraft, the Indenture Estate, the Operative Documents or the Pass Through Trust Documents, except while an Event of Default is continuing and prior to the time that the Loan Trustee has received all amounts due to it pursuant to the Indenture.

"Loss" has the meaning set forth in Section 5(a) of the Tax Indemnity Agreement.

"Loss Payment Date" has the meaning set forth in Section 10(a) of the Lease.

"Maintenance Program" means a written, continuous maintenance and inspection program for aircraft of such make and model as the Aircraft.

"Majority in Interest of Noteholders" means, as of a particular date of determination and subject to Section 2.15 of the Indenture, the holders of at least a majority in aggregate unpaid principal amount of all Equipment Notes outstanding as of such date (excluding any Equipment Notes held by American or any Affiliate thereof, unless all Equipment Notes are held by American or any Affiliate thereof).

"Make-Whole Amount" means, with respect to any Equipment Note, the amount (as determined by an investment bank of national standing selected by American (and following the occurrence and during the continuance of an Event of Default, reasonably acceptable to the Loan Trustee)), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting such payment on a semiannual basis from its respective payment date (assuming a 360-day year of twelve 30-day months) using a discount rate equal to the Treasury Yield exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the time of determination, the interest rate (expressed as a semiannual equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities, trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than,

the Average Life Date, in each case as published in the most recent H.15(519) or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date is reported on the most recent H.15(519), such weekly average yield to maturity as published in such H.15(519). "H.15(519)" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System. The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the "most recent H.15(519)" means the H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Equipment Note to be redeemed, the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" of an Equipment Note, at the redemption date of such Equipment Note, means the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled payment date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note.

"Manufacturer" means McDonnell Douglas Corporation.

"Manufacturer Consent" means the Manufacturer Consent and Agreement dated as of the Closing Date, substantially in the form of Exhibit XIV to the Participation Agreement.

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

"Noteholder" means any Person in whose name an Equipment Note is registered (including the Subordination Agent, for so long as it is the registered holder of any Equipment Notes on behalf of any Pass Through Trustees pursuant to the provisions of the Intercreditor Agreement).

"Notes" means the equipment notes issued pursuant to Section 2.02 of the Indenture and shall include any equipment notes issued in exchange therefor or replacement thereof pursuant to the Indenture.

"Obsolete Parts" has the meaning specified in Section 8(c) of the Lease.

"Officers' Certificate" means a certificate signed, in the case of the American, by (i) the Chairman of the Board of Directors, the President, any Executive Vice President, or any Senior Vice President of the American, signing alone, or (ii) any Vice President signing together with the Secretary, any Assistant Secretary, the Treasurer or any

Assistant Treasurer of the American or, in the case of the Owner Trustee, a Responsible Officer of the Owner Trustee.

"Operative Documents" means the Lease, each Lease Supplement, the Participation Agreement, the Indenture, each Indenture Supplement, the Manufacturer Consent, the Equipment Notes, the Trust Agreement, the Purchase Agreement Assignment and the Tax Indemnity Agreement.

"Original Indenture" means the original indenture identified in Schedule I to the Indenture.

"Original Lease" has the meaning set forth in the recitals to the Participation Agreement.

"Original Loan Participant" means Boeing Nevada, Inc., a Delaware corporation.

"Original Note" has the meaning set forth in the recitals to the Participation Agreement.

"Original Owner Participant's Lien" means any Lien attributable to the Owner Participant on or against the Aircraft, any interest therein, or any portion of the Indenture Estate arising or out of any act or omission of the Owner Participant prior to the Closing Date, but specifically excluding any Liens arising out of, resulting from or relating to any TWA Matter.

"Original Participation Agreement" has the meaning set forth in the recitals to the Participation Agreement.

"Original Tax Indemnity Agreement" has the meaning set forth in the recitals to the Participation Agreement.

"Original Trust Agreement" has the meaning set forth in the recitals to the Participation Agreement.

"Other Party Liens" means any Lien attributable to the Pass Through Trustee (other than in its capacity as Noteholder), the Subordination Agent (other than in its capacity as Noteholder) or the Liquidity Provider on or against the Aircraft, any interest therein, or any portion of the Indenture Estate arising out of any Claim against such party that is not related to the Operative Documents or Pass Through Trust Documents, or out of any act or omission of such party that is not related to the transaction contemplated by, or that constitutes a breach by such party of its obligations under, the Operative Documents or the Pass Through Trust Documents.

"Overdue Rate" means (i) with respect to the portion of any payment of Rent that would be required to be distributed to the Subordination Agent or any Pass Through Trustee pursuant to the terms of the Indenture, the Past Due Rate applicable to the Equipment Notes held by such Subordination Agent or Pass Through Trustee and (ii) with respect to the portion of any payment of Rent that would be required to be distributed to Lessor pursuant to the terms of the Indenture or would be payable pursuant to the terms of any of the Operative Documents directly to Lessor, the Owner Participant, or the Owner Trustee in its individual capacity, the lesser of 1% over the Base Rate and the maximum interest rate from time to time permitted by law.

"Owner Participant" means Thayer Leasing Company-1, a Delaware corporation, and any other Person or Persons to which the Owner Participant transfers its right, title and interest in and to the Trust Agreement, the Trust Estate and the Participation Agreement, in accordance with Article VIII of the Trust Agreement and Section 19(c) of the Participation Agreement, and their respective permitted successors and assigns.

"Owner Participant Guarantor" shall mean any provider of an Owner Participant Guaranty.

"Owner Participant Guaranty" means a guaranty delivered pursuant to Section 4(b)(xi) of the Participation Agreement, or any guaranty delivered by a guarantor of a transferee of the Owner Participant, in either case substantially in the form of Exhibit XI to the Participation Agreement.

"Owner Trustee" means Wells Fargo Bank Northwest, National Association, a national banking association, not in its individual capacity but solely as trustee under the Trust Agreement, and each other Person which may from time to time be acting as Owner Trustee in accordance with the provisions of the Trust Agreement and this Agreement.

"Participant" means each of the Owner Participant and any Original Loan Participant.

"Participation Agreement" means the Amended and Restated Participation Agreement, dated on or prior to the Closing Date, among the Lessee, the Owner Participant, the Lessor (in its individual capacity only as expressly provided therein and otherwise as Owner Trustee), the Indenture Trustee, each Pass Through Trustee, the Subordination Agent, the Loan Trustee and the Original Loan Participant, as originally executed or as modified, amended or supplemented pursuant to the applicable provisions thereof.

"Parts" means all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (i) complete Engines or engines, (ii) any items leased by Lessee from a third party (other than items leased under

the Lease by Lessee from Lessor, (iii) cargo containers and (iv) any Passenger Convenience Equipment) that at any time of determination are incorporated or installed in or attached to the Airframe or any Engine or the title to which remains vested in Lessor in accordance with Section 8 of the Lease.

"Passenger Convenience Equipment" has the meaning set forth in Section 8(d) of the Lease.

"Pass Through Certificates" means the pass through certificates issued by the Pass Through Trustees.

"Pass Through Trust" means each trust created pursuant to a Pass Through Trust Supplement to facilitate certain of the transactions contemplated by the Operative Documents.

"Pass Through Trust Agreement" means the Basic Pass Through Trust Agreement together with each separate Pass Through Trust Supplement thereto, as the same may be modified, supplemented or amended pursuant to the applicable provisions thereof.

"Pass Through Trust Documents" means the Pass Through Trust Agreements, the Intercreditor Agreement and the Liquidity Facilities.

"Pass Through Trustee" means State Street Bank and Trust Company of Connecticut, National Association, in its capacity as trustee under each of the Pass Through Trust Supplements, and each other person which may from time to time be acting as successor trustee under any Pass Through Trust Supplement.

"Pass Through Trust Supplement" means each of the pass through trust supplements referred to on Schedule III to the Indenture.

"Past Due Rate" means the Debt Rate plus 1% per annum.

"Payment Date" means, with respect to any Equipment Note, each May 23 and November 23, commencing November 23, 2001.

"Permitted Air Carrier" has the meaning set forth in Section 7(b)(i) of the Lease.

"Permitted Country": Argentina, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, The Netherlands, New Zealand, Norway, Singapore, Spain (including Canary Islands), Sweden, Switzerland, and the United Kingdom.

"Permitted Investment" means each of (i) direct obligations of the United States of America and agencies thereof; (ii) obligations fully guaranteed by the United States of

America; (iii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least \$300,000,000 (including Lessor in its individual capacity or the Loan Trustee in its individual capacity if such conditions are met); (iv) commercial paper of any holding company of a bank, trust company or national banking association described in clause (iii); (v) bearer note deposits with, or certificates of deposit issued by, or promissory notes of, any subsidiary incorporated under the laws of Canada (or any province thereof) of any bank, trust company or national banking association described in clause (iii), (viii) or (ix); (vi) commercial paper of companies having a rating assigned to such commercial paper by S&P or Moody's (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization; (vii) U.S. dollar- denominated certificates of deposit issued by, or time deposits with, the European subsidiaries of (a) any bank, trust company or national banking association described in clause (iii), or (b) any other bank described in clause (viii) or (ix), having the highest rating assigned by Moody's or S&P (or if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States of America); (viii) U.S.-issued Yankee certificates of deposit issued by, or bankers' acceptances of, or commercial paper issued by, any bank having combined capital and surplus and retained earnings of at least \$300,000,000 and headquartered in Canada, Japan, the United Kingdom, France, the Federal Republic of Germany, Switzerland or The Netherlands, having the highest rating assigned by Moody's or S&P (or if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States of America); (ix) U.S. dollar- denominated time deposits with any Canadian bank having a combined capital and surplus and retained earnings of at least \$300,000,000, having the highest rating assigned by Moody's or S&P (or if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States of America); (x) Canadian Treasury Bills fully hedged to U.S. dollars; (xi) repurchase agreements with any financial institution having combined capital and surplus and retained earnings of at least \$150,000,000 (including Lessor in its individual capacity or the Loan Trustee in its individual capacity if such conditions are met) collateralized by transfer of possession of any of the obligations described in clauses (i) through (x) above; (xii) bonds, notes or other obligations of any state of the United States of America, or any political subdivision of any such state, or any agencies or other instrumentalities of any such state, including, but not limited to, industrial development bonds, pollution control revenue bonds, public power bonds, housing bonds, other revenue bonds or any general obligation bonds, provided further that, at the time of their purchase, such obligations are rated in either of the two highest rating categories by S&P or Moody's (or, if neither such organization shall rate such obligations at any time, by any nationally recognized rating organization in the United States of America); provided that, at the time of their purchase, no such

AA-Boeing EETC-Annex-A

obligations shall have a term to maturity in excess of the earliest date when such investments may be required for distribution; or (xiii) bonds or other debt instruments of any company, if such bonds or other debt instruments, at the time of their purchase, are rated in either of the two highest rating categories by S&P or Moody's (or, if neither such organization shall rate such obligations at such time, by any nationally recognized rating organization in the United States of America); provided that, at the time of their purchase, no such obligations or instruments shall have a term to maturity in excess of the earliest date when such investments may be required for distribution.

"Permitted Liens" means Liens referred to in clauses (i) through (ix) of Section 6 of the Lease.

"Permitted Sublessee" means, (1) any Certificated Air Carrier, (2) any foreign air carrier that is principally based in and a domiciliary of any Permitted Country, or (3) any foreign air carrier not described in clause (2) above, if, at the time Lessee enters into a sublease with such foreign air carrier, Lessor receives an opinion from Lessee's counsel (which counsel shall be reasonably satisfactory to Lessor) to the effect that (x) there exist no possessory rights in favor of such sublessee under the laws of such sublessee's country which would, upon bankruptcy or insolvency of or other default by Lessee and assuming that at the time of such bankruptcy, insolvency or other default by Lessee, such sublessee is not insolvent or bankrupt, prevent the return of an Engine or the Airframe and each Engine or engine subject to such sublease to Lessor in accordance with and when permitted by the terms of the Lease upon Lessor's exercise of its remedies and (y) the terms of the Lease are legal, valid, binding and enforceable in the country in which such foreign air carrier is principally based (subject to customary exceptions); provided that in the case of any such foreign air carrier referred to in clause (2) or (3) above (other than a foreign air carrier principally based in Taiwan), the U.S. maintains full diplomatic relations with the country in which such foreign air carrier is principally based at the time such sublease is entered into.

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

"Placement Agents" means the initial purchasers listed as such in the Placement Agreement.

"Placement Agreement" means the purchase agreement, dated May 18, 2001, between American and the Placement Agents.

"Purchase Agreement" means the purchase agreement, dated as of the date set forth in Schedule I to the Participation Agreement, entered into with the Manufacturer in relation to the manufacture and sale of the Aircraft.



"Purchase Agreement Assignment" means that certain Purchase Agreement Assignment dated as of the Closing Date between American and the Owner Trustee, in the form of Exhibit XII to the Participation Agreement.

"Rating Agencies" means S&P and Moody's.

"Registration Rights Agreement" means that certain Registration Rights Agreement, dated May 18, 2001, among American, each Pass Through Trustee and the Placement Agents, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Related Indemnitee Group" has the meaning set forth in Section 10(b) (2) of the Participation Agreement.

"Removal Notice" has the meaning set forth in Section 24(b) of the Participation Agreement.

"Renewal Term" has the meaning set forth in Section 20(a) of the Lease.

"Rent" means Basic Rent and Supplemental Rent, collectively.

"Replacement Engine" means a Pratt & Whitney Model JT80-219 engine (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe and compatible for use on the Airframe with the other Engine leased under the Lease) which shall have been substituted under the Lease pursuant to Section 5 or 10(b) of the Lease, together with all Parts relating to such engine.

"Responsible Officer" means, (a) with respect to Lessee, its Chairman of the Board, its President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer or any other management employee (i) whose power to take the action in question has been authorized, directly or indirectly, by the Board of Directors of Lessee, (ii) working under the direct supervision of such Chairman of the Board, President, Senior Vice President, Chief Financial Officer, Vice President or Treasurer and (iii) whose responsibilities include the administration of the transactions and agreements, including the Lease, contemplated by the Participation Agreement and the other Operative Documents, and (b) with respect to the Owner Trustee, any officer in its corporate trust department or any officer customarily performing functions similar to those performed by the persons who at the time shall be such respective officers or to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject.

"Return Conditions" means, with respect to an Aircraft, Annex B to the Participation Agreement.

"Section 1110" means Section 1110 of the Bankruptcy Code, as in effect on the Closing Date or any successor or analogous section of the federal bankruptcy law in effect from time to time.

"Section 1110 Period" has the meaning specified in Section 8.04 of the Indenture.

"Secured Obligations" has the meaning set forth in Section 2.17 of the Indenture.

"Securities Act" means the Securities Act of 1933, as amended.

"Series" means any series of Equipment Notes, including the Series A-1 Equipment Notes, the Series A-2 Equipment Notes, the Series B Equipment Notes, the Series C Equipment Notes, the Series D Equipment Notes, or the Series E Equipment Notes, if any.

"Series A-1 Equipment Notes" means Equipment Notes issued and designated as "Series A-1 Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule II to the Indenture.

"Series A-2 Equipment Notes" means Equipment Notes issued and designated as "Series A-2 Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule II to the Indenture.

"Series B Equipment Notes" means Equipment Notes issued and designated as "Series B Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule II to the Indenture.

"Series C Equipment Notes" means Equipment Notes issued and designated as "Series C Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule II to the Indenture.

"Series D Equipment Notes" means Equipment Notes issued and designated as "Series D Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule II to the Indenture.

"Series E Equipment Notes" means Equipment Notes, if any, issued and designated as "Series E Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule II to the Indenture (or, if the Series E Equipment Notes are issued after the Closing Date, as specified in an amendment to the Indenture at the time of issuance of Series E Equipment Notes).

"S&P" means Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies, Inc.

"Special Structure" has the meaning set forth in Section 20(b) of the Participation Agreement.

"Specified Default" means any event that, with the lapse of time or the giving of notice, or both, would become an Event of Default under Section 14(a), (f), (g), (h) or (i) of the Lease.

"Specified Person" has the meaning specified in Section 11(a) of the Lease.

"State Street" has the meaning set forth in Section 11(d) of the Participation Agreement.

"Stipulated Loss Value" payable with respect to an Event of Loss for the Aircraft means the amount set forth in Schedule B to the Lease opposite the Casualty Loss Determination Date next preceding the Loss Payment Date (or, if the Loss Payment Date occurs on a Casualty Loss Determination Date, by the amount set forth opposite such Casualty Loss Determination Date), provided that during any Renewal Term, "Stipulated Loss Value" shall be determined as provided in Section 20(a) of the Lease.

"Sublease" has the meaning specified in Section 7(a)(ii) of the Lease.

"Subordination Agent" has the meaning specified in the introductory paragraph to the Intercreditor Agreement.

"Successor" has the meaning set out in Section 16(e)(i) of the Participation Agreement.

"Supplemental Rent" means all amounts, liabilities and obligations (other than Basic Rent) which Lessee assumes or is obligated or agrees to pay under the Lease, the Participation Agreement, the Tax Indemnity Agreement, the Lease Supplement or the Purchase Agreement Assignment (or under any other agreement of Lessee expressly providing that amounts, liabilities and obligations which Lessee assumes or is obligated or agrees to pay under the Lease shall be Supplemental Rent) to Lessor or others, including, without limitation, payments of Stipulated Loss Value, Termination Value, any additional amounts payable by Lessor on the Equipment Notes as a result of an increase in the Debt Rate pursuant to Section 2(d) of the Registration Rights Agreement and amounts calculated with reference thereto and Make-Whole Amount, if any, payable in accordance with Section 3(c) of the Lease and any amounts payable by Owner Trustee pursuant to Section 2.14 of the Indenture.

"Tax" or "Taxes" means all governmental or quasi-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, property, personal and real, tangible and intangible taxes), withholdings, assessments,

levies, imposts, duties or charges, of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon or other additions thereto imposed, 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.

"Tax Indemnitee" means the Lessor, Wells Fargo Bank Northwest, National Association, the Owner Participant, the Loan Trustee (in its individual capacity and as the Loan Trustee), the Indenture Estate, the Subordination Agent as, and so long as it is, the registered holder of any Equipment Notes, each Pass Through Trustee as, and so long as it is, the owner of any Equipment Notes and (with respect to matters arising prior to the Closing Date) the Original Loan Participant and the Indenture Trustee (but shall not include any holder of a Pass Through Certificate) and their respective servants, officers, directors, agents and, to the extent provided for in Section 10(c)(8) of the Participation Agreement, affiliates, and the respective successors and permitted assigns of each of the foregoing Persons, but excluding any such Person in its capacity as the manufacturer, supplier or subcontractor of the Aircraft, Airframe, Engines or any Part thereof, and any officer, director, servant, agent, successor, or permitted assign of such Person in such capacity.

"Tax Indemnity Agreement" means the Amended and Restated Tax Indemnity Agreement, dated as of the Closing Date, between Lessee and the Owner Participant, as the same may be modified, amended or supplemented from time to time.

"Term" means the term for which the Aircraft is leased pursuant to Section 3(a) of the Lease except that, during any Renewal Term, "Term" shall also mean such Renewal Term, as specified in Section 20(a) of the Lease.

"Termination Date" has the meaning set forth in Section 9(a) of the Lease.

"Termination Value" for the Aircraft as of any date of determination means the amount set forth in Schedule B to the Lease opposite the Termination Value Determination Date next preceding such date of determination (or, if such date of determination is a Termination Value Determination Date, by the amount set forth opposite such Termination Value Determination Date), provided that during any Renewal Term, "Termination Value" shall be determined as provided in Section 20(a) of the Lease. "Termination Value" for the Airframe or any Engine as of any date of determination means a portion of the Termination Value for the Aircraft, computed as of such date of determination, which bears the same ratio to such Termination Value for the Aircraft as the original cost (as reasonably determined by Lessor after consultation with Lessee and the Manufacturer) to Lessor of the Airframe or such Engine bears to Cost for the Aircraft.

"Termination Value Determination Date" means each of the dates specified in Schedule B which is the same as or immediately precedes the date with respect to which Termination Value is to be determined.

"Transportation Code" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended, or any subsequent legislation that amends, supplements or supersedes such provisions.

"Trust Agreement" means the Amended and Restated Trust Agreement, dated as of the Closing Date, relating to the Aircraft, between the Owner Participant and Lessor (in its individual capacity only as expressly provided therein and otherwise as Owner Trustee), as originally executed or as modified, amended or supplemented pursuant to the applicable provisions thereof and in accordance with the other Operative Documents, including, without limitation, supplementation thereof by one or more Trust Agreement and Indenture Supplements entered into pursuant to the applicable provisions of such Trust Agreement and of the other Operative Documents.

"Trust Estate" means all estate, right, title and interest of the Owner Trustee in and to the Aircraft, the Participation Agreement, the Lease, each Lease Supplement, the Bills of Sale, the Purchase Agreement and the Purchase Agreement Assignment, including, without limitation, all amounts of Basic Rent, Supplemental Rent, insurance proceeds (other than any insurance proceeds payable under liability policies to or for the benefit of the Owner Trustee, for its own account or in its individual capacity, or to the Owner Participant or any Affiliate thereof listed as an additional insured) and requisition, indemnity or other payments of any kind for or with respect to the Aircraft including, without limitation, any and all payments and proceeds received by the Owner Trustee after the termination of the Lease with respect to the Aircraft resulting from the sale, lease or other disposition thereof, subject, however, to the provisions of and the lien created by the Indenture. Notwithstanding the foregoing, "Trust Estate" shall include all of the property, rights and interest of the Owner Trustee subject to the Granting Clause of the Indenture but shall not include any Excepted Property.

"Trustee's Liens" has the meaning specified in Section 9.11 of the Indenture.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

"TWA" means Trans World Airlines, Inc. (together with any predecessors or affiliates).

"TWA Matter" means (i) any responsibility or liability for any act or omission of TWA at any time or for any act, claim, event, circumstance or condition existing, accruing, arising or occurring with respect to (y) the Aircraft, or (z) any agreement with

respect to the Aircraft to which TWA was a party or by which TWA was bound or by which TWA's rights were affected (the "TWA Lease Documents"), in either case at any time at or prior to Commencement Time (any of the foregoing, a "Prior Claim"), (ii) any liability, obligation or indebtedness of TWA with respect to the Aircraft, Airframe or Engines, or otherwise, whether primary or secondary, direct or indirect, including without limitation any and all liabilities and obligations of TWA resulting from, caused by or arising out of, directly or indirectly, any act or omission of TWA, the conduct of its business or ownership or lease of any of its properties or assets (including the Aircraft) or any properties or assets used by TWA at any time, including without limitation such of the foregoing as constitute, may constitute or are alleged to constitute a tort, breach of contract or violation of requirements of any law, (iii) any responsibility for any rental or other payments arising or accruing at any time, or in respect of any period at or prior to Commencement Time, even if the payment date therefor under the TWA Lease Documents would have occurred after Commencement Time, and (iv) any liability for any Prior Claim that results or arises from the execution or performance of the Original Participation Agreement, the Original Lease, the Original Indenture, the Original Notes, the Original Trust Agreement, the Original Tax Indemnity Agreement, or the TWA Assignment, Assumption and Amendment Agreement relating to the Aircraft, dated as of April 9, 2001, provided that "TWA Matter" shall exclude any and all liability or responsibility relating to any death, personal injury or property damage occurring after Commencement Time whether or not resulting from an act, claim, event, circumstance accruing prior to such time.

"U.S." means the United States of America.

"U.S. Government" means the government of the U.S. and any instrumentality or agency thereof.

## RETURN CONDITIONS

The terms of this Annex B (this "Annex") shall apply with respect to the return of the Aircraft to Lessor by or on behalf of Lessee under the Lease, either at the expiration of the Lease Term or upon exercise of Lessor's remedies following an Event of Default.

Capitalized terms used but not defined in this Annex shall have the respective meanings ascribed in the Lease.

## A. RETURN OF AIRCRAFT

Except as otherwise provided in this Annex or in the Lease, upon the termination of the Lease at the end of the Lease Term (including any Renewal Term) or upon exercise of Lessor's remedies following an Event of Default, unless Lessee shall have exercised its option to purchase the Aircraft pursuant to the terms of the Lease, Lessee will return the Aircraft to Lessor by delivering the same, at its own expense, to a location in the 48 contiguous United States which is on Lessee's or American's (if American is not Lessee) route system, as selected by Lessor and reasonably acceptable to Lessee, or, if Lessor has requested storage pursuant to Section G of this Annex, to the location determined in accordance with such Section G. The Aircraft, at the time of return to Lessor, shall be in a configuration suitable for commercial passenger service and shall be fully equipped with two Engines (which may be Replacement Engines owned by Lessee) duly installed thereon. At the time of the return of the Aircraft to Lessor, Lessor and Lessee shall execute a Return Acceptance Supplement in the form of Exhibit A attached hereto.

## B. RETURN OF MANUALS AND DATA

At the time of the return of the Aircraft, Lessee shall deliver or cause to be delivered to Lessor all logs, manuals, certificates and data, and inspection, modification, overhaul and repair records required to be maintained with respect to or in connection with operation of the Aircraft following the Commencement Time under applicable rules and regulations of the FAA or, if the Aircraft is then registered in another country, under applicable rules and regulations of the central civil aviation authority of such country (the "Records"), which shall be in such condition as to allow the Aircraft to be operated under Part 121 of the U.S. Federal Aviation Regulations. The Records shall be in English and shall be returned with the Aircraft in accordance with Part 121.380 and Part 121.380(a) of the U.S. Federal Aviation Regulations. At the time of delivery of the Records pursuant to this Annex, Lessor and Lessee shall execute an Aircraft Documentation Return Receipt in the form of Exhibit B attached hereto.

## C. MODIFICATION KITS

Lessor may request and Lessee shall provide any modification kits or other such items that are on order for the Aircraft, and Lessor shall reimburse Lessee for the cost of

such kits to the extent such kits have been requested by Lessor. Lessee shall be responsible for ordering all no charge kits and, if not incorporated, shall return them to Lessor with the Aircraft at no charge to Lessor.

D. CONDITION OF AIRCRAFT AT RETURN

At the time of return of the Aircraft to Lessor hereunder:

(1) Registration; Certification. The Aircraft will be registered under the laws of the United States with the FAA in the name of Lessor or its designee, provided that Lessee shall be relieved of its obligation to register the Aircraft with the FAA if such registration is prohibited by reason of the failure of Lessor, an owner participant or Lessor's designee to comply with the citizenship or other eligibility requirements for registration of aircraft under the Transportation Code.

The Aircraft shall have a currently effective standard certificate of airworthiness issued by the FAA and shall be in full compliance with the provisions of Part 121 of the U.S. Federal Aviation Regulations and U.S. regulations applicable to the Aircraft's operations for noise, emissions and environment and be eligible for continued registration and operation in the United States under the provisions of such Part 121 with no restrictions, waivers or exemptions.

(2) Compliance with Maintenance Program. The Aircraft shall be in compliance with the Maintenance Program (including the associated corrosion prevention and control program).

(3) Repairs. All repairs that were performed on the Aircraft since delivery of the Aircraft to the Lessee at the Commencement Time and that then exist on the Aircraft shall be permanent and shall have FAA approval if required. All such repairs shall be provided with data and documentation necessary to verify and substantiate their certification (in accordance with FAA-approved criteria) and methods of compliance. Lessee shall keep and maintain a complete summary listing of all repairs performed on the Aircraft after the Commencement Time.

(4) Modifications. All modifications to the Aircraft made after the Commencement Time that have not been removed by Lessee at or prior to the return of the Aircraft shall be in accordance with FAA-approved data. All such modifications shall be provided with data and documentation necessary to substantiate their FAA certification, approval and methods of compliance. Lessee shall keep and maintain a complete summary listing of all modifications performed on the Aircraft after the Commencement Time (it being understood and agreed that nothing set forth in this Annex shall derogate from Lessee's rights and obligations with respect to the alteration and modification of the Aircraft as set forth in the Lease).



(5) Airworthiness Directives and Mandatory Regulations. All FAA airworthiness directives and U.S. Federal Aviation Regulations applicable to the Aircraft (including its systems and components) requiring compliance or terminating compliance on or prior to the expiration of the Lease Term (or, if Lessee has commenced compliance with such directive with respect to any other aircraft affected by such directive and in use by Lessee and, subsequent to any such commencement, the Aircraft is subjected to a maintenance check of the type at which Lessee makes the modification required by such directive in accordance with the Maintenance Program, requiring compliance or terminating compliance within 12 months after the expiration of the Lease Term) shall be accomplished in compliance with the FAA's specific instructions without regard to any alternate means of compliance, waiver or operator exemptions that delay compliance with such FAA airworthiness directives or U.S. Federal Aviation Regulations. Lessee shall provide a current and accurate status report and all hard copy records evidencing, when accomplished, times and cycles and methods of accomplishment with the appropriate signatures or stamps.

(6) RETURN STATUS.

(i) Operating Condition. At the expiration of the Lease Term, the Aircraft shall be in as good an operating and physical condition as when delivered to Lessee at the Commencement Time, ordinary wear and tear excepted, and shall be in such condition, and all modifications and maintenance of the Aircraft after the Commencement Time shall have been performed in such a manner, as to allow the Aircraft to be operated under Part 121 of the Federal Aviation Regulations.

(ii) "C-Check" Time Remaining. The Airframe shall have 100% remaining time (i.e., a full C-Check interval) until its next due "C-Check" under the Maintenance Program, as measured by hour, cycle or calendar day, whichever is applicable and more limiting; provided that Lessee may return the Aircraft with less than 100% remaining time, subject to paying the C-Check Adjustment Amount. The "C-Check Adjustment Amount" shall be calculated by multiplying (A) the difference between (I) the number of hours, cycles or calendar days, as applicable, in a full C-Check interval and (II) the number of hours, cycles or calendar days, as applicable, remaining until the next due C-Check by (B) a fraction (I) the numerator of which is the cost of completing the C-Check in accordance with the Maintenance Program (at Lessee's internal rates with no mark up) at the time of redelivery and (II) the denominator of which is the total number of hours, cycles or calendar days, as applicable, in the applicable C- Check interval.

(iii) Most Comprehensive Structural Refurbishment Time Remaining. The Airframe shall have at least 25% remaining time until its next scheduled most

comprehensive structural refurbishment (referred to as a Heavy C-Check, under the American Airlines maintenance program, or a C4 or C8 (or a succeeding or subsequent check identified by the letter "C" and a multiple of the number "4"), under the TWA maintenance program) ("MCSR"), as measured by hour, cycle or calendar day, whichever is applicable and more limiting; provided that Lessee may return the Aircraft with less than 25% remaining time, subject to paying the MCSR Adjustment Amount. The "MCSR Adjustment Amount" shall be calculated by multiplying (A) the difference between (I) the number of hours, cycles or calendar days, as applicable, representing 25% remaining time until the next MCSR and (II) the number of hours, cycles or calendar days, as applicable, remaining until the next due MCSR by (B) a fraction (I) the numerator of which is the cost of completing the MCSR in accordance with the Maintenance Program (at rates determined by a mutually agreed third party) at time of redelivery and (II) the denominator of which is the total number of hours, cycles or calendar days, as applicable, in the applicable MCSR interval.

(iv) Landing Gear Time Remaining. The installed nose and main landing gears (the "Landing Gear") shall have at least 25% remaining time until the next scheduled overhaul under the Maintenance Program as measured by hour, cycle or calendar day, whichever is applicable and more limiting; provided that Lessee may return the Aircraft with less than 25% remaining time, subject to paying the Landing Gear Adjustment Amount. The "Landing Gear Adjustment Amount" shall be calculated by multiplying (A) the difference between (I) the number of hours, cycles or calendar days, as applicable, representing 25% remaining time until the next Landing Gear overhaul and (II) the number of hours, cycles or calendar days, as applicable, remaining until the next due Landing Gear overhaul by (B) a fraction (I) the numerator of which is the cost of completing the Landing Gear overhaul in accordance with the Maintenance Program (at rates determined by a mutually agreed third party) at time of redelivery and (II) the denominator of which is the total number of hours, cycles or calendar days, as applicable, in the applicable Landing Gear overhaul interval.

(v) Engine Life-Limited Part Cycle Life Remaining. Each life-limited part ("LLP") of the Engines returned with the Aircraft shall have at least 25% remaining of its total cycle life until required replacement under the Maintenance Program; provided that Lessee may return the Aircraft with less than 25% remaining life on an Engine LLP, subject to (i) such Engine LLP having a minimum of 1000 cycles remaining until the next scheduled replacement and (ii) paying the Engine LLP Adjustment Amount. The "Engine LLP Adjustment Amount" shall be calculated by multiplying (A) the difference between (I) the number of cycles representing 25% remaining time until the next required replacement for such Engine LLP and (II) the number of cycles remaining until the next required replacement for such Engine LLP by (B) a fraction (I) the

numerator of which is the price of replacing the relevant part with a new part pursuant to the Engine manufacturer's new part price listing in effect at the time of return of the Aircraft and (II) the denominator of which is the number of cycles in the new part's total life.

(vi) Engines Time Remaining. Each Engine returned with the Aircraft will have at least 25% remaining time under the Maintenance Program until the next required performance restoring major refurbishment (based on Lessee's mean time between such refurbishments for engines of the same type operated by Lessee) as measured by hour, cycle or calendar day, whichever is applicable and more limiting; provided that Lessee may return the Aircraft with less than 25% remaining time on an Engine, subject to (i) such Engine having a minimum of twelve months or 1000 cycles, whichever is more limiting, remaining until the next scheduled performance restoring major refurbishment under the Maintenance Program and (ii) paying the Engine Major Refurbishment Adjustment Amount. The "Engine Major Refurbishment Adjustment Amount" shall be calculated by multiplying (A) the difference between (I) the number of hours, cycles or calendar days, as applicable, representing 25% remaining time until the next required major refurbishment of such Engine and (II) the number of hours, cycles or calendar days, as applicable, remaining until the next required major refurbishment for such Engine by (B) a fraction (I) the numerator of which is the cost of completing the major engine refurbishment in accordance with the Maintenance Program (at rates determined by a mutually agreed third party) and (II) the denominator of which is the number of hours, cycles or calendar days, as applicable, in the applicable major refurbishment interval.

(vii) Engine Borescope Inspection. A full cold and hot section video borescope inspection in accordance with the Maintenance Program and a full on-wing power assurance run in accordance with the Maintenance Program shall have been performed by Lessee, at Lessee's expense, for each Engine in the presence of a representative of Lessor prior to return of the Aircraft, and Lessee shall have corrected, at Lessee's expense, discrepancies found during such inspections that are determined to be outside the limits permitted by the Maintenance Program.

(viii) APU. The auxiliary power unit of the Aircraft ("APU") shall be in good operating condition. An on-aircraft hot section inspection (video borescope) and an operational check in accordance with the Maintenance Program shall have been performed by Lessee on the APU in the presence of a representative of Lessor prior to return of the Aircraft, and Lessee shall have repaired or replaced, at Lessee's expense, any watch items or unserviceable or reject conditions revealed by such borescope inspection.

(7) Deferred Maintenance. There shall be no deferred maintenance items, scheduled or unscheduled, or watch items or items requiring repetitive inspections against the Aircraft, including those identified in pre-delivery inspections or test flights, that are outside of the limits established by the Maintenance Program.

(8) General Appearance. The Aircraft shall be clean by U.S. commercial airline standards and shall be in suitable condition to be placed into U.S. scheduled revenue airline operations under Part 121 of the U.S. Federal Aviation Regulations.

(9) Fuel. Lessee shall have no obligation with respect to the amount of fuel or oil contained in the fuel or oil tanks of the Aircraft and all fuel or oil remaining on board the Aircraft at the time of its return hereunder shall be the property of Lessor without charge.

(10) Special Markings. All internal and external airline designation markings appearing on the Aircraft shall have been removed or painted over in a workmanlike manner.

E. PRE-RETURN INSPECTIONS

Immediately prior to the redelivery of the Aircraft, Lessee shall make the Aircraft available to Lessor for an inspection that shall include ground functional checks to verify compliance with the return conditions set forth in this Annex and, at Lessor's request, a two-hour demonstration flight of the Aircraft for the purpose of demonstrating the satisfactory operation of the Aircraft, conducted by Lessee using Lessee's usual test flight procedures. Lessor shall be permitted to have up to three representatives to be direct observers of the demonstration flight. The cost of the demonstration flight shall be paid by Lessee. In the event that the demonstration flight reveals any operational discrepancies that are determined to be outside the limits permitted by the Maintenance Program or other items or conditions that would prevent the Aircraft from meeting the return conditions specified in this Annex, Lessee will correct, at Lessee's expense, such discrepancies, items or conditions. Lessor and such Lessor's representatives shall execute and deliver to Lessee prior to such demonstration flight releases and waivers of liability in form and substance reasonably satisfactory to Lessee. Any inspection or demonstration flight shall be subject to the confidentiality provisions set forth in the Lease with respect to inspections of the Aircraft.

F. NO LIENS

At the time of return of the Aircraft, it shall be free and clear of all Liens other than Lessor's Liens and Permitted Liens referred to in clause (i) (other than with respect to any rights of Lessee) or (viii) of the definition thereof.

G. STORAGE UPON RETURN

Upon written request of Lessor received at least 30 days prior to the end of the Lease Term, Lessee will provide Lessor with storage facilities and maintenance services for the Aircraft for a period not exceeding 90 days at such location in the continental United States as selected by Lessee. Any storage facilities provided by Lessee for the Aircraft pursuant to this Section G shall, in all cases, be at the cost to Lessor of insurance and at Lessor's risk of loss. In exchange for the maintenance and storage services described in this Section G, Lessee will charge Lessor, and Lessor will pay to Lessee, Lessee's rates customarily charged to third parties for similar maintenance and storage services.

H. REPLACEMENT ENGINES

Lessee shall have the right to substitute an existing Engine with a Replacement Engine at the time of return as long as such Replacement Engine is of the same or better value, utility and modification level as the existing Engine (taking into account the number of hours, cycles or calendar days, as applicable, since the relevant engine's last major refurbishment). In the event that a Replacement Engine meeting the value, utility and modification level requirements of the immediately preceding sentence and not owned by Lessor shall be delivered with the Airframe at the time of return, Lessee, at its own expense, concurrently with such delivery, will furnish Lessor with a warranty (as to title) bill of sale (which warranty shall except Lessor's Liens and Permitted Liens of the type described in clause (viii) of the definition thereof) with respect to such Replacement Engine, and Lessor will transfer to Lessee, without recourse or warranty (except as to Lessor's Liens and Permitted Liens of the type described in clause (viii) of the definition thereof), all Lessor's right, title and interest in and to an Engine constituting part of the Aircraft but not installed on the Airframe at the time of the return of the Airframe.

I. PAYMENT MECHANICS

Any payments required to be made pursuant to this Annex shall be made in U.S. dollars in immediately available funds to such bank account as is designated by the payee.

EXHIBITS TO ANNEX B

Exhibit A: Return Acceptance Supplement

Exhibit B: Aircraft Documentation Return Receipt

EXHIBIT A TO ANNEX B

RETURN ACCEPTANCE SUPPLEMENT

Dated \_\_\_\_\_

to Lease No. \_\_\_\_\_

Relating to Model \_\_\_\_\_ Aircraft  
between

-----

(LESSOR)  
and

-----

(LESSEE)

This Return Acceptance Supplement is executed by the parties hereto to confirm that on the date of this Return Acceptance Supplement at \_\_\_\_\_ [time] the following described Aircraft:

Manufacturer .....

Model .....

Manufacturer's Serial No. ....

Aircraft Hours and Cycles ..... (See Attachment 1)

including the following described Engines installed thereon:

Manufacturer's  
Manufacturer  
Make and  
Model Serial  
No. - -----  
-----  
-----  
-----

was delivered by Lessee to Lessor.

This Return Acceptance Supplement is intended to be delivered by Lessor to Lessee in \_\_\_\_\_ .

IN WITNESS WHEREOF, the parties hereto have caused this Return  
Acceptance Supplement to be executed by their duly authorized representatives as  
of the day and year first above written.

-----  
(LESSEE)

-----  
(LESSOR)

By -----

By -----

Its -----

Its -----

ATTACHMENT 1: "Aircraft Hours and Cycles"



ATTACHMENT 1 TO  
RETURN ACCEPTANCE SUPPLEMENT

AIRCRAFT HOURS AND CYCLES  
AS OF \_\_\_\_\_  
MODEL \_\_\_\_\_ AIRCRAFT

REGISTRATION MARKINGS	-----	SERIAL NUMBER	-----
A. AIRFRAME:			
Aircraft Total Time (Hours) .....			-----
Aircraft Total Landings (Cycles) .....			-----
Aircraft (and Engine) "C" Check-- Hours/Cycles/Days since last check ....			-----
Aircraft (and Engine) "MCSR"-- Hours/Cycles/Days since last MCSR .....			-----

B. ENGINES--MODEL:

Hours/Cycles/Days  
Cycles To Next  
Required To Next  
Total  
Performance  
Replacement of  
Serial Engine  
Total Restoring  
Major Lowest  
Life Position  
Number Cycles  
Time  
Refurbishment  
Limited Part - -  
-----  
-----  
-----  
----- 1 2

ATTACHMENT 1 TO  
RETURN ACCEPTANCE SUPPLEMENT

C. APU - MODEL:

Total  
Serial  
Number  
Hours/Cycles  
-----  
-----  
-----

D. LANDING GEAR:

Hours/Cycles/Days  
Serial Number  
Hours/Cycles To  
Next Overhaul --  
-----  
-----  
----- Nose  
Landing Gear  
Left Main Gear  
Right Main Gear

EXHIBIT B TO ANNEX B

AIRCRAFT DOCUMENTATION RETURN RECEIPT

\_\_\_\_\_ ("Lessee"), a [Delaware] \_\_\_\_\_, and  
\_\_\_\_\_ ("Lessor"), a \_\_\_\_\_, hereby  
confirm the return delivery by Lessee and receipt by Lessor of the Aircraft  
Documentation listed on Attachment 1 hereto and made a Part hereof, on  
\_\_\_\_\_, in \_\_\_\_\_, at \_\_\_\_\_ local time.  
[Lessor is executing this return receipt pursuant to the instructions of  
\_\_\_\_\_, a \_\_\_\_\_ ("Owner Participant"), such  
instructions attached hereto as Attachment 2.]

-----  
(LESSEE)

-----  
(LESSOR)

By \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Its \_\_\_\_\_

ATTACHMENTS (2)

AIRCRAFT DOCUMENTATION

Identification  
Title Number  
Quantity

-----  
AMENDED AND RESTATED

TRUST AGREEMENT

Dated as of May 24, 2001

between

THAYER LEASING COMPANY-1,  
As Owner Participant

and

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION,  
Individually and as Owner Trustee

-----  
One aircraft of the make and model and bearing  
U.S. Registration Number and Manufacturer's  
Serial Number listed on Schedule A hereto.

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TABLE OF CONTENTS

Page Parties

.....

1 ARTICLE I DEFINITIONS AND TERMS 1 Section 1.1. Certain	
Definitions.....	1 ARTICLE II
AUTHORITY TO EXECUTE CERTAIN OPERATIVE DOCUMENTS; DECLARATION OF TRUST 1 Section 2.1. Authority to	
Execute Documents.....	1 Section 2.2.
Declaration of Trust.....	1 ARTICLE
III ACTIONS AT CLOSING TIME 2 Section 3.1. Actions at Closing	
Time.....	2 Section 3.2. Conditions
Precedent.....	2 ARTICLE IV PAYMENTS
AND DISTRIBUTIONS 2 Section 4.1. Payments from Trust Estate	
Only.....	2 Section 4.2. Method of
Payment.....	2 Section 4.3.
Distribution of Payments. (a).....	2 Section
4.4. Certain Distributions to Owner Participant.....	3
Section 4.5. Multiple Owner	
Participants.....	3 ARTICLE V DUTIES OF THE
OWNER TRUSTEE 3 Section 5.1. Action Upon	
Instructions.....	3 Section 5.2. Notice of
Event of Default.....	4 Section 5.3.
Indemnification.....	4 Section
5.4. No Duties Except as Specified in Trust Agreement or Instructions.....	4
Section 5.5. No Action Except Under Specified Documents or	
Instructions.....	5 Section 5.6. Fixed Investment
Trust.....	5 ARTICLE VI THE OWNER
TRUSTEE 5 Section 6.1. Acceptance of Trusts and	
Duties.....	5 Section 6.2. Absence of Certain
Duties; Furnishing of Documents.....	6 Section 6.3. No
Representations or Warranties as to Certain Matters.....	6 Section 6.4.
No Segregation of Moneys Required.....	7 Section
6.5. Reliance Upon Certificates, Counsel and Agents.....	7
Section 6.6. Not Acting in Individual	
Capacity.....	8 Section 6.7. Fees;
Compensation.....	8 Section 6.8. Tax
Returns.....	8 ARTICLE VII
INDEMNIFICATION OF THE BANK BY OWNER PARTICIPANT 9 Section 7.1. Owner Participant to Indemnify the	
Bank.....	9

Page ARTICLE VIII TRANSFER OF AN OWNER PARTICIPANT'S INTEREST 10 Section 8.2. Actions of Owner Participants.....10 ARTICLE IX SUCCESSOR OWNER TRUSTEES; CO-OWNER TRUSTEES; AND SEPARATE OWNER TRUSTEES 10 Section 9.1. Resignation of Owner Trustee; Appointment of Successor.....10 Section 9.2. Co-Trustees and Separate Trustees. (a).....11 ARTICLE X SUPPLEMENTS AND AMENDMENTS TO TRUST AGREEMENT AND OTHER DOCUMENTS 13 Section 10.1. Supplements and Amendments and Delivery Thereof.....13 Section 10.2. Discretion as to Execution of Documents.....13 Section 10.3. Absence of Requirements as to Form.....14 Section 10.4. Distribution of Documents.....14 Section 10.5. No Request Needed as to Lease Supplement and Trust Indenture Supplement.....14 ARTICLE XI MISCELLANEOUS 14 Section 11.1. Termination of Trust Agreement.....14 Section 11.2. Owner Participant Has No Legal Title to Trust Estate.....15 Section 11.3. Assignment, Sale, etc. of Aircraft.....15 Section 11.4. Trust Agreement for Benefit of Certain Parties Only.....15 Section 11.5. Citizenship of Owner Participant.....16 Section 11.6. Notices.....16 Section 11.7. Severability.....16 Section 11.8. Waivers, etc.....16 Section 11.9. Counterparts.....16 Section 11.10. Binding Effect, etc.....16 Section 11.11. Headings; References.....17 Section 11.12. GOVERNING LAW.....17 Section 11.13. Performance by Owner Participant.....17 Section 11.14. Limitation on Owner Participant's Liability.....17

Schedule A - Aircraft Description

AMENDED AND RESTATED TRUST AGREEMENT

AMENDED AND RESTATED TRUST AGREEMENT dated as of May 24, 2001 between THAYER LEASING COMPANY-1, a Delaware corporation (the "Owner Participant"), and WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION (formerly First Security Bank, National Association), a national banking association (in its individual capacity, the "Bank", and otherwise not in its individual capacity but solely as trustee hereunder, and with its permitted successors and assigns called the "Owner Trustee") amending and restating that certain Trust Agreement dated as of April 9, 2001 between Owner Participant and First Security Bank, National Association, a national banking association, filed with the FAA on April 9, 2001 and pertaining to the Aircraft described on Schedule A hereto;

WITNESSETH:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.1. Certain Definitions. Unless the context shall otherwise require, the capitalized terms used herein shall have the respective meanings assigned to them in Annex A to the Amended and Restated Lease Agreement relating to the lease of the aircraft specified on Schedule A hereto, dated as of the date hereof, among American Airlines, Inc., as Lessee and the Owner Trustee, as Lessor, as amended, modified or supplemented from time to time, which Annex A also contains rules of usage which shall apply herein.

ARTICLE II

AUTHORITY TO EXECUTE CERTAIN OPERATIVE DOCUMENTS; DECLARATION OF TRUST

Section 2.1. Authority to Execute Documents. The Owner Participant hereby authorizes and directs the Owner Trustee and the Owner Trustee hereby agrees for the benefit of the Owner Participant (i) on and after the Closing Date, to execute and deliver the Operative Documents to which the Owner Trustee is a party and any other agreements, instruments or documents to which the Owner Trustee is a party in the respective forms thereof delivered from time to time by the Owner Participant to the Owner Trustee for execution and delivery, (ii) subject to the terms hereof, to exercise its rights and perform its duties under the documents referred to in this Section 2.1 in accordance with the terms thereof and (iii) subject to the terms of this Agreement, to take such other action in connection with the foregoing as the Owner Participant may from time to time direct.

Section 2.2. Declaration of Trust. The Bank hereby declares that it will hold the Trust Estate upon the trusts hereinafter set forth for the use and benefit of the Owner Participant, subject, however, to the Lien of the Indenture.



ARTICLE III

ACTIONS AT CLOSING TIME

Section 3.1. Actions at Closing Time. The Owner Participant hereby authorizes and directs the Owner Trustee to, and the Owner Trustee agrees for the benefit of the Owner Participant that at or after the time of the Closing, it will, subject to due compliance with the terms of Section 3.2 hereof take such actions as are required of the Owner Trustee hereunder or under the Indenture, the Participation Agreement or the Lease.

Section 3.2. Conditions Precedent. The rights and obligations of the Owner Trustee to take the actions required by Section 3.1 hereof shall be subject to (a) the conditions precedent enumerated in the Indenture, the Participation Agreement and the Lease and (b) Owner Participant having notified Owner Trustee that the terms and conditions of Section 4 of the Participation Agreement, insofar as they relate to conditions precedent to performance by Owner Participant of its obligations thereunder, have been either fulfilled to the satisfaction of, or waived by, Owner Participant.

ARTICLE IV

PAYMENTS AND DISTRIBUTIONS

Section 4.1. Payments from Trust Estate Only. All payments to be made by the Owner Trustee under this Agreement shall be made only from the income and the proceeds from the Trust Estate and only to the extent that the Owner Trustee shall have received income or proceeds from the Trust Estate, except as specifically provided in Section 6.1. The Owner Participant agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for payment as herein provided and that, except as specifically provided herein, the Owner Trustee is not liable in its individual capacity to the Owner Participant for any amounts payable under this Agreement and is not subject to any liability in its individual capacity under this Agreement except as set forth in Article VI.

Section 4.2. Method of Payment. Owner Trustee shall make distributions or cause distributions to be made to Owner Participant pursuant to this Section 4 by transferring the amount to be distributed by wire transfer in immediately available funds on the day received (or on the next succeeding Business Day if the funds to be so distributed shall not have been received by Owner Trustee by 12:00 noon, New York City time, and which funds Owner Trustee shall not have been reasonably able to distribute to Owner Participant on the day received) to Owner Participant's account set forth in Schedule I to the Participation Agreement or to such other account or accounts of Owner Participant as Owner Participant may designate from time to time in writing to Owner Trustee; provided, that Owner Trustee shall use reasonable efforts to invest overnight, all funds received by it at or later than 12:00 noon, New York City time, and which funds Owner Trustee shall not have been reasonably able to distribute to Owner Participant on the day received).

Section 4.3. Distribution of Payments. (a) Until the Indenture shall have been discharged pursuant to Section 13.01 thereof, all Basic Rent, Supplemental Rent, insurance proceeds and requisition or other payments of any kind included in the Trust Estate (other than

Excepted Property) payable to Owner Trustee shall be payable directly to Loan Trustee (and, if any of the same are received by Owner Trustee, shall upon receipt be paid over to loan Trustee without deduction, set-off or adjustment of any kind) for distribution in accordance with the provisions of Article III of the Indenture; provided, that any payments received by Owner Trustee from (a) Lessee with respect to Owner Trustee's fees and disbursements or (b) Owner Participant pursuant to Article 7, shall not be paid over to Loan Trustee, but shall be retained by Owner Trustee and applied toward the purpose for which such payments were made.

(b) Subject to the terms and requirements of the Indenture (prior to the discharge thereof), all payments and amounts received by the Owner Trustee, if any, shall be distributed forthwith upon receipt in the following order of priority: first, so much of such payment or amount as shall be required to reimburse the Owner Trustee for any fees or expenses not reimbursed by the Owner Participant as to which the Owner Trustee is entitled to be reimbursed hereunder shall be retained by the Owner Trustee; and, second, the balance, if any, of such payment or amount remaining thereafter shall be distributed to the Owner Participant.

Section 4.4. Certain Distributions to Owner Participant. All amounts from time to time distributable by Loan Trustee to Owner Participant pursuant to the Indenture shall, if paid to Owner Trustee, be distributed by Owner Trustee to Owner Participant in accordance with the provisions of Article 3 of the Indenture; provided, that any payments received by Owner Trustee from (a) Lessee with respect to Owner Trustee's fees and disbursements or (b) Owner Participant pursuant to Section 7.1 shall not be paid over to Owner Participant but shall be retained by Owner Trustee and applied toward the purpose for which such payments were made.

Section 4.5. Multiple Owner Participants. If, as a result of a transfer by Owner Participant under Section 8.1, there is more than one Owner Participant under this Trust Agreement, each such Owner Participant shall hold in proportion to its respective beneficial interest in the Trust Estate an undivided beneficial interest in the entire Trust Estate and is entitled to receive ratably with any other Owner Participant payments distributable by Owner Trustee under this Trust Agreement. No Owner Participant shall have legal title to the Aircraft or any other portion of the Trust Estate.

#### ARTICLE V

##### DUTIES OF THE OWNER TRUSTEE

Section 5.1. Action Upon Instructions. Subject to the terms of Section 5.2 hereof and the terms of the other Operative Documents, upon the written instructions at any time and from time to time of the Owner Participant, the Owner Trustee will take or refrain from such of the following actions, as may be specified in such instructions: (a) give such notice or direction or exercise such right, remedy or power hereunder or under any of the Operative Documents to which the Owner Trustee is a party or in respect of all or any part of the Trust Estate, or take such other action, as shall be specified in such instructions; (b) take such action to preserve or protect the Trust Estate (including the discharge of Liens) as may be specified in such instructions; (c) approve as satisfactory to it all matters required by the terms of the Lease or the other Operative Documents to be satisfactory to the Owner Trustee, it being understood that without written instructions of the Owner Participant, the Owner Trustee shall not approve any such matter as satisfactory to it; and (d) after the expiration or earlier termination of the Lease,

convey all of the Owner Trustee's right, title and interest in and to the Aircraft for such amount, on such terms and to such purchaser or purchasers as shall be designated in such instructions, or retain, lease or otherwise dispose of, or from time to time take such other action with respect to, the Aircraft on such terms as shall be designated in such instructions.

Section 5.2. Notice of Event of Default.

(a) If Owner Trustee shall have knowledge of a Specified Default or an Event of Default or an Indenture Default or an Indenture Event of Default, Owner Trustee shall give to Owner Participant, Loan Trustee and Lessee prompt telephonic notice thereof followed by prompt confirmation thereof by certified mail, postage prepaid; provided, that (i) in the case of an event which with the passage of time would constitute an Indenture Event of Default of the type referred to in paragraph (c), (d) or (i) of Section 8.01 of the Indenture, such notice shall in no event be furnished later than ten days after Owner Trustee shall first have knowledge of such event and (ii) in the case of a misrepresentation by Owner Trustee which with the passage of time would constitute an Indenture Event of Default of the type referred to in Section 8.01(e) of the Indenture, such notice shall in no event be furnished later than ten days after Owner Trustee shall first have knowledge of such event.

(b) Subject to the terms of Section 5.4, Owner Trustee shall take such action or shall refrain from taking such action, not inconsistent with the provisions of the Indenture, with respect to such Specified Default, Event of Default, Indenture Default or Indenture Event of Default or other event as Owner Trustee shall be directed in writing by Owner Participant. For all purposes of this Trust Agreement, the Lease and the other Operative Documents, in the absence of actual knowledge of Owner Trustee, Owner Trustee shall not be deemed to have knowledge of a Specified Default, Event of Default, Indenture Default or Indenture Event of Default unless notified in writing by Loan Trustee, Owner Participant or Lessee.

Section 5.3. Indemnification. The Owner Trustee shall not be required to take any action under Section 5.1 hereof or under Section 5.2 (other than the giving of the notices referred to therein) hereof if Owner Trustee shall reasonably believe that it is not adequately indemnified by the Owner Participant under Article VII hereof, unless the Owner Trustee shall have been indemnified by the Owner Participant, in manner and form reasonably satisfactory to the Owner Trustee, against any liability, cost or expense (including reasonable counsel fees and disbursements) which may be incurred in connection therewith other than any such liability, cost or expense for which the Owner Trustee is answerable or accountable pursuant to the third sentence of Section 6.1 hereof. The Owner Trustee shall not be required to take any action under Section 5.1 hereof or under Section 5.2 (other than the giving of the notices referred to therein) hereof if the Owner Trustee shall reasonably determine, or shall have been advised by counsel, that such action is contrary to the terms of any of the Operative Documents to which the Owner Trustee is a party, or is otherwise contrary to law, and the Owner Trustee in such case shall deliver promptly to the Owner Participant written notice of the basis of its refusal to act.

Section 5.4. No Duties Except as Specified in Trust Agreement or Instructions. The Owner Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with the Aircraft or any other part of the Trust Estate, or to otherwise take or refrain from taking any action under, or in connection with, any of the Operative Documents to which the Owner Trustee is a party, except as expressly required by the terms of any of the

Operative Documents to which the Owner Trustee is a party, or as expressly provided by the terms hereof or in a written instruction from the Owner Participant received pursuant to the terms of Section 5.1 or 5.2, and no implied duties or obligations shall be read into this Agreement against the Owner Trustee. Notwithstanding anything to the contrary contained in this Agreement, the Bank agrees that it will, at its own cost or expense (but without any right of indemnity in respect of any such cost or expense under Section 7.1 hereof or under the Participation Agreement), promptly take such action as may be necessary duly to discharge and satisfy in full any Liens on any part of the Trust Estate attributable to the Bank which it is required to discharge pursuant to the Participation Agreement. The Bank agrees to indemnify, protect, save and keep harmless the Owner Participant from and against any loss, cost or expense (including reasonable counsel fees and disbursements) incurred by the Owner Participant as a result of the imposition or enforcement of any such Lien against the Aircraft, any interest herein or on any part of the Trust Estate resulting from any Lien attributable to the Bank.

Section 5.5. No Action Except Under Specified Documents or Instructions. The Owner Trustee agrees that it shall have no right, power or authority to, and it will not manage, control, use, sell, dispose of or otherwise deal with the Aircraft or any other part of the Trust Estate except (a) as expressly required by the terms of any of the Operative Documents to which the Owner Trustee is a party, (b) as expressly provided by the terms hereof, or (c) as expressly provided in written instructions from the Owner Participant pursuant to Section 5.1 or 5.2 hereof, but subject always to the provisions of the Indenture, the Lease and the Participation Agreement.

Section 5.6. Fixed Investment Trust. Notwithstanding anything in this Trust Agreement to the contrary, the Owner Trustee shall not be authorized and shall have no power to "vary the investment" of the Owner Participant within the meaning of Treasury Regulations Section 301.7701-4(c)(1), it being duly understood that Owner Trustee shall have the power and authority to fulfill Owner Participant's obligations under Section 4.2 hereof and Section 25 of the Lease.

#### ARTICLE VI

##### THE OWNER TRUSTEE

Section 6.1. Acceptance of Trusts and Duties. The Bank accepts the trusts hereby created and agrees to perform the same as Owner Trustee but only upon the terms hereof and of the Indenture applicable to it. The Owner Trustee also agrees to receive and disburse all moneys received by it constituting part of the Trust Estate pursuant to the terms hereof. The Bank shall not be answerable or accountable under any circumstances, except (a) for its own willful misconduct or gross negligence, (b) for performance of the terms of the last sentence of Section 5.4 hereof, (c) for its or the Owner Trustee's failure to use ordinary care to comply with the first sentence of Section 6.8 or to receive, disburse or invest funds in accordance with the terms hereof or the Lease or for any negligence or willful misconduct of the Owner Trustee arising out of its obligations under Section 5.1 hereof, (d) for liabilities that may result from the inaccuracy of any representation or warranty of it, or from the failure by it to perform any covenant, in any Operative Document to which it is a party, (e) for taxes, fees or other charges on, based on or measured by any fees, commissions or other compensation received by the Bank as compensation for its services rendered as the Owner Trustee, (f) its or Owner Trustee's failure

to use ordinary care in receiving or disbursing funds or in connection with its obligation to invest funds pursuant to Section 25 of the Lease or Section 4.2 hereof, or (g) for any liability on the part of Owner Trustee arising out of its negligence or willful or negligent misconduct in connection with its obligations under Section 5.2 hereof (other than paragraph (a) thereof), 6.8 or 9.2 or under Section 4.01 of the Indenture. The Bank shall have no obligation to advance its individual funds for any purpose, and Owner Trustee shall have no obligation to distribute to Owner Participant, Lessee or any third party any amounts to be paid to Owner Trustee until such amounts are collected by Owner Trustee.

Section 6.2. Absence of Certain Duties; Furnishing of Documents.

(a) Except in accordance with written instructions furnished pursuant to Section 5.1 or 5.2 hereof and except as otherwise provided herein or in any other Operative Document to which the Bank or the Owner Participant is a party, neither Owner Trustee nor the Bank shall have any duty (i) to see to any recording or filing of any Operative Document or of any supplement to any thereof or to see to the maintenance of any such recording or filing or any other filing of reports with the FAA or other governmental agencies, except that of the Bank to comply with the FAA reporting requirements set forth in 14 C.F.R. ss. 47.45 and 14 C.F.R. ss. 47.51, and Owner Trustee shall, to the extent that information for that purpose is timely supplied by Lessee pursuant to any of the Operative Documents, complete and timely submit (and furnish Owner Participant with a copy of) any and all reports relating to the Aircraft that may from time to time be required by the FAA or any government or governmental authority having jurisdiction, (ii) to see to any insurance on the Aircraft or to effect or maintain any such insurance, whether or not Lessee shall be in default with respect thereto, other than to forward to Owner Participant copies of all reports and other written information which Owner Trustee receives from Lessee pursuant to Section 11 of the Lease, (iii) except as provided in Section 12(c) of the Participation Agreement, Section 4.01 of the Indenture or Section 5.4 or 6.1 hereof, to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to or assessed or levied against any part of the Trust Indenture Estate or the Trust Estate, or (iv) to inspect Lessee's books and records with respect to the Aircraft at any time permitted pursuant to the Lease.

(b) Notwithstanding Section 6.2(a), the Owner Trustee will furnish to the Owner Participant, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Owner Trustee under the Lease or any other Operative Document, unless the same are required to be furnished directly to the Owner Participant by the Lessee pursuant to any Operative Document.

Section 6.3. No Representations or Warranties as to Certain Matters.

NEITHER THE OWNER TRUSTEE NOR THE BANK MAKES OR SHALL BE DEEMED TO HAVE MADE (a) ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, AIRWORTHINESS, VALUE, CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE AIRCRAFT OR ANY PART THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR AS TO THE ABSENCE OF ANY STRICT LIABILITY OBLIGATION OR ANY OTHER

REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT OR ANY PART THEREOF WHATSOEVER, except that the Bank represents and warrants that at the time of the Closing the Owner Trustee has whatever title was conveyed to it by the Manufacturer and that the Aircraft shall, during the Term be free of any Liens attributable to the Bank, and (b) any representation or warranty as to the validity, legality or enforceability of this Agreement or any Operative Document to which the Owner Trustee or the Bank, is a party, or any other document or instrument, or as to the correctness of any statement contained in any thereof except (x) to the extent that any such statement is expressly made herein or therein by such party as a representation by the Bank or the Owner Trustee, and (y) the Bank hereby represents and warrants that it has all corporate power and authority to execute, deliver and perform this Agreement and that this Agreement constitutes the legal, valid and binding obligation of the Bank or the Owner Trustee, as the case may be, and is enforceable against the Bank or Owner Trustee, as the case may be, in accordance with its terms and has been, and (assuming due authorization, execution and delivery by the Owner Participant of this Agreement) the Operative Documents to which it or the Owner Trustee is a party have been (or at the time of execution and delivery of any such instrument by it or the Owner Trustee hereunder or pursuant to the terms of the Participation Agreement that such an instrument will be) duly executed and delivered by one of its officers who is or will be, as the case may be, duly authorized to execute and deliver such instruments on behalf of itself or the Owner Trustee, as the case may be.

Section 6.4. No Segregation of Moneys Required. Except as provided herein or in the Indenture, moneys received by the Owner Trustee hereunder need not be segregated in any manner except to the extent required by law, and may be deposited under such general conditions as may be prescribed by law, or except as provided in written instructions from the Owner Participant, and shall be invested as provided in Section 4.2 hereof or Section 25 of the Lease.

Section 6.5. Reliance Upon Certificates, Counsel and Agents. The Owner Trustee shall incur no liability to anyone in acting in good faith in reliance 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. Unless other evidence in respect thereof is specifically prescribed herein, any request, direction, order or demand of the Owner Participant or Lessee mentioned herein or in any of the Operative Documents to which the Owner Trustee is a party shall be sufficiently evidenced by written instruments signed by a person purporting to be the Chairman of the Board, the President, any Vice President or any other officer and in the name of the Owner Participant or Lessee, as the case may be. The Owner Trustee may accept a copy of a resolution of the Board of Directors or Executive Committee of Lessee, certified by the Secretary or an Assistant Secretary of Lessee as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted by said Board or Committee 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 Owner Trustee may, absent actual knowledge to the contrary, for all purposes hereof rely on a certificate signed by a person purporting to be the Chairman of the Board, the President, any Vice President or any other officer of Lessee or Owner Participant, as to such fact or matter, and such certificate shall constitute full protection to the Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of trusts hereunder, the Owner Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and

may consult with counsel, accountants and other skilled persons to be selected and employed by it in each case other than persons regularly employed by it. The Owner Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the written advice or opinion of any such counsel, accountants or other skilled persons.

Section 6.6. Not Acting in Individual Capacity. In executing the trust established hereby the Bank acts in its individual capacity, otherwise the Owner Trustee acts solely as trustee and not in its individual capacity except as otherwise expressly provided herein or in any other Operative Document; and, except as may be otherwise expressly provided in this Agreement or any other Operative Document to which the Owner Trustee is a party, all Persons, other than the Owner Participant, as provided herein or in the Indenture, having any claim against the Owner Trustee by reason of the transactions contemplated hereby and thereby shall look only to the Trust Estate for payment or satisfaction thereof.

Section 6.7. Fees; Compensation. The Owner Trustee shall receive from the Owner Participant as compensation for the Owner Trustee's services hereunder such fees, including extraordinary fees, as may heretofore and from time to time hereafter be agreed upon by the Owner Trustee and the Owner Participant, including the fees described in Section 12(a) of the Participation Agreement, and the Owner Trustee shall be reimbursed by the Owner Participant for all reasonable costs and expenses incurred or made by it in accordance with this Agreement. The Owner Trustee shall have a lien on the Trust Estate, prior to any interest therein of the Owner Participant, to secure payment of such fees and expenses.

Section 6.8. Tax Returns. The Owner Trustee shall be responsible for the keeping of all appropriate books and records relating to the receipt and disbursement of all moneys received by it under this Agreement or any agreement contemplated hereby. At the request of the Owner Participant, the Owner Trustee agrees to file an application with the Internal Revenue Service for a taxpayer identification number with respect to the trust created by this Agreement. Upon request of the Owner Participant and at the expense of the Owner Participant, the Owner Trustee shall prepare, execute and file all income tax reports or returns required to be filed with respect to the trusts created hereby. The Owner Participant shall be responsible for causing to be prepared and filed all income tax returns required to be filed by the Owner Participant. Upon request, the Owner Trustee and the Owner Participant will provide each other with such instruments, documents, certificates or other information as is reasonably required in connection with the preparation of any such tax report or return. Each party hereto, upon request, will furnish the other party with all such information as may be reasonably required from any such other party in connection with the preparation of such income tax returns. The Owner Trustee shall keep copies of all returns delivered to it. The Owner Trustee (i) shall deliver to the Owner Participant a completed copy of any return requested to be prepared and filed by it not more than 60 and not less than 15 days prior to the due date of such return and (ii) agrees to forward to the Owner Participant in accordance with the provisions of Section 11.5 any communications with respect to taxes pertaining to the Trust Estate which are received by the Owner Trustee.

ARTICLE VII

INDEMNIFICATION OF THE BANK  
BY OWNER PARTICIPANT

Section 7.1. Owner Participant to Indemnify the Bank. The Owner Participant hereby agrees whether or not any of the transactions contemplated hereby shall be consummated, to assume liability for, and hereby indemnify, protect, save and keep harmless the Bank and its successors, assigns, legal representatives, agents and servants, from and against any and all Claims which may be imposed on, incurred by or asserted against the Bank, whether or not also indemnified by any other Person (provided, however, that to the extent the Bank shall have actually received any payment in the nature of an indemnity payment from any such other Person relating to a Claim hereunder, the Bank shall not be entitled to the amount of any such payment pursuant to this Section 7.1) in any way relating to or arising out of this Agreement or any of the other Operative Documents or the enforcement of any of the terms of any thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of the Aircraft (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement), or in any way relating to or arising out of the administration of the Trust Estate or the action or inaction of the Bank hereunder; provided, that such indemnification shall not extend to (a) any of the foregoing resulting from willful misconduct or gross negligence on the part of the Owner Trustee or the Bank or any agents thereof in the performance or nonperformance of its duties hereunder, or under any other Operative Document to which the Bank or Owner Trustee is a party or (b) any of the foregoing resulting from the inaccuracy of any representation or warranty of the Bank (or from the failure of the Bank to perform any of its covenants) in Section 6.3 hereof or in any of the other Operative Documents, or (c) any of the foregoing resulting from a breach by the Bank of any of its covenants in the Operative Documents, (d) notwithstanding clause (a) above, any of the foregoing resulting from the failure to use ordinary care on the part of the Owner Trustee or the Bank in the receipt, disbursement or investment of funds hereunder or under any other Operative Document to which the Bank or the Owner Trustee is a party, (e) any of the foregoing resulting from taxes, fees or other charges on, based on or measured by any fees, commissions or other compensation received by the Bank as compensation for its services rendered as the Owner Trustee, (f) any liability on the part of Owner Trustee arising out of its negligence or willful or negligent misconduct in connection with its obligations under Section 5.2, 6.8 or 9.2 or under Section 4.01 of the Indenture, or (g) those claims arising under any circumstances or upon any terms where Lessee would not have been required to indemnify the Bank pursuant to Section 10(b) or 10(c) of the Participation Agreement; provided, that before asserting its right to indemnification, if any, pursuant to this Section 7.1, the Bank, so long as the Lease is still in effect, shall first demand its corresponding right to indemnification pursuant to Section 10 of the Participation Agreement (but need not exhaust any or all remedies available thereunder) or (h) any of the foregoing relating to a resignation by the Owner Trustee. The indemnities contained in this Section 7.1 extend to the Bank only in its individual capacity and shall not be construed as indemnities of the Trust Indenture Estate or the Trust Estate (except to the extent, if any, that the Bank has been reimbursed by the Trust Indenture Estate or the Trust Estate for amounts covered by the indemnities contained in this Section 7.1). The indemnities contained in this Section 7.1 shall survive the termination of this Agreement. The payor of any indemnity under this Article



VII shall be subrogated to any right of the person indemnified in respect of the matter as to which such indemnity was paid.

#### ARTICLE VIII

##### TRANSFER OF AN OWNER PARTICIPANT'S INTEREST

Section 8.1. (a) Transfer of Interests. All provisions of Section 19(c) of the Participation Agreement shall (with the same force and effect as if set forth in full in this Section 8.1) be applicable to any assignment, conveyance or other transfer by any Owner Participant of any of its right, title or interest in and to the Participation Agreement, the Trust Estate, this Agreement or any other Operative Document to which it is a party. If there is more than one Owner Participant, no assignment, conveyance or other transfer by an Owner Participant of any of its right, title or interest in and to this Agreement or the Trust Estate shall be valid unless each other Owner Participant's prior written consent (which consent may be withheld in the sole discretion of such other Owner Participant) is given to such assignment, conveyance or other transfer.

Section 8.2. Actions of Owner Participants. If at any time prior to the termination of this Agreement there is more than one Owner Participant, then, subject to Section 11.5, during such time, if any action is required to be taken by all Owner Participants and whenever any direction, authorization, approval, consent, instruction or other action is permitted to be given or taken by Owner Participant, it shall be given or taken only upon unanimous agreement of all Owner Participants; provided, that the termination of this Agreement pursuant to Section 11.1 may be effected upon the election of any Owner Participant.

#### ARTICLE IX

##### SUCCESSOR OWNER TRUSTEES; CO-OWNER TRUSTEES; AND SEPARATE OWNER TRUSTEES

Section 9.1. Resignation of Owner Trustee; Appointment of Successor.  
(a) Resignation or Removal. The Owner Trustee or any successor Owner Trustee may resign at any time without cause by giving at least 60 days' prior written notice to the Owner Participant, the Loan Trustee and the Lessee, such resignation to be effective upon the acceptance of appointment by the successor Owner Trustee under Section 9.1(b) hereof. In addition, the Owner Participant may at any time remove the Owner Trustee without cause by a notice in writing delivered to the Owner Trustee, the Loan Trustee and the Lessee, such removal to be effective upon the acceptance of appointment by the successor Owner Trustee under Section 9.1(b) hereof. In the case of the resignation or removal of the Owner Trustee, the Owner Participant may appoint a successor Owner Trustee by an instrument signed by the Owner Participant. If a successor Owner Trustee shall not have been appointed within 30 days after such notice of resignation or removal, the Owner Trustee, the Owner Participant, the Loan Trustee or the Lessee may apply to any court of competent jurisdiction to appoint a successor Owner Trustee to act until such time, if any, as a successor shall have been appointed as above provided. Any successor Owner Trustee so appointed by such court shall immediately and without further act be superseded by any successor Owner Trustee appointed as above provided within one year from the date of

appointment by such court. Any entity becoming a successor Owner Trustee hereunder shall be deemed the "Owner Trustee" for all purposes hereof, and each reference herein to the Owner Trustee shall thereafter be deemed a reference to such entity.

(b) Execution and Delivery of Documents, etc. Any successor Owner Trustee, however appointed, shall execute and deliver to the predecessor Owner Trustee, with a copy to Owner Participant, Lessee and Loan Trustee an instrument accepting such appointment and assuming the obligations of Owner Trustee and the Bank under the Operative Document to which each is a party, and thereupon such successor Owner Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Owner Trustee in the trusts hereunder with like effect as if originally named the Owner Trustee herein; but nevertheless, upon the written request of such successor Owner Trustee, such predecessor Owner Trustee shall execute and deliver an instrument transferring to such successor Owner Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor Owner Trustee, and such predecessor Owner Trustee shall duly assign, transfer, deliver and pay over to such successor Owner Trustee all moneys or other property then held by such predecessor Owner Trustee upon the trusts herein expressed. Upon the appointment of any successor Owner Trustee hereunder, the predecessor Owner Trustee will execute such documents as are provided to it by such successor Owner Trustee and will take such further actions as are requested of it by such successor Owner Trustee as are reasonably required to cause registration of the Aircraft included in the Trust Estate to be transferred upon the records of the FAA, or other governmental authority having jurisdiction, into the name of the successor Owner Trustee.

(c) Qualifications. Any successor Owner Trustee, however appointed, shall be a Citizen of the United States and shall also be a bank or trust company organized under the laws of the United States or any state thereof having a combined capital and surplus of at least \$100,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Owner Trustee hereunder upon reasonable or customary terms.

(d) Merger, etc. Any corporation (or other entity) into which the Owner Trustee or the Bank may be merged or converted or with which it may be consolidated, or any corporation (or other entity) resulting from any merger, conversion or consolidation to which the Owner Trustee or the Bank shall be a party, or any corporation (or other entity) to which substantially all the corporate trust business of the Owner Trustee or the Bank may be transferred (including the owner trusteeship under this Agreement), shall, subject to the terms of Section 9.1(c) hereof, be the Owner Trustee hereunder without further act; provided, that such corporation shall in no event be the Loan Trustee.

Section 9.2. Co-Trustees and Separate Trustees. (a) If at any time it shall be necessary or prudent in order to conform to any law of any jurisdiction in which all or any part of the Trust Estate is located or to make or defend any claim or bring or defend any suit or action, or the Owner Trustee being advised by counsel shall determine that it is so necessary or prudent in the interest of the Owner Participant or the Owner Trustee, or the Owner Trustee shall have been directed to do so by the Owner Participant, the Owner Trustee and Owner Participant shall execute and deliver an agreement supplemental hereto and all other instruments and agreements necessary or proper to constitute another bank or trust company or one or more persons (any and

all of which shall be a Citizen of the United States approved by the Owner Trustee and Owner Participant (and the Owner Trustee may appoint one or more of its officers), either to act as co-trustee, jointly with the Owner Trustee, or to act as separate trustee hereunder (any such co-trustee or separate trustee being herein sometimes referred to as an "additional trustee"). In case any such additional trustee or separate trustee shall resign or be removed, all the assets, property, rights, powers or duties of such additional trustee or separate trustee, as the case may be, so far as permitted by any applicable law, shall vest in and be exercised by a new successor to such additional trustee, appointed in the manner otherwise provided in this Agreement.

(b) The Owner Trustee shall execute, acknowledge and deliver all such instruments as may be required by any separate or additional trustee for more fully confirming such title, rights or duties to such separate or additional trustee. Upon the acceptance in writing of such appointment, such separate or additional trustee shall be vested with such title to the Trust Estate or any part thereof, and with such rights and duties, as shall be specified in the instrument of appointment, jointly with the Owner Trustee (except insofar as local law makes it necessary for such separate or additional trustee to act alone) subject to all the terms of this Agreement. Any separate or additional trustee may, at any time by a instrument in writing, constitute the Owner Trustee its attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its behalf in its name. In case any such separate or additional trustee shall die, become incapable of acting, resigning or being removed, the title to the Trust Estate and all rights and duties of such separate or additional trustee shall, so far as permitted by law, vest in and be exercised by the Owner Trustee, without the appointment of a successor to such separate or additional trustee.

(c) All provisions of this Agreement which are for the benefit of the Owner Trustee shall extend to and apply to each separate or additional trustee appointed pursuant to the foregoing provisions of this Section 9.2.

(d) Every additional trustee hereunder shall, to the extent permitted by law, be appointed and act, and the Owner Trustee and its successors shall act, subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred or imposed upon the Owner Trustee in respect of the custody, control and management of moneys, the Aircraft or documents authorized to be delivered hereunder or under the Participation Agreement shall be exercised solely by the Owner Trustee;

(ii) all other rights, powers, duties and obligations conferred or imposed upon the Owner Trustee shall be conferred or imposed upon and exercised or performed by the Owner Trustee and such additional trustee jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed (including the holding of title to the Trust Estate) the Owner Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such additional trustee;

(iii) no power given to, or which it is provided hereby may be exercised by, any such additional trustee shall be exercised hereunder by such additional trustee, except jointly with, or with the consent in writing of, the Owner Trustee;

(iv) no trustee hereunder shall be personally liable by reason of any action or omission of any other trustee hereunder;

(v) the Owner Participant, at any time, by an instrument in writing may remove any such additional trustee; and

(vi) no appointment of, or action by, any additional trustee will relieve the Owner Trustee of any of its obligations under, or otherwise affect any of the terms of, the Indenture or affect the interests of the Loan Trustee or the Noteholder in the Indenture Estate.

(e) If at any time the Owner Participant shall deem it no longer necessary or prudent in order to conform to any applicable law or shall be advised by its counsel that it is no longer necessary or prudent in the interest of the Owner Trustee or the Owner Participant to maintain the appointment of such additional or separate trustee as provided herein, the Owner Participant and the Owner Trustee shall execute and deliver any agreement supplemental hereto and all other instruments and agreements necessary or proper to remove any such additional or separate trustee.

#### ARTICLE X

##### SUPPLEMENTS AND AMENDMENTS TO TRUST AGREEMENT AND OTHER DOCUMENTS

Section 10.1. Supplements and Amendments and Delivery Thereof. Subject to Section 12(d) of the Participation Agreement, this Agreement may not be amended, supplemented or otherwise modified except by an instrument in writing signed by the Owner Trustee and Owner Participant. Subject to Section 10.2 hereof and the applicable provisions of the Participation Agreement and Indenture, the Owner Trustee will execute any amendment, supplement or other modification of this Agreement or any other Operative Documents to which the Owner Trustee is a party which it is requested to execute by Owner Participant except that Owner Trustee shall not execute any such amendment, supplement or other modification which, by the express provisions of any of the above documents, requires the consent of any other party unless such consent shall have been obtained; and provided, that, without the prior written consent of Owner Participant, Owner Trustee shall not execute any such supplement, amendment or modification.

Section 10.2. Discretion as to Execution of Documents. Prior to executing any document required to be executed by it pursuant to the terms of Section 10.1 hereof, the Owner Trustee shall be entitled to receive an opinion of its counsel to the effect that the execution of such document is authorized hereunder and under the other Operative Documents. If in the reasonable opinion of the Owner Trustee any such document materially adversely affects any right, duty, immunity or indemnity in favor of the Owner Trustee hereunder or under any other Operative Document to which the Owner Trustee is a party, the Owner Trustee may in its discretion decline to execute such document unless Owner Trustee is furnished with indemnification from Lessee or any other party upon terms and in amounts reasonably satisfactory to Owner Trustee to protect the Trust Estate and the Owner Trustee against any and all liabilities, costs and expenses arising out of the execution of such documents.

Section 10.3. Absence of Requirements as to Form. It shall not be necessary for any written request furnished pursuant to Section 10.1 hereof to specify the particular form of the proposed documents to be executed pursuant to such Section 10.1, but it shall be sufficient if such request shall indicate the substance thereof.

Section 10.4. Distribution of Documents. Promptly after the execution by the Owner Trustee of any document entered into pursuant to Section 10.1 hereof, the Owner Trustee shall mail, by certified mail, postage prepaid or send by air courier, a conformed copy thereof to the Owner Participant, the Loan Trustee and the Lessee, but the failure of the Owner Trustee to mail such conformed copy shall not impair or affect the validity of such document.

Section 10.5. No Request Needed as to Lease Supplement and Trust Indenture Supplement. No written request pursuant to Section 10.1 hereof shall be required to enable Owner Trustee to enter into, pursuant to Section 3.1 hereof and the Indenture, the Indenture Supplement.

## ARTICLE XI

### MISCELLANEOUS

Section 11.1. Termination of Trust Agreement. This Agreement and the trust created hereby shall terminate and be of no further force or effect upon the earlier of (a) sale, transfer or other final disposition by the Owner Trustee of all property constituting part of the Trust Estate and the final distribution by the Owner Trustee of all moneys or other property or proceeds constituting part of the Trust Estate in accordance with Article IV hereof, provided that at such time Lessee shall have fully complied with all of the terms of the Lease and the Participation Agreement and the Lien of the Indenture shall have been discharged with respect to the Trust Estate or (b) 90 years after the date of the earliest execution of this Agreement by any party hereto, but if this Agreement and the trust created hereby shall be or become authorized under applicable law to be valid for a period subsequent to 90 years after the earliest execution of this Agreement by any party hereto (or, without limiting the generality of the foregoing, if legislation shall become effective providing for the validity of this Agreement and the trust created hereby for a period in gross exceeding the period for which this Agreement and the trust created hereby are hereinabove stated to extend and be valid), then this Agreement and the trust created hereby shall not terminate under this subsection (b) but shall extend to and continue in effect, but only if such nontermination and extension shall then be valid under applicable law, until the day preceding such date as the same shall, under applicable law, cease to be valid; otherwise this Agreement and the trust created hereby shall continue in full force and effect in accordance with the term hereof, subject to the Owner Participant's right to revoke the trust created hereby and cause the Trust Estate (to the extent applicable, subject to the Lien of the Indenture and the right of Lessee to approve such revocation) to be distributed.

Irrespective of any other provision of this Agreement, but subject to Section 12(d) of the Participation Agreement, the Owner Participant, at its sole option, may, at any time after the discharge of the Lien of the Indenture in accordance with its terms, revoke the trust created hereby and vest in itself title to the Aircraft, moneys or other property, proceeds and rights comprising the Trust Estate upon delivery of written instructions to such effect to the Owner Trustee. Upon receipt of such instructions and the satisfaction of all liabilities of the Owner Participant to the Owner Trustee hereunder, the Owner Trustee shall transfer to the Owner

Participant the Aircraft, moneys or other property, proceeds and rights comprising the Trust Estate and the trust created hereby shall thereupon terminate. In the event of the transfer of the Aircraft, moneys and other property, proceeds and rights comprising the Trust Estate to the Owner Participant, the Owner Participant will, to the extent of the Trust Estate and to no greater extent, discharge the obligations of the Owner Trustee hereunder and under the Operative Documents to which the Owner Trustee is a party (as such obligations are limited in said instruments) (other than any obligations or liabilities for which the Bank is answerable or accountable pursuant to this Agreement or any other Operative Document to which the Owner Trustee is a party, including without limitation, any obligation or liabilities attributable to the Owner Trustee's gross negligence, willful misconduct or breach of any representation, warranty, covenant or agreement in any such Operative Document). In the event of such transfer, pursuant to this Section 11.1, the Owner Participant will execute a written instrument or instruments in form and substance satisfactory to the other parties thereto and their counsel, evidencing the Owner Participant's full assumption of the aforementioned obligations of the Owner Trustee. Nothing contained in this Section 11.1 shall be deemed to impose on the Owner Participant any liability or obligation in the event that the trust created hereby are terminated (whether by operation of law or otherwise) other than expressly in accordance with the terms of this Section 11.1.

Irrespective of any other provision of this Agreement, so long as any Equipment Note is outstanding, the Owner Participant may not terminate or revoke the trust created hereby without the prior written consent of the Loan Trustee.

Section 11.2. Owner Participant Has No Legal Title to Trust Estate. The Owner Participant shall not have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of any right, title and interest of the Owner Participant in and to the Trust Estate hereunder shall operate to terminate this Agreement or the trusts hereunder or entitle any successors or transferees of the Owner Participant to an accounting or to the transfer of legal title to any part of the Trust Estate.

Section 11.3. Assignment, Sale, etc. of Aircraft. Any assignment, sale, transfer or other conveyance of the Aircraft or any part thereof by the Owner Trustee made pursuant to the terms hereof or of the other Operative Documents shall bind the Owner Participant and shall be effective to transfer or convey all right, title and interest of the Owner Trustee and the Owner Participant in and to the Aircraft or any part thereof. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such assignment, sale, transfer or conveyance or as to the application of any sale or other proceeds with respect thereto by the Owner Trustee.

Section 11.4. Trust Agreement for Benefit of Certain Parties Only. Except for the terms of Section 19(c) of the Participation Agreement incorporated in Article VIII hereof and except as otherwise provided in Articles II, V and IX and Sections 10.1 and 10.4 hereof, nothing herein, whether expressed or implied, shall be construed to give any person other than the Owner Trustee and the Owner Participant any legal or equitable right, remedy or claim under or in respect of this Agreement; but this Agreement shall be held to be for the sole and exclusive benefit of the Owner Trustee and the Owner Participant.

Section 11.5. Citizenship of Owner Participant. If at any time there shall be more than one Owner Participant, then any Owner Participant who shall cease to be a Citizen of the United States shall have no voting or similar rights under this Agreement and shall have no right to direct, influence or limit the exercise of, or to prevent the direction or influence of, or place any limitation on the exercise of, Owner Trustee's authority or to remove Owner Trustee.

Section 11.6. Notices. Unless otherwise expressly permitted by the terms of this Agreement, all notices, requests, demands, authorizations, directions, consents, waivers and other communications required or permitted to be made, given, furnished or filed under this Agreement shall be in writing, shall refer specifically to this Agreement and shall be personally delivered, sent by teletype, telex or other means of electronic facsimile or telecommunication transmission, sent by registered mail or certified mail, return receipt requested, postage prepaid, or sent by overnight courier service, in each case to the respective telex, telecopy or other number or address set forth for such party as set forth in Section 18 of the Participation Agreement, or to such other telex, telecopy or other number or address as each party hereto may hereafter specify by notice to the other parties hereto. Each such notice, request, demand, authorization, direction, consent, waiver or other communication shall be effective when received or, if made, given, furnished or filed (a) by teletype or other means of electronic facsimile or telecommunication transmission, when confirmed, or (b) by registered or certified mail, three Business Days after being deposited, properly addressed, in the U.S. mail.

Section 11.7. Severability. Any provision hereof 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. If, however, any law pursuant to which such provisions are held prohibited or unenforceable may be waived, such law is hereby waived by the parties hereto to the full extent permitted, to the end that this Agreement shall be deemed to be a valid and binding agreement in all respects, enforceable in accordance with its terms.

Section 11.8. Waivers, etc. No term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing entered into in compliance with the terms of Article X hereof; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 11.9. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed by the parties hereto in separate counterparts (or upon separate signature pages bound together in one or more counterparts), each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 11.10. Binding Effect, etc. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Owner Trustee and its successors and assigns, and the Owner Participant, its successors and, to the extent permitted by Article VIII hereof, its assigns. Any request, notice, direction, consent, waiver or other instrument or action by Owner Participant shall bind its successors and assigns. Any Owner Participant which shall cease to have any ownership interest shall thereupon cease to be a party hereto or an Owner Participant for any reason and shall have no further obligations hereunder.

Section 11.11. Headings; References. THE HEADINGS AND THE TABLE OF CONTENTS OF THE VARIOUS ARTICLES AND SECTIONS USED HEREIN ARE FOR CONVENIENCE OF REFERENCE ONLY AND SHALL NOT DEFINE OR LIMIT ANY OF THE TERMS OR PROVISIONS HEREOF AND SHALL NOT IN ANY WAY EFFECT THE CONSTRUCTION OF, OR BE TAKEN INTO CONSIDERATION IN INTERPRETING THIS AGREEMENT.

Section 11.12. GOVERNING LAW. THIS TRUST AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF UTAH, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.

Section 11.13. Performance by Owner Participant. Any obligation of the Bank or the Owner Trustee hereunder or under any other Operative Document or other document contemplated hereby, may be performed by the Owner Participant (without any obligation of Owner Participant to do so), and any such performance shall not be construed as a revocation of the trusts created hereby.

Section 11.14. Limitation on Owner Participant's Liability. The Owner Participant shall not have any liability for the performance of this Trust Agreement, except as expressly set forth herein.

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SIGNATURE PAGE

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

THAYER LEASING COMPANY-1

By: /s/ J.B. Matthews, Jr.

-----  
Name: J.B. Matthews, Jr.  
Title: Senior Director

WELLS FARGO BANK NORTHWEST,  
NATIONAL ASSOCIATION  
in its individual capacity and  
as Owner Trustee

By: /s/ Nancy M. Dahl

-----  
Name: Nancy M. Dahl  
Title: Vice President

SIGNATURE PAGE

AMENDED & RESTATED TRUST AGREEMENT (AA EETC 2001-1)

SCHEDULE A

AIRCRAFT DESCRIPTION

One McDonnell Douglas MD-83 Aircraft bearing U.S. Registration Number N9630A and Airframe Manufacturer's Serial No. 53561 with two Pratt & Whitney Model JT8D-219 engines bearing engine manufacturer's serial nos. P728123D and P728124D.

SCHEDULE A TO AMENDED & RESTATED TRUST AGREEMENT (AA EETC 2001-1)

=====

AMENDED AND RESTATED TRUST INDENTURE

AND SECURITY AGREEMENT

dated as of May 24, 2001

between

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION,  
not in its individual  
capacity except as expressly set forth herein  
but solely as Owner Trustee

and

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

One McDonnell Douglas Model MD-83 Aircraft

Bearing U.S. Registration No. N9630A  
Manufacturer's Serial No. 53561

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TABLE OF CONTENTS

GRANTING CLAUSE.....2  
HABENDUM CLAUSE.....5

ARTICLE 1 DEFINITIONS  
ARTICLE 2 THE EQUIPMENT NOTES

Section 2.01. Form of Equipment Notes.....7  
Section 2.02. Issuance and Terms of Equipment Notes.....7  
Section 2.03. Method of Payment.....8  
Section 2.04. Registration, Transfer and Exchange of Equipment Notes.....9  
Section 2.05. Mutilated, Destroyed, Lost or Stolen Equipment Notes.....10  
Section 2.06. Payment of Expenses on Transfer; Cancellation.....10  
Section 2.07. Mandatory Redemption of Equipment Notes.....10  
Section 2.08. Voluntary Redemption of Equipment Notes.....11  
Section 2.09. Redemptions; Notice of Redemption to Noteholders.....11  
Section 2.10. Purchase upon Indenture Event of Default.....12  
Section 2.11. Payment from Indenture Estate Only; Non-Recourse Obligations.....13  
Section 2.12. Application of Payments.....14  
Section 2.13. Subordination.....14  
Section 2.14. Certain Payments.....15  
Section 2.15. Directions by Subordination Agent.....16  
Section 2.16. Repayment of Monies for Equipment Note Payments Held by the Loan Trustee.....17  
Section 2.17. Termination of Interest in Indenture Estate.....17

ARTICLE 3 RECEIPT, DISTRIBUTION AND APPLICATION OF FUNDS IN THE INDENTURE ESTATE

Section 3.01. Payment upon Issuance of Equipment Notes.....17  
Section 3.02. Basic Distributions.....17  
Section 3.03. Event of Loss; Optional Redemption; Voluntary Termination.....19  
Section 3.04. Payments After Indenture Event of Default.....19  
Section 3.05. Certain Payments.....22  
Section 3.06. Payments for Which No Application Is Otherwise Provided.....22  
Section 3.07. Payments to Owner Trustee.....22

ARTICLE 4 COVENANTS OF OWNER TRUSTEE

Section 4.01. Covenants of Owner Trustee.....23

ARTICLE 5 DISPOSITION, SUBSTITUTION AND RELEASE OF PROPERTY INCLUDED IN THE INDENTURE  
ESTATE DURING CONTINUATION OF LEASE

Section 5.01. Disposition, Substitution and Release of Property Included in the  
Indenture Estate During Continuation of Lease.....23

ARTICLE 6 [RESERVED]  
ARTICLE 7 [RESERVED]  
ARTICLE 8 DEFAULTS AND REMEDIES

Section 8.01. Indenture Events of Default.....24  
Section 8.02. Acceleration; Rescission and Annulment.....26  
Section 8.03. Certain Rights.....27  
Section 8.04. Remedies.....28  
Section 8.05. Return of Aircraft, Etc.....30

Section 8.06. Remedies Cumulative.....31  
Section 8.07. Discontinuance of Proceedings.....31  
Section 8.08. Waiver of Past Defaults.....32  
Section 8.09. Loan Trustee Authorized to Execute Bills of Sale, Etc.....32  
Section 8.10. Rights of Noteholders to Receive Payment.....32

ARTICLE 9 DUTIES OF THE LOAN TRUSTEE

Section 9.01. Notice of Indenture Event of Default.....32  
Section 9.02. Action upon Instructions.....33  
Section 9.03. Indemnification.....34  
Section 9.04. No Duties Except as Specified in Indenture or Instructions.....34  
Section 9.05. No Action Except Under Lease, Indenture or Instructions.....34  
Section 9.06. Notices, Etc.....34  
Section 9.07. Investment of Funds Held by Loan Trustee.....34  
Section 9.08. Replacement of Loan Trustee.....35  
Section 9.09. Successor Loan Trustee by Merger, Etc.....36  
Section 9.10. Eligibility; Disqualification.....36  
Section 9.11. Trustee's Liens.....37  
Section 9.12. Withholding Taxes; Information Reporting.....37

ARTICLE 10 THE OWNER TRUSTEE AND THE LOAN TRUSTEE

Section 10.01. Acceptance of Trusts and Duties.....37  
Section 10.02. Absence of Duties.....38  
Section 10.03. No Representations or Warranties as to Aircraft or Documents.....38  
Section 10.04. No Segregation of Moneys; No Interest.....38  
Section 10.05. Reliance; Agents; Advice of Counsel.....39  
Section 10.06. Capacity in Which Acting.....39  
Section 10.07. Compensation.....39  
Section 10.08. May Become Noteholder.....40  
Section 10.09. Further Assurances; Financing Statements.....40

ARTICLE 11 INDEMNIFICATION OF LOAN TRUSTEE BY OWNER TRUSTEE

Section 11.01. Scope of Indemnification.....40

ARTICLE 12 SUPPLEMENTS AND AMENDMENTS TO THIS INDENTURE AND OTHER DOCUMENTS

Section 12.01. Amendments to This Indenture Without Consent of Noteholders.....41  
Section 12.02. Amendments to This Indenture with Consent of Noteholders.....42  
Section 12.03. Revocation and Effect of Consents.....43  
Section 12.04. Notation on or Exchange of Equipment Notes.....43  
Section 12.05. Amendments, Waivers, Etc., of Other Operative Documents.....43  
Section 12.06. Trustees Protected.....46  
Section 12.07. Documents Mailed to Noteholders.....46

ARTICLE 13 MISCELLANEOUS

Section 13.01. Termination of Indenture.....46  
Section 13.02. No Legal Title to Indenture Estate in Noteholders.....47  
Section 13.03. Sale of Indenture Estate by Loan Trustee is Binding.....47  
Section 13.04. Indenture for Benefit of Owner Trustee, Loan Trustee, Owner Participant,  
Noteholders, Other Indenture Indemnitees and Lessee.....47  
Section 13.05. No Action Contrary to Lessee's Rights Under the Lease.....47

Section 13.06. Notices.....47  
Section 13.07. Severability.....48  
Section 13.08. Oral Modifications or Continuing Waivers.....48  
Section 13.09. Successors and Assigns.....48  
Section 13.10. Headings.....48  
Section 13.11. Normal Commercial Relations.....48  
Section 13.12. GOVERNING LAW.....48  
Section 13.13. Execution in Counterparts.....48

Annex A - Definitions  
Exhibit A - Form of Equipment Note  
Exhibit B - Form of Trust Agreement and Indenture Supplement  
Schedule I - Description of Aircraft  
Schedule II - Terms of Equipment Notes  
Schedule III - List of Pass Through Trust Agreements

AMENDED AND RESTATED TRUST INDENTURE  
AND SECURITY AGREEMENT

This AMENDED AND RESTATED TRUST INDENTURE AND SECURITY AGREEMENT, dated as of May 24, 2001, between WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity except as otherwise expressly provided herein, but solely as Owner Trustee under the Trust Agreement (capitalized terms used herein without definition having the respective meanings specified therefor in Article 1), and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, as Loan Trustee hereunder.

WITNESSETH:

WHEREAS, the Owner Participant and the Owner Trustee in its individual capacity have entered into the Trust Agreement whereby, among other things, (i) the Owner Trustee has established a certain trust for the use and benefit of the Owner Participant subject, however, to the Indenture Estate created pursuant hereto for the use and benefit of, and with the priority of payment to, the holders of the Equipment Notes issued hereunder, and (ii) the Owner Trustee has been authorized and directed to execute and deliver this Indenture;

WHEREAS, the Owner Trustee and Wilmington Trust Company as Indenture Trustee (the "Indenture Trustee") entered into the Original Indenture described in Schedule I;

WHEREAS, the Original Indenture was recorded with the FAA on April 9, 2001 and was assigned the Conveyance No. specified in Schedule I;

WHEREAS, the Indenture Trustee under the Original Indenture has resigned and has been replaced in such capacity by the Loan Trustee under the Instrument of Resignation being filed with the FAA simultaneously herewith;

WHEREAS, the parties desire by this Indenture, among other things, (i) to amend and restate in its entirety the Original Indenture, (ii) to provide for the issuance by the Owner Trustee of the Equipment Notes and (iii) to provide for the assignment, mortgage and pledge by the Owner Trustee to the Loan Trustee, as part of the Indenture Estate hereunder, among other things, of certain of the Owner Trustee's right, title and interest in and to the Aircraft and the Operative Documents and certain payments and other amounts received hereunder or thereunder in accordance with the terms hereof, as security for, among other things, the Owner Trustee's obligations to the Loan Trustee, the Noteholders and the Indenture Indemnitees, for the ratable benefit and security of the Noteholders, subject to Section 2.13 and Article 3;

WHEREAS, all things have been done to make the Equipment Notes, when executed by the Owner Trustee and authenticated and delivered by the Loan Trustee hereunder, the valid, binding and enforceable obligations of the Owner Trustee; and

WHEREAS, all things necessary to make this Indenture the legal, valid and binding obligation of the Owner Trustee and the Loan Trustee, for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have happened;

GRANTING CLAUSE

NOW, THEREFORE, THIS TRUST INDENTURE AND SECURITY AGREEMENT WITNESSETH, that, to secure the prompt payment of the principal of, Make-Whole Amount, if any, and interest on and all other amounts due with respect to, all Equipment Notes from time to time outstanding and the performance and observance by the Owner Trustee of all the agreements, covenants and provisions contained herein and in the other Operative Documents to which it is a party for the benefit of the Noteholders and the Indenture Indemnitees, and the prompt payment of any amounts from time to time owing to the Noteholders and the Indenture Indemnitees under the Participation Agreement by the Owner Trustee, the Owner Participant and the Lessee, and for the uses and purposes and subject to the terms and provisions hereof, and in consideration of the premises and of the covenants herein contained, and of the acceptance of the Equipment Notes by the Noteholders, and of the sum of \$1 paid to the Owner Trustee by the Loan Trustee at or before the delivery hereof, the receipt whereof is hereby acknowledged, the Owner Trustee has granted, bargained, sold, assigned, transferred, conveyed, mortgaged, pledged and confirmed, and does hereby grant, bargain, sell, assign, transfer, convey, mortgage, pledge and confirm, unto the Loan Trustee, its successors and assigns, for the security and benefit of the Noteholders and the Indenture Indemnitees from time to time, a first priority security interest in and mortgage Lien on all estate, right, title and interest of the Owner Trustee in, to and under the following described property, rights, interests and privileges (which collectively, including all property hereafter specifically subjected to the Lien of this Indenture by any instrument supplemental hereto, but excluding the Excepted Property, are herein called the "Indenture Estate"):

(1) the Aircraft (including the Airframe and the Engines more fully described in Schedule I hereto), and all replacements thereof and substitutions therefor in which the Owner Trustee shall from time to time acquire an interest as provided herein and in accordance with the Lease, as more particularly described in the Trust Agreement and Indenture Supplement executed and delivered with respect to the Aircraft or any such replacements thereof or substitutions therefor, as provided in this Indenture, including all logs, manuals and data, and inspection, modification and overhaul records required to be maintained with respect thereto under applicable rules and regulations of the FAA and, if the Aircraft has been registered under the laws of a jurisdiction other than the United States, of the applicable foreign governmental authority;

(2) the Lease, each Lease Supplement and all Rent thereunder, including, without limitation, all amounts of Basic Rent, Supplemental Rent, and payments of any kind thereunder; the Purchase Agreement (to the extent assigned by the Purchase Agreement Assignment), and the Purchase Agreement Assignment, in each case including, without limitation, (x) all rights of the Owner Trustee to receive any payments or other amounts or to exercise any election or option or to make any decision or determination or to give or receive any notice, consent, waiver or approval or to take any other action under or in respect of any such document or to accept surrender or redelivery of the Aircraft or any part thereof, as well as all the rights, powers and remedies on the part of the Owner Trustee, whether acting under any such document or by statute or at law or in equity, or otherwise, arising out of any Lease Event of Default, and (y) any right



to restitution from the Lessee or any other Person in respect of any determination of invalidity of any such document;

(3) all rents, issues, profits, revenues and other income of the property subjected or required to be subjected to the Lien of this Indenture, including all payments or proceeds payable to the Owner Trustee after termination of the Lease with respect to the Aircraft as the result of the sale, lease or other disposition thereof, and all estate, title and interest of every nature whatsoever of the Owner Trustee in and to the same and every part thereof;

(4) 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 any insurance maintained by the Owner Trustee, the Owner Participant or the Lessee and not required under Section 11 of the Lease;

(5) 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 Owner Trustee pursuant to any term of any Operative Document and held or required to be held by the Loan Trustee hereunder;

(6) all rights of the Owner Trustee to amounts paid or payable by the Lessee to the Owner Trustee under the Participation Agreement and all rights of the Owner Trustee to enforce payment of any such amounts thereunder; and

(7) all proceeds of the foregoing (the Owner Trustee having delivered to the Loan Trustee the original executed Lease and executed counterparts of the Trust Agreement and the Purchase Agreement Assignment);

Notwithstanding the foregoing provisions:

(a) there shall be excluded from the Indenture Estate and from the security interest granted by this Indenture all Excepted Property;

(b) (i) whether or not a Lease Event of Default shall occur and be continuing, the Owner Trustee and the Owner Participant shall at all times retain the right, to the exclusion of the Loan Trustee, (A) to retain the rights of the "Lessor" with respect to the election to retain or sell the Aircraft pursuant to Section 9 of the Lease and (B) to retain the right of the "Lessor" in connection with the determination of the fair market rental value or fair market sales value pursuant to Section 20 of the Lease;

(ii) whether or not a Lease Event of Default or an Indenture Event of Default shall occur and be continuing, (A) the Owner Trustee and the Owner Participant shall at all times retain the right, to the exclusion of the Loan Trustee, (x) to exercise any election or option or make any decision or determination, or to give or receive any notice, consent, waiver or approval, or to demand, collect, sue for or otherwise receive and enforce the payment of Excepted Property due and payable to it or to take any other action in respect of, but in each case only to the extent relating to, Excepted Property and to commence an action at law to obtain such Excepted Property, (y) to retain all rights

with respect to insurance maintained for its own account in conformity with Section 11(f) of the Lease, and (z) to exercise, to the extent necessary to enable it to exercise its rights under Section 8.03 hereof, the rights of the "Lessor" under Section 23 of the Lease; and (B) the Owner Trustee and the Loan Trustee shall each retain the right, separately but not to the exclusion of the other, (w) to receive from the Lessee all notices, certificates, reports, filings, opinions of counsel, copies of all documents and all information which the Lessee is permitted or required to give or furnish to the "Lessor" or to the "Owner Trustee" pursuant to any Operative Document, (x) to give any notice of default under Section 15 of the Lease and to declare the Lease in default in respect thereof, (y) to cause the Lessee to take any action and execute and deliver such documents, financial information and assurances as the "Lessor" may from time to time reasonably request pursuant to Section 17 of the Lease and (z) to exercise inspection rights pursuant to Section 12 of the Lease;

(iii) without limiting the effect of clause (ii) above, so long as no Indenture Event of Default shall have occurred and be continuing (but subject to the provisions of Article 12), the Owner Trustee shall retain the right, to the exclusion of the Loan Trustee, to exercise all other rights of the "Lessor" under the Lease including, without limitation, (A) the right to approve as satisfactory any accountants, engineers or counsel to render services for or issue opinions to the Owner Trustee pursuant to express provisions of the Operative Documents and to exercise all rights with respect to the Lessee's use, operation, and maintenance or modification of the Aircraft or Engines which the Lease specifically provides to the Lessor and (B) the right to consent to reregistration of the Aircraft pursuant to Section 12(l) of the Participation Agreement; provided that the foregoing shall not limit (x) any rights separately and expressly granted the Loan Trustee or any Noteholder under the Operative Documents or (y) the right of the Loan Trustee to receive any funds to be delivered to the "Lessor" under the Lease (except funds which constitute or are delivered with respect to Excepted Property) and under the Purchase Agreement;

(c) the leasehold interest granted to the Lessee under the Lease shall not be subject to the security interest granted by this Indenture, and nothing in this Indenture shall affect the rights of the Lessee under the Lease so long as no Lease Event of Default has occurred and is continuing; and

(d) as between the Owner Trustee and the Loan Trustee, nothing contained in this Granting Clause shall prevent the Owner Trustee or the Owner Participant from seeking specific performance of the covenants of the Lessee under the Lease relating to the protection, insurance, maintenance, possession and use of the Aircraft, provided such action shall not interfere with the exercise by the Loan Trustee of its remedies under Article 8 hereof or Section 15 of the Lease, or from maintaining separate insurance with respect to the Aircraft to the extent permitted by Section 11 of the Lease.

Notwithstanding the foregoing, the Loan Trustee shall at all times have the right, to the exclusion of the Owner Trustee and the Owner Participant, to (a) declare the Lease to be in default under Section 15 thereof and (b) subject only to the provisions of Sections 8.03 and

8.04(a) hereof, exercise the remedies set forth in such Section 15 (other than in connection with Excepted Property) and in Article 8 hereof.

HABENDUM CLAUSE

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Loan Trustee, its successors and assigns, in trust for the benefit and security of the Noteholders and the Indenture Indemnitees from time to time, without any priority of any one Equipment Note over any other except as provided in Section 2.13 and Article 3 hereof, and for the uses and purposes and subject to the terms and provisions set forth in this Indenture.

The Owner Trustee agrees that this Indenture is intended to create and shall create and grant to the Loan Trustee a security interest in the Aircraft, which security interest shall attach on and as of the Commencement Time. The security interest created by this Indenture and granted to the Loan Trustee hereunder in the Indenture Estate other than in the Aircraft shall attach upon the delivery hereof.

It is expressly agreed that, anything herein contained to the contrary notwithstanding, the Owner Trustee shall remain liable under each of the Operative Documents to which it is a party to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Loan Trustee and the Noteholders shall have no obligation or liability under any of the Operative Documents to which the Owner Trustee is a party by reason of or arising out of the assignment hereunder, nor shall the Loan Trustee (except as to the Loan Trustee, if the Loan Trustee shall have become the "Lessor" under the Lease) be required or obligated in any manner to perform or fulfill any obligations of the Owner Trustee under or pursuant to any of the Operative Documents to which the Owner Trustee is a party or, except as herein or therein expressly provided, to make any payment, 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 amounts which may have been assigned to it or to which it may be entitled at any time or times.

Subject to the terms and conditions hereof, the Owner Trustee does hereby constitute the Loan Trustee the true and lawful attorney of the Owner Trustee, irrevocably, with full power (in the name of the Owner Trustee or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due to the Owner Trustee (other than Excepted Property) under or arising out of the Indenture Documents and all other property which now or hereafter constitutes part of the Indenture Estate (subject to the provisions of Section 12.05(b)(i)), to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Loan Trustee may deem to be necessary or advisable in the premises. The Owner Trustee has directed the Lessee to make all payments of Rent (other than Excepted Property) payable to the Owner Trustee by the Lessee and all other amounts which are required to be paid to or deposited with the Owner Trustee pursuant to the Lease directly to the Loan Trustee at such address as the Loan Trustee shall specify, for application as provided in this Indenture. The Owner Trustee agrees that promptly on receipt thereof, it will transfer to the Loan Trustee any and all moneys from time to time received by it constituting part of the Indenture Estate, for distribution by the Loan Trustee pursuant to this Indenture, except that the

Owner Trustee shall accept for distribution pursuant to the Trust Agreement any amounts distributed to it by the Loan Trustee as expressly provided in this Indenture and any Excepted Property.

The Owner Trustee agrees that at any time and from time to time, upon the written request of the Loan Trustee, the Owner Trustee will promptly and duly execute and deliver or cause to be duly executed and delivered to the Loan Trustee any and all such further instruments and documents as the Loan Trustee may reasonably deem desirable in obtaining the full benefits of the mortgage and security interest granted hereby and of the rights and powers herein granted.

The Owner Trustee does hereby warrant and represent that it has not mortgaged, assigned or pledged, and hereby covenants that it will not mortgage, assign or pledge, so long as the Lien of this Indenture shall or is intended to remain in effect, any of its right, title or interest subject to the mortgage and security interest hereby created, to anyone other than the Loan Trustee, and that it will not (other than in respect of Excepted Property), except as provided in or permitted by this Indenture, accept any payment from the Lessee, enter into an agreement amending or supplementing any of the Operative Documents to which it is a party, execute any waiver or modification of, or consent under the terms of any of the Operative Documents to which it is a party, settle or compromise any claim against the Lessee arising under any of the Operative Documents, or submit or consent to the submission of any dispute, difference or other matter arising under or in respect of any of the Operative Documents to which it is a party to arbitration thereunder.

The Owner Trustee does hereby agree that it will not without the written consent of the Loan Trustee:

(a) receive or collect or agree to the receipt or collection of any payment (other than Excepted Payments) of Rent, including Basic Rent, Stipulated Loss Value, Termination Value or any other payment to be made pursuant to Section 9 or 10 of the Lease prior to the date for the payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Loan Trustee hereunder) any payment of Rent, including Basic Rent, Stipulated Loss Value, Termination Value or any other payment to be made pursuant to Section 9 or 10 of the Lease, then due or to accrue in the future under the Lease in respect of the Airframe and Engines; or

(b) except as contemplated by the Trust Agreement in connection with the appointment of a successor owner trustee, sell, mortgage, transfer, assign or hypothecate (other than to the Loan Trustee hereunder) its interest in the Airframe and Engines or any part thereof or in any amount to be received by it from the use or disposition of the Airframe and Engines, other than amounts distributed to it pursuant to Article 3 hereof.

It is hereby further agreed that any and all property described or referred to in the granting clauses hereof which is hereafter acquired by the Owner Trustee shall ipso facto, and without any other conveyance, assignment or act on the part of the Owner Trustee or the Loan Trustee, become and be subject to the Lien herein granted as fully and completely as though

specifically described herein, but nothing contained in this paragraph shall be deemed to modify or change the obligations of the Owner Trustee contained in the foregoing paragraphs.

The Owner Trustee does hereby ratify and confirm the Lease and does hereby agree that it will not violate any covenant or agreement made by it therein, herein or in any other Operative Document.

IT IS HEREBY COVENANTED AND AGREED by and among the parties hereto as follows:

#### ARTICLE 1

##### DEFINITIONS

Unless the context otherwise requires, all 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 Annex A hereto for all purposes of this Indenture.

#### ARTICLE 2

##### THE EQUIPMENT NOTES

Section 2.01. Form of Equipment Notes. The Equipment Notes shall be substantially in the form set forth in Exhibit A hereto.

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) five (or if the Series E Equipment Notes are issued, six) separate series consisting of Series A-1 Equipment Notes, Series A-2 Equipment Notes, Series B Equipment Notes, Series C Equipment Notes, Series D Equipment Notes and, if issued, Series E Equipment Notes and (b) the respective maturities and principal amounts specified in Schedule II and shall bear interest at the respective interest rates per annum specified in Schedule II (or, in the case of a Series E Equipment Note issued after the Closing Date, as specified in an amendment to this Indenture). On the Closing Date, each Series A-1 Equipment Note, Series A-2 Equipment Note, Series B Equipment Note, Series C Equipment Note and Series D Equipment Note shall be issued to the Subordination Agent on behalf of each of the Pass Through Trustees for the Pass Through Trusts created under the Pass Through Trust Agreements referred to in Schedule III. Subject to complying with the conditions set forth in Section 20(d) of the Participation Agreement, the Owner Trustee shall have the option to issue Series E Equipment Notes at or after the Closing Date. The Equipment Notes shall be issued in registered form only. The Equipment Notes shall be issued in denominations of \$1,000 and integral multiples thereof, except that one Equipment Note of each Series may be in an amount that is not an integral multiple of \$1,000.

Each Equipment Note shall bear interest 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 Exhibit A. The principal amount of each Equipment Note shall be payable as specified in Schedule II. 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 Owner Trustee 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 Owner Trustee shall be valid, 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 Owner Trustee in Dollars by wire transfer of immediately available funds not later than 11:00 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 Owner Trustee 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 Owner Trustee), all amounts paid by the Owner Trustee 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 3) by transferring, or causing to be transferred, by wire transfer of immediately available funds in Dollars, prior to 12:00 Noon (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. 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 2.06, the Owner Trustee 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 Owner Trustee 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 2.04 or under Section 2.05 or otherwise under this Indenture) shall be the valid obligations of the Owner Trustee 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 Loan Trustee 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 Owner Trustee 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 Owner Trustee nor the Loan Trustee shall be affected by any notice to the contrary. The Loan Trustee will promptly notify the Owner Trustee 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 2.04 and in Section 2.06, the Loan Trustee and the Owner Trustee 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 2.05. Mutilated, Destroyed, Lost or Stolen Equipment Notes. If any Equipment Note shall become mutilated, destroyed, lost or stolen, the Owner Trustee shall, upon the written request of the holder of such Equipment Note, issue and execute, and the Loan Trustee shall authenticate and deliver, in replacement thereof, a new Equipment Note of the same Series in the same principal amount and dated the same date as the Equipment Note so mutilated, destroyed, lost or stolen. If the Equipment Note being replaced has become mutilated, such Equipment Note shall be surrendered to the Loan Trustee. If the Equipment Note being replaced has been destroyed, lost or stolen, the related Noteholder shall furnish to the Owner Trustee and the Loan Trustee such security or indemnity as may be required by each of them to save the Owner Trustee and the Loan Trustee harmless and evidence satisfactory to the Owner Trustee and the Loan Trustee of the destruction, loss or theft of such Equipment Note and of the ownership thereof.

Section 2.06. 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 by such Noteholder 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 2.07. Mandatory Redemption of Equipment Notes. (a) Upon the occurrence of an Event of Loss to the Airframe, all the Equipment Notes shall be redeemed in



whole on the Loss Payment Date at a redemption price equal to the aggregate unpaid principal amount thereof together with accrued and unpaid interest thereon to, but not including, the redemption date. 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.

(b) If the Lease is terminated pursuant to Section 9(a) thereof, on the date the Lease is so terminated, all the Equipment Notes shall be redeemed in whole at a redemption price equal to the aggregate unpaid principal amount thereof together with accrued and unpaid interest thereon to, but not including, the redemption date and all other amounts then due and payable hereunder and under all other Operative Documents to the Noteholders, plus Make-Whole Amount, if any.

Section 2.08. Voluntary Redemption of Equipment Notes. All (but not less than all) of the Equipment Notes may be redeemed by the Owner Trustee upon at least 20 days' revocable prior written notice to the Loan Trustee, at a redemption price equal to the aggregate unpaid principal amount thereof together with accrued and unpaid interest thereon to, but not including, the date of redemption and all other Secured Obligations payable to the Noteholders, plus Make-Whole Amount, if any.

Section 2.09. Redemptions; Notice of Redemption to Noteholders. Notice of redemption with respect to the Equipment Notes shall be given by first-class mail, postage prepaid, mailed not less than 15 nor more than 60 days prior to the redemption date, to each Noteholder of such Equipment Notes to be redeemed, at such Noteholder's address appearing in the Equipment Note Register; provided that, in the case of a redemption to be made pursuant to Section 2.07(b) or 2.08, such notice shall be revocable and shall be deemed revoked in the event that the Lease does not in fact terminate on the Lease Termination Date or, in the case of a redemption under Section 2.08, in the event the Loan Trustee receives written notice of such revocation from the Lessee or the Owner Trustee not later than three days prior to the redemption date.

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.

Notice of redemption or purchase of Equipment Notes to be redeemed shall be given by the Loan Trustee.

On or before the redemption date, the Owner Trustee (or any person on behalf of the Owner Trustee) 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 Indenture Estate, 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 or purchased.

Notice of redemption having been given as aforesaid (and not deemed revoked as contemplated in the proviso to this Section 2.09), the Equipment Notes to be redeemed or purchased shall, on the redemption date, become due and payable at the principal corporate trust office of the Loan Trustee or at any office or agency maintained for such purposes pursuant to this Indenture, and from and after such redemption date (unless there shall be a default in the payment of the redemption price) any such Equipment Notes then outstanding shall cease to bear interest. Upon surrender of any Equipment Note for redemption in accordance with said notice such Equipment Note shall be paid at the redemption price.

If any Equipment Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal amount thereof shall, until paid, continue to bear interest from the applicable redemption date at the Debt Rate in effect for such Equipment Note as of such redemption date.

Section 2.10. Purchase upon Indenture Event of Default. At any time (a) while a Lease Event of Default has occurred and is continuing during which the Loan Trustee has not declared the Lease to be in default as a consequence thereof, (b) after the Equipment Notes shall have become due and payable as provided in Article 8 hereof, (c) in the event of a bankruptcy proceeding affecting the Lessee, (i) during the 60-day period under Section 1110(a)(2)(A) of the Bankruptcy Code (or such longer period as may apply under Section 1110(b) of the Bankruptcy Code) the trustee in such proceeding or the Lessee does not agree to perform its obligations under the Lease or (ii) at any time after agreeing to perform such obligations, such trustee or the Lessee ceases to perform such obligations such that the stay period applicable under the Bankruptcy Code comes to an end; or (d) after the Loan Trustee has given to the Owner Trustee or the Owner Participant the notice regarding, or has otherwise commenced, exercise of remedies referred to in Section 8.04 (including declaration of the Lease to be in default), the Owner Participant may at any time elect to purchase all, but not less than all, Equipment Notes then outstanding in accordance with the provisions of this Section 2.10. To exercise such election the Owner Participant shall give written notice thereof to the Loan Trustee (which will promptly notify each Noteholder). Such notice to the Loan Trustee shall state that it is irrevocable and shall designate a date within 15 days of such notice as the payment date and from the date of receipt of such notice until the specified payment date the Loan Trustee shall not exercise any remedies under Section 8.04 (or if the Loan Trustee has commenced the exercise of such remedies, the Loan Trustee shall stay the exercise of such remedies) unless, in the case of an Indenture Event of Default which does not result from a Lease Event of Default or a Lease Default, the Loan Trustee or a Majority in Interest of Noteholders shall reasonably conclude that the non-exercise or stay of remedies would materially adversely affect the rights of the Loan Trustee or the Noteholders under this Indenture. Each Noteholder agrees that on such specified payment date, such Noteholder will, upon payment to the Loan Trustee for such Noteholder's account in the manner provided for in Section 2.03 hereof from the Owner Participant of an

amount equal to the aggregate unpaid principal amount of all Equipment Notes then held by such Noteholder, together with accrued and unpaid interest thereon to the date of payment, and all other sums then due and payable to such Noteholder hereunder, under such Equipment Notes or under the Participation Agreement, forthwith sell, assign, transfer and convey to the Owner Participant (without recourse, representation or warranty of any kind except for its own acts), all of the estate, right, title and interest of such Noteholder in and to the Indenture Estate, this Indenture, all Equipment Notes held by such Noteholder and the Participation Agreement (excluding all estate, 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 or past due and not satisfied by the Owner Participant's payment hereunder with respect to any action or inaction or state of affairs occurring prior to such sale). However, if the election to purchase Equipment Notes is exercised pursuant to clause (a) above at any time when there shall have occurred and be continuing for less than 180 days a Lease Event of Default, the purchase price of the Equipment Notes shall equal the price provided in the immediately preceding sentence plus Make-Whole Amount, if any. The Owner Participant shall assume all of such Noteholder's obligations under the Participation Agreement and this Indenture arising subsequent to such sale. If the Owner Participant shall so request, such Noteholder will comply with all the provisions of Section 2.04 hereof to enable new Equipment Notes to be issued to the Owner Participant in such authorized denominations as the Owner Participant shall request. All charges and expenses required pursuant to Section 2.06 hereof in connection with the issuance of any such new Equipment Note pursuant to this Section shall be borne by the Owner Participant.

Section 2.11. Payment from Indenture Estate Only; Non-Recourse Obligations. Notwithstanding any other provision herein or in the Equipment Notes to the contrary, all amounts payable by the Loan Trustee and the Owner Trustee under the Equipment Notes and this Indenture shall be made only from the income and proceeds of the Indenture Estate and each Noteholder, by its acceptance of such Equipment Note, agrees that (a) it will look solely to the income and proceeds of the Indenture Estate for the payment of such amounts, to the extent available for distribution to it as herein provided, and (b) none of the Owner Trustee, the Owner Participant or the Loan Trustee is or shall be personally liable to any Noteholder for any amount payable under such Equipment Note or this Indenture or, except as expressly provided in this Indenture or the Participation Agreement in the case of the Owner Trustee and the Loan Trustee, for any liability under such Equipment Note or hereunder.

Wells Fargo Bank Northwest, National Association is entering into this Indenture solely as Owner Trustee under the Trust Agreement and not in its individual capacity, and in no case whatsoever shall Wells Fargo Bank Northwest, National Association (or any entity acting as successor trustee under the Trust Agreement) be personally liable for, or for any loss in respect of, any statements, representations, warranties, agreements or obligations hereunder or thereunder; provided that Wells Fargo Bank Northwest, National Association shall be liable hereunder in its individual capacity (i) for the performance of its agreements undertaken in its individual capacity under Section 12 of the Participation Agreement and (ii) for its own willful misconduct or negligence. If a successor Owner Trustee is appointed in accordance with the terms of the Trust Agreement and the Participation Agreement, such successor Owner Trustee shall, without any further act, succeed to all of the rights, duties, immunities and obligations hereunder, and its predecessor Owner Trustee and Wells Fargo Bank Northwest, National Association shall be released from all further duties and obligations hereunder, without prejudice

to any claims against Wells Fargo Bank Northwest, National Association or such predecessor Owner Trustee for any default by Wells Fargo Bank Northwest, National Association or such predecessor Owner Trustee, respectively, in the performance of its obligations hereunder prior to such appointment.

Section 2.12. Application of Payments. Subject always to Section 2.11 and except as otherwise provided in Article 3, 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 2.13. 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 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, the Series B Equipment Notes and the Series C Equipment Notes, and the Series D Equipment Notes are issued subject to such provisions. The indebtedness evidenced by the Series E Equipment Notes, if issued, shall be, to the extent and in the manner provided in this Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series A-1 Equipment Notes, the Series A-2 Equipment Notes, the Series B Equipment Notes, the Series C Equipment Notes and the Series D Equipment Notes, and the Series E Equipment Notes, if issued, shall be issued subject to such provisions. By acceptance of its Equipment Notes of any Series, each Noteholder of such Series (i) agrees to and shall be bound by such provisions, (ii) 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 (iii) appoints the Loan Trustee as such Noteholder's attorney-in-fact for such purpose.

(b) The Owner Trustee, 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 8.01(g) or after the commencement of any proceedings of the type referred to in Section 8.01(h), except as expressly provided in Article 3.

(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 3 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 3.

Section 2.14. Certain Payments. The Owner Trustee agrees to pay to the Loan Trustee for distribution in accordance with Section 3.05:

(a) an amount or amounts equal to the fees payable to the 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 Note, Series A-2 Equipment Note, Series B Equipment Note or Series C Equipment Note, (i) the excess, if any, of (A) 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 (B) 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) 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 (ii) 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 in respect of such compensation under any other Operative Document or Pass Through Trust 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. 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 shall 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.

Section 2.16. 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 on and any other amounts due on any Equipment Note, including, without limitation, any money deposited pursuant to Section 2.09, and remaining unclaimed for two years after the due date for such payment (or if earlier, one month prior to the escheat period provided under applicable state law) shall be paid to the Owner Trustee; and the Noteholders entitled to payment thereon shall thereafter, as unsecured general creditors, look only to the Lessee on behalf of the Owner Trustee (to the extent of such funds actually received by the Lessee) 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 Lessee 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 Owner Trustee as provided herein.

Section 2.17. Termination of Interest in Indenture Estate(a) . A Noteholder shall have no further interest in, or other right with respect to, the Indenture Estate when and if the principal amount of, Make-Whole Amount, if any, and interest on all Equipment Notes held by such Noteholder and all other sums due and payable to such Noteholder hereunder, under such Equipment Notes and under the other Operative Documents (collectively, the "Secured Obligations") shall have been paid in full.

### ARTICLE 3

#### RECEIPT, DISTRIBUTION AND APPLICATION OF FUNDS IN THE INDENTURE ESTATE

Section 3.01. Payment upon Issuance of Equipment Notes. On the Closing Date, the Owner Trustee shall first, apply, or cause to be applied, the proceeds of the sale of the Equipment Notes to the redemption of the notes issued pursuant to the Original Indenture and second, distribute any remaining amounts to the Owner Trustee.

Section 3.02. Basic Distributions. Except as otherwise provided in Sections 3.03, 3.04 and 3.05, each installment of Basic Rent, any payment of interest on overdue installments of Basic Rent and any payment received by the Loan Trustee pursuant to Section 8.03 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;

fifth, after giving effect to clause "fourth" 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 E Equipment Notes shall be distributed to the Noteholders of Series E Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series E Equipment Note bears to the aggregate amount of the payments then due under all Series E Equipment Notes; and

sixth, the balance, if any, of such installment remaining thereafter shall be distributed to the Owner Trustee to be held or distributed in accordance with the terms of the Trust Agreement.



Section 3.03. Event of Loss; Optional Redemption; Voluntary Termination. Except as otherwise provided in Sections 3.04 and 3.05 and subject to the following proviso, any payments received by the Loan Trustee (a) with respect to the Aircraft as the result of an Event of Loss, (b) pursuant to an optional redemption of the Equipment Notes pursuant to Section 2.08 or (c) pursuant to a voluntary termination of the Lease pursuant to Section 9 thereof shall be applied to redemption of the Equipment Notes, 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 Lessee, 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 other Indenture Indemnitees under this Indenture, the Participation Agreement or the Equipment Notes;

second, (i) to pay the amounts specified in subclause (i) of clause "third" of Section 3.04 plus 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 3.04 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 3.04 plus Make-Whole Amount, if any, then due and payable in respect of the Series C Equipment Notes; (iv) after giving effect to subclause (iii) above, to pay the amounts specified in subclause (iv) of clause "third" of Section 3.04 plus Make-Whole Amount, if any, then due and payable in respect of the Series D Equipment Notes; (v) after giving effect to subclause (iv) above, to pay the amount specified in subclause (v) of clause "third" of Section 3.04 plus Make-Whole Amount, if any, then due and payable in respect of the Series E Equipment Notes; and

third, the balance, if any, of such payments shall be distributed to the Owner Trustee to be held or distributed in accordance with the terms of the Trust Agreement.

If one or more Replacement Engines are to be substituted for one or more Engines subject to an Event of Loss as provided in Section 10(b) of the Lease, any insurance, condemnation or similar proceeds resulting from such Event of Loss that are received by the Loan Trustee shall be held by the Loan Trustee as part of the Indenture Estate (and invested as provided in Section 9.07) and, unless otherwise applied pursuant to Section 3.04 hereof following an Indenture Event of Default, such proceeds shall be released to the Lessee upon the release of such Engine subject to the replacement thereof as provided in Section 10(b) of the Lease.

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 3.04. Payments After Indenture Event of Default. Except as otherwise provided in Section 3.05, all payments received and amounts held or realized by the Loan

Trustee (including any amounts realized by the Loan Trustee from the exercise of any remedies pursuant to Section 15 of the Lease or Article 8) after both an Indenture Event of Default shall have occurred and be continuing and the Equipment Notes shall have become due and payable pursuant to Section 8.02, as well as all payments or amounts then held by the Loan Trustee as part of the Indenture Estate, 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 Indenture Estate and every part thereof pursuant to Section 8.05) 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 Indenture 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 (including amounts payable to the Loan Trustee on behalf of any Indenture Indemnitee) hereunder and under the Participation Agreement and the Lease; 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 9.03 (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 9.03;

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; (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 (v) after giving effect to subclause (iv) 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 E Equipment Notes and the accrued but unpaid interest and all other Secured Obligations in respect of the Series E Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series E Equipment Notes, ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series E Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series E Equipment Notes held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; and

fourth, the balance, if any, of such payments or amounts shall be distributed to the Owner Trustee to be held or distributed in accordance with the terms of the Trust Agreement.

No Make-Whole Amount shall be payable on the Equipment Notes as a consequence of or in connection with an Indenture Event of Default or the acceleration of the Equipment Notes.

Section 3.05. Certain Payments. (a) Any payment received by the Loan Trustee for which no provision as to the application thereof is made in this Indenture and for which provision is made in any other Operative Document shall be applied forthwith to the purpose for which such payment was made in accordance with terms of such Operative Document. Notwithstanding anything in this Article 3 or elsewhere in this Indenture to the contrary, the Loan Trustee shall be obligated to distribute and shall distribute to the Owner Participant or the Owner Trustee, as the case may be, any Excepted Property received by the Loan Trustee promptly upon receipt thereof by the Loan Trustee.

(b) The Loan Trustee will distribute promptly upon receipt any indemnity or other payment received by it from the Owner Trustee or the Lessee in respect of the Loan Trustee in its individual capacity or any other Indenture Indemnitee pursuant to Section 10(b) or 10(c) of the Participation Agreement directly to the Person entitled thereto as such Person's interest may appear. Any payment received by the Loan Trustee under Section 2.14 shall be distributed to the Subordination Agent to be distributed in accordance with the terms of the Intercreditor Agreement.

Section 3.06. Payments for Which No Application Is Otherwise Provided. (a) Any payments received by the Loan Trustee for which no provision as to the application thereof is made in the Lease or in another Operative Document or elsewhere in this Indenture shall be distributed by the Loan Trustee (i) to the extent received or realized at any time prior to the payment in full of all obligations to the Noteholders secured by the Lien of this Indenture, in the order of priority specified in Section 3.02 hereof, and (ii) to the extent received or realized at any time after payment in full of all obligations to the Noteholders secured by the Lien of this Indenture, in the following order of priority: first in the manner provided in clause "first" of Section 3.04 hereof, and second, in the manner provided in clause "fourth" of Section 3.04 hereof.

(b) Notwithstanding anything to the contrary set forth in this Indenture, any amounts held by the Loan Trustee, including, without limitation, pursuant to Section 10 or 11 of the Lease, and any other condemnation, requisition, indemnity or other payments, amounts or proceeds of any kind or nature received by it with respect to the Aircraft or other collateral subject to the Lien of this Indenture, which are payable to the Lessee pursuant to the terms of the Lease or the Operative Documents or held by the Loan Trustee in accordance with Section 25 of the Lease shall be (i) so paid to the Lessee or (ii) held by the Loan Trustee as security for the obligations of the Lessee, in each case in accordance with the applicable provisions of the Lease (provided that such monies held by the Loan Trustee shall be invested as provided in Section 9.07).

Section 3.07. Payments to Owner Trustee. Any amounts distributed hereunder by the Loan Trustee to the Owner Trustee shall be paid to the Owner Trustee 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 Owner Trustee to the Loan Trustee from time to time.

#### ARTICLE 4

##### COVENANTS OF OWNER TRUSTEE

Section 4.01. Covenants of Owner Trustee. The Owner Trustee hereby covenants and agrees that:

(a) it will, subject always to Section 2.11, pay or cause to be paid when due all amounts of principal and interest due under the Equipment Notes (in any case, without duplication of amounts theretofore paid to the Loan Trustee in respect thereof), and if received from the Owner Participant or from the Lessee as Supplemental Rent, Make-Whole Amount, if any, and any other amount due under the Equipment Notes;

(b) in the event that any Responsible Officer of the Owner Trustee shall have actual knowledge of an Indenture Event of Default or Indenture Default or an Event of Loss, the Owner Trustee will give prompt written notice thereof to the Loan Trustee, the Owner Participant, each Noteholder and the Lessee;

(c) it will not, except as contemplated by the Operative Documents or with the consent of the Loan Trustee, contract for, create, incur, assume or suffer to exist any Debt, and will not guarantee (directly or indirectly or by an instrument having the effect of assuming another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise be or become contingently liable, directly or indirectly, in connection with the Debt of any other Person; and

(d) it will not, in its capacity as Owner Trustee, engage in any business or other activity, except as contemplated hereby or by the other Operative Documents.

#### ARTICLE 5

##### DISPOSITION, SUBSTITUTION AND RELEASE OF PROPERTY INCLUDED IN THE INDENTURE ESTATE DURING CONTINUATION OF LEASE

Section 5.01. Disposition, Substitution and Release of Property Included in the Indenture Estate During Continuation of Lease. So long as the Lease is in effect:

(a) Parts. Any Parts and alterations, improvements and modifications in and additions to the Aircraft shall, to the extent required or specified by the Lease, become subject to the Lien of this Indenture and be leased to the Lessee under the Lease; provided that, to the extent permitted by and as provided in the Lease, the Lessee shall have the right, at any time and from time to time, without any release from or consent by the Owner Trustee or the Loan Trustee, to remove, replace and pool Parts and to make alterations, improvements and modifications in, and additions to, the Aircraft. The Loan

Trustee agrees that, to the extent permitted by and as provided in the Lease, title to any such removed or replaced Part shall vest in the Lessee.

(b) Substitution Under the Lease upon an Event of Loss Occurring to Engines or upon Voluntary Termination of Lease with Respect to Engines. Upon (i) the occurrence of an Event of Loss occurring to an Engine, or (ii) a voluntary termination of the Lease with respect to an Engine, the Lessee shall substitute an engine and upon satisfaction of all conditions to such substitution specified in Section 10 of the Lease, the Loan Trustee shall release all of its right, interest and Lien in and to such Engine in accordance with the provisions of the following two sentences and the Lease. The Loan Trustee shall execute and deliver to the Owner Trustee an instrument releasing its Lien in and to such Engine and shall execute for recording in public offices, at the expense of the Lessee, such instruments in writing as the Owner Trustee or the Lessee shall reasonably request and as shall be reasonably acceptable to the Loan Trustee in order to make clear upon public records that such Lien has been released under the laws of the applicable jurisdiction. The Owner Trustee hereby waives and releases any and all rights existing or that may be acquired to any penalties, forfeit or damages from or against the Loan Trustee for failure to execute and deliver any document in connection with the release of a Lien or to file any certificate in compliance with any law or statute requiring the filing of the same in connection with the release of a Lien, except for failure by the Loan Trustee to execute and deliver any document or to file any certificate as may be specifically requested in writing by the Owner Trustee or the Lessee.

ARTICLE 6

[RESERVED]

ARTICLE 7

[RESERVED]

ARTICLE 8

DEFAULTS AND REMEDIES

Section 8.01. Indenture Events of Default. "Indenture Event of Default" shall mean any of the following events (whatever the reason for such Indenture Event of Default and 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 Indenture Event of Default shall be deemed to exist so long as, but only so long as, it shall not be remedied:

(a) any amount of interest on, principal of, Make-Whole Amount, if any, or other amount due and payable under any Equipment Note or hereunder shall not be paid when due and payable (other than as a result of a Lease Default or Lease Event of Default), and such default in payment shall continue unremedied for more than 15 days after such amount shall have become due and payable, in the case of any payment of

interest, principal or Make-Whole Amount, if any, thereon and, in the case of any other amount, for more than 20 days after the Owner Trustee or the Owner Participant receives written demand from the Loan Trustee or any Noteholder; or

(b) [reserved]

(c) if at any time when the Aircraft is registered under the laws of the United States, the Owner Participant shall not be a Citizen of the United States, and as the result thereof the registration of the Aircraft under the Federal Aviation Act, and regulations then applicable thereunder, shall cease to be effective; provided that no Indenture Event of Default shall be deemed to have occurred under this subsection (c) unless such circumstances continue unremedied for more than 60 days after the Owner Participant has actual knowledge of the state of facts that resulted in such ineffectiveness and of such loss of citizenship; or

(d) other than as provided in (c) above and (i) below, any failure by the Owner Trustee or the Owner Participant, to observe or perform any other covenant or obligation of the Owner Trustee or the Owner Participant, as the case may be, for the benefit of the Loan Trustee or the Noteholders contained in this Indenture, Section 4.3(a) of the Trust Agreement, the Participation Agreement or the Equipment Notes which is not remedied within a period of 60 days after notice thereof has been given to the Owner Trustee and the Owner Participant; or

(e) any representation or warranty made by the Owner Participant, the Owner Trustee or the Owner Participant Guarantor herein, in the Participation Agreement, in the Owner Participant Guaranty or in any certificate furnished by any of them to the Loan Trustee or any Noteholder in connection with the transactions contemplated by the Operative Documents shall prove at any time to have been false or incorrect when made in any material respect and continues to be material and adverse to the rights and interests of the Loan Trustee or the Noteholders; and if such misrepresentation is capable of being corrected and if such correction is being sought diligently, such misrepresentation and its consequences shall not have been corrected within 60 days (or, without affecting Section 8.01(c) hereof, in the case of the representations made in Sections 11(e)(xi) and 11(f)(v) of the Participation Agreement as to the citizenship of the Owner Trustee in its individual capacity and of the Owner Participant, respectively, as soon as is reasonably practicable but in any event within 60 days) after notice thereof has been given to the Owner Participant and the Owner Trustee by the Loan Trustee or any Noteholder; or

(f) any Lease Event of Default; or

(g) either the Trust Estate or the Owner Trustee with respect thereto (and not in its individual capacity), the Owner Participant or the Owner Participant Guarantor, as the case may be, shall (i) file, or consent by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (ii) make an assignment for the benefit of its creditors, or (iii) consent to the

appointment of a custodian, receiver, trustee or other officer with similar powers of itself or any substantial part of its property; or

(h) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Trust Estate or the Owner Trustee with respect thereto (and not in its individual capacity), the Owner Participant, or the Owner Participant Guarantor, as the case may be, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Trust Estate or the Owner Trustee with respect thereto (and not in its individual capacity), the Owner Participant, or the Owner Participant Guarantor, as the case may be, and any such order or petition is not dismissed or stayed within 90 days after the earlier of the entering of any such order or the approval of any such petition; or

(i) any Lessor's Lien required to be discharged by the Owner Participant or the Owner Trustee, in its individual capacity, pursuant to Section 19(b) of the Participation Agreement (in the case of the Owner Participant) or Section 12(h) of the Participation Agreement (in the case of the Owner Trustee) shall remain undischarged for a period of 30 days after the Owner Participant and the Owner Trustee shall have received written notice from the Loan Trustee or any Noteholder of such Lien, or

(j) any Owner Participant Guaranty ceases to be a valid and enforceable obligation of the Owner Participant Guarantor.

Section 8.02. Acceleration; Rescission and Annulment. If an Indenture Event of Default referred to in clause (g) or (h) of Section 8.01 hereof shall have occurred or a Lease Event of Default under Section 14(f), (g), (h) or (i) of the Lease shall have occurred, then and in every such case the unpaid principal of all Equipment Notes then outstanding, together with interest accrued but unpaid thereon owing to the Noteholders and all other amounts due thereunder and hereunder, shall immediately and without further act become due and payable, without presentment, demand, protest or notice, all of which are hereby waived.

If any other Indenture Event of Default occurs and is continuing, the Loan Trustee, may, and upon the written instructions of a Majority in Interest of Noteholders, the Loan Trustee shall, by notice to the Lessee, the Owner Participant and the Owner Trustee, declare the principal of all the Equipment Notes to be due and payable, subject to Section 8.03. Upon such declaration, the principal of all Equipment Notes, together with accrued interest thereon from the date in respect of which interest was last paid hereunder to the date payment of such principal has been made or duly provided for shall be immediately due and payable.

At any time after the principal of the Equipment Notes shall have become so due and payable, and before any judgment or decree for the payment of the money so due, or any thereof, shall be entered, a Majority in Interest of Noteholders, by notice to the Loan Trustee, the Owner Trustee and the Owner Participant, may rescind such a declaration and thereby annul its



consequences if (i) an amount sufficient to pay all principal of, Make-Whole Amount, if any, and interest on, such Equipment Notes, to the extent each such amount is due or past due, if any, in respect of the outstanding Equipment Notes other than by reason of such acceleration and all sums due and payable to the Loan Trustee has been deposited with the Loan Trustee, (ii) the rescission would not conflict with any judgment or decree and (iii) all existing Indenture Defaults and Indenture Events of Default under this Indenture have been cured or waived except nonpayment of principal of, or interest on the Equipment Notes that has become due solely because of such acceleration. No Make-Whole Amount shall be payable on the Equipment Notes as a result of the acceleration of the Equipment Notes.

Section 8.03. Certain Rights. The Loan Trustee shall give the Noteholders, the Owner Trustee and the Owner Participant prompt written notice of any Indenture Event of Default of which the Indenture Trustee has actual knowledge and shall give the Noteholders, the Owner Trustee and the Owner Participant not less than ten (10) Business Days' prior written notice of the date (the "Enforcement Date") on or after which the Loan Trustee may commence and consummate the exercise of any remedy or remedies described in Section 8.02, 8.04, 8.05 or 8.06, or the exercise of any remedy or remedies pursuant to the provisions of Section 15 of the Lease. If an Indenture Event of Default shall have occurred and be continuing, the Owner Trustee shall have the following rights hereunder, any of which may be exercised directly by the Owner Participant.

If as a result of any default by the Lessee in the payment of any installment of Basic Rent due under the Lease, the Loan Trustee shall have insufficient funds to make any payment of the principal of and interest on any Equipment Note on the day it becomes due and payable, the Owner Trustee or the Owner Participant through the Owner Trustee, may pay to the Loan Trustee prior to the Enforcement Date, as provided in Section 2.03 hereof, for application in accordance with Section 3.02 hereof a sum equal to the amount of all (but not less than all) of the principal and interest (including interest, if any, on any overdue payment of such principal and interest) as shall then (without regard to any acceleration pursuant to Section 8.02 hereof) be due and payable on the Equipment Notes and, unless the Owner Trustee has cured Indenture Events of Default in respect of payments of Basic Rent on each of the three immediately preceding Basic Rent payment dates or the Owner Trustee has cured an aggregate of six previous Indenture Events of Default in respect of payments of Basic Rent, such payment by the Owner Trustee shall, solely for purposes of this Indenture, be deemed to cure any Indenture Event of Default which would otherwise have arisen on account of the nonpayment by the Lessee of such installment of Basic Rent (but not as to any other Indenture Default or Indenture Event of Default which shall have occurred and be continuing).

In the event of any default by the Lessee in any obligation under the Lease other than the payment of Basic Rent, if such default can be remedied by the payment of money (it being understood that defaults requiring action such as the obtaining of insurance and the procuring of maintenance services can be so remedied) and the Owner Trustee shall have been furnished (by the Owner Participant) with all funds necessary for remedying such default, the Owner Trustee may, prior to the Enforcement Date, without the consent or concurrence of any Noteholder, instruct the Owner Trustee to exercise the Owner Trustee's rights under Section 23 of the Lease to perform such obligation on behalf of the Lessee or the Owner Participant may directly exercise the Owner Trustee's rights under Section 23 of the Lease.

Solely for the purpose of determining whether there exists an Indenture Event of Default, (a) any payment by the Owner Trustee, pursuant to, and in compliance with, the first sentence of this Section 8.03 shall be deemed to remedy any default by the Lessee in the payment of installments of Basic Rent theretofore due and payable and to remedy any corresponding default by the Owner Trustee in payment of any amount due and payable under the Equipment Notes or hereunder, and (b) any performance by the Owner Trustee or the Owner Participant of any obligation of the Lessee under the Lease pursuant to, and in compliance with, the second sentence of this Section 8.03 shall be deemed to remedy any Lease Event of Default to the same extent that like performance by the Lessee itself would have remedied such Lease Event of Default (but any such payment or performance shall not relieve the Lessee of its duty to pay all Rent and perform all of its obligations pursuant to the Lease). If, on the basis specified in the preceding sentence, such Lease Event of Default shall have been remedied, then any declaration pursuant to Section 15 of the Lease that the Lease is in default, and any declaration pursuant to this Indenture that the Equipment Notes are due and payable or that an Indenture Event of Default exists hereunder, based upon such Lease Event of Default, shall be deemed to be rescinded.

Except as hereinafter in this Section 8.03 provided, neither the Owner Trustee nor the Owner Participant shall, as a result of exercising the right to cure any such Indenture Event of Default, obtain any Lien on any of the Indenture Estate or any Rent payable under the Lease for or on account of costs or expenses incurred in connection with the exercise of such right, nor shall any claim of the Owner Trustee or the Owner Participant against Lessee or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Loan Trustee in and to the Indenture Estate. The Owner Participant or the Owner Trustee, as applicable, shall (to the extent of any such payments made by it) be subrogated to the rights of the Noteholders hereunder to receive such payment of Basic Rent or Supplemental Rent from the Loan Trustee (and the payment of interest on account of such Rent being overdue), and shall be entitled, so long as no other Indenture Default or Indenture Event of Default shall have occurred or would result therefrom, to receive such payment upon receipt thereof by the Loan Trustee; provided that (a) if the principal of and interest on the Equipment Notes shall have become due and payable pursuant to Section 8.02 hereof, such subrogation shall, until the principal of, interest on, Make-Whole Amount, if any, and all other amounts due with respect to all Equipment Notes shall have been paid in full, be subordinate to the rights of the Loan Trustee and the Noteholders in respect of such payment of overdue Basic Rent, Supplemental Rent and such interest and (b) the Owner Participant or the Owner Trustee, as applicable, shall not otherwise attempt to recover any such amount paid by it on behalf of the Lessee pursuant to this Section 8.03 except by demanding of the Lessee payment of such amount or by commencing an action at law and obtaining and enforcing a judgment against the Lessee for the payment of such amount or taking appropriate action in a pending action at law against the Lessee; provided further that at no time while an Indenture Event of Default shall have occurred and be continuing shall any such demand be made or shall any such action be commenced (or continued) and any amounts nevertheless received by the Owner Participant or the Owner Trustee, as applicable, in respect thereof shall be held in trust for the benefit of and promptly paid to, the Loan Trustee for distribution as provided in Section 3.04 hereof.

Section 8.04. Remedies. (a) If an Indenture Event of Default shall have occurred and be continuing and so long as the same shall be continuing unremedied, then and in every

such case the Loan Trustee may, subject to Section 2.10, Section 8.03 and the second paragraph of this Section 8.04(a), exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to this Article 8 and shall have and may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code and, in the event such Indenture Event of Default is a Lease Event of Default, any and all of the remedies pursuant to Section 15 of the Lease and may take possession of all or any part of the properties covered or intended to be covered by the Lien and security interest created hereby or pursuant hereto (but, in the case of the Aircraft, only as permitted by Section 15 of the Lease) and may exclude the Owner Participant, the Owner Trustee and (to the extent permitted by Section 15 of the Lease) the Lessee and all Persons claiming under any of them or wholly or partly therefrom; provided that the Loan Trustee shall give the Owner Trustee and the Owner Participant twenty days' prior written notice of its intention to sell the Aircraft, and provided further that, in the event the Loan Trustee shall have validly terminated the Lease, the Loan Trustee shall not sell or lease, or otherwise afford the use of, the Aircraft or any portion thereof to the Lessee or any Affiliate thereof. Unless an Indenture Event of Default not resulting from or relating to a Lease Event of Default has occurred and is continuing, the Owner Participant may bid at the sale and become the purchaser. Without limiting any of the foregoing, but subject to any conditions provided for herein or under applicable law, it is understood and agreed that the Loan Trustee may exercise any right of sale of the Aircraft available to it, even though it shall not have taken possession of the Aircraft and shall not have possession thereof at the time of such sale.

Anything in this Indenture to the contrary notwithstanding, if an Indenture Event of Default which arises solely by reason of one or more events or circumstances which constitute a Lease Event of Default shall have occurred and be continuing, if the Loan Trustee shall proceed to foreclose the Lien of this Indenture, it shall concurrently therewith, to the extent the Loan Trustee is then entitled to do so hereunder and under the Lease, and is not then stayed or otherwise prevented from doing so by operation of law, proceed (to the extent it has not already done so) to declare the Lease to be in default and exercise one or more dispossessory remedies referred to in Sections 15 of the Lease; provided that such requirement to exercise one or more of such remedies under the Lease shall not apply in circumstances where the Loan Trustee is, and has been, for a continuous period in excess of 60 days or such other period as may be specified in Section 1110 of the Bankruptcy Code (such 60-day or other period being the "Section 1110 Period"), involuntarily stayed or prohibited by applicable law or court order from exercising such remedies under the Lease (a "Continuous Stay Period"); provided further that the requirement to exercise one or more of such remedies under the Lease shall nonetheless be applicable during a Continuous Stay Period subsequent to the expiration of the Section 1110 Period to the extent that the continuation of such Continuous Stay Period subsequent to the expiration of the Section 1110 Period (i) results from an agreement by the trustee or the debtor-in-possession in such proceeding during the Section 1110 Period with the approval of the relevant court to perform the Lease in accordance with Section 1110(a)(2)(A) of the Bankruptcy Code and continues to perform as required by Section 1110(a)(2)(A-B) of the Bankruptcy Code or (ii) is an extension of the Section 1110 Period with the consent of the Loan Trustee pursuant to Section 1110(b) of the Bankruptcy Code or (iii) is the consequence of the Loan Trustee's own failure to give any requisite notice to any Person. In the event that the applicability of Section 1110 of the Bankruptcy Code to the Aircraft is being contested by Lessee in judicial proceedings, both the Loan Trustee and the Owner Trustee (without affecting in any way any right or remedy of the Loan Trustee hereunder) shall have the right to participate in such proceedings.

It is expressly understood and agreed that, subject to the restrictions set forth in the immediately preceding paragraph, the above-described inability of the Loan Trustee to exercise any right or remedy under the Lease shall in no event and under no circumstance (except as provided in the immediately preceding paragraph) prevent the Loan Trustee from exercising all of its rights, powers and remedies under this Indenture, including without limitation this Article 8.

(b) The Noteholders shall be entitled, at any sale pursuant to Section 15 of the Lease or this Section 8.04, to credit against any purchase price bid at such sale by such Noteholders all or any part of the unpaid obligations owing to such Noteholders and secured by the Lien of this Indenture (only to the extent that such purchase would have been paid to such Noteholder pursuant to Article 3 hereof if such purchase price were paid in cash and the foregoing provisions of this subsection (b) were not given effect).

(c) In the event of any sale of the Indenture Estate, or any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Indenture, the unpaid principal of all Equipment Notes then outstanding, together with accrued interest thereon (without Make-Whole Amount), and other amounts due thereunder, shall immediately become due and payable without presentment, demand, protest or notice, all of which are hereby waived.

(d) 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 Indentured Property or take any action with respect to any Indentured Property so acquired by it if such acquisition or action would cause any Trust to fail to qualify as a grantor trust for federal income tax purposes.

Section 8.05. Return of Aircraft, Etc. (a) Unless the Owner Participant shall have purchased the Equipment Notes pursuant to Section 2.10 hereof, if an Indenture Event of Default shall have occurred and be continuing and the Equipment Notes shall have been accelerated, at the request of the Loan Trustee, the Owner Trustee shall promptly execute and deliver or cause to be delivered to the Loan Trustee such instruments of title and other documents as the Loan Trustee may 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 Indentured Property to which the Loan Trustee shall at the time be entitled hereunder. If the Owner Trustee shall for any reason fail to execute and deliver or cause to be delivered such instruments and documents after such request by the Loan Trustee, the Loan Trustee may (i) obtain a judgment conferring on the Loan Trustee the right to immediate possession and requiring the Owner Trustee to execute and deliver or cause to be delivered such instruments and documents to the Loan Trustee, to the entry of which judgment the Owner Trustee hereby specifically consents to the fullest extent it may lawfully do so, and (ii) to the extent permitted by law, pursue all or part of such Indentured Property wherever it may be found (but not in violation of the Lease) and may enter any of the premises of the Lessee wherever such Indentured Property may be or is supposed to be and search for such Indentured Property and take possession of and remove such Indentured Property (but not in violation of the Lease). All expenses of obtaining such judgment

or of pursuing, searching for and taking such property shall, until paid, be secured by the Lien of this Indenture.

(b) Upon every such taking of possession, the Loan Trustee may, from time to time, at the expense of the Indenture Estate, make all such expenditures for maintenance, insurance, repairs, replacements, alterations, additions and improvements to and of the Indentured Property, as it may reasonably deem proper. In each such case, the Loan Trustee shall have the right to maintain, use, operate, store, lease, control or manage the Indentured Property and to carry on the business and to exercise all rights and powers of the Owner Trustee relating to the Indentured Property, as the Loan Trustee shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, insurance, use, operation, storage, leasing, control, management or disposition of the Indentured Property 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 (including Rent), revenues, issues, income, products and profits of the Indentured Property and every part thereof, except Excepted Property, without prejudice, however, to the right of the Loan Trustee under any provision of this Indenture to collect and receive all cash held by, or required to be deposited with, the Loan Trustee hereunder. Such tolls, rents (including Rent), revenues, issues, income, products and profits shall be applied to pay the expenses of maintenance, use, operation, storage, leasing, insurance control, management, modification, alteration or disposition of the Indentured Property and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Loan Trustee may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Indentured Property or any part thereof, and all other payments which the Loan Trustee may be required or authorized to make under any provision of this Indenture, as well as just and reasonable compensation for the services of the Loan Trustee, and of all Persons properly engaged and employed by the Loan Trustee. Nothing in Section 8.04 or in this Section 8.05 shall impair the rights of quiet enjoyment provided in Section 4(b) of the Lease.

Section 8.06. Remedies Cumulative. To the extent permitted under applicable law, each and every right, power and remedy given to the Loan Trustee specifically or otherwise in this Indenture 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 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 impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Owner Trustee or the Lessee or to be an acquiescence therein.

Section 8.07. Discontinuance of Proceedings. In case the Loan Trustee shall have instituted any proceeding 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 Owner Trustee, the Loan Trustee and the Lessee shall, subject to any determination

in such proceedings, be restored to their former positions and rights hereunder with respect to the Indentured Property, and all rights, remedies and powers of the Loan Trustee shall continue as if no such proceedings had been instituted.

Section 8.08. Waiver of Past Defaults. Upon written instructions from a Majority in Interest of Noteholders, the Loan Trustee shall waive any existing default hereunder and its consequences and upon any such waiver such default shall cease to exist and any Indenture Event of Default (as well as any Lease Event of Default giving rise to such Indenture Event of Default) arising therefrom shall be deemed to have been cured for every purpose of this Indenture, 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 the Noteholder affected thereby, the Loan Trustee shall not waive any default (i) in the payment of the principal of, Make-Whole Amount, if any, or interest due under, any Equipment Note then outstanding, or (ii) in respect of a covenant or provision hereof which, under Article 12 hereof, cannot be modified or amended without the consent of each affected Noteholder.

Section 8.09. Loan Trustee Authorized to Execute Bills of Sale, Etc. Subject to the provisions of this Indenture, the Owner Trustee irrevocably appoints the Loan Trustee the true and lawful attorney-in-fact of the Owner Trustee (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, assignments and other instruments as may be necessary or appropriate, with full power of substitution, the Owner Trustee hereby ratifying and confirming all that such attorney or any substitute shall do by virtue hereof in accordance with applicable law. Nevertheless, if so requested by the Loan Trustee or any purchaser, the Owner Trustee shall ratify and confirm any such sale, assignment, transfer or 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.

Section 8.10. Rights of Noteholders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Noteholder to receive payment of principal of, and Make-Whole Amount, if any, and interest on an Equipment Note on or after the respective due dates expressed in such Equipment Note, to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Noteholder.

## ARTICLE 9

### DUTIES OF THE LOAN TRUSTEE

Section 9.01. Notice of Indenture Event of Default. In the event the Loan Trustee shall have knowledge of an Indenture Event of Default, or shall have knowledge of an Indenture Default arising from a failure to pay Rent, the Loan Trustee shall give prompt written notice thereof to the Owner Trustee, the Owner Participant, the Lessee and each Noteholder. Subject to the terms of Sections 8.03, 8.04, 8.08, 9.02 and 9.03 hereof, the Loan Trustee shall take such action, or refrain from taking such action, with respect to such Indenture Event of Default or

Indenture Default (including with respect to the exercise of any rights or remedies hereunder) as the Loan Trustee shall be instructed in writing by the Majority in Interest of Noteholders. Subject to the provisions of Section 9.03 hereof, if the Loan Trustee shall not have received instructions as above provided within 20 days after giving notice of such Indenture Default or Indenture Event of Default to the Noteholders, the Loan Trustee may, subject to instructions thereafter received pursuant to the preceding provisions of this Section 9.01, 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 Indenture Default or Indenture Event of Default as it shall determine 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 Aircraft or any Engine without the consent of the Majority in Interest of Noteholders. In the event the Loan Trustee shall at any time declare the Lease to be in default pursuant to Section 15 thereof or shall elect, subject to Section 8.03, to foreclose or otherwise enforce this Indenture, the Loan Trustee shall forthwith notify the Owner Participant, the Noteholders, the Owner Trustee and the Lessee. For all purposes of this Indenture, in the absence of actual knowledge on the part of the Loan Trustee, the Loan Trustee shall not be deemed to have knowledge of an Indenture Event of Default or an Indenture Default (except, in the case of the Loan Trustee, the failure of the Lessee to pay any installment of Basic Rent, if any portion of such installment was then required to be paid to the Loan Trustee, which failure shall constitute knowledge of an Indenture Default one Business Day after such Basic Rent was due) or the curing of an Indenture Event of Default unless notified in writing by the Lessee, the Owner Trustee, the Owner Participant or one or more Noteholders.

Section 9.02. Action upon Instructions. (a) Subject to the terms of Sections 2.10, 8.03, 8.04(a), 8.08, 9.01 and 9.03, upon the written instructions at any time and from time to time of a Majority in Interest of Noteholders, the Loan Trustee shall take such of the following actions as may be specified in such instructions: (i) give such notice, consent, waiver or approval or exercise such right, remedy or power or take such other action hereunder or in respect of any part or all of the Indenture Estate as shall be specified in such instructions and as shall be consistent with the Operative Documents; (ii) take such action with respect to, or to preserve or protect, the Indenture Estate (including the discharge of Liens) as shall be specified in such instructions and as are consistent with this Indenture; and (iii) take such other action in respect of the subject matter of this Indenture as is consistent with the terms hereof and the Indenture Documents. The Loan Trustee will execute and file or cause to be filed such continuation statements with respect to financing statements relating to the security interest created hereunder in the Indenture Estate as may be specified from time to time in written instructions of a Majority in Interest of Noteholders (which instructions may, by their terms, be operative only at a future date and which shall be accompanied by the execution form of such continuation statement so to be filed).

(b) If any Lease Event of Default shall have occurred and be continuing and the Owner Participant shall have failed to cure or shall have fully utilized its rights to cure such Lease Event of Default under and in accordance with the provisions of Section 8.03 hereof, on request of a Majority in Interest of Noteholders and subject to the terms and conditions of this Indenture (including Section 9.01 hereof), the Loan Trustee shall exercise such remedies under Section 15 of the Lease as shall be specified in such request.

Section 9.03. Indemnification. The Loan Trustee shall not be required to take any action or refrain from taking any action under Section 9.01 (other than the first sentence thereof) or 9.02 or Article 8 hereof unless the Loan Trustee shall have been indemnified against any liability, cost or expense (including counsel fees) which may be incurred in connection therewith. The Loan Trustee shall not be under any obligation to take any action under this Indenture and nothing contained in this Indenture shall require the Loan Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder 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 or liability is not reasonably assured to it. The Loan Trustee shall not be required to take any action under Section 9.01 (other than the first sentence thereof) or 9.02 or Article 8 hereof, nor shall any other provision of this Indenture be deemed to impose a duty on the Loan Trustee to take any action, if the Loan Trustee shall have been advised by counsel that such action is contrary to the terms hereof or of the Lease or is otherwise contrary to law.

Section 9.04. No Duties Except as Specified in Indenture or Instructions. The Loan Trustee shall not have any duty or obligation to use, operate, store, lease, control, manage, sell, dispose of or otherwise deal with the Aircraft or any other part of the Indenture Estate, or to otherwise take or refrain from taking any action under, or in connection with, this Indenture or any part of the Indenture Estate, except as expressly provided by the terms of this Indenture or as expressly provided in written instructions from Noteholders as provided in this Indenture; and no implied duties or obligations shall be read into this Indenture against the Loan Trustee.

Section 9.05. No Action Except Under Lease, Indenture or Instructions. The Owner Trustee and the Loan Trustee agree that they will not use, operate, store, lease, control, manage, sell, dispose of or otherwise deal with the Aircraft or any other part of the Indenture Estate except (i) as required or permitted by the terms of the Lease or the Participation Agreement and (ii) in accordance with the powers granted to, or the authority conferred upon, the Owner Trustee and the Loan Trustee pursuant to this Indenture and in accordance with the express terms hereof.

Section 9.06. Notices, Etc. The Loan Trustee shall deliver to each Noteholder, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements, opinions and other instruments received by it (i) in connection with the Indentured Property or (ii) under or pursuant to any Operative Document, to the extent that the same shall not have been required to be furnished pursuant thereto or hereto to such Noteholders.

Section 9.07. Investment of Funds Held by Loan Trustee. (a) Subject to subsection (b) below, any monies (including for the purpose of this subsection any cash deposited with the Loan Trustee or Permitted Investments purchased by the use of such cash pursuant to this subsection 9.07(a) or any cash constituting the proceeds of the maturity, sale or other disposition of any Permitted Investment) held by the Loan Trustee hereunder as part of the Indenture Estate, until paid out by the Loan Trustee as herein provided, at any time and from time to time, at the request of the Owner Trustee, 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 Trustee in trust as part of the Indenture Estate until so sold. Unless otherwise expressly provided in this Indenture, any profit, income, interest, dividend or gain realized upon maturity, sale or other disposition of any such Permitted Investment, net of the Loan Trustee's reasonable fees and expenses in making such Permitted Investment, shall be held and applied by the Loan Trustee in the same manner as the principal amount of such Permitted Investment is to be applied and any loss realized upon maturity, sale or other disposition of any such Permitted Investment shall be charged against the principal amount invested.

(b) Notwithstanding anything to the contrary contained in paragraph (a) above, any amounts held by the Loan Trustee hereunder as a part of the Indenture Estate, until paid out by the Loan Trustee as herein provided, which are either (i) amounts held pursuant to Section 25 of the Lease or (ii) amounts held in connection with termination of the Lease pursuant to Section 9(a) of the Lease, at any time and from time to time, so long as no Lease Event of Default shall have occurred and be continuing, at the request (given directly by the Lessee to the Loan Trustee) of the Lessee acting as the agent of the Owner Trustee, 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 a part of the Indenture Estate until so sold; provided that the Lessee, on behalf of the Owner Trustee, as agent of the Owner Trustee, 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 Lease Event of Default shall have occurred and be continuing, be entitled to receive from the Loan Trustee, and the Loan Trustee shall promptly pay to the Lessee, on behalf of the Owner Trustee, any profit, income, interest, dividend or gain realized upon maturity, sale or other disposition of any such Permitted Investment. If any Lease Event of 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 made pursuant to this paragraph (b) shall be held as part of the Indenture Estate 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 or of the Lease pursuant to which such amounts were required to be held.

(c) 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.

Section 9.08. Replacement of Loan Trustee. (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.

(b) The Loan Trustee may resign by giving at least 30 days' prior written notice to the Lessee and the Owner Trustee. The Majority in Interest of Noteholders may remove the Loan Trustee by giving at least 30 days' prior written notice to the Loan Trustee, the Owner Trustee, the Owner Participant and the Lessee and may appoint a successor Loan Trustee for such Equipment Notes with, so long as no Indenture Event of Default shall have occurred and

be continuing, the Owner Trustee's and the Lessee's consent. The Owner Trustee (acting pursuant to instructions from the Lessee) may remove the Loan Trustee if:

- (1) the Loan Trustee fails to comply with Section 9.10 hereof;
- (2) the Loan Trustee is adjudged a bankrupt or an insolvent;
- (3) a receiver or public officer takes charge of its property;

or

- (4) the Loan Trustee becomes incapable of acting.

(c) If the Loan Trustee resigns or is removed, or if a vacancy exists in the office of Loan Trustee for any reason and a new Loan Trustee has not been appointed pursuant to Section 9.08(b), the Owner Trustee shall promptly appoint a successor Loan Trustee.

(d) If a successor Loan Trustee does not take office within 30 days after the retiring Loan Trustee resigns or is removed, the retiring Loan Trustee, the Lessee, the Owner Trustee or a Majority in Interest of Noteholders may petition any court of competent jurisdiction for the appointment of a successor Loan Trustee.

(e) If the Loan Trustee fails to comply with Section 9.10, any Noteholder may petition any court of competent jurisdiction for the removal of such Loan Trustee and the appointment of a successor Loan Trustee.

(f) A successor Loan Trustee shall deliver a written acceptance of its appointment to the retiring Loan Trustee, to the Lessee and to the Owner Trustee. Thereupon, the resignation or removal of the retiring Loan Trustee shall become effective, and the successor Loan Trustee shall have all the rights, powers and duties of the retiring Loan Trustee for which the successor Loan Trustee is to be acting as Loan Trustee under this Indenture. The retiring Loan Trustee shall promptly transfer all property and all books and records relating to the administration of the Indenture Estate held by it as Loan Trustee to the successor Loan Trustee subject to the Lien provided for in Section 10.07. The Owner Trustee shall give notice of each appointment of a successor Loan Trustee if there are Equipment Notes outstanding, by mailing written notice of such event by first-class mail to the Noteholders.

Section 9.09. Successor Loan Trustee by Merger, Etc. If the Loan Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business assets to, another corporation, the successor corporation, without any further act, shall be the successor Loan Trustee.

Section 9.10. Eligibility; Disqualification. This Indenture shall at all times have a Loan Trustee which shall be a Citizen of the United States and shall be a bank or trust company and 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, any State or Territory thereof or of 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 and upon reasonable or customary terms. If 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 9.10, the combined capital and surplus of 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 Loan Trustee shall cease to be eligible in accordance with the provisions of this Section 9.10, the Loan Trustee shall resign immediately in the manner and with the effect specified in Section 9.08.

Section 9.11. Trustee's Liens. The Loan Trustee in its individual capacity agrees that it will at its own cost and expense promptly take such action as may be necessary to duly discharge and satisfy in full all Liens ("Trustee's Liens") on the Indenture Estate which are either (i) attributable to the Loan Trustee in its individual capacity and which are unrelated to the transactions contemplated by the Operative Documents, or (ii) attributable to the Loan Trustee as trustee hereunder or in its individual capacity and which arise out of acts or omissions by it which are contrary to the terms of this Indenture.

Section 9.12. Withholding Taxes; Information Reporting. The Loan Trustee shall exclude and withhold at the appropriate rate from each distribution of principal, Make-Whole Amount, if any, and interest and other amounts due hereunder or under the Equipment Notes any and all withholding taxes applicable thereto as required by law. The Loan Trustee agrees (i) 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 Equipment Notes, to withhold such amounts and timely pay the same to the appropriate authority in the name of and on behalf of the Noteholders, (ii) that it will file any necessary withholding tax returns or statements when due and (iii) that, as promptly as possible after the payment of such amounts, it will deliver to each Noteholder appropriate documentation showing the payment of such amounts, together with such additional documentary evidence as such Noteholders 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.

#### ARTICLE 10

##### THE OWNER TRUSTEE AND THE LOAN TRUSTEE

Section 10.01. Acceptance of Trusts and Duties. The Loan Trustee accepts the duties hereby created and applicable to it and agrees to perform the same but only upon the terms of this Indenture and agrees to receive and disburse all moneys constituting part of the Indenture Estate in accordance with the terms hereof. The Loan Trustee shall not be answerable or accountable under any circumstances in its individual capacity, except for its own willful misconduct or negligence and its failure to use ordinary care in receiving, handling or disbursing funds, except as provided in the third sentence of Section 2.03 or Section 9.11 hereof or, except for liabilities that may result from the inaccuracy of any representation or warranty of, or breach of any covenant by, the Loan Trustee in Section 11 or Section 12 of the Participation Agreement

or any other document. The Owner Trustee shall not be deemed a trustee for the Noteholders for any purpose.

Section 10.02. Absence of Duties. In the case of the Loan Trustee, except in accordance with written instructions furnished pursuant to Section 9.01, 9.02 or 13.01 hereof, and except as provided in, and without limiting the generality of, Sections 9.02, 9.03 and 9.04 hereof and, in the case of the Owner Trustee, except as provided in Section 4.01 or 13.01 hereof, the Owner Trustee and the Loan Trustee shall have no duty (i) to see to any registration of the Aircraft or any recording or filing of the Lease or of this Indenture or any other document, or to see to the maintenance of any such registration, recording or filing, (ii) to see to any insurance on the Aircraft, whether or not the Lessee shall be in default with respect thereto, (iii) to see to the payment or discharge of any Lien of any kind against any part of the Trust Estate or the Indenture Estate, (iv) to confirm, verify or inquire into the failure to receive any financial statements of the Lessee or (v) to inspect the Aircraft at any time or ascertain or inquire as to the performance or observance of any of the Lessee's covenants under the Lease with respect to the Aircraft.

Section 10.03. No Representations or Warranties as to Aircraft or Documents. NONE OF THE LOAN TRUSTEE, THE OWNER TRUSTEE (IN ITS INDIVIDUAL CAPACITY OR AS OWNER TRUSTEE) OR THE OWNER PARTICIPANT MAKES OR SHALL BE DEEMED TO HAVE MADE, AND EACH HEREBY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, AIRWORTHINESS, VALUE, WORKMANSHIP, COMPLIANCE WITH SPECIFICATIONS, CONDITION, DESIGN, QUALITY, DURABILITY, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF WHATSOEVER, except that the Owner Trustee in its individual capacity warrants that (i) at the Commencement Time for the Aircraft the Owner Trustee shall have received or continued to hold whatever interest and title in the Aircraft and the other property included in the Trust Estate was conveyed to it at or prior to such Commencement Time subject to the rights of the parties to the Indenture Documents and (ii) the Aircraft shall be free and clear of Lessor's Liens attributable to the Owner Trustee in its individual capacity. Neither the Owner Trustee nor the Loan Trustee makes or shall be deemed to have made any representation or warranty as to the validity, legality or enforceability of this Indenture, the Trust Agreement, the Equipment Notes or any Indenture Documents or as to the correctness of any statement contained in any thereof, except for the representations and warranties of the Owner Trustee and the Loan Trustee made in their respective individual capacities under this Indenture or in the Participation Agreement.

Section 10.04. No Segregation of Moneys; No Interest. Any moneys paid to or retained by the Loan Trustee pursuant to any provision hereof and not then required to be distributed to any Noteholder, the Lessee or the Owner Trustee as provided in Article 3 hereof need not be segregated in any manner except to the extent provided herein or as otherwise

required by law, and may, except as aforesaid, be deposited under such general conditions as may be prescribed by law, and the Loan Trustee shall not (except as otherwise provided in Section 9.07 hereof) be liable for any interest thereon; provided 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 10.05. Reliance; Agents; Advice of Counsel. Neither the Owner Trustee nor the Loan Trustee shall 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. The Owner Trustee and the Loan Trustee may accept a copy of a resolution of the Board of Directors or any applicable committee thereof of any party to the Participation Agreement, certified by the Secretary or an Assistant Secretary thereof 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 the aggregate unpaid principal amount of Equipment Notes outstanding as of any date, the Owner Trustee may for all purposes hereof rely on a certificate signed by any Vice President or other authorized corporate trust officer of the Loan Trustee. As to any fact or matter relating to the Lessee, the manner of ascertainment of which is not specifically described herein, the Owner Trustee and the Loan Trustee may for all purposes hereof rely on a certificate, signed by a Responsible Officer of the Lessee, as to such fact or matter, and such certificate shall constitute full protection to the Owner Trustee and the Loan Trustee for any action taken or omitted to be taken by them in good faith in reliance thereon. The Loan Trustee shall assume, and shall be fully protected in assuming, that the Owner Trustee is authorized by the Trust Agreement to enter into this Indenture and to take all action to be taken by it pursuant to the provisions hereof, and shall not inquire into the authorization of the Owner Trustee with respect thereto. In the administration of the trusts hereunder, the Loan Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents (provided that, so long as no Lease Event of Default shall have occurred and be continuing, any agent of the Loan Trustee shall have been consented to by the Lessee) and may, at the expense of the Indenture Estate, consult with counsel, accountants and other skilled persons to be selected and retained by it, and the Loan Trustee shall not be liable for anything done, suffered or omitted in good faith by them in accordance with the written advice or written opinion of any such counsel, accountants or other skilled persons.

Section 10.06. Capacity in Which Acting. The Loan Trustee acts hereunder solely as trustee as herein provided, and the Owner Trustee acts hereunder solely as trustee as in the Trust Agreement provided, and, in each case, not in its individual capacity, except as otherwise expressly provided herein.

Section 10.07. Compensation. The Loan Trustee shall be entitled to reasonable compensation, including expenses and disbursements, for all services rendered hereunder, which compensation shall be payable pursuant to Section 12(a) of the Participation Agreement and shall have a first priority claim on the Indenture Estate for the payment of such compensation, to the extent that such compensation shall not have been paid by the Lessee, and shall have the right to use or apply any moneys held by it hereunder in the Indenture Estate toward such payments. The Loan Trustee agrees that it shall have no right against any Noteholder or, other than as

provided in Section 12(a) of the Participation Agreement, the Owner Participant, for any fee as compensation for its services as trustee under this Indenture.

Section 10.08. May Become Noteholder. Each of the institutions acting as Owner Trustee and Loan Trustee hereunder may become a Noteholder and have all rights and benefits of a Noteholder to the same extent as if it were not the institution acting as Owner Trustee or Loan Trustee, as the case may be.

Section 10.09. Further Assurances; Financing Statements. At any time and from time to time, upon the request of the Loan Trustee or the Lessee or the Owner Participant, the Owner Trustee shall promptly and duly execute and deliver any and all such further instruments and documents including, without limitation, chattel paper originals of subsequent leases, as may be specified in such request and as are necessary or desirable 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 specific rights and powers herein granted, including, without limitation, the execution and delivery of Uniform Commercial Code financing statements and continuation statements with respect thereto, or similar instruments relating to the perfection of the mortgage, security interests or assignments created or intended to be created hereby.

#### ARTICLE 11

##### INDEMNIFICATION OF LOAN TRUSTEE BY OWNER TRUSTEE

Section 11.01. Scope of Indemnification. The Owner Trustee, not individually but solely in its capacity as Owner Trustee under the Trust Agreement, hereby agrees, whether or not any of the transactions contemplated hereby shall be consummated, to assume liability for, and does hereby indemnify, protect, save and keep harmless the Loan Trustee, in its individual capacity, and its successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, taxes (excluding any Taxes payable by the Loan Trustee on or measured by any compensation received by the Loan Trustee for its services under this Indenture), claims, actions, suits or reasonable costs, expenses or disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Loan Trustee in its individual capacity (whether or not also agreed to be indemnified against by any other person under any other document) in any way relating to or arising out of this Indenture, the Trust Agreement, the Indenture Documents or the enforcement of any of the terms of any thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, non-acceptance, rejection, delivery, lease, possession, use, operation, condition, sale, return or other disposition of the Aircraft (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement), or in any way relating to or arising out of the administration of the Indenture Estate or the action or inaction of the Loan Trustee hereunder, except only (i) in the case of willful misconduct or gross negligence of the Loan Trustee in the performance of its duties hereunder or (ii) as may result from the inaccuracy of any representation or warranty of the Loan Trustee in Section 11 of the Participation Agreement or (iii) as otherwise provided in Section 2.03 and Section 9.11 hereof or (iv) as otherwise excluded by the terms of Section 10(b) or Section 10(c) of the Participation Agreement from the Lessee's

general indemnity and general tax indemnity under said Sections. The Loan Trustee in its individual capacity shall be entitled to indemnification from the Indenture Estate for any liability, obligation, loss, damage, penalty, claim, action, suit, cost, expense or disbursement indemnified against pursuant to this Section 11.01 to the extent not reimbursed by the Lessee or others, but without releasing any of them from their respective agreements of reimbursement; and to secure the same, the Loan Trustee shall have a prior lien on the Indenture Estate; provided that, so long as the Lease is in effect, the Loan Trustee shall not make any claim under this Section 11.01 for any claim or expense indemnified against by the Lessee under the Participation Agreement without (but only if and to the extent permitted by applicable law) first making demand on the Lessee under the Participation Agreement for such claim or expense. Upon payment in full by the Owner Trustee of any indemnity pursuant to this Section 11.01, the Owner Trustee shall be subrogated to the rights, if any, of the Loan Trustee in its individual capacity, or its agents and servants, as the case may be, in respect of the matter as to which the indemnity was paid. The indemnities contained in this Section 11.01 shall survive the termination of this Indenture.

## ARTICLE 12

### SUPPLEMENTS AND AMENDMENTS TO THIS INDENTURE AND OTHER DOCUMENTS

Section 12.01. Amendments to This Indenture Without Consent of Noteholders. The Owner Trustee and the Loan Trustee may enter into one or more agreements supplemental hereto without the consent of any Noteholder for any of the following purposes:

(a) (i) to cure any defect or inconsistency herein or in the Equipment Notes, or (ii) to cure any ambiguity or correct any mistake;

(b) to evidence the succession of another party as the Owner Trustee in accordance with the terms of the Trust Agreement or to evidence (in accordance with Article 9) the succession of a new trustee hereunder, the removal of the trustee hereunder or the appointment of any co-trustee or co-trustees or any separate or additional trustee or trustees;

(c) to convey, transfer, assign, mortgage or pledge any property to or with the Loan Trustee or 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 any Noteholder;

(d) 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 Engines or engine substituted for the Engines in accordance herewith or with the Lease; provided that Trust Agreement and Indenture Supplements entered into for the purpose of subjecting to the Lien of this Indenture the Engines in accordance with the Lease need only be executed by the Owner Trustee;

(e) to add to the covenants of the Owner Trustee for the benefit of the Noteholders, or to surrender any rights or power herein conferred upon the Owner Trustee, the Owner Participant or the Lessee;

(f) to add to the rights of the Noteholders;

(g) to provide for compliance with applicable law;

(h) to provide for the issuance of Series E Equipment Notes;

or

(i) to include on the Equipment Notes any legend as may be required by law.

Section 12.02. Amendments to This Indenture with Consent of Noteholders. (a) With the written consent of a Majority in Interest of Noteholders, the Owner Trustee and the Loan Trustee may 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 the rights of the Noteholders; provided, however, that, without the consent of each Noteholder affected thereby, an amendment under this Section 12.02 may not:

(i) reduce the principal amount of, any principal installment payable with respect to, Make-Whole Amount, if any, or interest on, any Equipment Note; or

(ii) change the date on which any principal of, Make-Whole Amount, if any, or interest on any Equipment Note, is due or payable; or

(iii) create any Lien on the Indenture Estate 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 all or any part of the benefit of the Lien on the Indenture Estate created by this Indenture; or

(iv) reduce the percentage in principal amount of the outstanding 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

(v) make any change in Section 8.08, 8.09 or this Section 12.02(a); or

(vi) change the definition of "Indenture Estate" or the amounts secured thereby, or

(vii) permit redemption of Equipment Notes earlier than permitted under Section 2.07 or 2.08 hereof or the purchase of Equipment Notes other than as permitted by Section 2.10 hereof.

(b) It is not necessary under this Section 12.02 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.



Section 12.03. Revocation and Effect of Consents. The Owner Trustee may at its option by delivery of an Officers' Certificate to the Loan Trustee set a record date to determine the Noteholders entitled to give any consent, request, demand, authorization, direction, notice, waiver or other act. Such record date shall be the record date specified in such Officers' Certificate which shall be a date not more than 30 days prior to the first solicitation of Noteholders in connection therewith. If such a record date is fixed, such consent, request, demand, authorization, direction, notice, waiver or other act may be given before or after such record date, but only the Noteholders of record at the close of business on such record date shall be deemed to be Noteholders for the purposes of determining whether Noteholders holding the requisite proportion of outstanding Equipment Notes have authorized or agreed or consented to such consent, request, demand, authorization, direction, notice, waiver or other act, and for that purpose the outstanding Equipment Notes shall be computed as of such record date; provided that no such consent, request, demand, authorization, direction, notice, waiver or other act by the Noteholders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than one year after the record date.

Section 12.04. 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 12.05. Amendments, Waivers, Etc., of Other Operative Documents. (a) Without the consent of a Majority in Interest of the Noteholders, the respective parties to the Participation Agreement, the Lease, the Trust Agreement and the Purchase Agreement Assignment may not modify, amend or supplement any of said agreements, 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 modifying in any manner the rights of the respective parties thereunder; provided, however, that the actions specified in subsection (b) of this Section 12.05 may be taken without the consent of the Loan Trustee or any Noteholder.

(b) Subject to the provisions of subsection (c) of this Section 12.05, the respective parties to the Participation Agreement, the Lease and the Trust Agreement, at any time and from time to time without the consent of the Loan Trustee or of any Noteholder, may:

(i) so long as no Indenture Event of Default shall have occurred and be continuing, modify, amend or supplement the Lease, or give any consent, waiver, authorization or approval with respect thereto, except that without compliance with subsection (a) of this Section 12.05 the parties to the Lease shall not modify, amend or supplement, or give any consent, waiver, authorization or approval 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, with respect to the following provisions of the Lease as in effect on the Closing Date: Section 2, Section 3(a) (if the result thereof would be to shorten the Term of the Lease to a period shorter than the period ending with the latest maturity date of any Equipment Notes), Section 3(b), Section 3(c) (except to the extent such Section relates to amounts payable (whether directly or pursuant to the Indenture) to Persons other than the Noteholders and

the Loan Trustee in its individual capacity), Section 3(d) (except insofar as it relates to the address or account information of the Owner Trustee or the Loan Trustee), Section 4, Section 6, Section 9 (except that further restrictions may be imposed on the ability of the Lessee to terminate the Lease with respect to the Aircraft or an Engine), Section 10 (except that additional requirements may be imposed on the Lessee), Section 11 (except for Section 11(d) and except that additional insurance requirements may be imposed on the Lessee), Section 12 (except in order to increase the Lessee's liabilities or enhance the Lessor's rights thereunder), Section 13 (except in the case of an assignment by the Lessor in circumstances where the Aircraft shall remain registrable under the FAA), Section 14 (except to impose additional or more stringent Lease Events of Default), Section 15 (except to impose additional remedies), Section 16, Section 17 (except to impose additional requirements on the Lessee), Section 19, Section 22, Section 25 and any definition of terms used in the Lease, to the extent that any modification of such definition would result in a modification of the Lease not permitted pursuant to this subsection (b); provided that, in the event an Indenture Event of Default shall have occurred and be continuing, the Loan Trustee shall have all rights of the Owner Trustee as "Lessor" under the Lease to modify, amend or supplement the Lease 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 "Lessor" thereunder; provided further that, without the prior consent of the Owner Trustee, and whether or not an Indenture Event of Default shall have occurred and be continuing, no such action shall be taken (x) with respect to any of the provisions of Sections 1 (to the extent any modification of a definition contained therein would result in a modification of the Lease not permitted by this proviso), 3, 5, 6 (to the extent such action would reduce the Lessee's obligations), 7, 8, 9, 10, 11 (except to increase the amounts or types of insurance the Lessee must provide thereunder at its expense), 12, 13, 14, 15, 17 (insofar as it relates to the Lessor), 19, 20 and 28 of the Lease, (y) any other section of the Lease to the extent such action shall affect the amount or timing of any amounts payable by the Lessee under the Lease as originally executed (or as subsequently modified with the consent of the Owner Trustee) which, absent the occurrence and continuance of an Indenture Event of Default, would be distributable to the Owner Trustee under Article 3 or (z) which would otherwise materially and adversely affect the rights of the Owner Trustee or the Owner Participant; and provided further that the parties to the Lease may take any such action without the consent of the Loan Trustee or any Noteholder to the extent such action relates to the payment of amounts constituting, or the Owner Trustee's, the Owner Participant's or the Lessee's rights or obligations with respect to, Excepted Property;

(ii) modify, amend or supplement the Trust Agreement, or give any consent, waiver, authorization or approval with respect thereto, in each case only to the extent any such action shall not adversely impact the interests of the Noteholders;

(iii) modify, amend or supplement the Participation Agreement, or give any consent, waiver, authorization or approval with respect thereto, except that without the consent of a Majority in Interest of the Noteholders, the parties to the Participation Agreement shall not modify, amend or supplement, or give any consent, waiver, authorization or approval 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, with respect to the following provisions of the Participation Agreement as in effect on the Closing Date: Section 10 (insofar as such Section 10 relates to the Loan Trustee, the Indenture Estate and the Noteholders holding the Equipment Notes), Section 11, Sections 12(b) through 12(d), Section 13, Section 16 Section 19(b) and, to the extent the Noteholders would be adversely affected thereby, Section 19(c) and any definition of terms used in the Participation Agreement, to the extent that any modification of such definition would result in a modification of the Participation Agreement not permitted pursuant to this subsection (b);

(iv) modify, amend or supplement any of said agreements in order to cure any ambiguity, to correct or supplement any provisions thereof which may be defective or inconsistent with any other provision thereof or of any provision of this Indenture, or to make any other provision with respect to matters or questions arising thereunder or under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided the making of any such other provision shall not adversely affect the interests of the Noteholders unless such provision corrects a mistake or cures an ambiguity; and

(v) modify, amend or supplement any indemnities solely in favor of the Owner Participant or any member of its Related Indemnitee Group in such manner as shall be agreed by the Owner Participant and the Lessee.

(c) No modification, amendment, supplement, consent, waiver, authorization or approval with respect to the Lease or the Participation Agreement, whether effected pursuant to subsection (a) or pursuant to subsection (b) of this Section 12.05 and anything in such subsections or elsewhere in this Indenture to the contrary notwithstanding, shall, without the consent of each Noteholder affected thereby,

(i) modify, amend or supplement the Lease in such a way as to extend the time of payment of Basic Rent or Supplemental Rent payable in respect of the Make-Whole Amount or Stipulated Loss Value or any other amounts payable upon the occurrence of an Event of Loss or Termination Value and any other amounts payable upon termination of the Lease with respect to the Aircraft, payable under, or as provided in, the Lease in effect on the Closing Date, or reduce the amount of any installment of Basic Rent or Supplemental Rent payable in respect of the Make-Whole Amount as in effect on the Closing Date so that the same is less than the payment of principal of, Make-Whole Amount, if any, and interest on the Equipment Notes, as the case may be, to be made from such installment of Basic Rent or Supplemental Rent payable in respect of the Make-Whole Amount, or reduce the aggregate amount of Stipulated Loss Value or any other amounts payable under, or as provided in, the Lease as in effect on the Closing Date upon the occurrence of an Event of Loss so that the same is less than the accrued interest on and principal as of the Loss Payment Date, and Make-Whole Amount, if any, of the Equipment Notes at the time outstanding or reduce the amount of Termination Value and any other amounts payable under, or as provided in, the Lease as in effect on the Closing Date upon termination of the Lease with respect to the Aircraft so that the same is less than the accrued interest on and principal as of the Lease Termination Date and Make-Whole Amount, if any, of the Equipment Notes at the time outstanding, or

(ii) modify, amend or supplement the Lease in such a way as to, or consent to any assignment of the Lease or give any consent, waiver, authorization or approval which would, release the Lessee from its obligations in respect of payment of Basic Rent, Supplemental Rent payable in respect of the Make-Whole Amount or Stipulated Loss Value and any other amounts payable upon the occurrence of an Event of Loss, or Termination Value and any other amounts payable upon termination of the Lease with respect to the Aircraft, payable under, or as provided in, the Lease as in effect on the Closing Date, except for any such assignment pursuant to Section 16(e) of the Participation Agreement, and except as provided in the Lease as in effect on the Closing Date.

Section 12.06. Trustees Protected. If, in the opinion of the institution acting as Owner Trustee under the Trust Agreement or the institution acting as Loan Trustee hereunder, any document required to be executed pursuant to the terms of this Article 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.

Section 12.07. Documents Mailed to Noteholders. Promptly after the execution by the Owner Trustee or the Loan Trustee of any document entered into pursuant to this Article, the Loan Trustee shall mail, by first-class mail, postage prepaid, a copy thereof to each Noteholder at its address last set forth in the Equipment Note Register, but the failure of the Loan Trustee to mail such copies shall not impair or affect the validity of such document.

#### ARTICLE 13

#### MISCELLANEOUS

Section 13.01. Termination of Indenture. Upon (or at any time after) payment in full of the principal of, Make-Whole Amount, if any, and interest on and all other amounts due under, all Equipment Notes (provided that following such payment there shall then be no other amounts due to the Noteholders, the Indenture Indemnitees and the Loan Trustee hereunder or under the Participation Agreement or any other Operative Document or otherwise secured hereby), the Owner Trustee shall direct the Loan Trustee to execute and deliver to or as directed in writing by the Owner Trustee or the Lessee an appropriate instrument releasing the Aircraft, Airframe, or such Engine or Part, as applicable, from the Lien of this Indenture and releasing the Indenture Documents pertaining thereto from the assignment and pledge thereof hereunder, and the Loan Trustee shall execute and deliver such instrument as aforesaid and will execute and deliver such other instruments or documents as may be reasonably requested by the Owner Trustee or the Lessee to give effect to such release; 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 part of the Indenture Estate and the final distribution by the Loan Trustee of all moneys or other property or proceeds constituting part of the Indenture Estate in accordance with the terms hereof. Except as aforesaid otherwise provided, this Indenture and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 13.02. No Legal Title to Indenture Estate in Noteholders. No Noteholder shall have legal title to any part of the Indenture Estate. 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 Indenture Estate 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 legal title to any part of the Indenture Estate.

Section 13.03. Sale of Indenture Estate by Loan Trustee is Binding. Any sale or other conveyance of the Indenture Estate or any interest therein by the Loan Trustee made pursuant to the terms of this Indenture or of the Lease shall bind the Noteholders and shall be effective to transfer or convey all right, title and interest of the Loan Trustee, the Owner Trustee, the Owner Participant and such Noteholders in and to the Indenture Estate or part thereof. 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 Loan Trustee.

Section 13.04. Indenture for Benefit of Owner Trustee, Loan Trustee, Owner Participant, Noteholders, Other Indenture Indemnitees and Lessee. Nothing in this Indenture, whether express or implied, shall be construed to give to any Person other than the Owner Trustee, the Loan Trustee, the Owner Participant, the Noteholders, the other Indenture Indemnitees and, with respect to this Section 13.04 and any other Section or provisions hereof requiring payment to or otherwise granting any right or benefit to the Lessee, the Lessee, any legal or equitable right, remedy or claim under or in respect of this Indenture.

Section 13.05. No Action Contrary to Lessee's Rights Under the Lease. The Owner Trustee and Loan Trustee agree that, except following a Lease Event of Default that has occurred and is continuing, neither the Owner Trustee nor the Loan Trustee nor any Person claiming by, through or under either the Owner Trustee or the Loan Trustee will take or cause to be taken any action inconsistent with Lessee's rights under the Lease and its right to quiet enjoyment of, or otherwise interfere with or interrupt the Lessee's use, operation and continuing possession of the Aircraft, the Airframe or any Engine by the Lessee or any sublessee, assignee or transferee under any sublease, assignment or transfer then in effect and permitted by the terms of the Lease.

Section 13.06. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents, waivers or documents provided or permitted by this Indenture to be made, given, furnished or filed shall be in writing, mailed by first-class mail, postage prepaid, by nationally recognized overnight courier or by telecopy or confirmed telex, and (i) if to the Owner Trustee, addressed to it at its office at Corporate Trust Services, 79 South Main Street, Salt Lake City, Utah 84111, (ii) if to the Loan Trustee, addressed to it at its office at Corporate Trust Division, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 or (iii) if to any Participant, the Lessee or any Noteholder, addressed to such party at such address as such party shall have furnished by notice to the Owner Trustee and the Loan Trustee, or, until an address is so furnished, addressed to the address of such party (if any) set forth in the Participation Agreement. Whenever any notice in writing is required to be given by the Owner Trustee or the Loan Trustee or any Noteholder to any of the other of them or to the Lessee, such notice shall be deemed given and such requirement satisfied

when such notice is received. Any party hereto may change the address to which notices to such party will be sent by giving notice of such change to the other parties to this Indenture.

Section 13.07. Severability. Any provision of this Indenture 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 13.08. Oral Modifications or Continuing Waivers. No terms or provisions of this Indenture or the Notes 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 waiver of the terms hereof or of any Note shall be effective only in the specific instance and for the specific purpose given.

Section 13.09. Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, 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 assigns of such Noteholder. This Indenture and the Indenture Estate shall not be affected by any amendment or supplement to the Trust Agreement or by any other action taken under or in respect of the Trust Agreement, except that each reference in this Indenture to the Trust Agreement shall mean the Trust Agreement as amended and supplemented from time to time to the extent permitted hereby and thereby.

Section 13.10. Headings. The headings of the various Articles and Sections herein and in the table of contents hereto are for the convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 13.11. Normal Commercial Relations. Anything contained in this Indenture to the contrary notwithstanding, any Participant or any bank or other Affiliate of such Participant may conduct any banking or other financial transactions, and have banking, trustee, custody, administrative support or other commercial relationships, with the Lessee 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 Lessee for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 13.12. GOVERNING LAW. THIS INDENTURE HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

Section 13.13. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one instrument.

IN WITNESS WHEREOF, the Owner Trustee and the Loan Trustee have caused this Indenture to be duly executed by their respective officers thereunto duly authorized, as of the day and year first above written.

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity except as expressly provided herein, but solely as Owner Trustee

By /s/ Nancy M. Dahl  
-----  
Name: Nancy M. Dahl  
Title: Vice President

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

By /s/ Alison Della Bella  
-----  
Name: Alison Della Bella  
Title: Assistant Vice President

Exhibit A to Amended and  
Restated Trust Indenture  
and Security Agreement

Form of Equipment Notes

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.

SERIES 2001 [\_\_\_\_] EQUIPMENT NOTE DUE [\_\_\_\_]  
ISSUED IN CONNECTION WITH THE MCDONNELL-DOUGLAS [\_\_\_\_] AIRCRAFT  
BEARING UNITED STATES REGISTRATION NUMBER N[\_\_\_\_]A

No. \_\_\_\_\_ Date: [\_\_\_\_, \_\_\_\_] \$ \_\_\_\_\_

INTEREST RATE [\_\_\_\_] MATURITY DATE [\_\_\_\_, \_\_\_\_]

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Owner Trustee (the "Owner Trustee") under the Trust Agreement dated as of \_\_\_\_\_ between the Owner Trustee in its individual capacity and the institution referred to therein as the "Owner Participant" (as such Trustee Agreement may be amended or supplemented from time to time, the "Trust Agreement") 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,] 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.

- - - - -  
(1) To be inserted in non-installment Equipment Notes.

(2) To be inserted in installment Equipment Notes.



For purposes hereof, the term "Indenture" means the Amended and Restated Indenture and Security Agreement, dated as of \_\_\_\_\_, 2001, between the Owner Trustee 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 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 hereunder not paid when due for any period during which the same shall be overdue, in each case for the period the same is overdue. Amounts shall be overdue if not paid in the manner provided herein or in the Indenture when due (whether at stated maturity, by acceleration or otherwise).

All payment of principal, interest, Make-Whole Amount, if any, and other amounts, if any, to be made by the Owner Trustee hereunder and under the Indenture or the Participation Agreement shall be payable only from the income and proceeds from the Trust Estate to the extent included in the Indenture Estate and only to the extent that the Owner Trustee shall have sufficient income or proceeds from the Trust Estate to the extent included in the Indenture Estate to enable the Loan Trustee to make payments in accordance with the terms of Section 2.03 and Article 3 of the Indenture, and each holder hereof, by its acceptance of this Equipment Note, agrees that it will look solely to the income and proceeds from the Indenture Estate to the extent available for distribution to the holder hereof as above provided and that none of the Owner Participant, the Owner Trustee and the Loan Trustee is personally liable or liable in any manner extending to any assets other than the Indenture Estate to the holder hereof for any amounts payable or any liability under this Equipment Note or, except as provided in the Indenture or in the Participation Agreement, for any liability under the Indenture or the Participation Agreement; provided, however, that nothing herein contained shall limit, restrict or impair the right of the Loan Trustee, subject always to the terms and provisions of the Indenture, to accelerate the maturity of this Equipment Note upon occurrence of an Indenture Event of Default under the Indenture in accordance with Section 8.02 of the Indenture, to bring suit and obtain a judgment against the Owner Trustee on this Equipment Note for purposes of realizing upon the Indenture Estate and to exercise all rights and remedies provided under the Indenture or otherwise realize upon the Indenture Estate as provided under the Indenture.

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 2.04 of the Indenture.

The principal amount and interest and other amounts due hereunder shall be payable in Dollars by wire transfer in immediately available funds at the Corporate Trust Office of the Loan Trustee, or as otherwise provided in the Indenture. The Owner Trustee 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 Owner Trustee pursuant to the terms of the Indenture. The Indenture Estate 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 Owner Trustee 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 Owner Trustee nor the Loan Trustee shall be affected by notice to the contrary.

This Equipment Note is subject to redemption as provided in Sections 2.07 and 2.08 of the Indenture and to purchase as provided in Section 2.10 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.](3) [shall rank in right of payment equally with all Series A-1 Equipment Notes and all other Series A-2 Equipment Notes.](4) [is, to the extent and in the manner provided in the

- - - - -
- (3) To be inserted in the case of a Series A-1 Equipment Note.
  - (4) To be inserted in the case of a Series A-2 Equipment Note.

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](5) [Series A-1 Equipment Notes, Series A-2 Equipment Notes and Series B Equipment Notes](6) [Series A-1 Equipment Notes, Series A-2 Equipment Notes, Series B Equipment Notes and Series C Equipment Notes](7) [Series A-1 Equipment Notes, Series A-2 Equipment Notes, Series B Equipment Notes, Series C Equipment Notes and Series D Equipment Notes](8) and this Equipment Note is issued subject to such provisions. The Noteholder of this Equipment Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Loan Trustee on such Noteholder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Loan Trustee such Noteholder's attorney-in-fact for such purpose.

Without limiting the foregoing, the<sup>9</sup> [The]<sup>10</sup> 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 3 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 3 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.

- - - - -
- (5) To be inserted in the case of a Series B Equipment Note.
  - (6) To be inserted in the case of a Series C Equipment Note.
  - (7) To be inserted in the case of a Series D Equipment Note.
  - (8) To be inserted in the case of a Series E Equipment Note.
  - (9) To be inserted in the case of a Series B Equipment Note, a Series C Equipment Note, a Series D Equipment Note or a Series E Equipment Note.
  - (10) To be inserted in the case of a Series A-1 Equipment Note or a Series A-2 Equipment Note.

IN WITNESS WHEREOF, the Owner Trustee has caused this  
Equipment Note to be executed in its corporate name by its officer thereunto  
duly authorized on the date hereof.

WELLS FARGO BANK NORTHWEST, NATIONAL  
ASSOCIATION, not in its individual  
capacity but solely as Owner Trustee

By \_\_\_\_\_  
Name:  
Title:

Exhibit B to Amended and  
Restated Trust Indenture  
and Security Agreement

Form of Trust Agreement and Indenture Supplement

[Intentionally omitted from FAA filing counterpart]

LOAN TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Notes referred to in the within-mentioned Indenture.

[ \_\_\_\_\_ ],  
as Loan Trustee

By \_\_\_\_\_  
Name:  
Title:

Schedule I to Amended and  
Restated Trust Indenture  
and Security Agreement

[Insert descriptions of Airframe and Engines and FAA Conveyance No.  
for Original Indenture]

Schedule II to Amended and  
Restated Trust Indenture  
and Security Agreement

Terms of Equipment Notes

[Intentionally omitted from FAA filing counterpart]



Schedule III to Amended and  
Restated Trust Indenture  
and Security Agreement

List of Pass Through Trust Agreements

[Intentionally omitted from FAA filing counterpart]

=====
AMENDED AND RESTATED
LEASE AGREEMENT

Dated as of May 24, 2001

between

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION

not in its individual capacity except as expressly stated herein,
but solely as Owner Trustee, Lessor

and

AMERICAN AIRLINES, INC.

Lessee

One McDonnell Douglas MD-83 Aircraft
Bearing U.S. Registration Number N9630A

=====
CERTAIN OF THE RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AGREEMENT, WELLS
FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, AS OWNER TRUSTEE UNDER THE TRUST
AGREEMENT, DATED AS OF THE DATE HEREOF, BETWEEN WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION AND THE OWNER PARTICIPANT NAMED THEREIN, HAS BEEN ASSIGNED
TO AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, AS LOAN TRUSTEE, UNDER THE TRUST
INDENTURE AND SECURITY AGREEMENT, DATED AS OF THE DATE HEREOF, FOR THE BENEFIT
OF THE HOLDERS OF THE NOTES REFERRED TO IN SUCH TRUST INDENTURE AND SECURITY
AGREEMENT. THIS LEASE AGREEMENT HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS. TO
THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS
DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE
JURISDICTION) NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE
TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL. THE
COUNTERPART TO BE DEEMED THE ORIGINAL SHALL BE THE COUNTERPART THAT CONTAINS THE
RECEIPT THEREFOR EXECUTED BY STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION, AS LOAN TRUSTEE, ON THE SIGNATURE PAGES THEREOF AND NO
SECURITY INTEREST IN THIS LEASE AGREEMENT MAY BE CREATED THROUGH THE TRANSFER OF
ANY COUNTERPART OTHER THAN SAID ORIGINAL COUNTERPART. SEE SECTION 22 FOR
INFORMATION CONCERNING THE RIGHTS OF THE HOLDERS OF THE VARIOUS COUNTERPARTS
HEREOF.

THIS IS NOT THE ORIGINAL COUNTERPART.

AA-EETC 2001 Lease

Table of Contents  
(continued)

	Page ----	Section 1.	
Definitions.....			1
		Section 2. Leasing of	
Aircraft.....			1 Section
		3. Term and	
Rent.....			1 (a)
Term 5.....			1 (b)
Basic Rent.....			1 (c)
Supplemental Rent.....			2 (d)
Payment to Lessor.....			3 Section
		4. Lessor's Representations, Warranties and Covenants; Quiet	
Enjoyment.....		3 (a) Lessor's Representations, Warranties and	
		Covenants.....	3 (b) Quiet
Enjoyment.....			4 (c) Warranty
Service.....			4 Section 5.
		Return of	
Aircraft.....			5 Section
		6.	
Liens.....			5
		Section 7. Registration, Maintenance and Operation; Possession;	
Insignia.....		6 (a) Registration, Maintenance and	
		Operation.....	6 (b)
Possession.....			8 (c)
Insignia.....			12 Section
		8. Replacement and Pooling of Parts; Alterations, Modifications and	
		Additions.....	12 (a) Replacement of
Parts.....			12 (b) Pooling of
Parts.....			13 (c) Alterations,
Modifications and Additions.....			13 (d) Passenger
Convenience Equipment.....			14 Section 9.
		Voluntary	
Termination.....			15 (a)
Right of Termination.....			15 (b)
Sale of Aircraft.....			16 (c)
Certain Obligations upon Sale of Aircraft.....			17 (d)
Retention of Aircraft by Lessor.....			17 (e)
[Intentionally Left Blank].....			18 (f)
Termination of Lease, etc.....			18 (g)
Termination as to Engines.....			18 Section
		10. Loss, Destruction, Requisition,	
etc.....		18 (a) Event of Loss with Respect	
to the Airframe.....		18 (b) Event of Loss with Respect to	
an Engine.....		19 (c) Application of Payments from	
		Governmental Authorities for Requisition of Title or	
Use.....			21

Table of Contents  
(continued)

Page ---- (d) Requisition for Use by the Government of the Airframe and the Engines  
Installed Thereon.....22 (e) Requisition  
for Use by the Government of an Engine.....23 (f) Application of  
Payments During Existence of Event of Default.....23 Section 11.

Insurance.....24

(a) Aircraft Liability Insurance.....24 (b)  
Insurance against Loss or Damage to Aircraft.....25 (c)  
Self-Insurance.....27 (d)  
Application of Insurance Payments.....27 (e)  
Reports, etc.....28 (f)

Salvage Rights; Other.....28 Section  
12.

Inspection.....29  
Section 13. Assignment, Citizenship,  
etc.....30 Section 14. Events of  
Default.....30 Section  
15.

Remedies.....32  
Section 16. Section  
1110.....35  
Section 17. Further Assurances; Financial  
Information.....35 Section 18.

Notices.....37  
Section 19. No Setoff, Counterclaim  
etc.....37 Section 20. Renewal  
Options; Purchase Options.....38 (a)  
Renewal Options.....38 (b)  
[Intentionally Left Blank].....39 (c)

Purchase Option.....39 Section  
21. Successor Owner

Trustee.....39 Section 22.  
Security for Lessor's Obligation to Holders of  
Notes.....39 Section 23. Lessor's Right to Perform for  
Lessee.....40 Section 24. [Intentionally  
Left Blank].....40 Section 25.  
Investment of Security Funds;

Miscellaneous.....40 Section 26. Concerning the  
Lessor.....41 Section 27.  
Sublessee's Performance and  
Rights.....41 Section 28.

Miscellaneous.....42

Table of Contents  
(continued)

Page ----  
Annex A -  
Definitions  
Schedule A  
-  
Airframe,  
Engines  
and Lease  
Information  
Schedule B  
- Rent  
Schedule  
Exhibit A  
- Form of  
Lease  
Supplement

iii

AA-EETC 2001 Lease

AMENDED AND RESTATED  
LEASE AGREEMENT

This LEASE AGREEMENT, dated as of May 24, 2001, between WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, except as expressly stated herein, but solely as Owner Trustee under the Trust Agreement (as defined in Annex A) ("Lessor"), and AMERICAN AIRLINES, INC. ("Lessee"), a Delaware corporation ("American").

WITNESSETH:

WHEREAS, the Aircraft is subject to the lease agreement described in Schedule A attached hereto, as amended, supplemented or assigned by the amendments, supplements and assignments, if any, thereto described in Schedule A attached hereto (such lease agreement, as so amended, supplemented or assigned, the "Original Lease"), covering the airframe and engines described in Schedule A attached hereto (the "Airframe" and the "Engines", respectively; the Airframe and Engines, together, the "Aircraft");

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the Original Lease is hereby amended and restated as follows:

Section 1. Definitions. Unless the context otherwise requires, capitalized terms used herein without definition shall have the meanings set forth in Annex A hereto for all purposes of this Lease.

Section 2. Leasing of Aircraft. Commencing at the Commencement Time, Lessor hereby leases to Lessee hereunder, and Lessee hereby leases from Lessor hereunder, the Aircraft for the Term. Acceptance by Lessee of the Aircraft pursuant to the Participation Agreement shall, without further act, irrevocably constitute acceptance by Lessee of the Aircraft for all purposes of this Lease.

Section 3. Term and Rent.

(a) Term. Except as otherwise provided herein, the Term for the lease of the Aircraft hereunder shall commence at the Commencement Time and end on the Base Lease Expiry Date.

(b) Basic Rent. Lessee hereby agrees to pay Lessor Basic Rent for the Aircraft throughout the Term in consecutive semiannual installments payable on each Lease Period Date, the first installment of which shall be due and payable on the first Lease Period Date, and the remaining installments of which shall be due and payable on

AA-EETC 2001 Lease

the other Lease Period Dates shown in column 1 of Schedule B hereto, in the amounts as shown in column 2 of such Schedule B. In connection with any termination of this Lease and in accordance with the provisions hereof, the Lessee's obligation in respect of the payment of the Basic Rent in connection therewith shall be determined by reference to the applicable provisions of Sections 9, 10(a), 15(c) and 15(d) hereof, as the case may be. Notwithstanding anything to the contrary herein, but without affecting the timing or amount of Basic Rent payment set forth in the preceding two sentences, Lessor and Lessee acknowledge and agree that the amount of Basic Rent for which Lessee is liable on account of the use of the Aircraft shall be allocated in accordance with Treasury Regulation Section 1.467-1(c)(2)(ii)(A)(2) to each Lease Period as set forth in column 3 of Schedule B hereto. Notwithstanding any other provisions of the Operative Documents to the contrary, each installment of Basic Rent due on each Lease Period Date, together with any Supplemental Rent of the type referred to in Section 3(c)(iii) hereof, shall be, under any and all circumstances, an amount at least sufficient to pay in full any installment of principal of and interest on the Notes required to be paid pursuant to the Notes (other than amounts becoming due on account of the exercise of remedies pursuant to Section 15 hereof) on such Lease Period Date. Further, and anything contained herein or in the Participation Agreement to the contrary notwithstanding, Termination Value and Stipulated Loss Value for the Aircraft will, under any circumstances and in any event, be an amount which, together with such amounts of Basic Rent as may be payable pursuant to Schedule B hereto and any Supplemental Rent of the type referred to in Section 3(c)(iii) hereof, will be at least equal to, as of the date of payment thereof, the aggregate unpaid principal of the outstanding Notes, together with all unpaid interest thereon accrued to the date on which such amount is paid in accordance with the terms hereof.

(c) Supplemental Rent. Lessee also agrees to pay to Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent promptly as the same shall become due and owing, and in the event of any failure on the part of Lessee to pay any Supplemental Rent, Lessor shall have all rights, powers and remedies provided for herein or by law or in equity or otherwise in the case of nonpayment of Basic Rent. In addition, Lessee will pay as Supplemental Rent (i) on demand, an amount equal to interest at the Overdue Rate on any part of any installment of Basic Rent not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent not paid when due for the period until the same shall be paid, (ii) any amounts payable by the Owner Trustee under Section 2.14 of the Indenture, (iii) any additional amounts payable by Lessor on the Equipment Notes as a result of an increase in the Debt Rate pursuant to Section 2(d) of the Registration Rights Agreement, (iv) in the case of any redemption of Notes pursuant to Section 2.07(b) of the Indenture, the Make-Whole Amount, if any, payable pursuant to Section 2.07(b) of the Indenture; provided that notwithstanding anything to the contrary set forth in any Operative Document or any document or instrument relating thereto, Lessee shall have no responsibility or liability for any amounts payable to the Loan Trustee or the Subordination Agent in respect of (x) Make-Whole Amount, if any, payable thereon as a

result of a redemption or purchase of the Notes pursuant to Section 2.08 or 2.10 of the Indenture or (y) an Indenture Default that does not also constitute a Lease Default or a Lease Event of Default. All Supplemental Rent to be paid pursuant to this Section 3(c) shall be payable in the type of funds and in the manner set forth in Section 3(d).

(d) Payment to Lessor. All Rent shall be paid by Lessee to Lessor's account specified in Schedule A hereto (or as Lessor shall otherwise direct in writing), by wire transfer in funds consisting of lawful currency of the United States of America which shall be immediately available in such account not later than 11:00 a.m., New York City time, on the date of payment, provided that so long as the Indenture shall not have been discharged pursuant to the terms thereof, Lessor hereby directs, and each of Lessor and Lessee agrees, that all Rent (excluding Excepted Property) or other sums payable to Lessor hereunder or pursuant hereto shall be paid directly to the Loan Trustee by wire transfer at the times and in funds of the type specified in this Section 3(d) to the account of the Loan Trustee specified in Schedule A hereto, or at such other account as the Loan Trustee may otherwise direct. Whenever the date scheduled for any payment of Rent to be made hereunder shall not be a Business Day, then such payment need not be made on such scheduled date but may be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date and (provided 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 to the time of such payment on such next succeeding Business Day.

Section 4. Lessor's Representations, Warranties and Covenants; Quiet Enjoyment.

(a) Lessor's Representations, Warranties and Covenants. NONE OF LESSOR (IN ITS INDIVIDUAL CAPACITY OR AS OWNER TRUSTEE), THE OWNER PARTICIPANT (IN SUCH CAPACITY), THE SUBORDINATION AGENT, ANY PASS THROUGH TRUSTEE, OR THE LOAN TRUSTEE MAKES OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, AND LESSEE HEREBY WAIVES, RELEASES AND RENOUNCES ANY REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE TITLE, AIRWORTHINESS, VALUE, CONDITION, WORKMANSHIP, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, WHETHER IN STRICT OR ABSOLUTE LIABILITY OR ARISING FROM THE NEGLIGENCE OF LESSOR, LOAN TRUSTEE, THE SUBORDINATION AGENT, ANY PASS THROUGH TRUSTEE, OR THE OWNER PARTICIPANT (IN SUCH CAPACITY), ACTUAL OR



IMPLIED, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED WITH RESPECT TO THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF. Nothing contained in this Section 4 shall be construed as a waiver by Lessee of any warranty or other claim against any manufacturer, supplier, dealer, contractor, subcontractor or other Person. Lessor also represents and warrants in its individual capacity that it is, in its individual capacity, a Citizen of the United States.

(b) Quiet Enjoyment. Lessor covenants that, except as expressly permitted under Section 15 following an Event of Default that has occurred and is continuing, neither Lessor, nor any Person claiming through or under Lessor will take or cause to be taken any action inconsistent with Lessee's right to quiet enjoyment of, or otherwise interrupt or interfere in any way with Lessee's continuing possession, use or operation of, the Aircraft, the Airframe or any Engine by Lessee or any sublessee, assignee or transferee under any sublease, assignment or transfer then in effect and permitted by the terms of this Lease, provided that the existence of any event or condition that constitutes, was caused by or results from, any TWA Matter shall not constitute a breach of this covenant by Lessor.

(c) Warranty Service. Lessor agrees that, so long as no Event of Default or Specified Default shall have occurred and be continuing, Lessee shall have the benefit of and shall be entitled to enforce, either in its own name or in the name of Lessor for the use and benefit of Lessee, to the extent assignable, any and all dealer's, manufacturer's, installer's, contractor's or subcontractor's warranties (whether express or implied) in respect of the Aircraft, the Airframe, any Engine or any Part thereof, and Lessor agrees to execute and deliver such further documents and take such further action, as may be reasonably requested by Lessee and at Lessee's expense, as may be necessary to enable Lessee to obtain such warranty service as may be furnished for the Aircraft, Airframe, any Engine or any Part thereof by such dealer, manufacturer, contractor, installer, contractor or subcontractor. Lessor hereby appoints and constitutes Lessee, except at such times as a Specified Default or Event of Default shall have occurred and be continuing, its agent and attorney-in-fact during the Term to assert and enforce, from time to time, in the name and for the account of Lessor and Lessee, as their interests may appear, but in all cases at the sole cost and expense of Lessee, whatever warranty Claims and warranty rights Lessor may have against any dealer, manufacturer, installer, contractor or subcontractor.

Section 5. Return of Aircraft. Upon the termination of this Lease at the end of the Term, a Renewal Term or pursuant to Section 9 or upon rescission of this Lease pursuant to Section 15, unless Lessee shall have exercised its option to purchase the Aircraft pursuant to Section 20(c), Lessee will return the Aircraft in accordance with the Return Conditions.

Section 6. Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Airframe or any Engine, title thereto or any interest therein or in this Lease except:

(i) the respective rights of Lessor and Lessee as herein provided, the Lien created under the Indenture, the rights of Lessor under the Purchase Agreement Assignment and the rights of the Owner Participant, the Owner Trustee, the Loan Trustee, the Subordination Agent, the Liquidity Provider and each Pass Through Trustee (in its capacity as Noteholder and in its capacity as Pass Through Trustee) under the Trust Agreement, the Indenture, the Participation Agreement, the Liquidity Facilities, the Intercreditor Agreement, the Pass Through Trust Supplements, and the Pass Through Trust Agreements;

(ii) the rights of others under agreements or arrangements to the extent expressly permitted by the terms of Section 7(b) or 8(b);

(iii) Lessor's Liens, Subordination Agent's Liens and Trustee's Liens;

(iv) Liens for Taxes either not yet due 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 (including loss of use) of the Airframe or any Engine or interest therein or any meaningful risk of criminal liability or any material risk of civil penalty against Lessor or Owner Participant;

(v) materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of Lessee's business securing obligations that are not yet delinquent 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 (including loss of use) of the Airframe or any Engine or interest therein or any meaningful risk of criminal liability or any material risk of civil penalty against Lessor or Owner Participant;

(vi) Liens (other than Liens for Taxes) arising out of judgments or awards against Lessee (A) during an appeal or other proceeding for review regarding such judgment or award and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review or (B) for 60 days after the entry of such judgment or award (including any

determination of an appeal or other judicial review); provided that during such 60-day period there is no material risk of the sale, forfeiture or loss (including loss of use) of the Airframe or any Engine or any interest therein or any meaningful risk of criminal liability or any material risk of civil penalty against Lessor or Owner Participant;

(vii) salvage or similar rights of insurers under insurance policies maintained pursuant to Section 11; and

(viii) [Intentionally Left Blank]

(ix) the respective rights of the financing parties under any financing arrangements entered into by Lessor or Owner Participant with respect to the Aircraft at any time.

Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge (by bonding or otherwise) any such Lien not excepted above if the same shall arise at any time.

Section 7. Registration, Maintenance and Operation; Possession; Insignia.

(a) Registration, Maintenance and Operation. At the Commencement Time, Lessee has taken possession of the Aircraft "AS IS, WHERE IS AND WITH ALL FAULTS". Following the Commencement Time Lessee, at no expense to Lessor, shall:

(i) cause the Aircraft to remain duly registered at the FAA in the name of Lessor, as owner, except (x) as otherwise required by the Transportation Code, or (y) to the extent that such registration cannot be maintained because of Lessor's or the Owner Participant's failure to comply with the citizenship requirements for registration of aircraft under the Transportation Code; provided that Lessor and Owner Participant shall execute and deliver all such documents as Lessee shall reasonably request for the purpose of continuing such registration. Notwithstanding the preceding sentence, but subject always to the terms and conditions set forth in Section 12(1) of the Participation Agreement, Lessee may at any time, upon notice to Lessor, cause the Aircraft to be duly registered under the applicable statutes of such other country as shall be permitted under Section 12(1) of the Participation Agreement, in the name of Lessor or of any nominee of Lessor, or, if required by applicable law, in the name of Lessee or any other Person, and shall thereafter maintain such registration unless and until changed as provided herein and therein;

(ii) maintain, service, repair, overhaul and test the Aircraft in accordance with a Maintenance Program (as approved by the FAA) (and, at Lessee's option, (x) in the event that the Aircraft is re-registered in another

jurisdiction pursuant to Section 7(a)(i), in accordance with a Maintenance Program approved by the central civil aviation authority of the jurisdiction of such registration or (y) in the event of any - sublease to a foreign air carrier in accordance with Section 7(b)(ix), approved by the central civil aviation authority of one of the Permitted Countries and in the same manner and with the same care used by Lessee (or, so long as the Aircraft is subject to a sublease (the "Sublease") between Lessor and TWA Airlines, LLC ("TWA LLC"), TWA LLC) with respect to similar aircraft and engines operated by Lessee (or, so long as the Aircraft is subject to the Sublease, TWA LLC) and utilized in similar circumstances, so as to keep the Aircraft in as good operating and physical condition as when delivered to Lessee at the Commencement Time, ordinary wear and tear excepted, and in such condition as may be necessary to enable a standard airworthiness certificate of the Aircraft to be maintained in good standing at all times (other than during temporary periods of storage in accordance with applicable regulations or during periods of grounding by applicable governmental authorities, except where such periods of grounding are the result of the failure by Lessee (or, so long as the Aircraft is subject to the Sublease, TWA LLC) to maintain the Aircraft as otherwise required herein) under the Transportation Code and the related Federal Aviation Regulations or, if the Aircraft is registered under the laws of any other jurisdiction, the laws of such jurisdiction;

(iii) maintain, in the English language, all records, logs and other materials required by the FAA or other appropriate authorities in the jurisdiction where the Aircraft is registered to be maintained by Lessee (or, so long as the Aircraft is subject to the Sublease, TWA LLC) in respect of the Aircraft;

(iv) promptly furnish to Lessor such information as may be required to enable Lessor to file any reports, returns or statements required to be filed by Lessor with any governmental authority because of Lessor's or the Owner Participant's interest in the Aircraft; and

(v) Lessee shall comply with all mandatory airworthiness directives issued prior to the expiration of the Term by the FAA, compliance with which is required during the Term, and if compliance with such directive is not required prior to the end of the Term but is required within 12 months thereafter, Lessee shall nevertheless comply with such directive if, prior to the end of the Term, Lessee commences compliance with such directive with respect to any other aircraft affected by such directive and in use by Lessee and subsequent to any such commencement, the Aircraft is subjected to a maintenance check of the type at which Lessee makes the modification required by such directive, in accordance with Lessee's Maintenance Program; Lessee shall not be required to comply with any manufacturer service bulletins.

Lessee agrees that the Aircraft will not be maintained, used or operated in violation of any law or any rule, regulation or order of any government or governmental authority having jurisdiction in any country in which the Aircraft is flown, or in violation of any airworthiness certificate, license or registration relating to the Aircraft issued by any such authority; provided that Lessee may in good faith contest the validity or application of any such law, rule, regulation or order in any reasonable manner which does not involve any material risk of the sale, forfeiture or loss (including loss of use) of the Aircraft or any Engine, any meaningful risk of criminal liability or any material risk of civil penalty against Lessor or Owner Participant or otherwise materially adversely affect Lessor, the Aircraft, the Owner Participant or the Lien of the Indenture; and, provided, further, that Lessee shall not be in default under 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), in which event Lessee will diligently and in good faith use its reasonable best efforts to cause the Aircraft to be removed, as soon as practicable, from the jurisdiction other than the U.S. (or other than any jurisdiction in which the Aircraft is then registered) creating a conflict or to take such other reasonable action (including, if necessary, changing the registration of the Aircraft unless the Aircraft is then registered in the U.S.), as soon as practicable, as may be necessary to avoid the conflict. Lessee or any permitted sublessee may operate the Aircraft in any geographical area except (i) in any area excluded from coverage by any insurance required by the terms of Section 11, except in the case of a requisition for use by the U.S. Government where Lessee obtains indemnity pursuant to Section 11 in lieu of such insurance from the U.S. Government against the risks and in the amounts required by Section 11 covering such area, or (ii) in any war zone or recognized or, in Lessee's reasonable judgment, threatened area of hostilities unless covered by war risk insurance obtained in accordance with Section 11, but only so long as the same remains in effect while the Aircraft is so operated or located, or unless the Aircraft is operated or used under contract with the U.S. Government entered into pursuant to Section 11, under which contract the U.S. Government assumes liability for any damage, loss, or destruction or failure to return possession of the Aircraft at the end of the term of such contract and for injury to persons and damage to property of others. Notwithstanding anything to the contrary contained herein, an aircraft engine which is not an Engine, but which is installed on the Airframe, shall be maintained in accordance with this Section 7(a).

(b) Possession. Lessee will not, without the prior written consent of Lessor, sublease 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 no Specified Default or Event of Default shall have occurred and be continuing, and so long as the action to be taken shall not deprive the Loan Trustee of the perfected lien of the Indenture on the Airframe or (subject to subclause (C) of the "provided" clause in subparagraph (i) of this

Section 7(b)) any Engine, and in any event, so long as Lessee shall comply with the provisions of Section 11, Lessee may, without the prior consent of Lessor:

(i) subject the Airframe to normal interchange agreements or any Engine to normal interchange or pooling agreements or arrangements in each case customary in the airline industry and entered into by Lessee in the ordinary course of its business with any Certificated Air Carrier or with any "foreign air carrier" (as such term is defined in the Transportation Code) as to which there is in force a permit issued pursuant to 49 U.S.C. Section 41301-41306 (any such Certificated Air Carrier and any such foreign air carrier being hereinafter called a "Permitted Air Carrier"); provided that (A) no transfer of the registration of such Airframe shall be effected in connection therewith, (B) no such agreement or arrangement contemplates or requires the transfer of title to the Airframe and (C) if Lessor'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 Lessee shall comply with Section 10(b) in respect thereof;

(ii) deliver possession of the Airframe or any Engine to any organization for testing, service, repair, maintenance or overhaul work on the Airframe or such Engine or other similar purposes or for alterations or modifications in or additions to the Airframe or such Engine to the extent required or permitted by the terms of Section 7(a) or 8(c);

(iii) transfer possession of the Airframe or any Engine to the U.S. Government pursuant to a sublease, contract or other instrument, a copy of which shall be furnished to Lessor; provided that the term of such sublease (including, without limitation, any option of the sublessee to renew or extend) or the term of possession under such contract or other instrument shall not continue beyond the end of the Term or any Renewal Term then in effect or any Renewal Term that Lessee shall have irrevocably notified Lessor that it shall exercise;

(iv) subject the Airframe or any Engine to the Civil Reserve Air Fleet Program authorized under 10 U.S.C. Section 9511 et seq. (collectively, the "CRAF Program") or transfer possession of the Airframe or any Engine at any time to the U.S. Government, in accordance with applicable laws, rulings, regulations or orders (including, without limitation, the CRAF Program); provided that Lessee (x) promptly notifies Lessor upon transfer of possession of the Airframe or any Engine to the U.S. Government pursuant to this subparagraph (iv) of Section 7(b) and (y) in the case of a transfer of possession pursuant to the CRAF Program, within 60 days thereof, provides to Lessor the name and the address of the responsible Contracting Office Representative for the Air Mobility Command of the United States Air Force (or any Successor thereto) or other appropriate person to whom notice must be given;

(v) install an Engine on an airframe owned by Lessee free and clear of all Liens, except (A) Permitted Liens and those which 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 normal interchange agreements or pooling or similar arrangements that would be permitted under subparagraph (i) of this Section 7(b);

(vi) install an Engine on an airframe leased to Lessee or purchased or owned by Lessee subject to a lease, 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 and (2) Liens of the type permitted by clauses (A) and (B) of subparagraph (v) of this Section 7(b) and (B) either (x) Lessee shall have obtained from the lessor or secured party of such airframe a written agreement (which may be the lease or conditional sale or other security agreement covering such airframe), in form and substance satisfactory to Lessor (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(b) shall be deemed to be satisfactory to Lessor), 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 this Lease or to the Lien of the Indenture or title thereto is held by Lessor or (y) such lease, conditional sale or other security agreement shall effectively provide 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 this Lease or to the Lien of the Indenture or title thereto is held by Lessor, notwithstanding the installation thereof on such airframe;

(vii) install an Engine on an airframe owned by Lessee, leased to Lessee or owned by Lessee subject to a conditional sale or other security agreement under circumstances where neither such subparagraph (v) nor such subparagraph (vi) of this Section 7(b) is applicable; provided that such installation shall be deemed an Event of Loss (without regard to the proviso to the definition thereof) with respect to such Engine and Lessee shall comply with Section 10(b) in respect thereof, if such installation shall divest Lessor's title to such Engine, Lessor not intending hereby to waive any right or interest it may have to or in such Engine under applicable law until compliance by Lessee with such Section 10(b); and

(viii) [Intentionally Left Blank]

(ix) so long as the sublessee is not the debtor in a case or proceeding under applicable bankruptcy, insolvency or reorganization laws on the date the sublease is entered into, sublease any Engine or the Airframe and Engines or engines then installed on the Airframe to any Permitted Sublessee; provided that:

(A) the term of such sublease (including, without limitation, any option of the sublessee to renew or extend) shall not continue beyond the end of the Term or any Renewal Term then in effect or any Renewal Term that Lessee has irrevocably notified Lessor that it will exercise, unless Lessee has irrevocably agreed to purchase the Aircraft pursuant to Section 20(c) or renew the Lease pursuant to Section 20(a) at the end of the Term or such Renewal Term, as the case may be, to a date beyond the end of the term of such sublease (assuming that all options to renew or extend such sublease shall be exercised); and

(B) such sublease shall provide that the sublessee shall not sub-sublease the Aircraft;

provided that the rights of any transferee who receives possession by reason of a transfer permitted by this Section 7(b) (other than the transfer of an Engine which is deemed an Event of Loss) shall be, during the period of such possession, subject and subordinate to, and any sublease permitted by this Section 7(b) shall be made expressly subject and subordinate to, all the terms of this Lease, including, without limitation, Lessor's rights to repossession pursuant to Section 15 and to avoid and terminate such sublease upon such repossession, and Lessee shall in all events remain primarily liable hereunder for the performance and observance of all the terms and conditions of this Lease (including, without limitation, the terms and conditions set forth in Section 7(a)(ii) and Section 11) to the same extent as if such sublease or transfer had not occurred, and that any such sublease shall include appropriate provisions for the maintenance and insurance of the Aircraft. The terms of the sublease shall explicitly prohibit further subleasing. No interchange agreement, pooling agreement, sublease or other relinquishment of possession of the Airframe or any Engine shall in any way discharge or diminish any of Lessee's obligations to Lessor hereunder. Lessee shall, prior to or within 15 days after entering into a sublease of the Airframe or Engines, notify Lessor and the Loan Trustee of the identity of the sublessee (other than TWA LLC) and the term of such sublease, and provide Lessor and the Loan Trustee with a copy of the sublease within 30 days after entering into such sublease; provided that the identity of the sublessee (other than TWA LLC) and the existence and terms of such sublease shall be Confidential Information and shall be held by Lessor and the Loan Trustee in accordance with the provisions of Section 25(f) of the Participation Agreement. Lessor hereby agrees, for the benefit of the lessor or secured party of any airframe or engine leased to Lessee or purchased or owned by Lessee subject to a lease, conditional sale or other security agreement, that Lessor will not acquire or claim, as against such lessor or secured party, any right, title or interest in 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.

Lessor acknowledges that any "wet lease" or other similar arrangement under which Lessee maintains operational control of the Aircraft shall not constitute a delivery, transfer or relinquishment of possession for purposes of this Section 7(b). No "wet lease" shall extend beyond the Term or any Renewal Term then in effect or any Renewal Term that Lessee has irrevocably notified Lessor that it will exercise.

(c) Insignia. Lessee agrees to affix as promptly as practicable after the Closing Date and thereafter to maintain in the cockpit of the Airframe adjacent to the airworthiness certificate therein and (if not prevented by applicable law or regulations or by any governmental authority) on each Engine a nameplate bearing the inscription "WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, AS OWNER TRUSTEE, LESSOR", and, so long as the Airframe or such Engine shall constitute a part of the Indenture Estate, the inscription "STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, AS LOAN TRUSTEE, MORTGAGEE" (such nameplate to be replaced, if necessary, with a nameplate reflecting the name of any successor Lessor or successor Loan Trustee). Except as above provided, Lessee will not allow the name of any Person to be placed on the Airframe or on any Engine as a designation that might be interpreted as a claim of ownership; provided that nothing herein contained shall prohibit Lessee (or any sublessee) from placing its customary colors and insignia on the Airframe or any Engine.

Section 8. Replacement and Pooling of Parts; Alterations, Modifications and Additions.

(a) Replacement of Parts. Lessee, at its own cost and expense, will promptly replace all Parts which may from time to time be incorporated or installed in or attached to the Airframe or any Engine and which 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 8(c). In addition, Lessee may, at its own cost and expense, 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 Lessee, except as otherwise provided in Section 8(c), will, at its own cost and expense, replace such Parts as promptly as possible. All replacement Parts shall be free and clear of all Liens (except for pooling arrangements to the extent permitted by Section 8(b) and Permitted Liens), and shall be in as good operating condition as, 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. Title to all Parts at any time removed from the Airframe or any Engine shall remain vested in Lessor no matter where located, until such time as such Parts shall be replaced by Parts which have been incorporated or installed in or attached to the Airframe or any Engine and which 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, without further act, (i) title to the replaced Part shall thereupon vest in Lessee, free and clear of all rights of Lessor, and such replaced Part shall no longer be deemed a Part hereunder, (ii) title to such replacement Part shall thereupon vest in Lessor, free and clear of all Liens (except for Permitted Liens) and (iii) such replacement Part shall become subject to this Lease and be deemed 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.

(b) Pooling of Parts. Any Part removed from the Airframe or an Engine as provided in Section 8(a) may be subjected by Lessee to a normal pooling arrangement customary in the airline industry entered into in the ordinary course of Lessee's business with Permitted Air Carriers; 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 8(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 an Engine in accordance with Section 8(a) may be owned by a Permitted Air Carrier subject to such a normal pooling arrangement; provided that Lessee, at its expense, as promptly thereafter as practicable, either (i) causes title to such replacement Part to vest in Lessor in accordance with Section 8(a) by Lessee acquiring title thereto for the benefit of, and transferring such title to, Lessor, free and clear of all Liens (other than 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 owned by Lessee free and clear of all Liens (other than Permitted Liens) and by causing title to such further replacement Part to vest in Lessor in accordance with Section 8(a).

(c) Alterations, Modifications and Additions. Lessee, at its own expense, 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 standards of the Federal Aviation Administration or other applicable regulatory agency or body of the jurisdiction in which the Aircraft is then registered; provided, however, that Lessee may, in good faith, contest the validity or application of any such standard in any reasonable manner which does not create a material risk of sale, loss (including loss of use) or forfeiture of the Aircraft or any Engine, any meaningful risk of criminal liability or any material risk of civil penalty against Lessor or Owner Participant or otherwise materially adversely affect Lessor, the Aircraft, the Owner Participant or the lien of the Indenture. In addition, Lessee may from time to time make such alterations and modifications in and additions to the Airframe or any Engine as Lessee may deem desirable in the ordinary course and

proper conduct of its passenger transport business, including, without limitation, removal of Parts which Lessee determines in the exercise of good faith to be obsolete or no longer suitable or appropriate for use on the Airframe or such Engine (such Parts, "Obsolete Parts"); provided that no such alteration, modification, addition or removal shall materially diminish the value or utility of the Airframe or such Engine, or impair the condition or airworthiness thereof, below the value, utility, condition and airworthiness thereof immediately prior to such alteration, modification, addition or removal assuming the Airframe or such Engine was then of the value and utility and in the condition and airworthiness required to be maintained by the terms of this Lease, except that the value (but not the utility, condition or airworthiness) of the Aircraft may be reduced by the value of Obsolete Parts which shall have been removed, if the aggregate value of all such Obsolete Parts removed from the Aircraft and not replaced shall not exceed \$100,000. Title to 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, vest in Lessor. Lessor will not be required under any circumstances to pay or compensate Lessee for any such alteration, modification or addition. Notwithstanding the foregoing, Lessee may, at any time, remove any Part; provided that (i) such Part 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 hereunder or any Part in replacement of, or substitution for, any such Part, (ii) such Part is not required to be incorporated or installed in or attached or added to such Airframe or Engine pursuant to the first sentence of this Section 8(c), and (iii) such Part can be removed from the Airframe or such Engine without materially diminishing or impairing the value, utility, condition or airworthiness required to be maintained by the terms of this Lease which the Airframe or such Engine would have had at such time had such removal not occurred. Upon the removal by Lessee of any Part as provided in the immediately preceding sentence or the removal of any Obsolete Part permitted by this Section 8(c), title thereto shall, without further act vest in Lessee, free and clear of all right, title and interest of Lessor and of Lessor's Liens, and such Part shall no longer be deemed part of the Airframe or the Engine from which it was removed. Title to any such Part not removed by Lessee prior to the return of the Airframe or any Engine to Lessor hereunder shall remain vested in Lessor.

(d) Passenger Convenience Equipment. Lessee may install in the Airframe severable telecommunications or other electronic equipment for individual use by Aircraft passengers ("Passenger Convenience Equipment") that is (i) owned by another Person and leased to Lessee, (ii) sold to Lessee by another Person subject to conditional sale contract or other retained security interest, (iii) leased to Lessee pursuant to a lease which is subject to a security interest in favor of another Person or (iv) owned by another Person and installed on the Aircraft subject to a license arrangement with Lessee, and in any such case, Lessor will not acquire or claim any right, title or interest in any such Passenger Convenience Equipment solely as a result of its installation on the Airframe, provided that Lessee will ensure that the rights and interests of each such Person in or

with respect to such Passenger Convenience Equipment will not be exercised in derogation or impairment of, or interference with, Lessor's rights, interests and remedies under Lease.

Section 9. Voluntary Termination.

(a) Right of Termination. So long as no Specified Default or Event of Default shall have occurred and be continuing, Lessee shall have the right at its option to terminate this Lease at any time on or after the eighth anniversary of the Commencement Time, if in Lessee's good faith determination (evidenced by a certificate of a Responsible Officer of Lessee to such effect) the Aircraft is surplus to Lessee's requirements or economically obsolete to Lessee by delivering to Lessor and the Loan Trustee a written notice of termination specifying a proposed date of termination (the "Termination Date") which shall be a Business Day that is a Lease Period Date occurring not earlier than 90 days after the date of such notice (if such Lease Period Date is not a Business Day, the Termination Date shall be the next succeeding Business Day after the Lease Period Date). The termination of this Lease shall, subject to the terms and conditions of this Section 9, be effective on (i) if Lessor has elected to sell the Aircraft, as provided below, the date of sale of the Aircraft, if any, referred to in Section 9(b), or (ii) if Lessor has elected to retain the Aircraft as provided in Section 9(d), the date of termination referred to in Section 9(d). Lessor shall give Lessee irrevocable notice of its election to sell or retain the Aircraft no later than 30 Business Days prior to the Termination Date. Lessor shall be entitled, prior to making any such election, to receive from Lessee the information of the type described in the second sentence of Section 9(b) with respect to each bid theretofore received. In the event Lessor shall fail to give notice pursuant to the immediately preceding sentence, notice of its election to sell the Aircraft shall be deemed to have been given as of such thirtieth Business Day prior to the Termination Date. Unless Lessor shall have given to Lessee a timely notice of its election to retain the Aircraft as provided in Section 9(d), Lessee may withdraw the termination notice referred to above at any time on or prior to the date 15 Business Days prior to the Termination Date, whereupon this Lease shall continue in full force and effect; provided that in the event Owner Participant submits a bid, Lessee shall be entitled to withdraw the termination notice at any time so long as the Owner Participant's bid remains the sole bid with respect to the Aircraft. In the event Lessee withdraws a notice of termination given pursuant to Section 9(a) or such notice is deemed withdrawn pursuant to the final sentence of Section 9(b), Lessee will reimburse Lessor, the Loan Trustee, the Subordination Agent, each Pass Through Trustee and the Owner Participant for any reasonable out-of-pocket expenses incurred by it in connection with the proposed sale. Lessee shall not be entitled to exercise its right of termination provided for in this Section 9(a) more than two times during the Term (not including for purposes of this sentence any exercise by Lessee of such right of termination immediately following a failure of this Lease to be terminated by reason of Lessor's failure to comply with its obligations under this Section 9).

(b) Sale of Aircraft. If Lessee has given notice to Lessor as provided in Section 9(a) and Lessor has elected or is deemed to have elected to sell the Aircraft pursuant to Section 9(a), Lessee will act as an exclusive agent for Lessor to obtain bids for the cash purchase on or prior to the Termination Date of the Aircraft. Lessee shall use its reasonable efforts to obtain such bids and no later than ten Business Days prior to the Termination Date, Lessee shall certify to Lessor in writing the amount and terms of each cash bid received by Lessee and the name and the address of the Person submitting each such bid. Neither the Lessee nor any Affiliate of Lessee may submit a bid for the Aircraft, directly or indirectly, in connection with such proposed sale. On the Termination Date (or such other date of sale as may be agreed to by Lessor, the Loan Trustee and Lessee, which shall thereafter be deemed the Termination Date), (x) Lessee shall, subject to receipt (i) by Lessor (or, so long as the Indenture shall not have been discharged, the Loan Trustee) of the full purchase price thereof and all amounts owing to Lessor pursuant to the next sentence, and (ii) by the Persons entitled thereto of all unpaid Supplemental Rent (including Make-Whole Amount, if any, payable pursuant to Section 2.07(b) of the Indenture) due on or before the Termination Date, deliver the Aircraft at a location selected by Lessee to the Person who shall have submitted the highest cash bid net of any broker's or finder's fees (or such other purchaser acceptable to Lessor and Lessee), in the same manner as if delivery were made to Lessor at the end of the Term pursuant to Section 5, and shall duly transfer to Lessor title to any engines installed on the Airframe but not owned by Lessor, all in accordance with the terms of Section 5, and (y) Lessor shall simultaneously therewith sell, without recourse or warranty (except as to Lessor's Liens), for cash all of Lessor's right, title and interest in and to the Aircraft to such highest net cash bidder (or other purchaser). The total selling price realized at such sale shall be retained by Lessor (or, so long as the Indenture shall not have been discharged, distributed by the Loan Trustee pursuant to the terms of the Indenture) and, in addition, on the Termination Date, Lessee shall pay to Lessor or, in the case of Supplemental Rent, to the Persons entitled thereto, in funds of the type specified in Section 3(d), an amount equal to the sum of (1) the excess, if any, of (A) the Termination Value for the Aircraft as of the Termination Date, over (B) the proceeds of the sale of the Aircraft after deducting the reasonable out-of-pocket expenses incurred by Lessor and the Owner Participant, plus (2) all Supplemental Rent (including, without limitation, Make-Whole Amount, if any, payable in connection with a redemption of any Notes resulting from a termination under Section 9(a)) other than Termination Value, due and owing on the Termination Date, plus (3) such amounts of Basic Rent as may be payable pursuant to Schedule B hereto. If on or prior to the scheduled Termination Date no sale of the Aircraft shall have occurred and if Lessor shall not have elected to retain the Aircraft in accordance with Section 9(a), Lessee's termination notice given pursuant to Section 9(a) shall be deemed to be withdrawn as of such scheduled Termination Date, this Lease shall continue in full force and effect and Lessee shall pay the reasonable, out of pocket expenses incurred by Lessor, the Owner Participant and the Loan Trustee in connection with the proposed sale.

(c) Certain Obligations upon Sale of Aircraft. Upon the sale of the Aircraft pursuant to and in accordance with the provisions of Section 9(b), Lessor will transfer to Lessee, without recourse or warranty (except as to Lessor's Liens), all of Lessor's right, title and interest in and to any Engines constituting part of the Aircraft but which are not then installed on the Aircraft. Lessor shall be under no duty to solicit bids, to inquire into the efforts of Lessee to obtain bids or otherwise take any action in connection with the sale of the Aircraft under Section 9(b), other than to transfer to the purchaser of the Aircraft (or to such purchaser and to Lessee, as the case may be), without recourse or warranty (except as to Lessor's Liens), all of Lessor's right, title and interest in and to the Aircraft against receipt of the payments provided for herein, and to request the Loan Trustee upon the sale of the Aircraft pursuant to Section 9(b) to execute and deliver to such purchaser (or to such purchaser and to Lessee, as the case may be) an appropriate instrument releasing the Aircraft from the lien of the Indenture and releasing the Purchase Agreement and the Purchase Agreement Assignment from the assignment and pledge under the Indenture.

(d) Retention of Aircraft by Lessor. If Lessor has elected to retain the Aircraft pursuant to Section 9(a), on the Termination Date specified in Lessee's termination notice, Lessor shall pay, or cause to be paid, to the Loan Trustee in funds of the type specified in Section 3(d), an amount equal to (1) the aggregate outstanding principal amount of the Notes and all accrued interest thereon, plus, without affecting the obligations of the Lessee pursuant to the next sentence, (2) all other sums due and payable to the Loan Trustee on such Termination Date under the Indenture, the Participation Agreement or such Notes. Subject to receipt by the Loan Trustee of such funds, on the Termination Date, (i) Lessee (x) shall deliver the Aircraft to Lessor in the same manner as if delivery were made to Lessor at the end of the Term pursuant to Section 5, and shall duly transfer to Lessor title to any engines installed on the Airframe but not owned by Lessor, all in accordance with the terms of Section 5, and (y) shall pay to Lessor or to the Persons entitled thereto, in funds of the type specified in Section 3(d), (A) all Supplemental Rent (including, without limitation, Make-Whole Amount, if any, payable in connection with a redemption of any Notes resulting from a termination under Section 9(a)), other than Termination Value, due and owing on the Termination Date, pursuant to Section 3(b), and (B) such amounts of Basic Rent as may be payable pursuant to Schedule B hereto, and (ii) Lessor (x) shall transfer or cause to be transferred to Lessee, without recourse or warranty (except as to Lessor's Liens), all of Lessor's right, title and interest in and to any Engines constituting part of the Aircraft but which are not then installed on the Aircraft, and (y) Lessor shall request the Loan Trustee to execute and deliver to Lessee an appropriate instrument releasing the Aircraft from the Lien of the Indenture and releasing the Purchase Agreement and the Purchase Agreement Assignment from the assignment and pledge under the Indenture. If Lessor shall fail to perform any of its obligations pursuant to this Section 9(d) and as a result thereof this Lease shall not be terminated on a proposed Termination Date, Lessor shall thereafter no

longer be entitled to exercise its election to retain the Aircraft and Lessee may at its option at any time thereafter submit a new termination notice pursuant to Section 9(a).

(e) [Intentionally Left Blank]

(f) Termination of Lease, etc. Upon the sale or retention of the Aircraft, as the case may be, in compliance with the provisions of this Section 9, (i) the obligation of Lessee to pay Basic Rent under Section 3(b) on any Lease Period Date occurring subsequent to the applicable Termination Value Determination Date, and (ii) the obligation of Lessee to pay Supplemental Rent (other than payments of Supplemental Rent to be made by Lessee (x) surviving pursuant to Section 10(d) of the Participation Agreement or Section 10 of the Tax Indemnity Agreement, (y) pursuant to clause (ii) of the second sentence of Section 3(c) of this Lease, or (z) in respect of liabilities and obligations of Lessee which have accrued under any Operative Document but not been paid or which are in dispute as of the date of such sale or retention) shall cease as of the Termination Date and, in each case, the Term shall end effective as of the Termination Date.

(g) Termination as to Engines. So long as no Specified Default or Event of Default shall have occurred and be continuing, Lessee shall have the right at its option at any time prior to the commencement of the C-check conducted in connection with return of the Aircraft pursuant to Section D(6)(ii) of the Return Conditions, on at least 60 days' prior written notice to Lessor and the Loan Trustee, to terminate this Lease with respect to any Engine. In such event, and prior to the date of such termination, Lessee shall replace such Engine hereunder by complying with the terms of Section 10(b) to the same extent as if an Event of Loss had occurred with respect to such Engine.

Section 10. Loss, Destruction, Requisition, etc.

(a) Event of Loss with Respect to the Airframe. Upon the occurrence of an Event of Loss with respect to the Airframe, Lessee shall forthwith (and, in any event, within 30 days after such occurrence) give Lessor and the Loan Trustee notice of such Event of Loss and:

(i) [Intentionally Left Blank]

(ii) on or before the Loss Payment Date (as defined below), Lessee shall pay to Lessor or, in the case of Supplemental Rent, to the Persons entitled thereto, in funds of the type specified in Section 3(d), (A) the Stipulated Loss Value for the Aircraft, determined as of the Loss Payment Date, plus (B) all Supplemental Rent due and owing on such Loss Payment Date, plus (C) such amounts of Basic Rent as may be payable pursuant to Schedule B hereto, plus (D) without affecting Lessee's obligation to pay installments of Basic Rent on each

Lease Period Date prior to the Loss Payment Date, any Basic Rent due and payable prior to the Casualty Loss Determination Date and unpaid.

As used herein, "Loss Payment Date" means the earliest of (x) 25 days following the date on which insurance proceeds are received with respect to such Event of Loss, (y) the Business Day next preceding the 121st day next following the date of occurrence of the Event of Loss, and (z) an earlier Business Day irrevocably specified by Lessee at least 25 days in advance by notice to Lessor and the Loan Trustee.

In the event of payment in full of the Stipulated Loss Value for the Aircraft and all amounts payable pursuant to this Section 10, (1) the obligation of Lessee to pay any Basic Rent under Section 3(b) on any Lease Period Date occurring subsequent to the Casualty Loss Determination Date with respect to which Stipulated Loss Value is determined shall terminate, (2) the obligation of Lessee to pay Supplemental Rent (other than payments of Supplemental Rent to be made by Lessee (x) surviving pursuant to Section 10 of the Tax Indemnity Agreement or Section 10(d) of the Participation Agreement, or (y) in respect of liabilities and obligations of Lessee which have accrued under any of the Operative Documents but not been paid or which are in dispute as of the date of such payment) shall terminate, (3) the Term for the Aircraft shall end, (4) Lessor will transfer to Lessee (subject to any salvage rights of Lessee's insurers pursuant to Section 11(f)), without recourse or warranty (except as to Lessor's Liens), all Lessor's right, title and interest in and to the Airframe and Engines (if any) with respect to which such Event of Loss occurred as well as all Lessor's right, title and interest in and to any Engines constituting part of the Aircraft but not installed thereon when such Event of Loss occurred, and (5) Lessor will assign to or as directed by Lessee all Claims of Lessor against third Persons relating to physical damage for loss of such Airframe and Engines arising from such Event of Loss. Upon such transfer, Lessor shall request the Loan Trustee to execute and deliver to Lessee an appropriate instrument releasing the Airframe and Engines with respect to which title is transferred from the lien of the Indenture and releasing the Purchase Agreement and the Purchase Agreement Assignment from the assignment and pledge thereof thereunder.

(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, Lessee shall give Lessor prompt written notice thereof and in any event within 30 days thereof and shall, within 90 days after the occurrence of such Event of Loss, convey or cause to be conveyed to Lessor, as replacement for the Engine with respect to which such Event of Loss occurred, title to a Replacement Engine free and clear of all Liens (other than Permitted Liens) and having a value and utility at least equal to (but in any event without regard to the number of hours and cycles), the Engine with respect to which such Event of Loss occurred, assuming such Engine was of the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss. Prior to or at the time of any such



conveyance, Lessee, at its own expense, will (i) furnish Lessor with a warranty (as to title) bill of sale (which warranty shall except Permitted Liens) with respect to such Replacement Engine, (ii) cause a Lease Supplement, subjecting such Replacement Engine to this Lease, and duly executed by Lessee, and such other filings as Lessor may reasonably request to be delivered to Lessor for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code, or, if necessary, pursuant to the applicable laws of such jurisdiction other than the United States of America in which the Aircraft is registered, (iii) so long as the Indenture shall not have been satisfied and discharged, comply with the applicable provisions thereof and cause a Trust Agreement and Indenture Supplement substantially in the form of Exhibit A to the Indenture or other requisite documents or instruments for such Replacement Engine to be delivered to Lessor and to the Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or, if necessary, pursuant to the applicable laws of such jurisdiction other than the United States of America in which the Aircraft is or is to be registered in accordance with Section 7(a), as the case may be, (iv) furnish Lessor and the Loan Trustee with an opinion or opinions of Lessee's counsel addressed to each (which may be Lessee's General Counsel or other internal counsel to Lessee reasonably satisfactory to Lessor and Owner Participant) to the effect that upon such conveyance, Lessor will acquire good title to such Replacement Engine, free and clear of all Liens other than Permitted Liens, (v) furnish Lessor and the Loan Trustee with a certificate of an aircraft engineer or appraiser (who may be an employee of Lessee) certifying that such Replacement Engine has performance and durability characteristics and a value and utility at least equal to (but in any event without regard to the number of hours or cycles), the Engine so replaced or substituted, assuming such Engine was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss, (vi) so long as the Indenture shall not have been satisfied and discharged, cause a financing statement or statements with respect to the Replacement Engine or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the security interest therein created by or pursuant to the Indenture (to the same extent that Engines so replaced are perfected or as otherwise may be required under the Indenture), or, if necessary, pursuant to the applicable laws of the jurisdiction in which the Aircraft is or is to be registered in accordance with Section 7(a), as the case may be, (vii) furnish Lessor and the Loan Trustee with such evidence of compliance with the insurance provisions of Section 11 with respect to such Replacement Engine as Lessor or the Loan Trustee may reasonably request. In the case of any Replacement Engine conveyed to Lessor under this Section 10(b), promptly upon the recordation of the Lease Supplement and the Trust Agreement and Indenture Supplement or other

requisite documents or instruments covering such Replacement Engine pursuant to the Transportation Code (or pursuant to the applicable laws of the jurisdiction in which the Aircraft is registered in accordance with Section 7(a)), Lessee will cause to be delivered to Lessor, the Owner Participant and the Loan Trustee an opinion of counsel to Lessee addressed to each as to the due recordation of such Lease Supplement and such Trust Agreement and Indenture Supplement or other requisite documents or instruments and the validity and perfection of the security interest in such Replacement Engine granted to the Loan Trustee under the Indenture. Upon full compliance by Lessee with the terms of this paragraph (b), Lessor will transfer to Lessee (subject to any salvage rights of Lessee's insurers pursuant to Section 11(f)), without recourse or warranty (except as to Lessor's Liens), all of Lessor's right, title and interest in and to the Engine with respect to which such Event of Loss occurred, and Lessor will assign to or as directed by Lessee all claims of Lessor against third Persons relating to such Engine arising from such Event of Loss. In addition, upon such transfer Lessor shall request in writing that the Loan Trustee execute and deliver to Lessee an appropriate instrument releasing such Engine from the Lien of the Indenture and releasing the Purchase Agreement and the Purchase Agreement Assignment (in respect solely of such Engine) from the assignment and pledge under the Indenture. For all purposes hereof, each such Replacement Engine shall, after such conveyance, be deemed part of the property leased hereunder and shall be deemed an "Engine" as defined herein. No Event of Loss with respect to an Engine under the circumstances contemplated by the terms of this Section 10(b) shall result in any reduction in Basic Rent.

(c) Application of Payments from Governmental Authorities for Requisition of Title or Use. Any payments (other than insurance proceeds the application of which is provided for in Section 11) received at any time by Lessor or by Lessee from any governmental authority or other Person with respect to an Event of Loss resulting from the condemnation, confiscation, theft or seizure of, or requisition of title to or use of, the Airframe or any Engine, other than a requisition for use by any Government or by the government of the country of registry of the Aircraft not constituting an Event of Loss, will be applied as follows:

(i) [Intentionally Left Blank];

(ii) if such payments are received with respect to the Airframe or the Airframe and the Engines or engines installed on the Airframe, such payments shall, after reimbursement of Lessor for costs and expenses, be applied in reduction of Lessee's obligation to pay the Stipulated Loss Value required to be paid by Lessee pursuant to Section 10(a), if not already paid by Lessee, or, if already paid by Lessee, shall be applied to reimburse Lessee for its payment of such Stipulated Loss Value, and the balance, if any, of such payments remaining thereafter shall be paid over to, and retained by, Lessee and Lessor, as their interests may appear; and

(iii) if such payments are received with respect to an Engine under circumstances contemplated by Section 10(b), so much of such payments remaining after reimbursement of Lessor for costs and expenses shall be paid over to, or retained by, Lessee; provided that Lessee shall have fully performed the

terms of Section 10(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 or by the government of the country of registry of the Aircraft (including for this purpose any agency or instrumentality thereof), including, without limitation, pursuant to the CRAF Program referred to in Section 7(b)(iv), of the Airframe and the Engines or engines installed on the Airframe during the Term, Lessee shall promptly notify Lessor of such requisition and all of Lessee's obligations under this Lease with respect to the Aircraft shall continue to the same extent as if such requisition had not occurred. All payments received by Lessor or Lessee from such Government or government for the use of the Airframe and Engines or engines during the Term for the Aircraft shall be paid over to, or retained by, Lessee. If any requisition for use by the U.S. Government of the Airframe and Engines or engines installed on the Airframe would extend beyond the end of the Term, Lessee at its option may, by written notice to Lessor given not more than 30 nor less than 10 days before the end of the Term, elect to declare an Event of Loss with respect to the Airframe and Engines or engines. Subject to the final paragraph of this Section 10(d), such Event of Loss will be deemed to have occurred on the final day of the Term. If Lessee does not so elect to declare an Event of Loss and (1) such requisition fully terminates and (2) the Airframe and Engines or engines are returned to Lessee before the first anniversary of the end of the Term, Lessee shall be obligated to return the Airframe and the Engines or engines to Lessor pursuant to, and in all other respects to comply with the provisions of, Section 5 as soon as practicable after the Airframe and Engines or engines are returned to Lessee unless Lessee shall have exercised its option to purchase the Aircraft pursuant to Section 20(c). All payments received by Lessor or Lessee from such government for the use of such Airframe and Engines or engines during the first year after the end of the Term for the Aircraft shall be paid over to, or retained by, Lessor unless Lessee shall have exercised its option to purchase the Aircraft pursuant to Section 20(c), in which event all such payments received after such purchase shall be paid over to, or retained by, Lessee. In addition, Lessee shall pay to Lessor at monthly intervals (until the earlier of (i) the return of the Aircraft to Lessor pursuant to Section 5 and (ii) the first anniversary of the end of the Term) an amount equal to the difference, if any, between the Basic Rent for the Aircraft payable during the Term, and (B) the amounts received by Lessor from such government for the use of the Aircraft for such period.

If an Event of Loss to the Aircraft shall have occurred as a result of a requisition for use by the U.S. Government that shall have extended more than one year beyond the end of the Term, or if Lessee shall have elected in accordance with the third sentence of this Section 10(d) to declare an Event of Loss as a result of any such requisition that would extend beyond the end of the Term, or if an Event of Loss to the Aircraft shall have occurred as a result of a requisition for use by any other Government or government

that shall have extended beyond the end of the Term, Lessor (at the direction of the Owner Participant) at its option may, by written notice to Lessee given not more than 20 days after receiving notice of any such Event of Loss or election, waive the occurrence of such Event of Loss. In the event that Lessor waives the occurrence of an Event of Loss, Lessee shall, no later than the later of (i) the date on which such Event of Default would have occurred and (ii) the tenth day after Lessee shall have received such notice from Lessor, transfer to Lessor all of Lessee's right, title and interest to the Airframe and any Engine subject to such requisition under the agreement or agreements relating to such requisition. Upon such transfer, (1) the obligation of Lessee to pay Basic Rent shall terminate, (2) the obligation of Lessee to pay Supplemental Rent other than payments of Supplemental Rent to be made by Lessee (x) surviving pursuant to Section 10 of the Tax Indemnity Agreement or Section 10(d) of the Participation Agreement, (y) pursuant to clause (ii) of the second sentence of Section 3(c) hereof, or (z) in respect of liabilities and obligations of Lessee which have accrued under any of the Operative Documents but not been paid or which are in dispute as of the date of such transfer) shall terminate, (3) all other obligations of Lessee under the Lease, including, without limitation, any obligation to return the Aircraft in accordance with Section 5 thereof shall terminate and (4) the Term for the Aircraft shall end. In addition, in the event that any Engine shall not be subject to such requisition for use at the time of such transfer, Lessee shall return such Engine to Lessor in accordance with Section 5 hereof.

(e) Requisition for Use by the Government of an Engine. In the event of the requisition for use by any Government or by the government of the country of registry of the Aircraft (including for this purpose any agency or instrumentality thereof) of any Engine (but not the Airframe), Lessee will replace such Engine hereunder by complying with the terms of Section 10(b) to the same extent as if an Event of Loss had occurred with respect to such Engine, and any payments received by Lessor or Lessee from such Government or government with respect to such requisition shall be paid over to, or retained by, Lessee.

(f) Application of Payments During Existence of Event of Default. Any amount referred to in clause (i), (ii) or (iii) of Section 10(c), Section 10(d) or Section 10(e) which is payable to Lessee shall not be paid to Lessee, or if it has been previously paid directly to Lessee, shall not be retained by Lessee, if at the time of such payment an Event of Default or Specified Default shall have occurred and be continuing, but shall be paid to and held by the Lessor as security for the obligations of Lessee under this Lease and, subject to the Indenture, applied against Lessee's payment obligations hereunder when and as they become due and payable, and at such time as there shall not be continuing any such Event of Default or event, such amount shall be paid to Lessee to the extent not applied in accordance with this sentence.

Section 11. Insurance.

(a) Aircraft Liability Insurance. (i) Except as provided in clause (ii) of this Section 11(a) and subject to the rights of Lessee to establish and maintain self-insurance in the manner and to the extent specified in Section 11(c), Lessee shall carry, or cause to be carried, at no expense to Lessor, the Loan Trustee, the Subordination Agent, each Pass Through Trustee, each Liquidity Provider or the Owner Participant (collectively the "Specified Persons"), 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 (x) in amounts that are not less than the aircraft liability insurance applicable to similar aircraft and engines in Lessee's fleet on which Lessee carries insurance (provided that such liability insurance shall not be less than the amount certified in the insurance report delivered to the Specified Persons at the Closing Date), (y) of the type usually carried by corporations engaged in the same or similar business, similarly situated with Lessee and owning or operating similar aircraft and engines and covering risks of the kind customarily insured against by Lessee and (z) that is maintained in effect with insurers of recognized responsibility. Any policies of insurance carried in accordance with this Section 11(a) and any policies taken out in substitution or replacement for any of such policies shall (A) name the Specified Persons as additional insureds, (B) subject to the condition of clause (C) below, provide that, in respect of the interests of the Specified Persons in such policies, the insurance shall not be invalidated by any action or inaction of Lessee and shall insure the Specified Person's interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee, (C) provide that, if such insurance is canceled for any reason whatsoever, or if any change is made in the policy that reduces the amount of insurance or the coverage certified in the insurance report delivered to the Specified Persons at the Closing Date or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to any Specified Person for 30 days (seven (7) 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 the Specified Persons of written notice from such insurers of such cancellation, change or lapse, (D) provide that the Specified Persons shall not have any obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (E) provide that the insurers shall waive any rights of (1) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Specified Persons to the extent of any moneys due to the Specified Persons and (2) subrogation against the Specified Persons to the extent that Lessee has waived its rights by its agreements to indemnify any such Specified Person pursuant to the Lease or other Operative Documents, (F) be primary without right of contribution from any other insurance that may be carried by any Specified Person with respect to its interests as such in 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.

In the case of a lease or contract with the U.S. 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 the U.S. Government, a valid agreement by the U.S. government to indemnify Lessee, or an insurance policy issued by the U.S. Government, against the risks that Lessee is required hereunder to insure against shall be considered adequate insurance for purposes of this Section 11(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, Lessee may carry or cause to be carried as to such non-operating Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Section 11(c) below, 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 Lessee of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation and (B) the scope of the risks covered and the type of insurance shall be the same as from time to time applicable to airframes or engines owned or leased by Lessee of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation.

(b) Insurance against Loss or Damage to Aircraft. (i) Except as provided in clause (ii) of this Section 11(b), and subject to the rights of Lessee to establish and maintain self-insurance in the manner and to the extent specified in Section 11(c), Lessee shall maintain, or cause to be maintained, in effect with insurers of recognized responsibility, at no expense to the Specified Persons, 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 Lessee or any permitted sublessee with respect to other aircraft owned or operated by Lessee or such permitted sublessee, 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 Lessee; provided that (A) such insurance (including the permitted self-insurance) shall at all times while the Aircraft is subject to the Lease be for an amount not less than the Stipulated Loss Value for the Aircraft from time to time and (B) such insurance need not cover an Engine while attached to an airframe not owned, leased or operated by Lessee. Any policies carried in accordance with this Section 11(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 Stipulated Loss Value, payable for any loss or damage constituting an Event of Loss with respect

to the Aircraft, and any insurance proceeds in excess of \$4,000,000, up to the amount of the Stipulated Loss Value, for any loss or damage to the Aircraft (or Engines) not constituting an Event of Loss with respect to the Aircraft, shall be paid to the Loan Trustee so long as the Indenture shall not have been discharged pursuant to the terms and conditions thereof, and thereafter to Lessor, and that all other amounts shall be payable to Lessee, 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 Stipulated Loss Value shall be payable to the Specified Persons, (B) subject to the conditions of clause (C) below, provide that, in respect of the interests of the Specified Persons in such policies, the insurance shall not be invalidated by any action or inaction of Lessee and shall insure the Specified Persons' interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee, (C) provide that, if such insurance is canceled for any reason whatsoever, or if any change is made in the policy that reduces the amount of insurance or the coverage certified in the insurance report delivered to the Specified Persons at the Closing Date or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to any Specified Person for 30 days (seven days, or such other period as is customarily available in the industry, in the case of any war risk or allied perils coverage) after receipt by such Specified Person of written notice from such insurers of such cancellation, change or lapse, (D) provide that the Specified Persons shall not have any obligation or liability for premiums, commissions, assessments or calls in connection with such insurance, (E) provide that the insurers shall waive any rights of (1) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Specified Persons to the extent of any moneys due to the Specified Persons and (2) subrogation against the Specified Persons to the extent that Lessee has waived its rights by its agreements to indemnify such party pursuant to the Lease or other Operative Documents and (F) be primary without right of contribution from any other insurance that may be carried by any Specified Person with respect to its interests as such in the Aircraft. In the case of a lease or contract with the U.S. 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 the U.S. Government, a valid agreement by the U.S. Government to indemnify Lessee, or an insurance policy issued by the U.S. Government, against any risks that Lessee is required hereunder to insure against shall be considered adequate insurance for purposes of this Section 11(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 Engine is on the ground and not in operation, Lessee may carry or cause to be carried as to such non-operating Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent permitted by Section 11(c) below, insurance otherwise conforming with the provisions of said clause (i) except that the scope of the risks covered and the type of insurance shall be the same as from time to time applicable to airframes or engines owned or leased by Lessee of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation; provided that, subject to self-insurance to the

extent permitted by Section 11(c), Lessee shall maintain insurance against risk of loss or damage to such non-operating Airframe in an amount at least equal to the Stipulated Loss Value during such period that such Airframe is on the ground and not in operation.

(c) Self-Insurance. Lessee may from time to time self-insure, by way of deductible, self-insured retention, premium adjustment or franchise or otherwise (including, with respect to insurance maintained pursuant to Section 11(a) or (b) above, insuring for a maximum amount that is less than the amounts set forth in Section 11(a) and (b)), the risks required to be insured against pursuant to Section 11(a) and (b), but in no case shall the self-insurance with respect to all of the aircraft and engines in the aggregate fleets of Lessee and, so long as the Aircraft is subject to the Sublease, TWA LLC (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 Lessee and, so long as the Aircraft is subject to the Sublease, TWA LLC, carry insurance; provided that, if AMR Corporation's senior unsecured long-term debt is rated BB or below by Standard & Poor's Ratings Group (or any successor thereto that is a nationally recognized statistical rating organization) ("S&P") and Ba2 or below by Moody's Investors Services, Inc. (or any successor thereto that is a nationally recognized statistical rating organization) ("Moody's"), then, upon not less than 30 days' notice from Lessor to Lessee, Lessee will, until AMR Corporation's senior unsecured long-term debt is rated BB+ or better by S&P or Ba1 or better by Moody's, reduce the self-insurance permitted hereunder to such reasonable amount as Lessor may require; and provided, further, that a 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 shall be permitted in addition to the above-mentioned self-insurance.

(d) Application of Insurance Payments. All losses will be adjusted by Lessee with the insurers. As between the Specified Persons and Lessee it is agreed that all insurance payments received under policies required to be maintained by Lessee hereunder, exclusive of any payments received in excess of the Stipulated Loss Value 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) [Intentionally Left Blank]

(ii) if such payments are received with respect to the Airframe (or the Airframe and any Engines installed on the Airframe), so much of such payments remaining after reimbursement of the Lessor for its costs and expenses shall be applied (A) in reduction of Lessee's obligation to pay the Stipulated Loss Value required to be paid by Lessee pursuant to Section 10(a), if not already paid by Lessee, or, if already paid by Lessee, shall be applied to reimburse Lessee for its



payment of such Stipulated Loss Value, and (B) the balance, if any, of such payment remaining thereafter shall be paid over to, or retained by, Lessee; and

(iii) if such payments are received with respect to an Event of Loss with respect to an Engine under the circumstances contemplated by Section 10(b), such payments shall be paid over to, or retained by, Lessee; provided that Lessee shall have fully performed the terms of such Section 10(b) with respect to the Event of Loss for which such payments are made.

As between Lessor and Lessee the insurance payment for any loss or damage to the Aircraft in excess of the Stipulated Loss Value for the Aircraft shall be paid to Lessee.

As between Lessor and Lessee 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 shall be applied in payment (or to reimburse Lessee) for repairs or for replacement property in accordance with the terms of Section 7 and Section 8, and any balance remaining shall be paid to Lessee.

(e) Reports, etc. At or before the Closing Date, and annually upon renewal of Lessee's insurance coverage, Lessee will furnish to the Specified Persons a report signed by a firm of independent aircraft insurance brokers appointed by Lessee (which brokers may be in the regular employ of Lessee), 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 Specified Persons and their Affiliates and their respective officers, directors, agents and employees in accordance with Section 25(f) of the Participation Agreement. Lessee will cause such firm to advise the Specified Persons in writing of any default in the payment of any premium or of any other act or omission on the part of Lessee of which such firm has knowledge and that might invalidate or render unenforceable, in whole or in part, any insurance on the Aircraft. Lessee will also cause such firm to advise the Specified Persons 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 11 will occur.

(f) Salvage Rights; Other. All salvage rights to the Airframe and each Engine shall remain with Lessee's insurers at all times. Nothing in this Section 11 shall limit or prohibit the Specified Persons or Lessee from obtaining insurance for their own account with respect to the Airframe or any Engine, and any proceeds payable thereunder shall be payable as provided in the insurance policy relating thereto; provided that no such insurance may be obtained which would limit or otherwise adversely affect the coverage or amounts payable under, or increase the premiums for, any insurance required to be maintained pursuant to this Section 11 or any other insurance maintained by Lessee

(or any permitted sublessee) with respect to the Aircraft or any other aircraft in the fleet of Lessee or American.

Section 12. Inspection. At all reasonable times during the Term, but upon at least 5 days' prior written notice to Lessee, Lessor, the Owner Participant, the Loan Trustee, any Pass Through Trustee, or their authorized representatives, may at their own expense and risk conduct a visual walk-around inspection of the Aircraft and any Engine (including a visual walk-around inspection of the Aircraft during any regularly scheduled heavy maintenance visit for the Aircraft conducted by Lessee during the Term), which may include going on board the Aircraft and examining the contents of any open panels, bays or other components but shall not include opening any panels, bays or other components of the Aircraft, and may inspect the books and records of Lessee relating thereto; provided that (a) such representatives shall be fully insured to the reasonable satisfaction of Lessee by Lessor, the Owner Participant, the Loan Trustee, or any Pass Through Trustee, as the case may be, with respect to any risks incurred in connection with any such inspection, (b) 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 and (c) in the case of an inspection during a maintenance visit, such inspection shall not in any respect interfere with the normal conduct of such maintenance visit or extend the time required for such maintenance visit. All information obtained in connection with any such inspection shall be held confidential by Lessor, the Owner Participant, the Loan Trustee and any Pass Through Trustee, and shall not be furnished or disclosed by them to anyone other than (i) their Affiliates and their officers, directors and employees and those of their Affiliates, (ii) their bank examiners, auditors, accountants, agents, legal counsel, underwriters, lenders, rating agencies and authorized insurance brokers, (iii) as required by applicable law, governmental regulation or judicial process, (iv) to such other Persons as may be reasonably necessary to enforce Lessor's, the Owner Participant's or the Loan Trustee's rights hereunder, (v) to the extent such information is made public by Lessee (including by filings with the FAA or the Securities and Exchange Commission) and (vi) any Person with whom the Owner Participant, the Loan Trustee, or any Pass Through Trustee is in good faith conducting negotiations relating to the possible transfer and sale of such Pass Through Trustee's Equipment Notes or interest in the Aircraft, as the case may be, if such Person shall have entered into an agreement similar to that contained in this Section 12 whereby such Person agrees to hold such information confidential. Lessee will, upon the request of Lessor or the Loan Trustee, as the case may be, at any time, notify Lessor of the time and location of the next scheduled heavy maintenance visit to be conducted by Lessee in respect of the Aircraft during the Term; provided that Lessee shall have the right in its sole discretion to reschedule, or change the location of, any maintenance visit of which it shall have notified Lessor or the Loan Trustee, as the case may be, pursuant to this sentence, Lessee hereby agreeing to use reasonable efforts to notify Lessor of any such rescheduling or change. None of the Lessor, the Loan Trustee, any Pass Through Trustee or the Owner Participant shall have any duty to make any such inspection or

incur any liability or obligation by reason of not making any such inspection. No inspection pursuant to this Section 12 shall relieve Lessee of any of its obligations under this Lease. No inspection pursuant to this Section 12 shall interfere with the use, operation or maintenance of the Aircraft or the normal conduct of Lessee's business, and Lessee shall not be required to undertake or incur any additional liabilities in connection therewith.

Section 13. Assignment, Citizenship, etc.

Except as otherwise provided in Section 7(b) or in the case of any requisition for use by any Government, Lessee will not, without the prior written consent of Lessor given in Lessor's sole discretion, assign any of its rights or obligations hereunder, except as permitted by Section 16 of the Participation Agreement. Except as elsewhere herein provided or as expressly permitted by the provisions of the Participation Agreement, Lessor agrees that it will not assign or convey its right, title and interest in and to this Lease or the Aircraft. Lessee shall, for as long as and to the extent necessary to entitle Lessor to any of the rights that may be afforded to lessors of aircraft equipment under Section 1110, remain a Certificated Air Carrier. The terms and provisions of this Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective permitted successors and assigns.

Section 14. Events of Default. The following events shall constitute Events of Default (whether any such event will 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) Lessee shall fail to make (i) any payment of Basic Rent, Stipulated Loss Value or Termination Value within five Business Days after the same shall have become due, or (ii) any other payment of Supplemental Rent (excluding any payments of Excepted Property unless Lessor shall have given notice that such failure shall constitute an Event of Default) under this Lease (other than those described in clause (i) of this subparagraph (a) of Section 14) at the times required to be paid thereunder, and any such failure shall continue unremedied for a period of 15 Business Days after notice of such failure by Lessor; or

(b) Lessee shall fail to carry and maintain insurance on or with respect to the Aircraft in accordance with the provisions of Section 11; provided that, in the case of insurance with respect to which cancellation, change or lapse for nonpayment of premium shall not be effective as to Lessor, the Loan Trustee and each Participant for 30 days (seven days, or such other period as may from time to time be customarily obtainable in the industry, in the case of any war risk

coverage) after receipt of notice by Lessor, the Loan Trustee or any Participant of such cancellation, change or lapse, no such failure to carry and maintain insurance shall constitute an Event of Default hereunder until the earlier of (i) the - date such failure shall have continued unremedied for a period of 20 days (five days in the case of any war risk coverage) after receipt by Lessor, the Loan Trustee or any Participant of the notice of cancellation, change or lapse referred to in clause (C) in the second sentence of Section 11(a)(i) or in clause (C) in the second sentence of Section 11(b), or (ii) the date on which such insurance is not in effect as to any of Lessor, the Loan Trustee and any Participant; or

(c) Lessee shall operate the Aircraft when neither the aircraft public liability insurance required by Section 11(a) nor the indemnification described in the last subparagraph of Section 7(a) shall be in effect; or

(d) Lessee shall fail to perform or observe any other covenant, condition or agreement not specified elsewhere in this Section 14 to be performed by it hereunder or under the Participation Agreement, and such failure in any such case shall continue unremedied for a period of 30 days after written notice thereof by Lessor, Owner Participant or the Loan Trustee; provided that, if such failure is capable of being remedied, no such failure shall constitute an Event of Default hereunder for a period of 180 days after such notice so long as Lessee is diligently proceeding to remedy such failure; or

(e) any representation or warranty made by Lessee in this Lease or in the Participation Agreement or in any document furnished by Lessee pursuant hereto or thereto (other than in the Tax Indemnity Agreement or any document furnished by Lessee pursuant thereto) shall prove to have been incorrect in any material respect at the time made, and such incorrectness shall be material and shall continue to be unremedied for a period of 30 days after written notice thereof by Lessor, Owner Participant or the Loan Trustee; or

(f) Lessee shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or Lessee 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; or

(g) Lessee shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization or liquidation in a proceeding under any bankruptcy laws (as now or hereafter in effect) or an answer admitting the material allegations of a petition filed against Lessee in any such proceeding, or Lessee shall by voluntary petition or answer, consent to or seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of corporations, or Lessee shall

seek an agreement, composition, extension or adjustment with its creditors under such law; or

(h) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of Lessee, a receiver, trustee or liquidator of Lessee or of any substantial part of their property, or sequestering any substantial part of the property of Lessee, 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 Lessee in a proceeding under the Federal bankruptcy laws or other insolvency laws, as now or hereafter in effect, shall be filed and will not be withdrawn or dismissed within 90 days thereafter, or, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to Lessee, any court of competent jurisdiction shall assume jurisdiction, custody or control of Lessee or of any substantial part of their respective property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 90 days;

provided that, notwithstanding anything to the contrary contained in this Lease, any failure of Lessee to perform or observe any covenant, condition, or agreement herein shall not constitute an Event of Default if such observance is prevented solely by reason of an event referred to in the definition of "Event of Loss" so long as Lessee is continuing to comply with the applicable terms of Section 10.

Section 15. Remedies. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default by a written notice to Lessee (provided that this Lease shall be deemed to have been declared in default without the necessity of such written notice upon the occurrence of any Event of Default described in paragraph (f), (g), (h) or (i) of Section 14 hereof); and at any time thereafter, so long as Lessee shall not have remedied all outstanding Events of Default, Lessor may do one or more of the following with respect to all or any part of the Airframe and any Engines as Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect; provided that during any period when the Aircraft is subject to the CRAF Program in accordance with the provisions of Section 7(b) and in the possession of the U.S. Government, Lessor shall not, on account of any Event of Default, be entitled to do any of the following in such manner as to limit Lessee's control under this Lease (or any sublessee's control under any sublease permitted by the terms of this Lease) of any Airframe or any Engines, unless at least 60 days' (or such lesser period as may then be applicable under the Air Mobility Command program) prior written notice of default hereunder shall have been given by Lessor by

registered or certified mail to Lessee (or any sublessee) with a copy addressed to the Contracting Office Representative for the Air Mobility Command of the United States Air Force under any contract with Lessee (or any sublessee) relating to the Aircraft:

(a) cause Lessee, upon the written demand of Lessor and at Lessee's expense, to return promptly, and Lessee shall return promptly, all or such part of the Airframe or any Engine as Lessor may so demand to Lessor or its order in the manner and condition required by, and otherwise in accordance with all the provisions of, Section 5, as if the Airframe or such Engine were being returned at the end of the Term, or Lessor, 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, lien 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, lien or secured party or, if owned by Lessee, may, at the option of Lessor, be exchanged with Lessee for an Engine in accordance with the provisions of Section 5) by summary proceedings or otherwise, all without liability accruing to Lessor for or by reason of such entry or taking of possession or removal, whether for the restoration of damage to property caused by such taking or otherwise;

(b) sell all or any part of the Airframe and any Engine at public or private sale, whether or not Lessor shall at the time have possession thereof, as Lessor 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 Lessor, in its sole discretion, may determine, all free and clear of any rights of Lessee except as hereinafter set forth in this Section 15 and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto, except to the extent required by paragraph (d) below if Lessor elects to exercise its rights under such paragraph (d) in lieu of its rights under paragraph (c) below;

(c) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (a) or paragraph (b) above with respect to all or any part of the Airframe or any Engine, Lessor, by written notice to Lessee specifying a payment date (which date shall be deemed to be a "Termination Date" for purposes of computing Termination Value) which shall be not earlier than 10 days from the date of such notice, may demand that Lessee pay to Lessor, and Lessee shall pay Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for Lease Periods commencing on or after the Lease Period Date next preceding the payment date specified in such notice), such amounts of

Basic Rent as may be payable pursuant to Schedule B hereto plus whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice (together with interest, if any, on such amount at the applicable Past Due Rate from the Termination Date to but excluding the date of actual payment): (i) an amount equal to the excess, if any, of the Termination Value for the Airframe or such Engine or part thereof, computed as of the payment date specified in such notice, over the aggregate fair market rental value (computed as hereafter provided in this Section 15) of the Airframe or such Engine or part thereof for the remainder of the Term, after discounting such aggregate fair market rental value monthly (effective on the Lease Period Dates) to present worth as of the payment date specified in such notice at the Average Certificate Rate; or (ii) an amount equal to the excess, if any, of the Termination Value for the Airframe or such Engine or part thereof computed as of the payment date specified in such notice, over the fair market sales value (computed as hereafter provided in this Section 15) of the Airframe or such Engine or part thereof as of the payment date specified in such notice;

(d) in the event Lessor, pursuant to paragraph (b) above, shall have sold all or any part of the Airframe or any Engine, Lessor, in lieu of exercising its rights under paragraph (c) above with respect to the Airframe or such Engine or part thereof, may, if it shall so elect, demand that Lessee pay Lessor, and Lessee shall pay to Lessor, on the date of such sale (which date shall be deemed a "Termination Date" for purposes of computing Termination Value), as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for Lease Periods commencing on or after the Lease Period Date next preceding the date of such sale), such amounts of Basic Rent as may be payable pursuant to Schedule B hereto, plus the amount of any deficiency between the net proceeds of such sale and the Termination Value for the Airframe or such Engine or part thereof, computed as of the date of such sale;

(e) Lessor may terminate or rescind this Lease as to the Airframe and any or all Engines, or may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action or actions, either at law or in equity, to enforce the terms or to recover damages for the breach hereof.

In addition, Lessee shall be liable, except as otherwise provided in paragraphs (c) and (d) above and without limiting the effect of the penultimate sentence of Section 3(c), without duplication of any amounts payable hereunder, for any and all unpaid Rent due hereunder before, after or during the exercise of any of the foregoing remedies and for all legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the retaking or

return of the Airframe or any Engine in accordance with the terms of Section 5 or in placing such Airframe or Engine in the condition and airworthiness required by such Section; provided that, if Lessee returns or surrenders possession of all or any part of the Airframe or any Engine in accordance with this Section 15 and Lessor does not within 365 days after the date of such return or surrender exercise its rights under paragraph (c) or (d) above with respect to such Airframe or Engine or part thereof, there shall be deducted from each payment of Basic Rent becoming due after the expiration of such 365-day period an amount equal to the quotient obtained by dividing the aggregate fair market rental value (computed as hereafter provided in this Section 15) of such Airframe or Engine or part thereof, for the remainder of the Term after the expiration of such 365-day period (computed as of the date of such expiration), by the number of Basic Rent installments remaining with respect to the Aircraft after the expiration of such 365-day period to the end of the Term; and provided, further, that Lessor and Lessee agree that, notwithstanding anything to the contrary set forth in this Lease, the Indenture, the Participation Agreement, the Tax Indemnity Agreement or any other document or instrument relating hereto or thereto, Lessee shall have no responsibility or liability for any Make Whole Amount payable as a result of (x) a redemption or purchase of the Notes pursuant to Section 2.08 or 2.10 of the Indenture or (y) an Indenture Default that does not also constitute an Event of Default. For purposes of paragraph (c) above and the preceding sentence, the "aggregate fair market rental value" or the "fair market sales value" of the Airframe or any Engine or any part thereof shall be as specified in an Independent Appraisal. At any sale of the Airframe or any Engine or part thereof pursuant to this Section 15, Lessor or any Participant may bid for and purchase such property. Except as otherwise expressly provided above, no remedy referred to in this Section 15 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. No express or implied waiver by Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default.

Section 16. Section 1110. It is the intention of the parties hereto that this Lease, to the fullest extent available under applicable law, entitles Lessor to the benefits of Section 1110 with respect to the Aircraft. In furtherance of the foregoing, Lessor and Lessee hereby confirm that this Lease is to be treated as a lease for U.S. Federal income tax purposes. Nothing contained in this paragraph shall be construed to limit Lessee's use and operation of the Aircraft under this Lease or constitute a representation or warranty by Lessee as to tax consequences.

Section 17. Further Assurances; Financial Information.

(a) Forthwith upon the execution and delivery of each Lease Supplement and Trust Agreement and Indenture Supplement, and upon the amendment of this Lease or



the Trust Agreement or Indenture, Lessee at its expense (except as otherwise provided in the Operative Documents) will cause such Lease Supplement and Trust Agreement and Indenture Supplement, or amendment to be duly filed and recorded in accordance with the Transportation Code or the applicable laws of the government of registry of the Aircraft if the Aircraft has been registered in another jurisdiction pursuant to Section 7(a). In addition, each of Lessor and Lessee will promptly and duly execute and deliver to the other party hereto such further documents and assurances and take such further action as such other party may from time to time reasonably request in order effectively to carry out the intent and purpose of this Lease, including, without limitation, if requested by Lessor, the execution and delivery of supplements or amendments hereto or, in the case of Lessor, to the Indenture, in recordable form, subjecting to this Lease and, in the case of Lessor, to the Indenture, any Replacement Engine and the recording or filing of counterparts hereof or thereof, in accordance with the laws of such jurisdictions as Lessor may from time to time deem advisable; provided that this sentence is not intended to impose upon Lessee or Lessor any additional liabilities not otherwise contemplated by this Lease and the Participation Agreement.

(b) Lessee also agrees to furnish Lessor, the Owner Participant, the Subordination Agent, each Pass Through Trustee, and the Loan Trustee (i) within 60 days after the end of each of the first three quarterly fiscal periods in each fiscal year of Lessee, either a consolidated balance sheet of Lessee 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 a Quarterly Report of Lessee on Form 10-Q in respect of such period in the form filed with the Securities and Exchange Commission, (ii) within 120 days after the close of each fiscal year of Lessee, either a consolidated balance sheet of Lessee and its consolidated subsidiaries as of the close of such fiscal year, together with the related consolidated statements of income for such fiscal year, as certified by independent public accountants, or an Annual Report of Lessee on Form 10-K in respect of such year in the form filed with the Securities and Exchange Commission, (iii) within 120 days after the close of each fiscal year of Lessee, a certificate of Lessee, signed by a Responsible Officer of Lessee and addressed to Lessor, the Loan Trustee, the Subordination Agent, each Pass Through Trustee and the Owner Participant, to the effect that the signer has reviewed the relevant terms of this Lease and the Participation Agreement and has made, or caused to be made under his supervision, a review of the transactions and condition of Lessee during the accounting period covered by the financial statements referred to in clause (ii) above, and that such review has not disclosed the existence during such accounting period, nor does the signer have knowledge of the existence as at the date of such certificate, of any condition or event which constitutes an Event of Default or which, after notice or lapse of time or both, would constitute an Event of Default, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action Lessee has taken or is taking or proposes to take with respect thereto, and (iv) from time to time such other non-confidential information as Lessor or the Loan Trustee may reasonably request.

The items required to be furnished pursuant to clauses (i) and (ii) of this Section 17 shall be deemed to have been furnished on the date on which such items are posted on the SEC's website at [www.sec.gov](http://www.sec.gov), and such posting shall be deemed to satisfy the requirements of clauses (i) and (ii) of this Section 17; provided, that Lessee shall deliver a paper copy of any item referred to in clauses (i) and (ii) of this Section 17 if Lessor so requests.

Section 18. Notices. All notices required under the terms and provisions of this Lease shall be in English and in writing, and any such notice may be given by United States mail, courier service, telegram, telex, cable or facsimile (confirmed by telephone or in writing in the case of notice by telegram, telex, cable or facsimile) or any other customary means of communication, and any such notice shall be effective when delivered (i) if to Lessee, to P.O. Box 619616, Dallas/Fort Worth International Airport, Texas 75261-9616, Attention: Treasurer, or at 4333 Amon Carter Boulevard, Fort Worth, Texas 76155, Attention: Treasurer, Telex: 4630158, Facsimile: (817) 967-4318, Telephone: (817) 967-1532 or to such other address as Lessee shall from time to time designate in writing to Lessor, (ii) if to Lessor, to 79 South Main Street, MAC: U1254-031, Salt Lake City, Utah 84111, Attention: Corporate Trust Services, Telex: 3789450, Facsimile: (801) 246-5053, Telephone: (801) 246-5630, or to such other address as Lessor shall from time to time designate in writing to Lessee, (iii) if to the Owner Participant, the Subordination Agent or any Pass Through Trustee, to their respective addresses set forth on the Schedule I to the Participation Agreement, or to such other address as the Owner Participant, or the Subordination Agent shall from time to time designate in writing to Lessee and Lessor, and (iv) if to the Loan Trustee, to 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103, Attention: Corporate Trust Division, Facsimile: (860) 224-1881, Telephone: (860) 224-1844, or such other address as the Loan Trustee shall from time to time designate in writing to Lessor and Lessee. Prior to the discharge of the lien of the Indenture, Lessee shall furnish the Loan Trustee directly with a copy of each report, notice, request, demand, certificate, financial statement or other instrument or document furnished to Lessor hereunder.

Section 19. No Setoff, Counterclaim etc. This Lease is a net lease and it is intended that Lessee shall pay all costs and expenses of every character whether foreseen or unforeseen, ordinary or extraordinary, or structural or nonstructural in connection with the use, operation, maintenance, repair and reconstruction of the Airframe and each Engine by Lessee, including the costs and expenses particularly set forth in this Lease. Lessee's obligation to pay all Rent payable hereunder shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, any Participant, the Loan Trustee or anyone else for any reason whatsoever, (ii) any defect in the title, airworthiness, condition, design, operation or fitness for use of, or any damage to or loss or destruction of, the Aircraft, or any interruption or cessation in or prohibition of the use or possession thereof by Lessee for any reason whatsoever,

including, without limitation, any decision in the bankruptcy proceedings of Trans World Airlines, Inc., (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee or any other Person or (iv) any other circumstance, happening or event whatsoever, whether or not unforeseen or similar to any of the foregoing. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except as specifically provided in Sections 9, 10 and 15, Lessee nonetheless agrees to pay to Lessor an amount equal to each Basic Rent and Supplemental Rent payment under Section 3 at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease except in accordance with the express terms of Sections 9, 10 and 15. Each payment of Rent made by Lessee shall be final as to Lessor and Lessee, and Lessee will not seek to recover all or any part of any such payment of Rent from Lessor or from the Loan Trustee for any reason whatsoever.

Section 20. Renewal Options; Purchase Options.

(a) Renewal Options. Lessee shall have the right to extend this Lease with respect to the Aircraft for up to two additional periods of one year each (each such period being hereinafter referred to as a "Renewal Term"), each commencing at the end of the Term or a Renewal Term. Such option to renew shall be exercised upon irrevocable written notice from Lessee to Lessor given not less than 180 days prior to the end of the Term or the Renewal Term then in effect and if no Specified Default or Event of Default shall have occurred and be continuing on such date, then this Lease shall be extended for the additional period of such Renewal Term on the same conditions provided for herein, and upon such extension, the word "Term" whenever used herein shall be deemed to refer, unless the context otherwise requires, to include such Renewal Term; provided that the rental payable during such Renewal Term shall be at a rental rate equal to the fair market rental value for the Aircraft determined within 90 days after such election by mutual agreement of Lessor and Lessee or, if they shall be unable to agree, by an Independent Appraisal; and provided, further, that the provisions of Section 9 shall not be applicable during any Renewal Term. The amounts which are payable during any such Renewal Term in respect of Termination Value as used in Section 15 and Stipulated Loss Value with respect to the Aircraft shall be determined on the basis of the fair market sales value of the Aircraft as of the commencement of such Renewal Term, amortized on a straight-line basis over such Renewal Term to the fair market sales value of the Aircraft as of the expiration of such Renewal Term, as such fair market sales value in each case is determined prior to the commencement of such Renewal Term by mutual agreement of Lessor and Lessee or, if they shall be unable to agree, as determined by an Independent Appraisal.

(b) [Intentionally Left Blank]

(c) Purchase Option. So long as no Specified Default or Event of Default shall have occurred and be continuing, Lessee shall have the right, at its option, at the expiration of the Term or any Renewal Term, to elect to purchase the Aircraft at a price equal to the fair market sales value of the Aircraft, to be determined as provided below. Such option to purchase shall be exercised irrevocably upon written notice from Lessee to Lessor given not less than 180 days prior to the last day of the Term or any Renewal Term, as the case may be. If Lessee shall have so elected to purchase the Aircraft, Lessor shall transfer without recourse or warranty (except as to Lessor's Liens) the Aircraft to Lessee, against payment by Lessee of the applicable purchase price and any other amounts due hereunder in immediately available funds. In order to enable Lessee to determine whether it wishes to exercise such election to purchase, the fair market sales value for the Aircraft shall, at Lessee's request made in sufficient time to permit such determination, be determined not less than 210 days prior to the end of the Term or any Renewal Term by mutual agreement of Lessor and Lessee or, if they shall be unable to agree, by an Independent Appraisal.

Section 21. Successor Owner Trustee. Lessee agrees that, in the case of the appointment of any successor Owner Trustee pursuant to the terms of the Trust Agreement and Section 12(d) of the Participation Agreement, such successor Owner Trustee shall succeed to all the rights, powers and title of Lessor hereunder and shall be deemed to be Lessor of the Aircraft for all purposes without in any way altering the terms of this Lease or Lessee's obligations hereunder. Lessee further agrees that in the case of the appointment of any additional trustee to act as co-trustee or as a separate trustee pursuant to the terms of the Trust Agreement and Section 12(d) of the Participation Agreement, such additional trustee shall acquire such rights, power and title of Lessor hereunder as are specified in the instruments appointing such additional trustee, without in any way altering the terms of this Lease or Lessee's obligations hereunder. One such appointment and designation of a successor or additional Owner Trustee shall not exhaust the right to appoint and designate further successor or additional Owner Trustees pursuant to the Trust Agreement and Section 12(d) of the Participation Agreement, but such right may be exercised repeatedly as long as this Lease shall be in effect.

Section 22. Security for Lessor's Obligation to Holders of Notes. In order to secure the indebtedness evidenced by the Notes, Lessor has agreed in the Indenture, among other things, to assign to the Loan Trustee this Lease and the Lease Supplements and to mortgage in favor of the Loan Trustee all of Lessor's right, title and interest in and to the Aircraft, subject to the reservations and conditions therein set forth. Until the lien of the Indenture has been released, (a) Lessee shall make all payments of Rent and all other amounts payable hereunder (in each case, other than Excepted Property) to the Loan Trustee as provided in Section 3(d) and, without limiting the provisions of Section 19 hereof, the right of the Loan Trustee to receive such payment shall not, be subject to

any defense, counterclaim, setoff or other right or claim of any kind which Lessee may be able to assert against Lessor (in its individual or trust capacity), the Loan Trustee (in its individual or trust capacity), any Participant or any other Person in any action brought by any thereof on this Lease, (b) all rights of Lessor with respect to this Lease, the Aircraft, the Airframe or any Engine or any Part thereof, to the extent set forth in and subject in each case to the exceptions set forth in the Indenture, shall be exercisable by the Loan Trustee and (c) all documents, notices, certificates and opinions of counsel sent by Lessee to the Owner Trustee will also be sent to the Loan Trustee. Lessee hereby accepts and consents, pursuant to the terms of the Indenture, the Loan Trustee's rights to receive payments (other than payments not constituting Basic Rent) due under this Lease, the right to transfer or assign title to the Aircraft subject to this Lease, to make all waivers and agreements except as otherwise provided in the Indenture, to give all notices, consents and releases and to take all action upon the happening of a Specified Default or Event of Default under this Lease (except as otherwise specifically provided in the Indenture), or to do any and all other things whatsoever which the Lessor is or may become entitled to do under this Lease (except as otherwise provided in the Indenture); all or any of which rights, obligations, benefits and interests may, pursuant to the terms of the Indenture, be reassigned or retransferred by the Loan Trustee at any time and from time to time (except as otherwise provided in the Indenture); provided, however, that Lessor, except to the extent, and for such time as, it is unable to do so by virtue of the Indenture, shall remain liable for the performance of all the terms, conditions, covenants and provisions for which it is obligated under this Lease notwithstanding such assignment. To the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Lease may be created through the transfer or possession of any counterpart hereof other than the original counterpart, which shall be identified as the counterpart containing the receipt therefor executed by the Loan Trustee on the signature page thereof.

Section 23. Lessor's Right to Perform for Lessee. If Lessee fails to make any payment of Rent required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, Lessor may, on behalf of Lessee and upon prior notice to Lessee, itself make such payment or undertake such performance or compliance. The amount of any such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment, performance or compliance together with interest thereon, at the Past Due Rate, shall be deemed Supplemental Rent, payable by Lessee upon demand.

Section 24. [Intentionally Left Blank]

Section 25. Investment of Security Funds; Miscellaneous. Any moneys held by Lessor or required to be paid to or retained by Lessor which are not required to be paid to Lessee pursuant to Section 10(f) or 11(b) solely because an Event of Default or

Specified Default shall have occurred, or which are required to be paid to Lessee pursuant to Section 10(c) or 11(b) after completion of a replacement to be made pursuant to Section 10(b) shall, until paid to Lessee as provided in Section 10 or Section 11 or applied as provided herein or in the Trust Agreement and Indenture, be invested in Permitted Investments by Lessor (unless the Indenture shall not have been discharged, in which case, by the Loan Trustee as provided in Section 9.07 of the Indenture) from time to time as directed in writing by Lessee. There shall, so long as no Specified Default or Event of Default shall have occurred or be continuing, be promptly remitted to Lessee (but in any event not more frequently than once every three months) any gain (including interest received) realized as the result of any such investment (net of any fees, commissions and other expenses, if any, incurred in connection with such investment), and Lessee will promptly pay to Lessor or the Loan Trustee, as the case may be, on demand, the amount of any loss realized as the result of any such investment (together with any fees, commissions and other expenses, if any, incurred in connection with such investment), such amount to be disposed of in accordance with the terms of the Trust Agreement and the Indenture.

Section 26. Concerning the Lessor. Wells Fargo Bank Northwest, National Association is entering into this Lease solely in its capacity as Owner Trustee under the Trust Agreement and not in its individual capacity (except as expressly stated herein) and in no case shall Wells Fargo Bank Northwest, National Association (or any entity acting as successor Owner Trustee under the Trust Agreement) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of Lessor hereunder; provided, however, that Wells Fargo Bank Northwest, National Association (or any such successor Owner Trustee) shall be personally liable hereunder for its own gross negligence or willful misconduct or for its breach of its covenants, representations and warranties contained herein, to the extent covenanted or made in its individual capacity.

Section 27. Sublessee's Performance and Rights. Any obligation imposed on Lessee in this Lease shall require only that Lessee perform or cause to be performed such obligation, even if stated herein as a direct obligation, and the performance of any such obligation by any permitted assignee, sublessee or transferee under an assignment, sublease or transfer agreement then in effect and permitted by the terms of this Lease shall constitute performance by Lessee and to the extent of such performance, discharge such obligation by Lessee under this lease. Except as otherwise expressly provided herein, any right granted to Lessee in this Lease shall grant Lessee the right to exercise such right or permit such right to be exercised by any such assignee, sublessee or transferee. The inclusion of specific references to obligations or rights of any such assignee, sublessee or transferee in certain provisions of this Lease 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, sublessee or transferee has not been made in this Lease.

Section 28. Miscellaneous. Any provision of this Lease 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. This Lease may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered, subject to Section 22, shall be an original, but all such counterparts shall together constitute but one and the same instrument. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision prohibited or unenforceable in any respect. Neither this Lease nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver or modification is sought and no provision referring to the Owner Participant or requiring the consent or participation of or notice to the Owner Participant may be waived, modified, supplemented, terminated or amended without the express written consent of the Owner Participant. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in the Aircraft except as a lessee only. The Section and paragraph headings in this Lease and the table of contents are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof and all references herein to numbered Sections, unless otherwise indicated, are to Sections of this Lease.

THIS LEASE HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS 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, Lessor and Lessee have each caused this Lease Agreement to be duly executed as of the day and year first above written.

LESSOR:

WELLS FARGO BANK NORTHWEST,  
NATIONAL ASSOCIATION,  
not in its individual capacity, except  
as expressly stated herein, but solely  
as Owner Trustee

By: /s/ C. Scott Nielsen

-----  
Name: C. Scott Nielsen  
Title: Vice President

LESSEE:

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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

43

AA-EETC 2001 Lease



SCHEDULE A

AIRFRAME: The McDonnell Douglas model MD 83 aircraft with manufacturer's serial number 53561 and United States nationality and registration marks N9630A.

ENGINES: The Pratt & Whitney model JT8D-219 aircraft engines with manufacturer's serial numbers P728123D and P-728124D.

(Each engine is capable of producing 750 or more rated takeoff horsepower.)

LEASE: Lease Agreement dated as of May 5, 1997, between McDonnell Douglas Corporation as lessor and Trans World Airlines, Inc. as lessee, as supplemented by Lease Supplement No. 1, dated as of May 13, 1997, recorded by the FAA on May 20, 1997, as Conveyance No. T054102, as assigned by the FAA Instrument of Assignment and Assumption dated as of April 9, 2001, between the Lessor as assignor and the Owner Trustee as assignee, recorded by the FAA on \_\_\_\_\_ as Conveyance No. \_\_\_\_\_, as amended by the Amendment to Lease Agreement dated as of April 9, 2001, recorded \_\_\_\_\_ as Conveyance No. \_\_\_\_\_ and as amended and restated by the Amended and Restated Lease Agreement dated as of April 9, 2001, between First Security Bank, National Association, as owner trustee, American Airlines, Inc., as lessee, Wilmington Trust Company, as indenture trustee, Thayer Leasing Company - 1, as owner participant and Boeing Nevada, Inc., as loan participation, recorded by the FAA on \_\_\_\_\_, 2001, as Conveyance No. \_\_\_\_\_.

BASIC RENT

[INTENTIONALLY OMITTED FROM FAA COUNTERPART]

Lease Period Date  
-----

Basic Rent  
-----

B-1

AA-EETC 2001 Lease

STIPULATED LOSS VALUES

Casualty Loss Determination Date	Stipulated Loss Value
-----	-----

[INTENTIONALLY OMITTED FROM FAA COUNTERPART]

B-2

AA-EETC 2001 Lease

TERMINATION VALUES

Termination Value Determination Date	Termination Value
-----	-----

[INTENTIONALLY OMITTED FROM FAA COUNTERPART]

B-3

AA-EETC 2001 Lease

=====  
PARTICIPATION AGREEMENT

Dated as of May 24, 2001

among

AMERICAN AIRLINES, INC.,

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
as Pass Through Trustee under each of the  
Pass Through Trust Agreements

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

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

and

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION,  
in its individual capacity as set forth herein

-----

Aircraft of the make and model and  
bearing the U.S. Registration Number and  
Manufacturer's Serial Number listed on  
Schedule I hereto

=====  
AA-Boeing EETC-Owned Aircraft Participation Agreement

ARTICLE I  
DEFINITIONS

Section 1.01. Definitions.....4  
Section 1.02. Other Definitional Provisions.....4

ARTICLE II  
THE LOANS

Section 2.01. The Loans.....4  
Section 2.02. Issuance of Equipment Notes.....5  
Section 2.03. The Closing.....5

ARTICLE III  
CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Obligations of the Pass Through Trustees.....5  
Section 3.02. Conditions Precedent to Obligations of the Company.....9

ARTICLE IV  
REPRESENTATIONS, WARRANTIES AND INDEMNITIES OF THE COMPANY

Section 4.01. Representations and Warranties of the Company.....10  
Section 4.02. General Indemnity.....12

ARTICLE V  
REPRESENTATIONS, WARRANTIES AND COVENANTS OF STATE STREET

Section 5.01. Representations, Warranties and Covenants of State Street.....17

ARTICLE VI  
OTHER COVENANTS AND AGREEMENTS

Section 6.01. Other Agreements.....20  
Section 6.02. Certain Covenants of the Company.....21

ARTICLE VII  
MISCELLANEOUS

Section 7.01. Notices.....23  
Section 7.02. Survival of Representations, Warranties, Indemnities, Covenants and Agreements...24  
Section 7.03. Governing Law.....24

Section 7.04. Severability.....25  
Section 7.05. No Oral Modifications or Continuing Waivers; Consents.....25  
Section 7.06. Effect of Headings and Table of Contents.....25  
Section 7.07. Successors and Assigns.....25  
Section 7.08. Benefits of Agreement.....25  
Section 7.09. Counterparts.....25  
Section 7.10. Submission to Jurisdiction.....26  
Section 7.11. ERISA.....26

Schedule I - Certain Terms  
Schedule II - Equipment Notes, Purchasers and Original Principal Amounts  
Schedule III - Trust Supplements

Exhibit A - Form of Opinion of Counsel for the Company  
Exhibit B - Form of Opinion of Special Counsel for the Loan Trustee, the Subordination Agent and State Street  
Exhibit C - Form of Opinion of Special FAA Counsel  
Exhibit D - Form of Opinion of Counsel for the Liquidity Provider  
Exhibit E - Form of Manufacturer's Consent  
Exhibit F - Form of Opinion of Special Counsel for the Pass Through Trustee

Annex A - Definitions

PARTICIPATION AGREEMENT

This PARTICIPATION AGREEMENT, dated as of May 24, 2001, 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.

WITNESSETH:

WHEREAS, the Company is the owner of that certain aircraft of the make and model set forth in Schedule I hereto as more particularly described in the Indenture Supplement originally executed and delivered under the Indenture;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Company and the Loan Trustee are entering into the Indenture, pursuant to which, among other things, the Company will issue 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 III hereto, concurrently with the execution and delivery of this Agreement, separate Pass Through Trusts are being created to facilitate certain of the transactions contemplated hereby, including, without limitation, the issuance and sale of Pass Through Certificates;

WHEREAS, pursuant to the Intercreditor Agreement, the Subordination Agent will hold the Equipment Notes on behalf of the Pass Through Trusts;

AA-Boeing EETC-Owned Aircraft Participation Agreement



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

## ARTICLE I

### DEFINITIONS

Section 1.01. Definitions. For the purposes of this Agreement, unless the context otherwise requires, capitalized terms used but not defined herein shall have the respective meanings set forth or incorporated by reference in Annex A.

Section 1.02. Other Definitional Provisions.

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

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

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

(d) All references in this Agreement to a "government" are to such government and any instrumentality or agency thereof.

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

## ARTICLE II

### THE LOANS

Section 2.01. The Loans. Subject to the terms and conditions of this Agreement and the Indenture, on the Closing Date the Pass Through Trustee for each Pass Through Trust shall make a loan to the Company by paying to the Company the aggregate original principal amounts of the Equipment Notes being issued to such Pass Through Trust as set forth on Schedule II opposite the name of such Pass Through Trust. The Pass Through Trustees, on behalf of the Pass Through Trusts, shall make such loans

to the Company no later than 10:00 a.m. (New York City time) on the Closing Date by transferring such amount in immediately available funds to the Company at its account at The Chase Manhattan Bank (ABA No. 021000021), Account Number 910-1-019884, Attention: Tina DoCampo.

Section 2.02. Issuance of Equipment Notes. Upon the occurrence of the above payments by the Pass Through Trustee for each Pass Through Trust to the Company, the Company shall issue, pursuant to and in accordance with Article II of the Indenture, to the Subordination Agent as agent and trustee for the Pass Through Trustee for each Pass Through Trust, one or more Equipment Notes of the maturity and aggregate principal amount and bearing the interest rate set forth in Schedule II opposite the name of such Pass Through Trust. Each such Equipment Note shall be duly authenticated by the Loan Trustee pursuant to the Indenture, registered in the name of the Subordination Agent and dated the Closing Date and shall be delivered by the Loan Trustee to the Subordination Agent.

Section 2.03. The Closing. The closing (the "Closing") of the transactions contemplated hereby shall take place at the offices of Debevoise & Plimpton, 875 Third Avenue, New York, New York at 9:30 a.m. (New York City time) on May 24, 2001, 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 and the State of Delaware.

(e) Each Pass Through Trustee shall have received the following:

(i) a certificate dated the Closing Date of the Secretary or an Assistant Secretary of the Company, certifying as to (A) a copy of the resolutions of the Board of Directors of the Company or the executive committee thereof duly authorizing the transactions contemplated hereby and the execution, delivery and performance by the Company of this Agreement and the Indenture and each other document required to be executed and delivered by the Company in accordance with the provisions hereof or thereof and (B) a copy of the certificate of incorporation and by-laws of the Company, as in effect on the Closing Date;

(ii) a certificate or other evidence from the Secretary of State of the State of Delaware, dated as of a date reasonably near the Closing Date, as to the due incorporation and good standing of the Company in such state;

(iii) an incumbency certificate of the Company as to the person or persons authorized to execute and deliver this Agreement, the Indenture and each other document to be executed by the Company in connection with the transactions contemplated hereby and thereby, and the specimen signatures of such person or persons; and

(iv) one or more certificates of the Loan Trustee and the Subordination Agent certifying to the reasonable satisfaction of the Pass Through Trustees as to the due authorization, execution, delivery and performance by the Loan Trustee and the Subordination Agent of each of the Operative Documents to which the Loan Trustee or the Subordination Agent is or will be a party and any other documents to be executed by or on behalf of the Loan Trustee or Subordination Agent in connection with the transactions contemplated hereby or thereby.

(f) On the Closing Date, the following statements shall be correct: (i) the representations and warranties herein of the Company are correct in all material respects as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties are correct on and as of such earlier date) and (ii) no event has occurred and is continuing that constitutes an Event of Default or an Event of Loss or would constitute an Event of Default or Event of Loss but for the requirement that notices be given or time elapse or both.

(g) Each Pass Through Trustee and the Loan Trustee shall have received an opinion addressed to it from Anne H. McNamara, Esq., Senior Vice President and General Counsel of the Company (or such other internal counsel to the Company as shall be reasonably satisfactory to the Pass Through Trustees) substantially in the form set forth in Exhibit A.

(h) Each Pass Through Trustee and the Loan Trustee shall have received an opinion addressed to it from Bingham 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 Fulbright & Jaworski, LLP, counsel for the Liquidity Provider, substantially in the form set forth in Exhibit D.

(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 Placement Agreement, the Pass Through Certificates shall have been issued and sold pursuant to the Placement Agreement and the Placement Agents 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) and a release signed by Morgan Stanley Senior Funding Inc. and Morgan Stanley and Co. Incorporated releasing their right, title and interest in an existing security interest with respect to the Aircraft (the "Release") 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 issuance and sale of the Pass Through Certificates under the Securities Act of 1933, as amended, and under the securities laws of any state in which the Pass Through Certificates may be offered for sale if the laws of such state require such action, (ii) the qualification of the Pass Through Trust Agreements under the Trust Indenture Act of 1939, as amended, (iii) the filings referred to in Section 4.01(e) 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) and the Release 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 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 Indemnatee agrees to cooperate, at the Company's expense, with the insurers in the exercise of their rights to investigate, defend or compromise such Claim.

(f) Claims Procedure. An Indemnatee shall promptly notify the Company of any Claim as to which indemnification is sought; provided that the failure to provide such prompt notice shall not release the Company from any of its obligations to indemnify hereunder, except to the extent that the Company is prejudiced by such failure or the Company's indemnification obligations are increased as a result of such failure. Such Indemnatee shall promptly submit to the Company all additional information in such Indemnatee's possession to substantiate such request for payment to the Company as the Company shall reasonably request. Subject to the rights of insurers under policies of insurance maintained by the Company, the Company shall have the right, at its sole cost and expense, to investigate, and the right in its sole discretion to defend or compromise, any Claim for which indemnification is sought under this Section 4.02, and, at the Company's expense, the Indemnatee shall cooperate with all reasonable requests of the Company in connection therewith. Such Indemnatee shall not enter into a settlement or other compromise with respect to any Claim without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed, unless such Indemnatee waives its right to be indemnified with respect to such Claim under this Section 4.02. Where the Company or the insurers under a policy of insurance maintained by the Company undertake the defense of an Indemnatee with respect to a Claim, no additional legal fees or expenses of such Indemnatee 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 Indemnatee 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 Indemnatee on whose behalf such Claim was paid with respect to the transaction or event giving rise to such Claim. Such Indemnatee 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 Indemnatee 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.

(1) 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, and the filing of Uniform Commercial Code financing statements.

(b) The Loan Trustee, the Noteholders, the Subordination Agent and each Pass Through Trustee agree to execute and deliver, at the Company's expense, all such documents as the Company may reasonably request for the purpose of continuing the registration of the Aircraft at the FAA in the Company's name. In addition, each of the Loan Trustee, the Subordination Agent, each Pass Through Trustee and any other Noteholder agrees, for the benefit of the Company, to cooperate with the Company in effecting any foreign registration of the Aircraft pursuant to Section 7.02(e) of the Indenture; provided that prior to any such change in the country of registry of the Aircraft the conditions set forth in Section 7.02(e) of the Indenture are met to the reasonable satisfaction of, or waived by, the Loan Trustee.

(c) Each of State Street, the Loan Trustee, the Subordination Agent, each Pass Through Trustee and any other Noteholder, 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 re-filing 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 re-filing 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 re-filing) of financing statements filed under the Operative Documents.

(d) The Company shall at all times maintain its corporate existence except as permitted by Section 6.02(e).

(e) The Company shall not consolidate with or merge into any other Person or convey, transfer or lease substantially all of its assets as an entirety to any Person, unless:

(i) the Person formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety shall, if and to the extent required under Section 1110 in order that the Loan Trustee shall continue to be entitled to any benefits of Section 1110 with respect to the Aircraft, be a Certificated Air Carrier and shall execute and deliver to the Loan Trustee an agreement containing the assumption by such successor Person of the due and punctual performance and observance of each covenant and condition of the Operative Documents to which the Company is a party to be performed or observed by the Company;

(ii) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing; and

(iii) the Company shall have delivered to the Loan Trustee a certificate signed by a Responsible Officer of the Company, and an opinion of counsel (which may be the Company's General Counsel or such other internal counsel to the Company as shall be reasonably satisfactory to the Loan Trustee), each stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement mentioned in clause (i) above comply with this Section 6.02(e) and that all conditions precedent herein provided relating to such transaction have been complied with (except that such opinion need not cover the matters

referred to in clause (ii) above and may rely, as to factual matters, on a certificate of an officer of the Company) and, in the case of such opinion, that such assumption agreement has been duly authorized, executed and delivered by such successor Person and is enforceable against such successor Person in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity.

Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of the Company as an entirety in accordance with this Section 6.02(e), the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement and the other Operative Documents with the same effect as if such successor Person had been named as the Company herein.

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

(g) The Company shall not issue Series E Equipment Notes pursuant to the Indenture, unless it shall have received Ratings Confirmation (as defined in the Intercreditor Agreement). If Series E Equipment Notes are initially issued to other than the Pass Through Trustee for the Class E Certificates, the Company will cause such Series E Equipment Notes to be subject to the provisions of the Intercreditor Agreement that allow the "Controlling Party" (as defined in the Intercreditor Agreement), during the continuance of an "Indenture Event of Default" (as defined in the Intercreditor Agreement), to direct the Loan Trustee in taking action under the Indenture.

#### ARTICLE VII

#### MISCELLANEOUS

Section 7.01. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions of this Agreement shall be in English and in writing, and any such notice may be given by United States mail, courier service or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed three Business Days after deposit, postage prepaid in the first class United States mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender

(by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received),

if to the Company, to:

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

Telephone: (817) 967-1532  
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.

Section 7.11. ERISA. Each of the Company, the Loan Trustee, the Pass Through Trustee and the Subordination Agent covenant that until the Series A-1 Equipment Notes and Series A-2 Equipment Notes have been paid in full, it shall not file an involuntary bankruptcy petition or initiate any other form of insolvency proceeding against the respective Pass Through Trust holding such Equipment Notes.

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

AMERICAN AIRLINES, INC.

By: /s/ Leslie M. Benners

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

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION, as  
Pass Through Trustee under  
each of the Pass Through  
Trust Agreements

By: /s/ Alison Della Bella

-----  
Name: Alison Della Bella  
Title: Assistant Vice  
President

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

By: /s/ Alison Della Bella

-----  
Name: Alison Della Bella  
Title: Assistant Vice  
President



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

By: /s/ Alison Della Bella  
-----  
Name: Alison Della Bella  
Title: Assistant Vice  
President

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT, NATIONAL  
ASSOCIATION, in its individual  
capacity as set forth herein

By: /s/ Alison Della Bella  
-----  
Name: Alison Della Bella  
Title: Assistant Vice  
President

SCHEDULE I to  
PARTICIPATION  
AGREEMENT

Certain Terms

Aircraft

Model: B777-223ER  
U.S. Registration Number: N788AN  
Manufacturer's Serial Number: 30011

ADDRESSES FOR NOTICES AND ACCOUNT DETAILS

THE COMPANY:  
American Airlines, Inc.

4333 Amon Carter Boulevard  
Fort Worth, TX 76155  
Attn: Treasurer  
Telex: 4630158  
Facsimile: 817-967-4318

Chase Manhattan Bank  
ABA #: 0210 0002 1  
Account No.: 910-1-019884

STATE STREET:  
State Street Bank and Trust Company  
of Connecticut, N.A.

State Street Bank and Trust  
Company of Connecticut, N.A.  
225 Asylum Street  
Hartford, CT 06103  
Attn: Alison Della Bella  
Tel: 617-662-1704  
Facsimile: 617-662-1458

State Street Bank and Trust  
Company of Connecticut, N.A.  
c/o State Street Bank and Trust  
Company  
Boston, MA  
ABA #011-00-0028  
Corporate Trust  
DDA #9903-990-1  
FFC: American Airlines EETC 2001-1  
Attn: May Tran

LOAN TRUSTEE:  
State Street Bank and Trust Company  
of Connecticut, N.A.

State Street Bank and Trust  
Company of Connecticut, N.A.  
225 Asylum Street  
Hartford, CT 06103  
Attn: Alison Della Bella  
Tel: 617-662-1704  
Facsimile: 617-662-1458

State Street Bank and Trust  
Company of Connecticut, N.A.  
c/o State Street Bank and Trust  
Company  
Boston, MA  
ABA #011-00-0028  
Corporate Trust  
DDA #9903-990-1  
FFC: American Airlines EETC 2001-1  
Attn: May Tran

PASS THROUGH TRUSTEE:  
State Street Bank and Trust Company  
of Connecticut, N.A.

State Street Bank and Trust  
Company of Connecticut, N.A.  
225 Asylum Street  
Hartford, CT 06103  
Attn: Alison Della Bella  
Tel: 617-662-1704  
Facsimile: 617-662-1458

State Street Bank and Trust  
Company of Connecticut, N.A.  
c/o State Street Bank and Trust  
Company  
Boston, MA  
ABA #011-00-0028  
Corporate Trust  
DDA #9903-990-1  
FFC: American Airlines EETC 2001-1  
Attn: May Tran

SUBORDINATION AGENT:  
State Street Bank and Trust Company  
of Connecticut, N.A.

State Street Bank and Trust  
Company of Connecticut, N.A.  
225 Asylum Street  
Hartford, CT 06103  
Attn: Alison Della Bella  
Tel: 617-662-1704  
Facsimile: 617-662-1458

State Street Bank and Trust  
Company of Connecticut, N.A.  
c/o State Street Bank and Trust  
Company  
Boston, MA  
ABA #011-00-0028  
Corporate Trust  
DDA #9903-990-1  
FFC: American Airlines EETC 2001-1  
Attn: May Tran

SCHEDULE II to  
 PARTICIPATION  
 AGREEMENT

EQUIPMENT NOTES,  
 PURCHASERS AND ORIGINAL PRINCIPAL AMOUNTS

Original  
 Description  
 of Interest  
 Principal  
 Purchaser  
 Equipment  
 Notes  
 Maturity  
 Rate Amount

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 -----  
 -----

American  
 Airlines  
 Series  
 2001-1A-1  
 May 23,  
 2021 6.977%  
 \$420,880,000

Pass  
 Through  
 Trust  
 Equipment  
 Note 2001-  
 1A-1 EN-  
 11A1-001  
 American  
 Airlines  
 Series  
 2001-1A-2  
 May 23,  
 2011 6.817%  
 \$392,209,000

Pass  
 Through  
 Trust  
 Equipment  
 Note 2001-  
 1A-2 EN-  
 11A2-001  
 American  
 Airlines  
 Series  
 2001-1B May  
 23, 2019  
 7.377%  
 \$297,430,000

Pass  
 Through  
 Trust  
 Equipment  
 Note 2001-  
 1B EN-11B-  
 001  
 American  
 Airlines  
 Series  
 2001-1C May  
 23, 2016  
 7.379%  
 \$183,530,000

Pass  
 Through  
 Trust  
 Equipment  
 Note 2001-  
 1C EN-11C-  
 001  
 American  
 Airlines  
 Series  
 2001-1D May  
 23, 2008  
 7.686%  
 \$25,600,000

Pass  
 Through  
 Trust  
 Equipment  
 Note 2001-  
 1D EN-11D-  
 001



SCHEDULE III to  
PARTICIPATION AGREEMENT

TRUST SUPPLEMENTS

Trust Supplement No. 2001-1A-1, dated as of May 24, 2001,  
between the Company and the Pass Through Trustee in respect of American Airlines  
Pass Through Trust 2001-1A-1.

Trust Supplement No. 2001-1A-2, dated as of May 24, 2001,  
between the Company and the Pass Through Trustee in respect of American Airlines  
Pass Through Trust 2001-1A-2.

Trust Supplement No. 2001-1B, dated as of May 24, 2001,  
between the Company and the Pass Through Trustee in respect of American Airlines  
Pass Through Trust 2001-1B.

Trust Supplement No. 2001-1C, dated as of May 24, 2001,  
between the Company and the Pass Through Trustee in respect of American Airlines  
Pass Through Trust 2001-1C.

EXHIBIT A to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF  
COUNSEL FOR THE COMPANY.

A-1

EXHIBIT B to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF  
SPECIAL COUNSEL FOR THE LOAN TRUSTEE, THE SUBORDINATION AGENT  
AND STATE STREET

B-1



EXHIBIT C to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF  
SPECIAL FAA COUNSEL

C-1

EXHIBIT D to  
PARTICIPATION AGREEMENT

FORM OF OPINION OF COUNSEL FOR THE LIQUIDITY PROVIDER

D-1

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

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

DEFINITIONS

"Additional Insureds" has the meaning specified in Section 7.06(a) of the Indenture.

"Agreement" and "Participation Agreement" mean that certain Participation Agreement, dated on or before the Closing Date, among the Company, State Street, the Pass Through Trustee under each Pass Through Trust Agreement, the Subordination Agent and the Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Aircraft" means the Airframe (or any Replacement Airframe substituted therefor pursuant to Section 7.05 of the Indenture) together with the two Engines described in the Indenture Supplement originally executed and delivered under the Indenture (or any Replacement Engine that may from time to time be substituted for any of such Engines pursuant to Section 7.04 or Section 7.05 of the Indenture), whether or not any of such initial or substituted Engines may from time to time be installed on such Airframe or installed on any other airframe or on any other aircraft. The term "Aircraft" shall include any Replacement Aircraft.

"Airframe" means (a) the Boeing aircraft further described in Annex A to the Indenture Supplement (except (i) the Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (ii) items installed or incorporated in or attached to such aircraft that are excluded from the definition of Parts (except Engines or engines)) specified in the Indenture Supplement originally executed and delivered under the Indenture and (b) any and all related Parts. The term "Airframe" shall include any Replacement Airframe that may from time to time be substituted for the Airframe pursuant to Section 7.05 of the Indenture. At such time as the Replacement Airframe shall be so substituted and the Airframe for which such substitution is made shall be released from the Lien of the Indenture, such replaced Airframe shall cease to be an Airframe under the Indenture.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 United States Codess.ss.101 et seq., as amended, or any successor statutes thereto.

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

"Bills of Sale" means the FAA Bill of Sale and the Warranty Bill of Sale.

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

"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 the city and state in which the Loan Trustee maintains its Corporate Trust Office or receives and disburses funds.

"Certificated Air Carrier" means a Citizen of the United States holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo or that otherwise is certified or registered to the extent required to fall within the purview of Section 1110.

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

"Claim" has the meaning specified in Section 4.02(a) of the Participation Agreement.

"Closing" has the meaning specified in Section 2.03 of the Participation Agreement.

"Closing Date" means the date set forth on the cover page of the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning specified in the granting clause of the Indenture.

"Company" means American Airlines, Inc., and its successors and permitted assigns.

"Compulsory Acquisition" means requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention for any reason of the Aircraft by any government that results in the loss of title or use of the Aircraft by the Company (or any Permitted Lessee) for a period in excess of 180 days, but shall exclude requisition for use or hire not involving requisition of title.

"Confidential Information" has the meaning specified in Section 10.16 of the Indenture.

"Controlling Party" has the meaning specified in Section 2.06 of the Intercreditor Agreement.

"Corporate Trust Office" means the Corporate Trust Division of the Loan Trustee located at State Street Bank and Trust Company of Connecticut, National Association,

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

225 Asylum Street, Goodwin Square, Hartford, Connecticut, 06103, Attention: Corporate Trust Division, or such other office at which the Loan Trustee's corporate trust business shall be administered that the Loan Trustee shall have specified by notice in writing to the Company.

"CRAF Program" means the Civil Reserve Air Fleet Program authorized under 10 U.S.C. Section 9511 et seq. or any similar or substitute program under the laws of the United States.

"Debt Rate" means, with respect to any Series, the rate per annum specified for such Series under the heading "Interest Rate" in Schedule I to the Indenture, as such rate may be adjusted as necessary to provide for the increased interest rate borne by the Equipment Notes in the circumstances specified in Section 2(d) of the Registration Rights Agreement.

"Department of Transportation" means the United States Department of Transportation and any agency or instrumentality of the United States government succeeding to its functions.

"Direction" has the meaning specified in Section 2.16 of the Indenture.

"Dollars" and "\$" mean the lawful currency of the United States.

"Engine" means (a) each of the two engines listed by manufacturer's serial number and further described in Annex A to the Indenture Supplement originally executed and delivered under the Indenture, whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft and (b) any Replacement Engine that may from time to time be substituted for an Engine pursuant to Section 7.04 or 7.05 of the Indenture; together in each case with any and all related Parts. At such time as a Replacement Engine shall be so substituted and the Engine for which substitution is made shall be released from the Lien of the Indenture, such replaced Engine shall cease to be an Engine under the Indenture.

"Equipment Note" means and includes any Equipment Note originally issued pursuant to Section 2.02 of the Indenture and any Equipment Note issued in exchange therefor or replacement thereof pursuant to Section 2.07 and 2.08 of the Indenture.

"Equipment Note Register" has the meaning specified in Section 2.07 of the Indenture.

"Equipment Note Registrar" has the meaning specified in Section 2.07 of the Indenture.

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA as in effect at the date of the Participation Agreement and any subsequent provisions of ERISA amendatory thereof, supplemental thereto or substituted therefor.

"Event of Default" has the meaning specified in Section 4.01 of the Indenture.

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

(a) the loss of such property or of the use thereof due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

(b) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss, a compromised total loss or a constructive total loss;

(c) the theft or disappearance of such property for a period in excess of 180 days;

(d) the requisition for use of such property by any government (other than a requisition for use by a Government or the government of the country of registry of the Aircraft) that shall have resulted in the loss of possession of such property by the Company (or any Permitted Lessee) for a period in excess of 12 consecutive months;

(e) the operation or location of the Aircraft, while under requisition for use by any government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of Section 7.06 of the Indenture, unless the Company shall have obtained indemnity or insurance in lieu thereof from such government;

(f) any Compulsory Acquisition;

(g) as a result of any law, rule, regulation, order or other action by the FAA or other government of the country of registry, the use of the Aircraft or Airframe in the normal business of air transportation shall have been prohibited by virtue of a condition affecting all aircraft of the same type for a period of 18 consecutive months, unless the Company shall be diligently carrying forward all steps that are necessary or desirable to permit the normal use of the Aircraft or Airframe or, in any event, if such use shall have been prohibited for a period of three consecutive years; and



Annex A to  
Participation Agreement and  
Indenture and Security Agreement

(h) with respect to an Engine only, any divestiture of title to or interest in an Engine or any event with respect to an Engine that is deemed to be an Event of Loss with respect to such Engine pursuant to Section 7.02(a)(vii) of the Indenture.

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe unless the Company elects to substitute a Replacement Airframe pursuant to Section 7.05(a)(i) of the Indenture.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Bill of Sale" means, collectively, (a) the bill of sale for the Aircraft on AC Form 8050-2, executed by the Manufacturer in favor of Boeing Sales Corporation and recorded with the FAA and (b) the bill of sale for the Aircraft on AC Form 8050-2, executed by Boeing Sales Corporation in favor of the Company and recorded with the FAA.

"Federal Funds Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by State Street from three Federal funds brokers of recognized standing selected by it.

"Government" means the government of any of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States and any instrumentality or agency thereof.

"Indemnatee" has the meaning specified in Section 4.02(b) of the Participation Agreement.

"Indenture" means that certain Indenture and Security Agreement, dated as of the Closing Date, between the Company and the Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including supplementing by an Indenture Supplement pursuant to the Indenture.

"Indenture Indemnatee" means (i) the Loan Trustee, (ii) State Street, (iii) so long as it holds any Equipment Note as agent and trustee of any Pass Through Trustee, the Subordination Agent, (iv) the Liquidity Provider and (v) so long as it is the holder of any Equipment Notes, each Pass Through Trustee and each of their respective directors, officers, employees, agents and servants. No holder of a Pass Through Certificate in its capacity as such shall be an Indenture Indemnatee.

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

"Indenture Supplement" means a supplement to the Indenture, substantially in the form of Exhibit A to the Indenture, which shall particularly describe the Aircraft, and any Replacement Airframe and/or Replacement Engine included in the property subject to the Lien of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Closing Date, among the Pass Through Trustees, the Liquidity Provider and the Subordination Agent, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Interests" has the meaning specified in Section 7.06(a) of the Indenture.

"Lease" means any lease permitted by the terms of Section 7.02(a) of the Indenture.

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

"Liquidity Facilities" means the four Revolving Credit Agreements, each dated as of the Closing Date, between the Subordination Agent, as borrower, and the Liquidity Provider, and any replacements thereof, in each case as the same may be amended or supplemented or otherwise modified from time to time in accordance with its terms.

"Liquidity Provider" means Boeing Capital Corporation, a Delaware corporation, solely in its capacity as liquidity provider under each of the Liquidity Facilities, or any liquidity provider under a replacement liquidity facility.

"Loan Amount" has the meaning specified in Section 7.06(b) of the Indenture.

"Loan Trustee" has the meaning specified in the introductory paragraph of the Indenture.

"Loan Trustee Liens" means any Lien attributable to State Street or the Loan Trustee with respect to the Aircraft, any interest therein or any other portion of the Collateral arising as a result of (i) claims against State Street or the Loan Trustee not related to its interest in the Aircraft or the administration of the Collateral pursuant to the Indenture, (ii) acts of State Street or the Loan Trustee not permitted by, or the failure of State Street or the Loan Trustee to take any action required by, the Operative Documents or the Pass Through Documents, (iii) claims against State Street or the Loan Trustee relating to Taxes or Claims that are excluded from the indemnification provided by Section 4.02 of the Participation Agreement pursuant to said Section 4.02 or (iv) claims against State Street or the Loan Trustee arising out of the transfer by any such party of all or any portion of its interest in the Aircraft, the Collateral, the Operative Documents or the Pass Through Documents, except while an Event of Default is continuing and prior to

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

the time that the Loan Trustee has received all amounts due to it pursuant to the Indenture.

"Loss Payment Date" has the meaning specified in Section 7.05(a) of the Indenture.

"Majority in Interest of Noteholders" means, as of a particular date of determination and subject to Section 2.16 of the Indenture, the holders of at least a majority in aggregate unpaid principal amount of all Equipment Notes outstanding as of such date (excluding any Equipment Notes held by the Company or any affiliate thereof, unless all Equipment Notes are held by the Company or any affiliate thereof).

"Make-Whole Amount" means, with respect to any Equipment Note, the amount (as determined by an investment bank of national standing selected by the Company (and, following the occurrence and during the continuance of an Event of Default, reasonably acceptable to the Loan Trustee)), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective Payment Date (assuming a 360-day year of twelve 30-day months) using a discount rate equal to the Treasury Yield exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the time of determination, the interest rate (expressed as a semiannual equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities, trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than, the Average Life Date, in each case as published in the most recent H.15(519) or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date is reported on the most recent H.15(519), such weekly average yield to maturity as published in such H.15(519). "H.15(519)" means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System. The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the "most recent H.15(519)" means the H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Equipment Note to be redeemed, the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. "Remaining Weighted Average Life" of an Equipment Note, at the redemption date of such Equipment Note, means the number of days equal to the quotient

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled payment date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note.

"Manufacturer" means The Boeing Company, a Delaware corporation, and its successors and assigns.

"Manufacturer's Consent" means the Manufacturer's Consent and Agreement to Assignment of Warranties, dated as of the Closing Date, substantially in the form of Exhibit E to the Participation Agreement.

"Mortgage Convention" means the Convention on the International Recognition of Rights in Aircraft as in effect on the date hereof or as hereafter amended, modified or supplemented.

"Noteholder" means any Person in whose name an Equipment Note is registered on the Equipment Note Register (including, for so long as it is the registered holder of any Equipment Notes, the Subordination Agent on behalf of the Pass Through Trustees pursuant to the provisions of the Intercreditor Agreement).

"Noteholder Liens" means any Lien attributable to any Noteholder on or against the Aircraft, any interest therein or any portion of the Collateral, arising out of any claim against such Noteholder that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such Noteholder that is not related to the transactions contemplated by, or that constitutes a breach by such Noteholder of its obligations under, the Operative Documents or the Pass Through Documents.

"Operative Documents" means, collectively, the Participation Agreement, the Indenture, each Indenture Supplement, the Manufacturer's Consent and the Equipment Notes.

"Other Party Liens" means any Lien attributable to the Pass Through Trustee (other than in its capacity as Noteholder), the Subordination Agent (other than in its capacity as Noteholder) or the Liquidity Provider on or against the Aircraft, any interest therein, or any portion of the Collateral arising out of any claim against such party that is not related to the Operative Documents or Pass Through Documents, or out of any act or omission of such party that is not related to the transactions contemplated by, or that constitutes a breach by such party of its obligations under, the Operative Documents or the Pass Through Documents.

"Participation Agreement" has the meaning set forth under the definition of "Agreement".

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

"Parts" means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (a) complete Engines or engines, (b) any items leased by the Company or any Permitted Lessee, (c) cargo containers and (d) components or systems installed on or affixed to the Airframe that are used to provide individual telecommunications or electronic entertainment to passengers aboard the Aircraft) so long as the same shall be incorporated or installed in or attached to the Airframe or any Engine or so long as the same shall be subject to the Lien of the Indenture in accordance with the terms of Section 7.04 thereof after removal from the Airframe or any such Engine.

"Pass Through Certificates" means the pass through certificates issued by the Pass Through Trustees.

"Pass Through Documents" means the Pass Through Trust Agreements, the Intercreditor Agreement and the Liquidity Facilities.

"Pass Through Trust" means each of the four (and in some cases five) separate grantor trusts created pursuant to the Pass Through Trust Agreements to facilitate certain of the transactions contemplated by the Operative Documents.

"Pass Through Trust Agreement" means each of the four (and in some cases five) separate Trust Supplements together in each case with the Basic Pass Through Trust Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Pass Through Trustee" has the meaning specified in the introductory paragraph to the Participation Agreement.

"Pass Through Trustees" means, collectively, the Pass Through Trustees under each Pass Through Trust Agreement.

"Past Due Rate" means, with respect to a particular Series, a rate per annum equal to the applicable Debt Rate plus 1% and, in any case other than with respect to a particular Series, the Debt Rate for the Series A-1 Equipment Notes plus 1%.

"Payment Date" means, for any Equipment Note, each May 23 and November 23, commencing with November 23, 2001.

"Payment Default" means the occurrence of an event that would give rise to an Event of Default under Section 4.01(a) of the Indenture upon the giving of notice or the passing of time or both.

"Permitted Investments" means each of (a) direct obligations of the United States and agencies thereof; (b) obligations fully guaranteed by the United States; (c) certificates

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least \$100,000,000 and having a rating of A, its equivalent or better by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (d) commercial paper of any holding company of a bank, trust company or national banking association described in clause (c); (e) commercial paper of companies having a rating assigned to such commercial paper by either Moody's or S&P (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States) equal to either of the two highest ratings assigned by such organization; (f) Dollar-denominated certificates of deposit issued by, or time deposits with, the European subsidiaries of (i) any bank, trust company or national banking association described in clause (c), or (ii) any other bank or financial institution described in clause (h) or (i) below; (g) United States-issued Yankee certificates of deposit issued by, or bankers' acceptances of, or commercial paper issued by, any bank having combined capital and surplus and retained earnings of at least \$100,000,000 and headquartered in Canada, Japan, the United Kingdom, France, Germany, Switzerland or The Netherlands and having a rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (h) Dollar-denominated time deposits with any Canadian bank having a combined capital and surplus and retained earnings of at least \$100,000,000 and having a rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States); (i) Canadian Treasury Bills fully hedged to Dollars; (j) repurchase agreements with any financial institution having combined capital and surplus and retained earnings of at least \$100,000,000 collateralized by transfer of possession of any of the obligations described in clauses (a) through (i) above; (k) bonds, notes or other obligations of any state of the United States, or any political subdivision of any state, or any agencies or other instrumentalities of any such state, including, but not limited to, industrial development bonds, pollution control revenue bonds, public power bonds, housing bonds, other revenue bonds or any general obligation bonds, provided that, at the time of their purchase, such obligations are rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at any time, by any nationally recognized rating organization in the United States); (l) bonds or other debt instruments of any company, if such bonds or other debt instruments, at the time of their purchase, are rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at such time, by any nationally recognized rating organization in the United States); (m) mortgage backed securities guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or rated AAA, its equivalent or better

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

by Moody's or S&P (or, if neither such organization shall rate such obligations at any time, by any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by the Loan Trustee; (n) asset-backed securities rated A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such obligations at any time, by any nationally recognized rating organization in the United States) or, if unrated, deemed to be of a comparable quality by the Loan Trustee; and (o) such other investments approved in writing by the Loan Trustee; provided that, the instruments described in the foregoing clauses shall have a maturity no later than the earliest date when such investments may be required for distribution. Any of the investments described herein may be made through or with, as applicable, the bank acting as Pass Through Trustee or Loan Trustee or any of their affiliates.

"Permitted Lessee" means any Person to whom the Company is permitted to lease the Airframe or any Engine pursuant to Section 7.02(a) of the Indenture.

"Permitted Lien" has the meaning specified in Section 7.01 of the Indenture.

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

"Placement Agents" means the placement agents listed as such in the Placement Agreement.

"Placement Agreement" means that certain Placement Agreement, dated as of the date of the Participation Agreement, among the Company and the Placement Agents.

"Purchase Agreement" means the Purchase Agreement, dated as of the date specified in Schedule I to the Participation Agreement, which incorporates by reference the Aircraft General Terms Agreement AGTA-AAL, between the Manufacturer and the Company, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Rating Agencies" has the meaning specified in the Intercreditor Agreement.

"Registration Rights Agreement" means that certain Registration Rights Agreement, dated as of the date of the Indenture, between American, each Pass Through Trustee and the Placement Agents, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Related Indemnitee Group" has the meaning specified in Section 4.02(b) of the Participation Agreement.

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

"Replacement Aircraft" means the Aircraft of which a Replacement Airframe is part.

"Replacement Airframe" means a Boeing aircraft of the model further described in Annex A to the Indenture Supplement or a comparable or improved model of the Manufacturer (except (a) Engines or engines from time to time installed thereon and any and all Parts related to such Engine or engines and (b) items excluded from the definition of Parts (except Engines or engines)), that shall have been made subject to the Lien of the Indenture pursuant to Section 7.05 thereof, together with all Parts relating to such aircraft.

"Replacement Engine" means an engine of the make and model specified in Annex A to the Indenture Supplement (or an engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe with the other Engine (or any other Replacement Engine being substituted simultaneously therewith)) that shall have been made subject to the Lien of the Indenture pursuant to Section 7.04 or Section 7.05 thereof, together with all Parts relating to such engine.

"Responsible Officer" means, with respect to the Company, its Chairman of the Board, its President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Secretary or any other management employee (a) whose power to take the action in question has been authorized, directly or indirectly, by the Board of Directors of the Company, (b) working under the supervision of such Chairman of the Board, President, Senior Vice President, Chief Financial Officer, Vice President, Treasurer or Secretary and (c) whose responsibilities include the administration of the transactions and agreements contemplated by the Participation Agreement and the Indenture.

"Section 1110" means Section 1110 of the Bankruptcy Code, as in effect on the Closing Date or any successor or analogous section of the federal bankruptcy law in effect from time to time.

"Secured Obligations" has the meaning specified in Section 2.06 of the Indenture.

"Series" means any series of Equipment Notes, including the Series A-1 Equipment Notes, the Series A-2 Equipment Notes, the Series B Equipment Notes, the Series C Equipment Notes or the Series E Equipment Notes.

"Series A-1 Equipment Notes" means Equipment Notes issued and designated as "Series A-1 Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series A-1 Equipment Notes."



Annex A to  
Participation Agreement and  
Indenture and Security Agreement

"Series A-2 Equipment Notes" means Equipment Notes issued and designated as "Series A-2 Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series A-2 Equipment Notes."

"Series B Equipment Notes" means Equipment Notes issued and designated as "Series B Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series B Equipment Notes."

"Series C Equipment Notes" means Equipment Notes issued and designated as "Series C Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series C Equipment Notes."

"Series E Equipment Notes" means Equipment Notes, if any, issued and designated as "Series E Equipment Notes" under the Indenture, in the original principal amount and maturities and bearing interest as specified in Schedule I to the Indenture under the heading "Series E Equipment Notes" (or, if the Series E Equipment Notes are issued after the Closing Date, as specified in an amendment to the Indenture at the time of issuance of the Series E Equipment Notes).

"State Street" has the meaning specified in the introductory paragraph to the Participation Agreement.

"Subordination Agent" has the meaning specified in the introductory paragraph to the Participation Agreement.

"Tax" and "Taxes" means all governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use and property taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any related penalties, fines, additions to tax or interest thereon imposed, withheld, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"Transportation Code" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended, or any subsequent legislation that amends, supplements or supersedes such provisions.

Annex A to  
Participation Agreement and  
Indenture and Security Agreement

"Trust Supplements" means those agreements supplemental to the Basic Pass Through Trust Agreement referred to in Schedule II to the Participation Agreement.

"United States" means the United States of America.

"U.S. Government Obligations" means securities that are direct obligations of the United States for the payment of which its full faith and credit is pledged which are not callable or redeemable, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligations or a specific payment of interest on or principal of any such U.S. Government Obligations held by such custodian for the account of the holder of a depository receipt so long as such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of interest on or principal of the U.S. Government Obligations evidenced by such depository receipt.

"Warranty Bill of Sale" means, collectively, (a) the warranty (as to title) bill of sale covering the Aircraft, executed by the Manufacturer in favor of Boeing Sales Corporation and specifically referring to each Engine, as well as the Airframe, constituting a part of the Aircraft and (b) the warranty (as to title) bill of sale covering the Aircraft, executed by Boeing Sales Corporation in favor of the Company and specifically referring to each Engine, as well as the Airframe, constituting a part of the Aircraft.

"Warranty Rights" means all right and interest of the Company in, to and under Parts 1, 2, 3, 4 and 6 of the Product Assurance Document (as defined in the Purchase Agreement), but only to the extent the same relate to continuing rights of the Company in respect of any warranty or indemnity, express or implied, pursuant to the Product Assurance Document with respect to the Airframe, it being understood that the Warranty Rights exclude any and all other right, title and interest of the Company in, to and under the Purchase Agreement and that the Warranty Rights are subject to the terms of the Manufacturer's Consent.

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INDENTURE AND SECURITY AGREEMENT

Dated as of May 24, 2001

between

AMERICAN AIRLINES, INC.,

and

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

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One Boeing 777-223ER Aircraft  
U.S. Registration No. N788AN

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ARTICLE I  
DEFINITIONS

Section 1.01. Definitions..... 5  
Section 1.02. Other Definitional Provisions..... 5

ARTICLE II  
THE EQUIPMENT NOTES

Section 2.01. Form of Equipment Notes..... 5  
Section 2.02. Issuance and Terms of Equipment Notes.....10  
Section 2.03. Method of Payment.....12  
Section 2.04. Withholding Taxes.....13  
Section 2.05. Application of Payments.....13  
Section 2.06. Termination of Interest in Collateral.....13  
Section 2.07. Registration, Transfer and Exchange of Equipment Notes.....14  
Section 2.08. Mutilated, Destroyed, Lost or Stolen Equipment Notes.....15  
Section 2.09. Payment of Expenses on Transfer; Cancellation.....15  
Section 2.10. Mandatory Redemption of Equipment Notes.....16  
Section 2.11. Voluntary Redemption of Equipment Notes.....16  
Section 2.12. Redemptions; Notice of Redemptions; Repurchases.....16  
Section 2.13. Subordination.....17  
Section 2.14. Certain Payments.....18  
Section 2.15. Repayment of Monies for Equipment Note Payments Held by  
the Loan Trustee.....19  
Section 2.16. Directions by Subordination Agent.....20

ARTICLE III  
RECEIPT, DISTRIBUTION AND  
APPLICATION OF INCOME FROM THE  
COLLATERAL

Section 3.01. Basic Distributions.....20  
Section 3.02. Event of Loss; Optional Redemption.....22  
Section 3.03. Payments after Event of Default.....23  
Section 3.04. Certain Payments.....25  
Section 3.05. Payments to the Company.....26

ARTICLE IV  
EVENTS OF DEFAULT; REMEDIES OF  
LOAN TRUSTEE

Section 4.01.	Events of Default.....	26
Section 4.02.	Remedies.....	28
Section 4.03.	Remedies Cumulative.....	31
Section 4.04.	Discontinuance of Proceedings.....	32
Section 4.05.	Waiver of Past Defaults.....	32
Section 4.06.	Noteholders May Not Bring Suit Except Under Certain Conditions.....	32

ARTICLE V  
DUTIES OF THE LOAN TRUSTEE

Section 5.01.	Notice of Event of Default.....	33
Section 5.02.	Action upon Instructions; Certain Rights and Limitations.....	34
Section 5.03.	Indemnification.....	34
Section 5.04.	No Duties Except as Specified in Indenture or Instructions....	34
Section 5.05.	No Action Except under Indenture or Instructions.....	35
Section 5.06.	Investment of Amounts Held by the Loan Trustee.....	35

ARTICLE VI  
THE LOAN TRUSTEE

Section 6.01.	Acceptance of Trusts and Duties.....	36
Section 6.02.	Absence of Certain Duties.....	36
Section 6.03.	No Representations or Warranties as to the Documents.....	36
Section 6.04.	No Segregation of Monies; No Interest.....	37
Section 6.05.	Reliance; Agents; Advice of Counsel.....	37
Section 6.06.	Instructions from Noteholders.....	37

ARTICLE VII  
OPERATING COVENANTS OF THE  
COMPANY

Section 7.01.	Liens.....	38
Section 7.02.	Possession, Operation and Use, Maintenance and Registration...	39
Section 7.03.	Inspection; Financial Information.....	45
Section 7.04.	Replacement and Pooling of Parts; Alterations, Modifications and Additions; Substitution of Engines.....	47
Section 7.05.	Loss, Destruction or Requisition.....	49
Section 7.06.	Insurance.....	54

ARTICLE VIII  
SUCCESSOR AND ADDITIONAL TRUSTEES

Section 8.01.	Resignation or Removal; Appointment of Successor.....	60
Section 8.02.	Appointment of Additional and Separate Trustees.....	61

ARTICLE IX  
AMENDMENTS AND WAIVERS

Section 9.01.	Amendments to this Indenture without Consent of Holders.....	63
Section 9.02.	Amendments to this Indenture with Consent of Holders.....	64
Section 9.03.	Amendments, Waivers, Etc. of the Participation Agreement.....	65
Section 9.04.	Revocation and Effect of Consents.....	65
Section 9.05.	Notation on or Exchange of Equipment Notes.....	65
Section 9.06.	Trustee Protected.....	66

ARTICLE X  
MISCELLANEOUS

Section 10.01.	Termination of Indenture.....	66
Section 10.02.	No Legal Title to Collateral in Noteholders.....	68
Section 10.03.	Sale of Aircraft by Loan Trustee is Binding.....	68
Section 10.04.	Indenture for Benefit of the Company, Loan Trustee and Noteholders.....	68
Section 10.05.	Notices.....	69
Section 10.06.	Severability.....	69
Section 10.07.	No Oral Modification or Continuing Waivers.....	70
Section 10.08.	Successors and Assigns.....	70
Section 10.09.	Headings.....	70
Section 10.10.	Normal Commercial Relations.....	70
Section 10.11.	Voting by Noteholders.....	70
Section 10.12.	Section 1110.....	70
Section 10.13.	The Company's Performance and Rights.....	70
Section 10.14.	Counterparts.....	71
Section 10.15.	Governing Law.....	71
Section 10.16.	Confidential Information.....	71
Section 10.17.	Submission to Jurisdiction.....	71

- Exhibit A - Form of Indenture Supplement
- Exhibit B - List of Permitted Countries
  
- Schedule I - Description of Equipment Notes
- Schedule II - Pass Through Trust Agreement and Pass Through Trust Supplements
  
- Annex A - Definitions

## INDENTURE AND SECURITY AGREEMENT

This INDENTURE AND SECURITY AGREEMENT, dated as of May 24, 2001 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").

### WITNESSETH:

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 2001 [ ] 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, dated as of May 24, 2001, 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

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- (1) To be inserted in non-installment Equipment Notes.
- (2) To be inserted in installment Equipment Notes.

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 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.](3) [shall rank in right of payment equally with all Series A-1 Equipment Notes and all other Series A-2 Equipment Notes.](4) [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](5) [Series A-1 Equipment Notes, Series A-2 Equipment Notes and Series B Equipment Notes](6) [Series A-1 Equipment Notes, Series A-2 Equipment Notes, Series B Equipment Notes and Series C Equipment Notes](7), and this Equipment Note is issued subject to such provisions. The Noteholder of this Equipment

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- (3) To be inserted in the case of a Series A-1 Equipment Note.
- (4) To be inserted in the case of a Series A-2 Equipment Note.
- (5) To be inserted in the case of a Series B Equipment Note.
- (6) To be inserted in the case of a Series C Equipment Note.
- (7) To be inserted in the case of a Series E Equipment Note.

Note, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Loan Trustee on such Noteholder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Loan Trustee such Noteholder's attorney-in-fact for such purpose.

[Without limiting the foregoing, the](8) [The](9) 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:

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- (8) To be inserted in the case of a Series B Equipment Note, a Series C Equipment Note or a Series E Equipment Note.
- (9) To be inserted in the case of a Series A-1 Equipment Note or a Series A-2 Equipment Note.



LOAN TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Notes referred to in the within-mentioned Indenture.

[-----]  
not in its individual capacity but  
solely as Loan Trustee

By: -----  
Name:  
Title:

SCHEDULE I(10)  
EQUIPMENT NOTE AMORTIZATION

Percentage  
of  
Original  
Principal  
Amount  
Payment  
Date to be  
Paid -----  
-----  
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[SEE "EQUIPMENT NOTES AMORTIZATION" ON SCHEDULE I TO  
INDENTURE WHICH IS TO BE INSERTED UPON ISSUANCE]

\* \* \*

Section 2.02. Issuance and Terms of Equipment Notes. The Equipment Notes shall be dated the date of issuance thereof, shall be issued in (a) four (or if the Series E 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 E Equipment Notes and (b) the maturities and principal amounts and shall bear interest at the applicable Debt Rates specified in Schedule I (or, in the case of a Series E 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

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(10) To be inserted on installment Equipment Notes.

referred to in Schedule II. Subject to complying with the conditions set forth in Section 6.02(g) of the Participation Agreement, the Company shall have the option to issue Series E Equipment Notes at or after the Closing Date. The Equipment Notes shall be issued in registered form only. The Equipment Notes shall be issued in denominations of \$1,000 and integral multiples thereof, except that one Equipment Note of each Series may be in an amount that is not an integral multiple of \$1,000.

Each Equipment Note shall bear interest 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, Series B Equipment Note and Series C 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 shall be due in a single payment on May 23, 2011. Each Series E Equipment Note shall be payable in installments or in a single payment as set forth in an amendment to this Indenture, and if payable in installments, such installments shall be calculated as set forth in the third preceding sentence. Notwithstanding the foregoing, the final payment made under each Series A-1 Equipment Note, Series B Equipment Note and Series C 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 and unpaid 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 E Equipment Notes, if issued, shall be, to the extent and in the manner provided in this Indenture, subordinate and subject in right of payment to the prior payment in full of the Secured Obligations in respect of the Series A-1 Equipment Notes, the Series A-2 Equipment Notes, the Series B Equipment Notes and the Series C Equipment Notes, and the Series E Equipment Notes, if issued, shall be issued subject to such provisions. By acceptance of its Equipment Notes of any Series, each Noteholder of such Series (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Loan Trustee on such Noteholder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Indenture and (c) appoints the Loan Trustee as such Noteholder's attorney-in-fact for such purpose.



(b) The Company, the Loan Trustee and, by acceptance of its Equipment Notes of any Series, each Noteholder of such Series, hereby agree that no payment or distribution shall be made on or in respect of the Secured Obligations owed to such Noteholder of such Series, including any payment or distribution of cash, property or securities, after the occurrence of any of the events referred to in Section 4.01(f) or after the commencement of any proceedings of the type referred to in Sections 4.01(g), (h) or (i), except as expressly provided in Article III.

(c) By the acceptance of its Equipment Notes of any Series, each Noteholder of such Series agrees that if such Noteholder, in its capacity as a Noteholder, shall receive any payment or distribution on any Secured Obligations in respect of such Series that it is not entitled to receive under this Section 2.13 or Article III hereof, it will hold any amount so received in trust for the Loan Trustee and forthwith turn over such amount to the Loan Trustee in the form received to be applied as provided in Article III.

Section 2.14. Certain Payments. The Company agrees to pay to the Loan Trustee for distribution in accordance with Section 3.04:

(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 E Equipment Notes shall be distributed to the Noteholders of Series E Equipment Notes ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due under each Series E Equipment

Note bears to the aggregate amount of the payments then due under all Series E Equipment Notes; and

fifth, the balance, if any, of such installment remaining thereafter shall be distributed to the Company.

Section 3.02. Event of Loss; Optional Redemption. Except as otherwise provided in Sections 3.03 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 E 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 Indemnities 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 E Equipment Notes and the accrued but unpaid interest and all other Secured Obligations in respect of the Series E Equipment Notes to the date of distribution shall be distributed to the Noteholders of Series E Equipment Notes, ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Series E Equipment Notes held by each Noteholder plus the accrued but unpaid interest and other amounts due hereunder or thereunder to the date of distribution bears to the aggregate unpaid principal amount of all Series E Equipment Notes

held by all such Noteholders plus the accrued but unpaid interest and other amounts due thereon to the date of distribution; 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 unterminated for a period of 90 days;

provided, however, that notwithstanding anything to the contrary contained in this Section 4.01, any failure of the Company to perform or observe any covenant, condition or agreement shall not constitute an Event of Default if such failure arises by reason of an event referred to in the definition of "Event of Loss" so long as the Company is continuing to comply with all of the terms of Section 7.05.

#### Section 4.02. Remedies.

(a) If an Event of Default shall have occurred and be continuing and so long as the same shall continue unremedied, then and in every such case the Loan Trustee may, and upon the written instructions of a Majority in Interest of Noteholders, the Loan Trustee shall, do one or more of the following to the extent permitted by, and subject to compliance with the requirements of, applicable law then in effect (provided, however, that during any period the Aircraft is subject to the CRAF Program and is in possession of or being operated under the direction of the United States government or an agency or instrumentality of the United States, the Loan Trustee shall not, on account of any Event of Default, be entitled to exercise or pursue any of the powers, rights or remedies described in this Section 4.02 in such manner as to limit the Company's control under this Indenture (or any Permitted Lessee's control under any Lease) of the Airframe or any Engines installed thereon, unless at least 60 days' (or such lesser period as may then be applicable under the Military Airlift Command Program of the United States government) prior written notice of default hereunder shall have been given by the Loan Trustee by registered or certified mail to the Company (and any such Permitted Lessee) with a copy addressed to the Contracting Office Representative or other appropriate person for the Military Airlift Command of the United States Air Force under any contract with the Company relating to the Aircraft):

(i) declare by written notice to the Company all the Equipment Notes to be due and payable, whereupon the aggregate unpaid principal amount of all Equipment Notes then outstanding, together with accrued but unpaid interest thereon 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 re-filing 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 2002, an opinion of Crowe & Dunlevy, P.C., or other counsel reasonably acceptable to the Loan Trustee, stating either (i) that in the opinion of such counsel such action has been taken with respect to the recording, filing, re-recording and re-filing of this Indenture and any supplements thereto, including any financing or continuation statements, and such other filings and

recordings as are necessary to maintain, for the 15-month period succeeding the date of such opinion, the perfection of the security interests created thereby and reciting the details of such action or (ii) that in the opinion of such counsel no such action is necessary to maintain, for the 15-month period succeeding the date of such opinion, the perfection of such security interests.

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

(a) Replacement of Parts. The Company shall promptly replace all Parts that may from time to time be incorporated or installed in or attached to the Airframe or any Engine and that may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use for any reason whatsoever, except as otherwise provided in Section 7.04(c) or if the Airframe or an Engine to which a Part relates has suffered an Event of Loss. In addition, the Company may remove in the ordinary course of maintenance, service, repair, overhaul or testing, any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use; provided that the Company, except as otherwise provided in Section 7.04(c), will replace such Parts as promptly as practicable. All replacement Parts shall be free and clear of all Liens (except for Permitted Liens and except in the case of replacement property temporarily installed on an emergency basis) and shall have a value and utility at least equal to the Parts replaced, assuming such replaced Parts were in the condition and repair required to be maintained by the terms hereof. Except as otherwise provided in Section 7.04(c), all Parts at any time removed from the Airframe or any Engine shall remain subject to the Lien of this Indenture no matter where located until such time as such Parts shall be replaced by parts that have been incorporated or installed in or attached to the Airframe or such Engine and that meet the requirements for replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to the Airframe or any Engine as above provided (except in the case of replacement property temporarily installed on an emergency basis), without further act, (i) the replaced Part shall thereupon be free and clear of all rights of the Loan Trustee and of the Lien of this Indenture and shall no longer be deemed a Part hereunder and (ii) such replacement Part shall become subject to the Lien of this Indenture and be deemed a Part of the Airframe or such Engine for all purposes to the same extent as the Parts originally incorporated or installed in or attached to the Airframe or such Engine. Upon request of the Company from time to time, the Loan Trustee shall execute and deliver to the Company an appropriate instrument confirming the release of any such replaced Part from the Lien of this Indenture.

(b) Pooling of Parts. Any Part removed from the Airframe or any Engine as provided in Section 7.04(a) may be subjected by the Company or a Person permitted to be in possession of the Aircraft to a pooling arrangement customary in the airline industry

entered into in the ordinary course of the Company's or such Person's business; provided that the part replacing such removed Part shall be incorporated or installed in or attached to the Airframe or such Engine in accordance with Section 7.04(a) as promptly as practicable after the removal of such removed Part. In addition, any replacement Part when incorporated or installed in or attached to the Airframe or any Engine may be owned by any third party subject to such a pooling arrangement; provided that the Company, at its expense, as promptly thereafter as practicable, either (i) causes title to such replacement Part to vest in the Company free and clear of all Liens (except Permitted Liens), or (ii) replaces such replacement Part by incorporating or installing in or attaching to the Airframe or such Engine a further replacement Part in the manner contemplated by Section 7.04(a).

(c) Alterations, Modifications and Additions. The Company will make such alterations and modifications in and additions to the Airframe and the Engines as may be required from time to time to meet the applicable requirements of the FAA or any applicable government of any other jurisdiction in which the Aircraft may then be registered; provided, however, that the Company may, in good faith, contest the validity or application of any such requirement in any manner that does not involve any material risk of sale, loss or forfeiture of the Aircraft and does not materially adversely affect the Loan Trustee's interest in the Aircraft. In addition, the Company, at its own expense, may from time to time add further parts or accessories and make or cause to be made such alterations and modifications in and additions to the Airframe or any Engine as the Company may deem desirable in the proper conduct of its business, including, without limitation, removal (without replacement) of Parts, provided that no such alteration, modification or addition shall materially diminish the value or utility of the Airframe or such Engine below its value or utility, immediately prior to such alteration, modification or addition, assuming that the Airframe or such Engine was then in the condition required to be maintained by the terms of this Indenture, except that the value (but not the utility) of the Airframe or any Engine may be reduced by the value of any such Parts that shall have been removed that the Company deems obsolete or no longer suitable or appropriate for use on the Airframe or any Engine. All Parts incorporated or installed in or attached or added to the Airframe or any Engine as the result of such alteration, modification or addition shall, without further act, be subject to the Lien of this Indenture. Notwithstanding the foregoing, the Company may, at any time, remove any Part from the Airframe or any Engine if such Part: (i) is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to the Airframe or such Engine at the time of delivery thereof to the Company or any Part in replacement of, or substitution for, any such Part, (ii) is not required to be incorporated or installed in or attached or added to the Airframe or such Engine pursuant to the first sentence of this Section 7.04(c) or (iii) can be removed from the Airframe or such Engine without materially diminishing the value or utility required to be maintained by the terms of this Indenture that the Airframe or such Engine would have had at such time had such removal not occurred. Upon the removal by the Company of any Part as permitted by

this Section 7.04(c), such removed Part shall, without further act, be free and clear of all rights and interests of the Loan Trustee and the Lien of this Indenture and shall no longer be deemed a Part hereunder. Upon request of the Company from time to time, the Loan Trustee shall execute and deliver to the Company an appropriate instrument confirming the release of any such removed Part from the Lien of this Indenture.

(d) Substitution of Engines. The Company shall have the right at its option at any time, on at least 30 days' prior written notice to the Loan Trustee, to substitute a Replacement Engine for any Engine. In such event, and prior to the date of such substitution, the Company shall replace such Engine hereunder by complying with the terms of Section 7.05(b) to the same extent as if an Event of Loss had occurred with respect to such Engine.

Section 7.05. Loss, Destruction or Requisition.

(a) Event of Loss with Respect to the Airframe. Upon the occurrence of an Event of Loss with respect to the Airframe or the Airframe and the Engines then installed thereon, the Company shall forthwith (and, in any event, within 15 days after such occurrence) give the Loan Trustee written notice of such Event of Loss, and, within 90 days after such Event of Loss, the Company shall give the Loan Trustee written notice of its election to perform one of the following options (it being agreed that if the Company shall not have given such notice of election within such 90-day period, the Company shall be deemed to have elected to perform the option set forth in the following clause (ii)). The Company may elect either to:

(i) on or before the Loss Payment Date (as defined below) substitute, as replacement for the Airframe or Airframe and Engines with respect to which an Event of Loss has occurred, a Replacement Airframe (together with a number of Replacement Engines equal to the number of Engines, if any, with respect to which the Event of Loss occurred), such Replacement Airframe and Replacement Engines to be owned by the Company free and clear of all Liens (other than Permitted Liens); provided that if the Company shall not perform its obligation to effect such substitution under this clause (i) on or prior to the Loss Payment Date, then the Company shall on the Loss Payment Date prepay the Equipment Notes in full in accordance with Section 2.10; or

(ii) on or before the Loss Payment Date, redeem the Equipment Notes in full in accordance with Section 2.10. The Company shall give the Loan Trustee 20 days prior written notice if it elects to redeem the Equipment Notes on any day prior to the Loss Payment Date.



The "Loss Payment Date" with respect to an Event of Loss means the Business Day next succeeding the 120th day following the date of occurrence of such Event of Loss.

If the Company elects to substitute a Replacement Airframe (or a Replacement Airframe and one or more Replacement Engines, as the case may be) the Company shall, at its sole expense, not later than the Loss Payment Date, (A) cause an Indenture Supplement for such Replacement Airframe and Replacement Engines, if any, to be delivered to the Loan Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of such other jurisdiction in which the Aircraft may then be registered, (B) cause a financing statement or statements with respect to the Replacement Airframe and Replacement Engines, if any, or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the Loan Trustee's interest therein in the United States, or in any other jurisdiction in which the Aircraft may then be registered, (C) furnish the Loan Trustee with an opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel of the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee to the effect that upon such replacement, such Replacement Airframe and Replacement Engines, if any, will be subject to the Lien of this Indenture and addressing the matters set forth in clauses (A) and (B), (D) furnish the Loan Trustee with a certificate of an independent aircraft engineer or appraiser, certifying that the Replacement Airframe and Replacement Engines, if any, have a value and utility at least equal to the Airframe and Engines, if any, so replaced, assuming the Airframe and such Engines were in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss, (E) furnish the Loan Trustee with evidence of compliance with the insurance provisions of Section 7.06 with respect to such Replacement Airframe and Replacement Engines, if any, and (F) furnish the Loan Trustee with an opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel of the Company as shall be reasonably satisfactory to the Loan Trustee) to the effect that the Loan Trustee will be entitled to the benefits of Section 1110 with respect to the Replacement Airframe, provided that (i) such opinion need not be delivered to the extent that the benefits of Section 1110 were not, by reason of a change in law or governmental or judicial interpretation thereof, available to the Loan Trustee with respect to the Aircraft immediately prior to such substitution and (ii) such opinion may contain qualifications and assumptions of the tenor contained in the opinion of the Company's counsel delivered pursuant to Section 3.01 of the Participation Agreement on the Closing Date and such other qualifications and assumptions as shall at the time be customary in opinions rendered in comparable circumstances.

In the case of each Replacement Airframe or Replacement Airframe and one or more Replacement Engines subjected to the Lien of this Indenture under this Section 7.05(a), promptly upon the recordation of the Indenture Supplement covering such

Replacement Airframe and Replacement Engines, if any, pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Replacement Airframe and Replacement Engines, if any, are registered), the Company will cause to be delivered to the Loan Trustee a favorable opinion of the Company's counsel (which may be the Company's General Counsel or such other internal counsel to the Company as shall be reasonably satisfactory to the Loan Trustee) addressed to the Loan Trustee as to the due registration of such Replacement Aircraft and the due recordation of such Indenture Supplement or such other requisite documents or instruments and the validity and perfection of the security interest in the Replacement Aircraft granted to the Loan Trustee under this Indenture.

For all purposes hereof, upon the attachment of the Lien of this Indenture thereto, the Replacement Aircraft and Replacement Engines, if any, shall become part of the Collateral, the Replacement Airframe shall be deemed an "Airframe" as defined herein, and each such Replacement Engine shall be deemed an "Engine" as defined herein. Upon compliance with clauses (A) through (F) of the second preceding paragraph, the Loan Trustee shall execute and deliver to the Company an appropriate instrument releasing such replaced Airframe and Engines (if any) installed thereon at the time such Event of Loss occurred, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of such replaced Airframe and Engines (if any) and all rights relating to the foregoing, from the Lien of this Indenture and assigning to the Company all claims against third Persons for damage to or loss of the Airframe and Engines arising from the Event of Loss.

In the event that, after an Event of Loss, the Company performs the option set forth in clause (ii) of the first paragraph of this Section 7.05(a), the Loan Trustee shall execute and deliver to the Company an appropriate instrument releasing the Aircraft, all proceeds (including, without limitation, insurance proceeds), the Warranty Rights in respect of the Aircraft and all rights relating to the foregoing from the Lien of this Indenture and assigning to the Company all claims against third Persons for damage to or loss of the Aircraft arising from the Event of Loss.

(b) Event of Loss with Respect to an Engine. Upon the occurrence of an Event of Loss with respect to an Engine under circumstances in which there has not occurred an Event of Loss with respect to the Airframe, the Company shall give the Loan Trustee prompt written notice thereof and shall, within 120 days after the occurrence of such Event of Loss, cause to be subjected to the Lien of this Indenture, as replacement for the Engine with respect to which such Event of Loss occurred, a Replacement Engine free and clear of all Liens (other than Permitted Liens).

Prior to or at the time of any replacement under this Section 7.05(b), the Company will (i) cause an Indenture Supplement covering such Replacement Engine to be delivered to the Loan Trustee for execution and, upon such execution, to be filed for

recording 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 recording 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 recording 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 E Equipment Notes and/or Pass Through Certificates issued by the Class E 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 E 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 E Equipment Notes are issued to a Class E Pass Through Trust, the Pass Through Trustee thereof shall become a party to the Intercreditor Agreement or (2) if Series E Equipment Notes are issued to any person other than a Class E Pass Through Trust, the Series E Equipment Notes will be subject to the provisions of the Intercreditor Agreement that allow the "Controlling Party" (as defined in the Intercreditor Agreement), during the continuance of an "Indenture Event of Default" (as defined in the Intercreditor Agreement) to direct the Loan Trustee in taking action under this Indenture.

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, (x) 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 May 18, 2001 or has been published by the Internal Revenue Service a ruling to the effect that Noteholders and the holders of the Pass Through Certificates will not

recognize income, gain or loss for United States Federal income tax purposes as a result of the exercise by the Company of its option under this subsection (ii) and will be subject to United States Federal income tax on the same amounts and in the same manner and at the same times, as would have been the case if such option had not been exercised and (y) the Company shall have obtained written confirmation from each Rating Agency that the exercise by the Company of its option under this subsection (ii) 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;

(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) 967-1532  
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/ Leslie M. Benners

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

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

By: /s/ Alison Della Bella

-----  
Name: Alison Della Bella  
Title: Assistant Vice President



EXHIBIT A to  
INDENTURE AND SECURITY AGREEMENT

INDENTURE SUPPLEMENT NO. \_\_\_\_

INDENTURE SUPPLEMENT NO. \_\_\_\_, dated \_\_\_\_\_, \_\_\_\_ ("Indenture Supplement"), between AMERICAN AIRLINES, INC. (the "Company") and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity but solely as Loan Trustee under the Indenture (each as hereinafter defined).

WITNESSETH:

WHEREAS, the Indenture and Security Agreement, dated as of \_\_\_\_\_, 2001 (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;](11)

[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]  
(12) - ---  
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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

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- (11) Use for Indenture Supplement No. 1 only.
- (12) Use for all Indenture Supplements other than Indenture Supplement No. 1.

benefit of the Noteholders and the Indenture Indemnitees contained in the Operative Documents, and in consideration of the premises and of the covenants contained in the Operative Documents, and for other good and valuable consideration given by the Loan Trustee, the Noteholders and the Indenture Indemnitees to the Company at or before the Closing Date, the receipt of which is hereby acknowledged, the Company does hereby grant, bargain, sell, convey, transfer, mortgage, assign, pledge and confirm unto the Loan Trustee and its successors in trust and permitted assigns, for the security and benefit of the Loan Trustee, the Noteholders and the Indenture Indemnitees, a first priority security interest in, and mortgage lien on, all estate, right, title and interest of the Company in, to and under the Aircraft, including the Airframe and Engines described in Annex A attached hereto, whether or not any such Engine may from time to time be installed on the Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided in the Indenture, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, the Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than any substitutions, replacements, additions, improvements, accessions and accumulations that constitute items excluded from the definition of Parts by clauses (b), (c) and (d) thereof) relating thereto;

To have and to hold all and singular the aforesaid property unto the Loan Trustee, and its successors and assigns, in trust for the ratable benefit and security of the Noteholders and the Indenture Indemnitees, except as otherwise provided in the Indenture, including Section 2.13 and Article III of the Indenture, without any preference, distinction or priority of any one Equipment Note over any other by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any reason whatsoever, and for the uses and purposes and subject to the terms and provisions set forth in the Indenture.

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

THIS INDENTURE SUPPLEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

IN WITNESS WHEREOF, the undersigned have caused this Indenture Supplement No. \_\_\_ to be duly executed by their respective duly authorized officers, on the date first above written.

AMERICAN AIRLINES, INC.

By: \_\_\_\_\_  
Name:  
Title:

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

By: \_\_\_\_\_  
Name:  
Title:

DESCRIPTION OF AIRFRAME AND ENGINES

AIRFRAME

Manufacturer's  
Manufacturer  
Model FAA  
Registration  
No. Serial  
No. - -----  
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ENGINES

Manufacturer  
Model  
Manufacturer's  
Serial No. -  
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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)

SCHEDULE I to  
INDENTURE AND SECURITY AGREEMENT

DESCRIPTION OF EQUIPMENT NOTES

Original Principal Amount	Interest Rate	Maturity Date
-----	-----	-----
-----	-----	-----
-----	-----	-----
Series A-1 Equipment Notes:		
12,936,238.69	6.977%	November 23, 2010
Series A-2 Equipment Notes:		
42,043,187.27	6.817%	May 23, 2011
Series B Equipment Notes:		
22,790,186.21	7.377%	May 23, 2011
Series C Equipment Notes:		
12,414,909.34	7.379%	November 23, 2010
Equipment Notes:		

EQUIPMENT NOTES AMORTIZATION  
SERIES A-1 EQUIPMENT NOTES

PAYMENT DATE PRINCIPAL AMOUNT PAYABLE - -
----- ----- -- November 23, 2001 3,148,482.68
May 23, 2002 459,768.73
November 23, 2002 469,948.11
May 23, 2003 480,127.49
November 23, 2003 490,306.87
May 23, 2004 500,486.25
November 23, 2004 510,665.64
May 23, 2005 520,845.02
November 23, 2005 531,024.40
May 23, 2006 541,203.78
November 23, 2006 551,383.16
May 23, 2007 561,562.54
November 23, 2007 571,741.92
May 23, 2008 581,921.31
November 23, 2008 592,100.69
May 23, 2009 849,978.35
November 23, 2009 607,369.76
May 23, 2010 187,667.44
November 23, 2010 779,654.55



EQUIPMENT NOTES AMORTIZATION  
SERIES B EQUIPMENT NOTES

PAYMENT  
DATE  
PRINCIPAL  
AMOUNT  
PAYABLE - -  
-----  
-----  
-- November  
23, 2001  
0.00 May  
23, 2002  
1,900,000.00  
November  
23, 2002  
680,639.57  
May 23,  
2003  
976,082.33  
November  
23, 2003  
197,632.00  
May 23,  
2004  
624,335.40  
November  
23, 2004  
484,127.02  
May 23,  
2005  
1,310,837.24  
November  
23, 2005  
458,098.55  
May 23,  
2006  
1,255,430.66  
November  
23, 2006  
432,070.08  
May 23,  
2007  
813,212.23  
November  
23, 2007  
792,853.46  
May 23,  
2008  
1,144,617.49  
November  
23, 2008  
380,013.15  
May 23,  
2009  
1,322,570.30  
November  
23, 2009  
0.00 May  
23, 2010  
604,047.74  
November  
23, 2010  
666,578.83  
May 23,  
2011  
8,747,040.16

EQUIPMENT NOTES AMORTIZATION  
SERIES C EQUIPMENT NOTES

PAYMENT  
DATE  
PRINCIPAL  
AMOUNT  
PAYABLE - -  
-----  
-----  
-- November  
23, 2001  
0.00 May  
23, 2002  
1,800,000.00  
November  
23, 2002  
0.00 May  
23, 2003  
900,000.00  
November  
23, 2003  
0.00 May  
23, 2004  
1,800,000.00  
November  
23, 2004  
968,194.90  
May 23,  
2005 0.00  
November  
23, 2005  
0.00 May  
23, 2006  
2,543,148.80  
November  
23, 2006  
0.00 May  
23, 2007  
0.00  
November  
23, 2007  
0.00 May  
23, 2008  
14,501.72  
November  
23, 2008  
0.00 May  
23, 2009  
0.00  
November  
23, 2009  
0.00 May  
23, 2010  
0.00  
November  
23, 2010  
4,389,063.92

SCHEDULE II to  
INDENTURE AND SECURITY AGREEMENT

PASS THROUGH TRUST AGREEMENT AND  
PASS THROUGH TRUST SUPPLEMENTS

Pass Through Trust Agreement, dated as of May 24, 2001, between American Airlines, Inc. and State Street Bank and Trust Company of Connecticut, National Association, as trustee, as supplemented by Trust Supplement No. 2001-1A-1, dated as of May 24, 2001, Trust Supplement No. 2001-1A-2, dated as of May 24, 2001, Trust Supplement No. 2001-1B, dated as of May 24, 2001, and Trust Supplement No. 2001-1C, dated as of May 24, 2001.

[American Airlines, Inc. Letterhead]

November 15, 2001

Ladies and Gentlemen:

I am Senior Vice President and General Counsel of American Airlines, Inc., a Delaware corporation (the "Company"), and as such I am delivering this opinion in connection with the preparation and filing with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), of a Registration Statement on Form S-4 (Registration No. 333- ) (the "Registration Statement") and the prospectus included therein (the "Prospectus"). The Registration Statement relates to the exchange offer (the "Exchange Offer") by the Company of Pass Through Certificates, Series 2001-1 (the "New Certificates") for Pass Through Certificates, Series 2001-1 (the "Old Certificates") originally issued pursuant to applicable exemptions from registration under the Securities Act. The Old Certificates were issued in five series in an aggregate principal amount of \$1,319,649,000, and the New Certificates will be issued in five series in an aggregate principal amount of \$1,253,516,652.24, under a Pass Through Trust Agreement and five separate Trust Supplements (collectively, the "Pass Through Trust Agreements") entered into between the Company and State Street Bank and Trust Company of Connecticut, National Association, as trustee (the "Trustee"). Capitalized terms used herein without definition have the meanings specified in the Pass Through Trust Agreements filed as an exhibit to the Registration Statement.

I or attorneys under my supervision have examined and relied upon the Registration Statement, the Pass Through Trust Agreements and originals, or copies certified or otherwise identified to our satisfaction, of such records, documents and other instruments as in our judgment are necessary or appropriate to enable me to render the opinion expressed below. In all such examinations, we have assumed the legal capacity of all natural persons executing documents, the genuineness of all signatures on original or certified copies, the authenticity of all original or certified copies and the conformity to original or certified documents of all copies submitted to us as conformed or reproduction copies. We also have relied as to factual matters upon, and have assumed the accuracy of, the representations and warranties contained in the Pass Through Trust Agreements and representations, statements and certificates of or from public officials.

Based on and subject to the foregoing and subject to the qualifications set forth below, I am of the opinion that, with respect to the New Certificates of each series, when the execution, authentication and delivery of the New Certificates of such series by the Trustee have been duly authorized by all necessary corporate action of the Company and the Trustee, and the New Certificates of such series have been duly executed, authenticated, issued and delivered by the Trustee in exchange for the Old Certificates as described in the Registration Statement and the Prospectus, the New Certificates of such series will be validly issued and will be entitled to the benefits of the applicable Pass Through Trust Agreement.

My opinion expressed above is limited to the federal laws of the United States of America, the laws of the State of New York and the corporate laws of the State of Delaware.

The foregoing opinion is limited by and subject to the effects of (i) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting enforcement of creditors' rights or remedies generally, (ii) general principles of equity (whether such principles are considered in a proceeding at law or equity), including the discretion of the court before which any proceeding may be brought, concepts of good faith, reasonableness and fair dealing, and standards of materiality, and (iii) in the case of indemnity provisions, public policy considerations.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement and the use of my name under the caption "Legal Opinions" in the Prospectus included in such Registration Statement. In giving this consent, I do not admit that I am in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission issued thereunder.

Very truly yours,

/s/ Anne H. McNamara  
Anne H. McNamara  
Senior Vice President and General Counsel

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-4) and related Prospectus of American Airlines, Inc. for the registration and exchange of \$1,253,516,652 of Pass Through Certificates and to the incorporation by reference therein of our reports dated January 16, 2001, except for Note 13, for which the date is March 19, 2001, with respect to the consolidated financial statements and schedule of American Airlines, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2000, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Dallas, Texas  
November 15, 2001

[AIRCRAFT INFORMATION SERVICES, INC. LETTERHEAD]

November 12, 2001

Ms. Leslie Benners  
Managing Director, Corporate Finance & Banking  
American Airlines, Inc.  
Mail Drop 5662  
4333 Amon Carter Boulevard  
Fort Worth, TX 76155

RE: American Airlines, Inc. ("American") 32 McDonnell Douglas MD-83, Ten Boeing  
737-823 and Four Boeing 777-223ER Aircraft

Ladies and Gentleman:

We consent to the use of the report prepared by us with respect to the aircraft referred to in the Prospectus included in American's Registration Statement Form S- (Reg. No. 333-XXXX), to the summary of such report in the Prospectus under the headings "Prospectus 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 our Firm under the headings "Description of the Aircraft and the Appraisals - The Appraisals" and "Appraisers".

Aircraft Information Services, Inc.

/s/ JOHN MCNICOL

By:  
John McNicol  
Vice President  
Appraisals & Forecasts

[AVSOLUTIONS LOGO]

November 12, 2001

Ms. Leslie Benners  
Managing Director, Corporate Finance & Banking  
American Airlines, Inc.  
Mail Drop 5662  
4333 Amon Carter Boulevard  
Fort Worth, TX 76155

RE: American Airlines, Inc. ("American") 32 McDonnell Douglas MD-83, Ten Boeing  
737-823 and Four Boeing 777-223ER Aircraft

Ladies and Gentleman:

We consent to the use of the report prepared by us with respect to the aircraft referred to in the Prospectus included in American's Registration Statement Form S-4 (Reg. No. 333-XXXX), to the summary of such report in the Prospectus under the headings "Prospectus 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 our Firm under the headings "Description of the Aircraft and the Appraisals - The Appraisals" and "Appraisers".

AvSOLUTIONS, Inc.

By: /s/ SCOTT E. [ILLEGIBLE]

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AvSOLUTIONS, Inc.  
Director, Valuation Services



[MORTEN BEYER & AGNEW LETTERHEAD]

November 12, 2001

Ms. Leslie Benners  
Managing Director, Corporate Finance & Banking  
American Airlines, Inc.  
Mail Drop 5662  
4333 Amon Carter Boulevard  
Fort Worth, TX 76155

RE: American Airlines, Inc. ("American") 32 McDonnell Douglas MD-83, Ten Boeing  
737-823 and Four Boeing 777-223ER Aircraft

Ladies and Gentleman:

We consent to the use of the report prepared by us with respect to the aircraft referred to in the Prospectus included in American's Registration Statement Form S-4 (Reg. No. 333-XXXXX), to the summary of such report in the Prospectus under the headings "Prospectus 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 our Firm under the headings "Description of the Aircraft and the Appraisals - The Appraisals" and "Appraisers".

MORTEN BEYER & AGNEW

By: /s/ BRYSON P. MONTELEONE  
Bryson P. Monteleone  
Vice-President

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

(b) any and all supplements and amendments (including, without limitation, post-effective amendments) to such Registration Statements;

and any and all other documents and instruments in connection with the issuance of the Securities that such attorneys-in-fact and agents, or any one of them, deem necessary or advisable to enable the Corporation to comply with (i) the Securities Act, the Securities Exchange Act of 1934, as amended, and the other federal securities laws of the United States of America and the rules, regulations and requirements of the SEC in respect of any thereof, (ii) the securities or Blue Sky laws of any state or other governmental subdivision of the United States of America and (iii) the securities or similar applicable laws of Canada, Mexico and any other foreign jurisdiction; and the undersigned does hereby ratify and confirm as his own acts and deeds all that such attorneys-in-fact and agents, and each of them, shall do or cause to be done by virtue hereof. Each one of such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 9th day of August, 2001.

/s/ John W. Bachman  
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John W. Bachmann

Witness:

/s/ Charles D. MarLett  
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Charles D. MarLett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

(b) any and all supplements and amendments (including, without limitation, post-effective amendments) to such Registration Statements;

and any and all other documents and instruments in connection with the issuance of the Securities that such attorneys-in-fact and agents, or any one of them, deem necessary or advisable to enable the Corporation to comply with (i) the Securities Act, the Securities Exchange Act of 1934, as amended, and the other federal securities laws of the United States of America and the rules, regulations and requirements of the SEC in respect of any thereof, (ii) the securities or Blue Sky laws of any state or other governmental subdivision of the United States of America and (iii) the securities or similar applicable laws of Canada, Mexico and any other foreign jurisdiction; and the undersigned does hereby ratify and confirm as his own acts and deeds all that such attorneys-in-fact and agents, and each of them, shall do or cause to be done by virtue hereof. Each one of such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 15th day of November, 2001.

/s/ David L. Boren

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David L. Boren

Witness:

/s/ Charles D. MarLett

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Charles D. MarLett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

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IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 15th day of November, 2001.

/s/ Edward A. Brennan

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Edward A. Brennan

Witness:

/s/ Charles D. MarLett

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Charles D. MarLett

POWER OF ATTORNEY

The undersigned, Chairman of the Board, President and Chief Executive Officer of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

(b) any and all supplements and amendments (including, without limitation, post-effective amendments) to such Registration Statements;

and any and all other documents and instruments in connection with the issuance of the Securities that such attorneys-in-fact and agents, or any one of them, deem necessary or advisable to enable the Corporation to comply with (i) the Securities Act, the Securities Exchange Act of 1934, as amended, and the other federal securities laws of the United States of America and the rules, regulations and requirements of the SEC in respect of any thereof, (ii) the securities or Blue Sky laws of any state or other governmental subdivision of the United States of America and (iii) the securities or similar applicable laws of Canada, Mexico and any other foreign jurisdiction; and the undersigned does hereby ratify and confirm as his own acts and deeds all that such attorneys-in-fact and agents, and each of them, shall do or cause to be done by virtue hereof. Each one of such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 15th day of November, 2001.

/s/ Donald J. Carty

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Donald J. Carty

Witness:

/s/ Charles D. MarLett

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Charles D. MarLett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

(b) any and all supplements and amendments (including, without limitation, post-effective amendments) to such Registration Statements;

and any and all other documents and instruments in connection with the issuance of the Securities that such attorneys-in-fact and agents, or any one of them, deem necessary or advisable to enable the Corporation to comply with (i) the Securities Act, the Securities Exchange Act of 1934, as amended, and the other federal securities laws of the United States of America and the rules, regulations and requirements of the SEC in respect of any thereof, (ii) the securities or Blue Sky laws of any state or other governmental subdivision of the United States of America and (iii) the securities or similar applicable laws of Canada, Mexico and any other foreign jurisdiction; and the undersigned does hereby ratify and confirm as his own acts and deeds all that such attorneys-in-fact and agents, and each of them, shall do or cause to be done by virtue hereof. Each one of such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 6th day of August, 2001.

/s/ Armando M. Codina

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Armando M. Codina

Witness:

/s/ Charles D. MarLett

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Charles D. MarLett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

(b) any and all supplements and amendments (including, without limitation, post-effective amendments) to such Registration Statements;

and any and all other documents and instruments in connection with the issuance of the Securities that such attorneys-in-fact and agents, or any one of them, deem necessary or advisable to enable the Corporation to comply with (i) the Securities Act, the Securities Exchange Act of 1934, as amended, and the other federal securities laws of the United States of America and the rules, regulations and requirements of the SEC in respect of any thereof, (ii) the securities or Blue Sky laws of any state or other governmental subdivision of the United States of America and (iii) the securities or similar applicable laws of Canada, Mexico and any other foreign jurisdiction; and the undersigned does hereby ratify and confirm as his own acts and deeds all that such attorneys-in-fact and agents, and each of them, shall do or cause to be done by virtue hereof. Each one of such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 15th day of November, 2001.

/s/ Earl G. Graves

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Earl G. Graves

Witness:

/s/ Charles D. MarLett

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Charles D. MarLett

POWER OF ATTORNEY

The undersigned, Senior Vice President - Finance and Chief Financial Officer of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Anne H. McNamara and Charles D. Marlett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

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and any and all other documents and instruments in connection with the issuance of the Securities that such attorneys-in-fact and agents, or any one of them, deem necessary or advisable to enable the Corporation to comply with (i) the Securities Act, the Securities Exchange Act of 1934, as amended, and the other federal securities laws of the United States of America and the rules, regulations and requirements of the SEC in respect of any thereof, (ii) the securities or Blue Sky laws of any state or other governmental subdivision of the United States of America and (iii) the securities or similar applicable laws of Canada, Mexico and any other foreign jurisdiction; and the undersigned does hereby ratify and confirm as his own acts and deeds all that such attorneys-in-fact and agents, and each of them, shall do or cause to be done by virtue hereof. Each one of such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 13th day of August, 2001.

/s/ Thomas W. Horton

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Thomas W. Horton

Witness:

/s/ Charles D. MarLett

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Charles D. MarLett



POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as her true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in her name and on her behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

(b) any and all supplements and amendments (including, without limitation, post-effective amendments) to such Registration Statements;

and any and all other documents and instruments in connection with the issuance of the Securities that such attorneys-in-fact and agents, or any one of them, deem necessary or advisable to enable the Corporation to comply with (i) the Securities Act, the Securities Exchange Act of 1934, as amended, and the other federal securities laws of the United States of America and the rules, regulations and requirements of the SEC in respect of any thereof, (ii) the securities or Blue Sky laws of any state or other governmental subdivision of the United States of America and (iii) the securities or similar applicable laws of Canada, Mexico and any other foreign jurisdiction; and the undersigned does hereby ratify and confirm as her own acts and deeds all that such attorneys-in-fact and agents, and each of them, shall do or cause to be done by virtue hereof. Each one of such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 15th day of November, 2001.

/s/ Ann McLaughlin Korologos

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Ann McLaughlin Korologos

Witness:

/s/ Charles D. MarLett

- -----  
Charles D. MarLett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. Marlett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

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IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 15th day of November, 2001.

/s/ Michael A. Miles

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Michael A. Miles

Witness:

/s/ Charles D. Marlett

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Charles D. Marlett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

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IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 15th day of November, 2001.

/s/ Philip J. Purcell

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Philip J. Purcell

Witness:

/s/ Charles D. MarLett

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Charles D. MarLett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. Marlett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

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IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 15th day of November, 2001.

/s/ Joe M. Rodgers

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Joe M. Rodgers

Witness:

/s/ Charles D. Marlett

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Charles D. Marlett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. MarLett, and each of them, as her true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in her name and on her behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

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IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 8th day of August, 2001.

/s/ Judith Rodin

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Judith Rodin

Witness:

/s/ Charles D. MarLett

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Charles D. MarLett

POWER OF ATTORNEY

The undersigned, a Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint Thomas W. Horton, Anne H. McNamara and Charles D. Marlett, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution, to execute and deliver in his name and on his behalf:

(a) one or more Registration Statements of the Corporation on an appropriate form proposed to be filed with the Securities and Exchange Commission (the "SEC") in connection with the offer by the Corporation to exchange Pass Through Certificates, Series 2001-1 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the \$1,319,649,000 of outstanding Pass Through Certificates, Series 2001-1; and

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and any and all other documents and instruments in connection with the issuance of the Securities that such attorneys-in-fact and agents, or any one of them, deem necessary or advisable to enable the Corporation to comply with (i) the Securities Act, the Securities Exchange Act of 1934, as amended, and the other federal securities laws of the United States of America and the rules, regulations and requirements of the SEC in respect of any thereof, (ii) the securities or Blue Sky laws of any state or other governmental subdivision of the United States of America and (iii) the securities or similar applicable laws of Canada, Mexico and any other foreign jurisdiction; and the undersigned does hereby ratify and confirm as his own acts and deeds all that such attorneys-in-fact and agents, and each of them, shall do or cause to be done by virtue hereof. Each one of such attorneys-in-fact and agents shall have, and may exercise, all of the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this power of attorney this 6th day of August, 2001.

/s/ Roger T. Staubach

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Roger T. Staubach

Witness:

/s/ Charles D. Marlett

-----  
Charles D. Marlett

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE  
TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

Check if an Application to Determine Eligibility  
of a Trustee Pursuant to Section 305(b)(2)

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION  
(Exact name of trustee as specified in its charter)

Connecticut

(Jurisdiction of incorporation or  
organization if not a U.S. national bank)

06-1304336

(I.R.S. Employer  
Identification No.)

225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103  
(Address of principal executive offices) (Zip Code)

Maureen Scannell Bateman, Esq. Executive Vice President and General Counsel  
225 Franklin Street, Boston, Massachusetts 02110  
(617) 654-3253

(Name, address and telephone number of agent for service)

AMERICAN AIRLINES, INC.

(Exact name of obligor as specified in its charter)

DELAWARE

(State or other jurisdiction of  
incorporation or organization)

13-150278

(I.R.S. Employer  
Identification No.)

P.O. BOX 619616, DALLAS/FORT WORTH AIRPORT, TEXAS 75261-9616  
(Address of principal executive offices) (Zip Code)

PASS THROUGH CERTIFICATES, SERIES 2001-1  
(Title of indenture securities)

GENERAL

ITEM 1. GENERAL INFORMATION.

FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

- (a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISORY AUTHORITY TO WHICH IT IS SUBJECT.

Comptroller of the Currency  
Treasury Department of the United States  
Washington, D.C.

Board of Governors of the Federal Reserve System  
Washington, D.C.

Federal Deposit Insurance Corporation  
Washington, D. C.

- (b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

Trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

The obligor is not an affiliate of the trustee or of its parent, State Street Boston Corporation.

(See note on page 2.)

ITEM 3. THROUGH ITEM 15. NOT APPLICABLE.

ITEM 16. LIST OF EXHIBITS.

LIST BELOW ALL EXHIBITS FILED AS PART OF THIS STATEMENT OF ELIGIBILITY.

1. A COPY OF THE ARTICLES OF ASSOCIATION OF THE TRUSTEE AS NOW IN EFFECT.

A copy of the Articles of Association of the trustee as now in effect incorporated herein by reference to Exhibit T-1.1 filed with Form T-1 Statement, Registration No. 33-40617.

2. A COPY OF THE CERTIFICATE OF AUTHORITY OF THE TRUSTEE TO COMMENCE BUSINESS, IF NOT CONTAINED IN THE ARTICLES OF ASSOCIATION.

A copy of the Certificate of the Comptroller of the Currency.

3. A COPY OF THE AUTHORIZATION OF THE TRUSTEE TO EXERCISE CORPORATE TRUST POWERS, IF SUCH AUTHORIZATION IS NOT CONTAINED IN THE DOCUMENTS SPECIFIED IN PARAGRAPH (1) OR (2), ABOVE.

A copy of the Certification of Fiduciary Powers (included in Exhibit 2).

4. A COPY OF THE EXISTING BY-LAWS OF THE TRUSTEE, OR INSTRUMENTS CORRESPONDING THERETO.

A copy of the existing by-laws of the trustee incorporated herein by reference to Exhibit T-1.1 filed with Form T-1 Statement, Registration No. 33-40617.



5. A COPY OF EACH INDENTURE REFERRED TO IN ITEM 4. IF THE OBLIGOR IS IN DEFAULT.

Not applicable.

6. THE CONSENTS OF UNITED STATES INSTITUTIONAL TRUSTEES REQUIRED BY SECTION 321(b) OF THE ACT.

The consent of the trustee required by Section 321(b) of the Act is annexed hereto as Exhibit 6 and made a part hereof.

7. A COPY OF THE LATEST REPORT OF CONDITION OF THE TRUSTEE PUBLISHED PURSUANT TO LAW OR THE REQUIREMENTS OF ITS SUPERVISING OR EXAMINING AUTHORITY.

A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority is annexed hereto as Exhibit 7 and made a part hereof.

NOTES

In answering any item of this Statement of Eligibility which relates to matters peculiarly within the knowledge of the obligor or any underwriter for the obligor, the trustee has relied upon information furnished to it by the obligor and the underwriters, and the trustee disclaims responsibility for the accuracy or completeness of such information.

The answer furnished to Item 2. of this statement will be amended, if necessary, to reflect any facts which differ from those stated and which would have been required to be stated if known at the date hereof.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, State Street Bank and Trust Company of Connecticut, National Association, a national banking association organized and existing under the laws of the United States, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Boston and The Commonwealth of Massachusetts, on the 14th day of November.

STATE STREET BANK AND TRUST COMPANY OF  
CONNECTICUT, NATIONAL ASSOCIATION

BY:

-----  
NAME: JOHN G. CORREIA  
TITLE: ASSISTANT VICE PRESIDENT

EXHIBIT 1 AND 2

(COMPTROLLER OF THE CURRENCY ADMINISTRATOR OF NATIONAL BANKS--LETTERHEAD)

I Eugene A. Ludwig, Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq., as amended, 12 U.S.C. 1, et seq., as amended, has possession, custody and control of all records pertaining to the chartering, regulation and supervision of all National Banking Associations.

2. "State Street Bank and Trust Company of Connecticut, National Association", Hartford, Connecticut, (Charter No. 22272), is a National Banking Association formed under the laws of the United States and is authorized thereunder to transact the business of banking and exercise Fiduciary Powers on the date of this Certificate.

IN TESTIMONY WHEREOF, I have hereunto  
subscribed my name and caused my seal of  
office to be affixed to these presents at  
the Treasury Department, in the City of  
Washington and District of Columbia, this  
1st day of April, 1998.

/s/ Eugene A. Ludwig

-----  
Comptroller of the Currency

EXHIBIT 6

CONSENT OF THE TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939, as amended, in connection with the proposed issuance by AMERICAN AIRLINES INC. OF ITS PASS-THROUGH CERTIFICATES, SERIES 2001-1, we hereby consent that reports of examination by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

STATE STREET BANK AND TRUST COMPANY OF  
CONNECTICUT, NATIONAL ASSOCIATION

By:  
NAME: JOHN G. CORREIA  
TITLE: ASSISTANT VICE PRESIDENT

DATED:

EXHIBIT 7

Legal Title of Bank: State Street Bank and Trust Company of CT, N.A. Call Date: June 30, 2001  
 Address: Goodwin Square, 225 Asylum Street, Floor 29  
 City, State Zip: Hartford, CT 06103  
 FDIC Certificate No.: 33132

Consolidated Report of Condition for Insured Commercial  
 and State-Chartered Savings Banks for June 30, 2001

All schedules are to be reported in thousands of dollars. Unless otherwise  
 indicated, report the amount outstanding as of the last business day of the  
 quarter.

Schedule RC--Balance Sheet

Thousands of ASSETS Dollars Cash and balances due from depository  
 institutions: Noninterest-bearing balances and currency and coin  
 ..... 17,689 Interest-bearing balances  
 ..... 0 Securities: Held-to-maturity  
 balances ..... 0 Available-for-sale  
 securities ..... 0 Federal funds sold and  
 securities purchased under agreements to resell  
 ..... 0 Loans and lease financing  
 receivables: Loans and leases held for sale  
 ..... 0 Loans and leases, net of unearned  
 income ..... 0 LESS: Allowance for loan and lease losses  
 ..... 0 Loans and leases, net of unearned income and allowance  
 ..... 0 Trading assets  
 .....  
 0 Premises and fixed assets (including capitalized leases)  
 ..... 182 Other real estate owned  
 ..... 0  
 Investments in unconsolidated subsidiaries and associated companies  
 ..... 0 Customers' liability to this bank on acceptances  
 outstanding ..... 0 Intangible assets  
 ..... 778  
 Other assets  
 .....  
 3,339 Losses deferred pursuant to 12 U.S.C 1823(j)  
 ..... 0 Total assets and losses  
 deferred pursuant to 12 U.S.C. 1823(j) sums 1-11 ..... 21,988 --  
 ----

Legal Title of Bank: State Street Bank and Trust Company of CT, N.A. Call Date: June 30, 2001  
 Address: Goodwin Square, 225 Asylum Street, Floor 29  
 City, State Zip: Hartford, CT 06103  
 FDIC Certificate No.: 33132

Schedule RC - Continued

LIABILITIES

Deposits:		
In domestic offices .....		0
Noninterest-bearing .....	0	0
Interest-bearing .....	0	0
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....		
Noninterest-bearing .....	0	
Interest-bearing .....	0	
Federal funds purchased and securities sold under agreements to repurchase .....		0
Demand notes issued to the U.S. Treasury .....		0
Trading Liabilities .....		0
Other borrowed money .....		0
with a remaining maturity of one year or less .....		0
with a remaining maturity of more than one year through three years .....		
with a remaining maturity of more than three years .....		0
Bank's liability on acceptances executed and outstanding .....		0
Other liabilities .....		13,607
Total liabilities .....		13,607

EQUITY CAPITAL

Perpetual preferred stock and related surplus .....		0
Common stock .....		500
Surplus .....		2,500
Retained earnings .....		5,381
Net unrealized holding gains (losses) on available-for-sale securities .....		0
Accumulated net gains (losses) on cash flow hedges .....		0
Cumulative foreign currency translation adjustments .....		0
Total equity capital .....		8,381
Total liabilities, minority interest, and equity capital .....		21,988
		-----

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Bryan Calder  
Chris A. Hayes  
Geraldine Walsh

I, Chris A. Hayes, Senior Vice President, Director and Chairperson of the Board, of the above named bank do hereby declare that the Report of Condition is true and correct to the best of my knowledge and belief.

Chris A. Hayes

5. A COPY OF EACH INDENTURE REFERRED TO IN ITEM 4. IF THE OBLIGOR IS IN DEFAULT.

Not applicable.

6. THE CONSENTS OF UNITED STATES INSTITUTIONAL TRUSTEES REQUIRED BY SECTION 321(b) OF THE ACT.

The consent of the trustee required by Section 321(b) of the Act is annexed hereto as Exhibit 6 and made a part hereof.

7. A COPY OF THE LATEST REPORT OF CONDITION OF THE TRUSTEE PUBLISHED PURSUANT TO LAW OR THE REQUIREMENTS OF ITS SUPERVISING OR EXAMINING AUTHORITY.

A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority is annexed hereto as Exhibit 7 and made a part hereof.

#### NOTES

In answering any item of this Statement of Eligibility which relates to matters peculiarly within the knowledge of the obligor or any underwriter for the obligor, the trustee has relied upon information furnished to it by the obligor and the underwriters, and the trustee disclaims responsibility for the accuracy or completeness of such information.

The answer furnished to Item 2. of this statement will be amended, if necessary, to reflect any facts which differ from those stated and which would have been required to be stated if known at the date hereof.

#### SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, State Street Bank and Trust Company of Connecticut, National Association, a national banking association organized and existing under the laws of the United States, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Boston and The Commonwealth of Massachusetts, on the 14TH DAY OF NOVEMBER.

STATE STREET BANK AND TRUST COMPANY OF  
CONNECTICUT, NATIONAL ASSOCIATION

By: /s/ John G. Correia

-----  
Name: John G. Correia  
Title: Assistant Vice President

EXHIBIT 6

CONSENT OF THE TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939, as amended, in connection with the proposed issuance by AMERICAN AIRLINES INC. OF ITS PASS-THROUGH CERTIFICATES, SERIES 2001-1, we hereby consent that reports of examination by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

STATE STREET BANK AND TRUST COMPANY OF  
CONNECTICUT, NATIONAL ASSOCIATION

By: /s/ John G. Correia

-----  
Name: John G. Correia  
Title: Assistant Vice President

Dated: 11/14/2001



LETTER OF TRANSMITTAL  
FOR  
OFFER TO EXCHANGE  
PASS THROUGH CERTIFICATES, SERIES 2000-1,  
WHICH HAVE BEEN REGISTERED UNDER THE  
SECURITIES ACT OF 1933, AS AMENDED,  
FOR ANY AND ALL OUTSTANDING  
PASS THROUGH CERTIFICATES, SERIES 2001-1,  
OF  
AMERICAN AIRLINES, INC.

-----  
PURSUANT TO THE PROSPECTUS, DATED \_\_\_\_\_, 2001

-----  
THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [            ],  
2001, UNLESS THE EXCHANGE OFFER IS EXTENDED (THE "EXPIRATION DATE"). TENDERS OF  
OLD CERTIFICATES MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M. ON THE BUSINESS  
DAY PRIOR TO THE EXPIRATION DATE.  
-----

To the Exchange Agent:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION

c/o State Street Bank and Trust Company  
2 Avenue de Lafayette  
Boston, Massachusetts 02111  
Attention: Ralph Jones/Account Services Group

By Facsimile:  
(617) 662-1452

Confirm by Telephone:  
(617) 662-1548

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS, OR TRANSMISSION VIA  
FACSIMILE, OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.  
THE INSTRUCTIONS CONTAINED HEREIN SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF  
TRANSMITTAL IS COMPLETED.

HOLDERS WHO WISH TO BE ELIGIBLE TO RECEIVE NEW CERTIFICATES FOR THEIR OLD  
CERTIFICATES PURSUANT TO THE EXCHANGE OFFER MUST VALIDLY TENDER (AND NOT  
WITHDRAW) THEIR OLD CERTIFICATES TO THE EXCHANGE AGENT PRIOR TO THE EXPIRATION  
DATE.

By execution hereof, the undersigned acknowledges receipt of the  
prospectus, dated \_\_\_\_\_, 2001 (the "Prospectus"), of American Airlines,  
Inc. (the "Company"), which, together with this Letter of Transmittal and  
instructions hereto (the "Letter of Transmittal"), constitute the Company's  
offer to exchange (the "Exchange Offer") Pass Through Certificates, Series  
2001-1 (the "New Certificates"), which have been registered under the Securities  
Act of 1933, as amended (the "Securities Act"), pursuant to a registration  
statement of which the Prospectus forms a part, for any and all of its  
outstanding Pass Through Certificates, Series 2001-1 (the "Old Certificates"),  
upon the terms and subject to the conditions set forth in the Prospectus. For  
each Old Certificate accepted for exchange, the Holder of such Old Certificate  
will receive a New Certificate of the same class having a principal amount equal  
to that of the surrendered Old Certificate.

This Letter of Transmittal is to be completed by Holders (as defined below)  
if: (i) certificates representing Old Certificates





CHECK HERE AND COMPLETE THE FOLLOWING IF TENDERED OLD CERTIFICATES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE EXCHANGE AGENT'S ACCOUNT AT DTC:

Name of Tendering Institution: \_\_\_\_\_  
DTC Book-Entry Account No.: \_\_\_\_\_  
Transaction Code No.: \_\_\_\_\_

If Holders desire to tender Old Certificates pursuant to the Exchange Offer and (i) certificates representing such Old Certificates are not immediately available, or (ii) this Letter of Transmittal, certificates representing such Old Certificates or any other required documents cannot be delivered to the Exchange Agent prior to the Expiration Date, or (iii) the procedures for book-entry transfer cannot be completed prior to the Expiration Date, such Holders may effect a tender of such Old Certificates in accordance with the guaranteed delivery procedures set forth in the Prospectus under "The Exchange Offer - Guaranteed Delivery Procedures." Holders following the guaranteed delivery procedure must still fully complete, execute and deliver this Letter of Transmittal or a facsimile hereof. DTC participants may also accept the Exchange Offer by submitting the notice of guaranteed delivery through the DTC Automated Tender Offer Program.

CHECK HERE AND COMPLETE THE FOLLOWING IF TENDERED OLD CERTIFICATES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY DELIVERED TO THE EXCHANGE AGENT:

Name(s) of Holder(s) of Old Certificates: \_\_\_\_\_  
Window Ticket No. (if any): \_\_\_\_\_  
Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_  
Name of eligible Institution that Guaranteed Delivery: \_\_\_\_\_  
If Delivered by Book-Entry Transfer: \_\_\_\_\_  
Name of Tendering Institution: \_\_\_\_\_  
DTC Book-Entry Account No.: \_\_\_\_\_  
Transaction Code No.: \_\_\_\_\_

CHECK HERE IF YOU ARE A BROKER-DEALER WHO HOLDS OLD CERTIFICATES ACQUIRED FOR YOUR OWN ACCOUNT AS A RESULT OF MARKET-MAKING OR OTHER TRADING ACTIVITIES AND WISH TO RECEIVE ADDITIONAL COPIES OF THE PROSPECTUS AND OF ANY AMENDMENTS OR SUPPLEMENTS THERETO FOR USE IN CONNECTION WITH RESALES OF NEW CERTIFICATES RECEIVED FOR YOUR OWN ACCOUNT IN EXCHANGE FOR SUCH OLD CERTIFICATES.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

CHECK HERE IF TENDERED CERTIFICATES ARE ENCLOSED HERewith

LADIES AND GENTLEMEN:

The undersigned hereby tender(s) to the Company, upon the terms and subject to the conditions of the Exchange Offer, the aggregate principal amount of Old Certificates indicated above. Subject to and effective upon the acceptance for exchange of the principal amount of Old Certificates tendered in accordance with this Letter of Transmittal, the undersigned sells, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to the Old Certificates tendered hereby. The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as agent and attorney-in-fact (with full knowledge that the Exchange Agent also acts as the agent of the Company and as Pass Through Trustee under the Pass Through Trust Agreements for the Old Certificates and the New Certificates) with respect to the tendered Old Certificates with full power of substitution to (i) deliver certificates for such Old Certificates to the Company, or transfer ownership of such Old Certificates on the account books maintained by DTC, together, in either such case, with all accompanying evidences of transfer and authenticity to, or upon the order of, the Company and (ii) present such Old Certificates for transfer on the books of the Registrar and receive all benefits and otherwise exercise all rights of beneficial ownership of such Old Certificates, all in accordance with the terms of the Exchange Offer. The power of attorney granted in this paragraph shall be deemed irrevocable and coupled with an interest.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Old Certificates tendered hereby and that the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by the Company. The undersigned also acknowledges that this Exchange Offer is being made in reliance upon interpretations by the staff of the Securities and Exchange Commission that the New Certificates issued pursuant to the Exchange Offer in exchange for the Old Certificates may be offered for resale, resold or otherwise transferred by any holder thereof (other than (i) a broker-dealer who purchased such Old Certificates directly from the Trustee for its own account or (ii) a person that is an "affiliate", as defined in Rule 405 under the Securities Act, of the Company or of any Trustee) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the holder is acquiring such New Certificates in its ordinary course of business and has no arrangements or understanding with any person to participate in the distribution of the New Certificates.

If a broker-dealer would receive New Certificates for its own account in exchange for Old Certificates, where such Old Certificates were not acquired as a result of market-making or other trading activities, such broker-dealer will not be able to participate in the Exchange Offer.

The undersigned represents that (i) the New Certificates acquired pursuant to the Exchange Offer are being obtained in the ordinary course of such holder's business, (ii) such holder has no arrangements or understanding with any person to participate in the distribution of the New Certificates and (iii) such holder is not an "affiliate," as defined under Rule 405 of the Securities Act, of the Company or of any Trustee or if such holder is an affiliate, that such holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable. If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of New Certificates. If the undersigned is a broker-dealer that will receive New Certificates for its own account in exchange for Old Certificates that were acquired as a result of market-making or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such New Certificates; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or the Company to be necessary or desirable to complete the assignment and transfer of the Old Certificates tendered hereby.

For purposes of the Exchange Offer, the Company shall be deemed to have accepted validly tendered Old Certificates when the Company has given oral or written notice (such notice, if given orally, to be confirmed in writing) thereof to the Exchange Agent. If any tendered Old Certificates are not accepted for exchange pursuant to the Exchange Offer for any reason, certificates for any such unaccepted Old Certificates will be returned (except as noted below with respect to tenders through DTC), without expense, to the undersigned at the address shown below or at such different address as may be indicated under "Special Issuance Instructions" as promptly as practicable after the Expiration Date.

All authority conferred or agreed to be conferred by this Letter of Transmittal shall survive the death or incapacity of the undersigned, and every obligation of the undersigned under this Letter of Transmittal shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned.

The undersigned understands that tenders of Old Certificates pursuant to the procedures described under the caption "The Exchange Offer -- Procedures for Tendering" in the Prospectus and in the instructions hereto will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Exchange Offer.

All questions as to form, validity, eligibility (including time of receipt), acceptance and withdrawal of tendered Old Certificates will be determined by the Company in its sole discretion, which determination will be final and binding.

Unless otherwise indicated under "Special Issuance Instructions", please issue the certificates representing the New Certificates issued in exchange for the Old Certificates accepted for exchange, and return any Old Certificates not tendered or not exchanged, in the name of the undersigned (or, in the case of a book-entry delivery of Old Certificates by DTC, by credit to the account at DTC). Similarly, unless otherwise indicated under "Special Delivery Instructions", please send the certificates representing New Certificates issued in exchange for the Old Certificates accepted for exchange, and any certificates representing Old Certificates not tendered or not exchanged, and accompanying documents, as appropriate, to the undersigned at the address shown below the undersigned's signatures, unless, in either event, tender is being made through DTC. If both "Special Issuance Instructions" and "Special Delivery Instructions" are completed, please issue the certificates representing the New Certificates issued in exchange for the Old Certificates accepted for exchange, and return any Old Certificates not tendered or not exchanged, in the name(s) of, and send said certificates to, the person(s) so indicated. The undersigned recognizes that the Company has no obligation pursuant to the "Special Issuance Instructions" and "Special Delivery Instructions" to transfer any Old Certificates from the name of the registered holder(s) thereof if the Company does not accept for exchange any of the Old Certificates so tendered.

PLEASE SIGN HERE  
(TO BE COMPLETED BY ALL TENDERING HOLDERS OF  
OLD CERTIFICATES REGARDLESS OF WHETHER OLD CERTIFICATES ARE BEING PHYSICALLY  
DELIVERED HEREWITH)

This Letter of Transmittal must be signed by the Holder(s) of Old Certificates exactly as their name(s) appear(s) on certificates(s) for Old Certificates or, if tendered by a participant in DTC, exactly as such participant's name appears on a security position listing as the owner of Old Certificates, or by person(s) authorized to become registered Holder(s) by endorsements and documents transmitted with this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below under "Capacity" and submit evidence satisfactory to the Company of such person's authority to so act. See Instruction 3 herein.

If the signature appearing below is not of the registered Holder(s) of the Old Certificates, then the registered Holder(s) must sign a valid proxy.

X \_\_\_\_\_ Date: \_\_\_\_\_  
X \_\_\_\_\_ Date: \_\_\_\_\_

SIGNATURE(S) OF HOLDER(S) OR  
AUTHORIZED SIGNATORY

Name(s): \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_  
(PLEASE PRINT)

\_\_\_\_\_  
(INCLUDING ZIP CODE)

Capacity: \_\_\_\_\_ Area Code and Telephone No.: \_\_\_\_\_

Social Security No.: \_\_\_\_\_

PLEASE COMPLETE SUBSTITUTE FORM W-9 HEREIN

SIGNATURE GUARANTEE  
(SEE INSTRUCTION 3 HEREIN)  
CERTAIN SIGNATURES MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION

\_\_\_\_\_  
NAME OF ELIGIBLE INSTITUTION GUARANTEEING SIGNATURES

\_\_\_\_\_  
ADDRESS (INCLUDING ZIP CODE) AND TELEPHONE NUMBER (INCLUDING AREA CODE) OF FIRM

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
TITLE

Date: \_\_\_\_\_

SPECIAL ISSUANCE INSTRUCTIONS  
(SEE INSTRUCTIONS 1,3 AND 4 HEREIN)

To be completed ONLY if certificates for Old Certificates in a principal amount not tendered are to be issued in the name of, or the New Certificates issued pursuant to the Exchange Offer are to be issued to the order of, someone other than the person or persons whose signature(s) appears(s) within this Letter of Transmittal or issued to an address different from that shown in the box entitled "Description of Old Certificates" within this Letter of Transmittal, or if Old Certificates tendered by book-entry transfer that are not accepted for purchase are to be credited to an account maintained at DTC.

Name: -----

(PLEASE PRINT)

Address: -----

(PLEASE PRINT)

-----  
-----  
(INCLUDING ZIP CODE)

-----  
TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER  
(SEE SUBSTITUTE FORM W-9 HEREIN)

SPECIAL DELIVERY INSTRUCTIONS  
(SEE INSTRUCTIONS 1, 3 AND 4 HEREIN)

To be completed ONLY if certificates for Old Certificates in a principal amount not tendered or not accepted for purchase or the New Certificates issued pursuant to the Exchange Offer are to be sent to someone other than the person or person(s) whose signature(s) appears(s) within this Letter of Transmittal or issued to an address different from that shown in the box entitled "Description of Old Certificates" within this Letter of Transmittal,

Name: -----

(PLEASE PRINT)

Address: -----

(PLEASE PRINT)

-----  
-----  
(INCLUDING ZIP CODE)

-----  
TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER  
(SEE SUBSTITUTE FORM W-9 HEREIN)



## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND OLD CERTIFICATES; GUARANTEED DELIVERY PROCEDURES. The certificates for the tendered Old Certificates (or a confirmation of a book-entry transfer into the Exchange Agent's account at DTC of all Old Certificates delivered electronically), as well as a properly completed and duly executed copy of this Letter of Transmittal or facsimile hereof, or an Agent's Message in lieu of this Letter of Transmittal, and any other documents required by this Letter of Transmittal must be received by the Exchange Agent at its address set forth herein prior to 5:00 P.M., New York City time, on the Expiration Date. The method of delivery of the tendered Old Certificates, this Letter of Transmittal and all other required documents to the Exchange Agent is at the election and risk of the Holder and, except as otherwise provided below, the delivery will be deemed made only when actually received by the Exchange Agent. Instead of delivery by mail, it is recommended that the Holder use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. No Letter of Transmittal or Old Certificates should be sent to the Company.

Holders who wish to tender their Old Certificates and (i) whose Old Certificates are not immediately available, or (ii) who cannot deliver their Old Certificates, this Letter of Transmittal or any other documents required hereby to the Exchange Agent prior to the Expiration Date, or (iii) who cannot complete the procedure for book-entry transfer prior to the Expiration Date, must tender their Old Certificates and follow the guaranteed delivery procedures set forth in the Prospectus. Pursuant to such procedures (i) such tender must be made by or through an Eligible Institution; (ii) prior to the Expiration Date, the Exchange Agent must have received from the Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the Holder of the Old Certificates, the certificate number or numbers of such Old Certificates and the principal amount of Old Certificates tendered, stating that the tender is being made thereby and guaranteeing that, within five business days after the Expiration Date, this Letter of Transmittal (or facsimile hereof), or an Agent's Message in lieu of this Letter of Transmittal, together with the certificate(s) representing the Old Certificates (or a confirmation of book-entry delivery into the Exchange Agent's account at DTC) and any of the required documents will be deposited by the Eligible Institution with the Exchange Agent; and (iii) such properly completed and executed Letter of Transmittal (or facsimile hereof), or an Agent's Confirmation in lieu of this Letter of Transmittal, as well as all other documents required by this Letter of Transmittal and the certificate(s) representing all tendered Old Certificates in proper form for transfer (or a confirmation of book-entry delivery into the Exchange Agent's account at DTC), must be received by the Exchange Agent within five business days after the Expiration Date, all as provided in the Prospectus under the caption "The Exchange Offer - Guaranteed Delivery Procedures". Any Holder of Old Certificates who wishes to tender his Old Certificates pursuant to the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery prior to 5:00 P.M., New York City time, on the Expiration Date.

All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered Old Certificates will be determined by the Company in its sole discretion, which determination will be final and binding. The Company reserves the absolute right to reject any and all Old Certificates not properly tendered or any Old Certificates the Company's acceptance of which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the right to waive any irregularities or conditions of tender as to particular Old Certificates. The Company's interpretation of the terms and conditions of the Exchange Offer (including the instructions in this Letter of Transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Old Certificates must be cured within such time as the Company shall determine. Neither the Company, the Exchange Agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Old Certificates, nor shall any of them incur any liability for failure to give such notification. Tenderees of Old Certificates will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Old Certificates received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost by the Exchange Agent to the tendering Holder of such Old Certificates (or in the case of Old Certificates tendered by the book-entry transfer procedures, such Old Certificates will be credited to an account maintained with DTC), unless otherwise provided in this Letter of Transmittal, as soon as practicable following the Expiration Date.

2. PARTIAL TENDERS. Tenders of Old Certificates will be accepted in all denominations of \$1,000 and integral multiples in excess thereof. If less than the entire principal amount of any Old Certificates is tendered, the tendering Holder should fill in the principal amount tendered in the third column of the chart entitled "Description of Old Certificates." The entire principal amount of Old Certificates delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all Old Certificates is not tendered, Old Certificates for the principal amount of Old Certificates not tendered and a certificate or certificates representing New Certificates issued in exchange for any Old Certificates accepted will be sent to the Holder at his or her registered address, unless a different address is provided in the appropriate box on this Letter of Transmittal or unless tender is made through DTC, promptly after the Old Certificates are accepted for exchange.

3. SIGNATURES ON THE LETTER OF TRANSMITTAL; BOND POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES. If this Letter of Transmittal (or facsimile hereof) is signed by the registered Holder(s) of the Old Certificates tendered hereby, the signature must correspond with the name(s) as written on the face of the Old Certificates without alteration, enlargement or any change whatsoever.

If this Letter of Transmittal (or facsimile hereof) is signed by the registered Holder(s) of Old Certificates tendered and the certificate(s) for New Certificates issued in exchange therefor is to be issued (or any untendered principal amount of Old Certificates is to be reissued) to the registered Holder, such Holder need not and should not endorse any tendered Old Certificate, nor provide a separate bond power. In any other case, such Holder must either properly endorse the Old Certificates tendered or transmit a properly completed separate bond power with this Letter of Transmittal, with the signatures on the endorsement or bond power guaranteed by an Eligible Institution.

If this Letter of Transmittal (or facsimile hereof) is signed by a person other than the registered Holder(s) of any Old Certificates listed, such Old Certificates must be endorsed or accompanied by appropriate bond powers signed as the name of the registered Holder(s) appears on the Old Certificates.

If this Letter of Transmittal (or facsimile hereof) or any Old Certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, or officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and, unless waived by the Company, evidence satisfactory to the Company of their authority so to act must be submitted with this Letter of Transmittal.

Endorsements on Old Certificates or signatures on bond powers required by this Instruction 3 must be guaranteed by an Eligible Institution.

Signatures on this Letter of Transmittal (or facsimile hereof), or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" with the meaning of Rule 17Ad-15 under the Exchange Act (each of the foregoing being referred to as an "Eligible Institution"), unless the Old Certificates tendered pursuant thereto are tendered (i) by a registered Holder (including any participant in DTC whose name appears on a security position listing as the owner of Old Certificates) who has not completed the box set forth herein entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" or (ii) for the account of an Eligible Institution.

4. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS. Tendering Holders should indicate, in the applicable spaces, the name and address to which New Certificates or substitute Old Certificates for principal amounts not tendered or not accepted for exchange are to be issued or sent, if different from the name and address of the person signing this Letter of Transmittal (or in the case of tender of the Old Certificates through DTC, if different from DTC). In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated.

5. TRANSFER TAXES. The Company will pay all transfer taxes, if any, applicable to the exchange of Old Certificates pursuant to the Exchange Offer. If, however, certificates representing New Certificates or Old Certificates for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of,



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Delivery  
Prepared by  
Checked by  
Date - ----  
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## IMPORTANT TAX INFORMATION

Under federal income tax laws, a Holder whose tendered Old Certificates are accepted for exchange is required to provide the Exchange Agent (as payer) with such Holder's correct TIN on Substitute Form W-9 below or otherwise establish a basis for exemption from backup withholding. If such Holder is an individual, then his TIN is his social security number. If the Exchange Agent is not provided with the correct TIN or an adequate basis for an exemption, a \$50 penalty may be imposed by the Internal Revenue Service, and payments made with respect to New Certificates purchased pursuant to the Exchange Offer may be subject to backup withholding.

Certain Holders (including, among others, all corporations and certain foreign persons) are not subject to these backup withholding and reporting requirements. Exempt Holders should indicate their exempt status on Substitute Form W-9. A foreign person may qualify as an exempt recipient by submitting to the Exchange Agent a properly completed Internal Revenue Service Form W-8 (or Form W-8 BEN or Form W-ECI) signed under penalties of perjury, attesting to that Holder's exempt status. Form W-8 (or Form W-8 BEN, Form W-ECI, Form W-EXP, or Form W-8IMY) can be obtained from the Exchange Agent. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions.

If backup withholding applies, the Exchange Agent is currently required to withhold 31% of any payments made to the Holder or other payee. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

### PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments made with respect to the Exchange Offer, the Holder is required to provide the Exchange Agent with either: (i) the Holder's correct TIN by completing the form below, certifying that the TIN provided on Substitute Form W-9 is correct (or that such Holder is awaiting a TIN) and that (A) the Holder has not been notified by the Internal Revenue Service that the Holder is subject to backup withholding as a result of failure to report all interest or dividends or (B) the Internal Revenue Service has notified the Holder that the Holder is no longer subject to backup withholding; or (ii) an adequate basis for exemption.

### WHAT NUMBER TO GIVE THE EXCHANGE AGENT

The Holder is required to give the Exchange Agent the TIN (e.g., social security number or employer identification number) of the registered Holder of the Old Certificates. If the Old Certificates are held in more than one name or are not held in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

PAYER'S NAME

SUBSTITUTE  
FORM W-9

PART 1 -- PLEASE PROVIDE YOUR TIN IN  
THE BOX AT THE RIGHT AND CERTIFY BY  
SIGNING AND DATING BELOW

Social Security Number  
OR  
Employer Identification Number

DEPARTMENT OF THE TREASURY  
IDENTIFICATION NUMBER (TIN)

PAYER'S REQUEST FOR  
TAXPAYER IDENTIFICATION  
NUMBER (TIN)

PART 2 -- Certification -- Under  
Penalties of Perjury, I certify  
that:

PART 3 --

Awaiting TIN [ ]

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) and
- (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATION INSTRUCTIONS -- You must cross out item (2) in Part 2 above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING CURRENTLY AT A RATE OF 31% OF ANY PAYMENTS MADE TO HOLDERS OF NEW CERTIFICATES PURSUANT TO THE EXCHANGE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within 60 days, 31 percent of all reportable payments made to me thereafter will be withheld until I provide a number.

Signature ----- Date -----

The Exchange Agent:  
STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION

c/o State Street Bank and Trust Company  
2 Avenue de Lafayette  
Boston, Massachusetts 02111  
Attention: Ralph Jones/Account Services Group

By Facsimile:  
(617) 663-1452

Confirm by Telephone:  
(617) 662-1548



NOTICE OF GUARANTEED DELIVERY  
FOR  
PASS THROUGH CERTIFICATES, SERIES 2001-1  
OF  
AMERICAN AIRLINES, INC.

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As set forth in the prospectus, dated [            ], 2001 (the "Prospectus"), of American Airlines, Inc. (the "Company") and in the accompanying Letter of Transmittal and instructions thereto (the "Letter of Transmittal"), this form or one substantially equivalent hereto must be used to accept the Company's offer to exchange (the "Exchange Offer") registered Pass Through Certificates, Series 2001-1 (the "New Certificates") for any and all of its outstanding Pass Through Certificates, Series 2001-1 (the "Old Certificates"), if (i) certificates representing such Old Certificates to be tendered for exchange are not immediately available, or (ii) certificates representing such Old Certificates, the Letter of Transmittal, or any other documents cannot be delivered to the Exchange Agent prior to the Expiration Date, or (iii) the procedures for book-entry transfer cannot be completed prior to the Expiration Date. This form may be delivered by mail or hand delivery or transmitted via facsimile to the Exchange Agent as set forth below. All capitalized terms used but not defined herein shall have the meanings given to them in the Prospectus, unless the context otherwise indicates.

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THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [            ], 2001, UNLESS THE EXCHANGE OFFER IS EXTENDED (THE "EXPIRATION DATE"). TENDERS OF OLD CERTIFICATES MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M. ON THE EXPIRATION DATE.  
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The Exchange Agent:

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,  
NATIONAL ASSOCIATION

c/o State Street Bank and Trust Company  
2 Avenue de Lafayette  
Boston, Massachusetts 02111  
Attention: Ralph Jones/Account Services Group

By Facsimile:  
(617) 662-1452

Confirm by Telephone:  
(617) 662-1548

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS, OR TRANSMISSION VIA FACSIMILE, OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

This form is not to be used to guarantee signatures. If a signature on the Letter of Transmittal is required to be guaranteed under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

LADIES AND GENTLEMEN:

The undersigned hereby tender(s) to the Company, upon the terms and subject to the conditions set forth in the Exchange Offer and the Letter of Transmittal, receipt of which is hereby acknowledged, the aggregate principal amount of Old Certificates set forth below pursuant to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer - Guaranteed Delivery Procedures."

The undersigned understands that tenders of Old Certificates will be accepted only in principal amounts equal to \$1,000 or integral multiples thereof. The undersigned understands that tenders of Old Certificates pursuant to the Exchange Offer may not be withdrawn after 5:00 p.m., New York time, on the Expiration Date. Tenders of Old Certificates may also be withdrawn if the Exchange Offer is terminated without any such Old Certificates being purchased thereunder or as otherwise provided in the Prospectus under the caption "The Exchange Offer - Withdrawal of Tenders."

All authority herein conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall survive the death or incapacity of the undersigned, and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned.

PLEASE SIGN AND COMPLETE

Signature(s) of Registered Owner(s)  
or Authorized Signatory:

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Name(s) of Registered Holder(s):

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Address:

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Principal Amount of Old Certificates Tendered:

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Certificate No(s). Of Old Certificates  
(if available):

Area Code and Telephone No.:

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If Old Certificates will be delivered by  
book-entry transfer at The Depository Trust  
Company, insert Depository  
Account No.:  
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Date: -----

This Notice of Guaranteed Delivery must be signed by the registered holder(s) of Old Certificates exactly as its (their) name(s) appear(s) on the certificate(s) for Old Certificates or on a security position listing as the owner of Old Certificates, or by person(s) authorized to become registered holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must provide the following information.

PLEASE PRINT NAME(S) AND ADDRESS(ES):

Name (s): -----  
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Capacity: -----

Address(es): -----  
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DO NOT SEND OLD CERTIFICATES WITH THIS FORM. OLD CERTIFICATES SHOULD BE SENT TO THE EXCHANGE AGENT TOGETHER WITH A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL.

(form continued on next page)

The undersigned, a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or a correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, hereby (a) represents that each holder of Old Certificates on whose behalf this tender is being made "own(s)" the Old Certificates covered hereby within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended, (b) represents that such tender of Old Certificates complies with Rule 14e-4, and (c) guarantees that, within five business days from the date of this Notice of Guaranteed Delivery, a properly completed and duly executed Letter of Transmittal or a facsimile thereof, or an Agent's Message (as defined in "The Exchange Offer - Exchanging Book-Entry Certificates" in the Prospectus) in lieu of the Letter of Transmittal, together with certificates representing the Old Certificates covered hereby in proper form for the transfer (or confirmation of the book-entry transfer of such Old Certificates into the Exchange Agent's account at The Depository Trust Company, pursuant to the procedure for book-entry transfer set forth in the Prospectus) and required documents will be deposited by the undersigned with the Exchange Agent.

The undersigned acknowledges that it must deliver the Letter of Transmittal, or an Agent's Message in lieu of the Letter of Transmittal, and Old Certificates tendered hereby to the Exchange Agent within the time period set forth above and that failure to do so could result in financial loss to the undersigned.

Name of Firm: -----  
 Address: -----  
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 Area Code and Telephone No.: -----  
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AUTHORIZED SIGNATURE

Name: -----  
 Title: -----  
 Date: -----

OFFER TO EXCHANGE  
 PASS THROUGH CERTIFICATES, SERIES 2000-1,  
 WHICH HAVE BEEN REGISTERED UNDER THE  
 SECURITIES ACT OF 1933, AS AMENDED,  
 FOR ANY AND ALL OUTSTANDING  
 PASS THROUGH CERTIFICATES, SERIES 2001-1,  
 OF  
 AMERICAN AIRLINES, INC.

[        ], 2001

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To Brokers, Dealers, Commercial Banks,  
 Trust Companies and Other Nominees:

We are enclosing herewith an offer by American Airlines, Inc. (the "Company") to exchange (the "Exchange Offer") registered Pass Through Certificates, Series 2001-1 (the "New Certificates") for any and all of its outstanding Pass Through Certificates, Series 2001-1 (the "Old Certificates"), upon the terms and subject to the conditions set forth in the accompanying prospectus, dated [        ], 2001 (the "Prospectus"), and related Letter of Transmittal and instructions thereto (the "Letter of Transmittal").

A Letter of Transmittal is being circulated to holders of Old Certificates with the Prospectus. Holders may use it to effect valid tenders of Old Certificates. The Exchange Offer also provides a procedure for holders to tender the Old Certificates by means of guaranteed delivery.

Based on interpretations of the staff of the Securities and Exchange Commission (the "Commission") set forth in no-action letters issued to third parties, New Certificates issued pursuant to the Exchange Offer in exchange for Old Certificates may be offered for resale, resold or otherwise transferred by holders thereof (other than (i) a broker-dealer who purchased such Old Certificates directly from the Trustee for its own account or (ii) a person that is an "affiliate", as defined in Rule 405 under the Securities Act of 1933, as amended (the "Securities Act"), of the Company or of any Trustee) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the holder is acquiring such New Certificates in its ordinary course of business and such holder has no arrangements or understanding with any person to participate in the distribution of the New Certificates. Holders of Old Certificates wishing to accept the Exchange Offer must represent to the Company that such conditions have been met.

Each broker-dealer that receives New Certificates for its own account, in exchange for Old Certificates that were acquired as a result of market making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Certificates. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, such broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. The Prospectus, as it may be amended or supplemented from time to time, may be used by such broker-dealer in connection with the resales of New Certificates received in exchange for Old Certificates. The Company has agreed that, for a period of 90 days after the date of the Prospectus, it will make the Prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any such resale.

Notwithstanding any other term of the Exchange Offer, the Company may terminate or amend the Exchange Offer as provided in the Prospectus and will not be required to accept for exchange, or exchange New Certificates for, any Old Certificates not accepted for exchange prior to such termination.

THE COMPANY RESERVES THE ABSOLUTE RIGHT TO REJECT ANY AND ALL OLD CERTIFICATES NOT PROPERLY TENDERED OR ANY OLD CERTIFICATES THE COMPANY'S ACCEPTANCE OF WHICH WOULD, IN THE OPINION OF COUNSEL TO THE COMPANY, BE UNLAWFUL.

We are asking you to contact your clients for whom you hold Old Certificates registered in your name or in the name of your nominee. In addition, we ask you to contact your clients who, to your knowledge, hold Old Certificates registered in their own names. The Company will not pay any fees or commissions to any broker, dealer or other person (other than the Exchange Agent as described in the Prospectus) in connection with the solicitation of tenders of Old Certificates pursuant to the Exchange Offer. You will, however, be reimbursed by the Company for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. The Company will pay any transfer taxes applicable to the tender of Old Certificates to it or its order, except as otherwise provided in the Prospectus or the Letter of Transmittal.

Enclosed is a copy of each of the following documents:

1. The Prospectus.

2. A Letter of Transmittal for your use in connection with the Exchange Offer and for the information of your clients.

3. A Notice of Guaranteed Delivery to be used to accept the Exchange Offer if certificates for Old Certificates are not immediately available or time will not permit all required documents to reach the Exchange Agent prior to the Expiration Date (as defined below) or if the procedure for book-entry transfer cannot be completed on a timely basis.

4. A form of letter that may be sent to your clients for whose accounts you hold Old Certificates registered in your name or the name of your nominee, with space provided for obtaining the clients' instructions with regard to the Exchange Offer.

Your prompt action is requested. The Exchange Offer will expire at 5:00 P.M., New York City time, on [ ], 2001, unless extended by the Company (the "Expiration Date"). Old Certificates tendered pursuant to the Exchange Offer may be withdrawn, subject to the procedures described in the Prospectus, at any time prior to 5:00 P.M., New York City time, on the Expiration Date if such Old Certificates have not previously been accepted for exchange pursuant to the Exchange Offer. THE EXCHANGE OFFER IS NOT CONDITIONED ON ANY MINIMUM PRINCIPAL AMOUNT OF OLD CERTIFICATES BEING TENDERED.

To tender Old Certificates in the Exchange Offer, certificates for Old Certificates (or confirmation of a book-entry transfer into the Exchange Agent's account at The Depository Trust Company of Old Certificates tendered electronically) and a duly executed and properly completed Letter of Transmittal or facsimile thereof, or an Agent's Message (as defined in "The Exchange Offer - Exchanging Book-Entry Certificates" in the Prospectus) in lieu thereof, together with any other required documents, must be received by the Exchange Agent as indicated in the Prospectus.

If holders desire to tender Old Certificates pursuant to the Exchange Offer and (i) certificates representing such Old Certificates are not immediately available, or (ii) certificates evidencing such Old Certificates or any other required documents cannot be delivered to the Exchange Agent prior to the Expiration Date, or (iii) the procedures for book-entry transfer cannot be completed prior to the Expiration Date, such holders may effect a tender of such Old Certificates in accordance with the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer - Guaranteed Delivery Procedures." Holders following the guaranteed delivery procedure must still fully complete, execute and deliver the Letter of Transmittal or facsimile thereof.

The Exchange Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Old Certificates in any jurisdiction in which the making of the Exchange Offer or acceptance thereof would not be in

compliance with the laws of such jurisdiction or would otherwise not be in compliance with any provision of any applicable law.

Additional copies of the enclosed material may be obtained from the Exchange Agent by calling [            ].

NOTHING HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS AN AGENT OF THE COMPANY, THE TRUSTEE OR THE EXCHANGE AGENT, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENTS ON BEHALF OF ANY OF THEM WITH RESPECT TO THE EXCHANGE OFFER OR THE SOLICITATION, EXCEPT FOR STATEMENTS EXPRESSLY MADE IN THE PROSPECTUS OR THE LETTER OF TRANSMITTAL.

Very truly yours,

AMERICAN AIRLINES, INC.

OFFER TO EXCHANGE  
 PASS THROUGH CERTIFICATES, SERIES 2000-1,  
 WHICH HAVE BEEN REGISTERED UNDER THE  
 SECURITIES ACT OF 1933, AS AMENDED,  
 FOR ANY AND ALL OUTSTANDING  
 PASS THROUGH CERTIFICATES, SERIES 2001-1,  
 OF  
 AMERICAN AIRLINES, INC.

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To Our Clients:

Enclosed for your consideration are the prospectus, dated [     ], 2001 (the "Prospectus"), of American Airlines, Inc. (the "Company") and the related Letter of Transmittal and instructions thereto (the "Letter of Transmittal") in connection with the Company's offer to exchange (the "Exchange Offer") registered Pass Through Certificates, Series 2001-1 (the "New Certificates") for any and all of its outstanding Pass Through Certificates, Series 2001-1 (the "Old Certificates"), upon the terms and subject to the conditions set forth in the Prospectus and Letter of Transmittal.

We are the registered holder (the "Registered Holder") of Old Certificates held for your account. An exchange of the Old Certificates can be made only by us as the Registered Holder and pursuant to your instructions. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO EXCHANGE THE OLD CERTIFICATES HELD BY US FOR YOUR ACCOUNT. The Prospectus and related Letter of Transmittal provide a procedure for holders to tender their Old Certificates by means of guaranteed delivery.

We request information as to whether you wish to exchange any or all of the Old Certificates held by us for your account upon the terms and subject to the conditions of the Exchange Offer.

Your attention is directed to the following:

1. New Certificates of the same class will be issued in exchange for Old Certificates at the rate of \$1,000 principal amount of New Certificates for each \$1,000 principal amount of Old Certificates. The New Certificates will make distributions from [     ], 2001. Holders of Old Certificates whose Old Certificates are accepted for exchange will be deemed to have waived the right to receive any payment of distributions on the Old Certificates accrued from [     ], 2001 to the date of issuance of the New Certificates. The form and terms of the New Certificates are identical in all material respects to the form and terms of the Old Certificates, except that the New Certificates have been registered under the Securities Act of 1933, as amended (the "Securities Act"), and will not contain restrictions on transfer or provisions relating to interest rate increases, and the New Certificates will be available only in book-entry form.

2. Based on interpretations of the staff of the Securities and Exchange Commission (the "Commission") set forth in no-action letters to third parties, New Certificates issued pursuant to the Exchange Offer in exchange for Old Certificates may be offered for resale, resold or otherwise transferred by holders thereof (other than (i) a broker-dealer who purchased Old Certificates directly from the Trustee for its own account or (ii) a person that is an "affiliate", as defined in Rule 405 under the Securities Act, of the Company or of any Trustee) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the holder is acquiring such New Certificates in its ordinary course of business and such holder has no arrangements or understanding with any person to participate in the distribution of the New Certificates. Holders of Old Certificates wishing to accept the Exchange Offer must represent to the Company that such conditions have been met.

3. THE EXCHANGE OFFER IS NOT CONDITIONED ON ANY MINIMUM PRINCIPAL AMOUNT OF OLD CERTIFICATES BEING TENDERED.

4. Notwithstanding any other term of the Exchange Offer, the Company may terminate or amend the Exchange

Offer as provided in the Prospectus and will not be required to accept for exchange, or exchange New Certificates for, any Old Certificates not accepted for exchange prior to such termination.

5. The Exchange Offer will expire at 5:00 P.M., New York City time, on [ ], 2001, unless extended by the Company (the "Expiration Date"). Tendered Old Certificates may be withdrawn, subject to the procedures described in the Prospectus, at any time prior to 5:00 P.M., New York City time, on the Expiration Date if such Old Certificates have not previously been accepted for exchange pursuant to the Exchange Offer.

6. Any transfer taxes applicable to the exchange of the Old Certificates pursuant to the Exchange Offer will be paid by the Company, except as otherwise provided in Instruction 5 of the Letter of Transmittal.

If you wish to have us tender any or all of your Old Certificates, please so instruct us by completing, detaching and returning to us the instruction form attached hereto. An envelope to return your instructions is enclosed. If you authorize a tender of your Old Certificates, the entire principal amount of Old Certificates held for your account will be tendered unless otherwise specified on the instruction form. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf by the Expiration Date.

THE EXCHANGE OFFER IS NOT BEING MADE TO, NOR WILL TENDERS BE ACCEPTED FROM OR ON BEHALF OF, HOLDERS OF THE OLD CERTIFICATES IN ANY JURISDICTION IN WHICH THE MAKING OF THE EXCHANGE OFFER OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION OR WOULD OTHERWISE NOT BE IN COMPLIANCE WITH ANY PROVISION OF ANY APPLICABLE LAW.



OFFER TO EXCHANGE  
PASS THROUGH CERTIFICATES, SERIES 2000-1,  
WHICH HAVE BEEN REGISTERED UNDER THE  
SECURITIES ACT OF 1933, AS AMENDED,  
FOR ANY AND ALL OUTSTANDING  
PASS THROUGH CERTIFICATES, SERIES 2001-1,  
OF  
AMERICAN AIRLINES, INC.

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The undersigned acknowledge(s) receipt of your letter and the enclosed Prospectus and the related Letter of Transmittal, in connection with the offer by the Company to exchange the Old Certificates for New Certificates.

This will instruct you to tender the principal amount of Old Certificates indicated below held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Prospectus and the related Letter of Transmittal, and the undersigned hereby makes the applicable representations set forth in such Letter of Transmittal.

SIGN HERE

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SIGNATURE

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SIGNATURE

Securities to be tendered:

Tender all of the securities

Principal Amount\*

Old Certificates

-----  
NAME(S) (PLEASE PRINT)

-----  
ADDRESS

-----  
ZIP CODE

-----  
AREA CODE AND TELEPHONE NUMBER

Dated: \_\_\_\_\_, 2001  
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\* Unless otherwise indicated, it will be assumed that all of the securities listed are to be tendered.

## SCHEDULE I

## PART A

The following documents relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9630A (hereinafter referred to as "N9630A") have been provided in this filing: (a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American Airlines, Inc. ("American"), Thayer Leasing Company-1 (the "Owner Participant"), Wells Fargo Bank Northwest, National Association, as owner trustee (the "Owner Trustee"), Wilmington Trust Company, as indenture trustee (the "Indenture Trustee"), State Street Bank and Trust Company of Connecticut, National Association, as loan trustee (the "Loan Trustee"), as trustee under each of the Pass Through Trust Agreements (the "Pass Through Trustee"), and as subordination agent (the "Subordination Agent"), and Boeing Nevada, Inc., as original loan participant (the "Original Loan Participant"); (b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee; (c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee; (d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American; and (e) Form of Series 2001-1 Equipment Notes.

The corresponding documents listed below are substantially identical in all material respects to the documents relating to N9630A, with the following exceptions: (1) conforming changes have been made to reflect the appropriate United States registration number of each aircraft (i.e., N9615W, N9616G, N9617R, etc.) and the appropriate manufacturer's serial number of each aircraft; (2) the description and original principal amounts of the equipment notes set forth on Schedule I to each Amended and Restated Participation Agreement and on Schedule II to each Amended and Restated Trust Indenture and Security Agreement differ; (3) the Basic Rent amounts set forth on Schedule B-1 of each Amended and Restated Lease Agreement differ; and (4) the definitions of "FAA Bill of Sale" and "Warranty Bill of Sale" set forth in Annex A to each Amended and Restated Participation Agreement, each Amended and Restated Trust Indenture and Security Agreement, and each Amended and Restated Lease Agreement differ.

- (1)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9615W ("N9615W").
- (1)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9615W.
- (1)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9615W.

- (1)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9615W.
- (1)(e) Form of Series 2001-1 Equipment Notes relating to N9615W.
- (2)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9616G ("N9616G")
- (2)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9616G.
- (2)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9616G.
- (2)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9616G.
- (2)(e) Form of Series 2001-1 Equipment Notes relating to N9616G.
- (3)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9617R ("N9617R")
- (3)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9617R.
- (3)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9617R.
- (3)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9617R.
- (3)(e) Form of Series 2001-1 Equipment Notes relating to N9617R.
- (4)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan

Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9618A ("N9618A")

- (4)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9618A.
- (4)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9618A.
- (4)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9618A.
- (4)(e) Form of Series 2001-1 Equipment Notes relating to N9618A.
- (5)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9619V ("N9619V")
- (5)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9619V.
- (5)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9619V.
- (5)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9619V.
- (5)(e) Form of Series 2001-1 Equipment Notes relating to N9619V.
- (6)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9620D ("N9620D")
- (6)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9620D.
- (6)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9620D.

- (6)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9620D.
- (6)(e) Form of Series 2001-1 Equipment Notes relating to N9620D.
- (7)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9622A ("N9622A")
- (7)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9622A.
- (7)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9622A.
- (7)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9622A.
- (7)(e) Form of Series 2001-1 Equipment Notes relating to N9622A.
- (8)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9624T ("N9624T")
- (8)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9624T.
- (8)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9624T.
- (8)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9624T.
- (8)(e) Form of Series 2001-1 Equipment Notes relating to N9624T.
- (9)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan

Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9625W ("N9625W")

- (9)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9625W.
- (9)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9625W.
- (9)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9625W.
- (9)(e) Form of Series 2001-1 Equipment Notes relating to N9625W.
- (10)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9626F ("N9626F")
- (10)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9626F.
- (10)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9626F.
- (10)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9626F.
- (10)(e) Form of Series 2001-1 Equipment Notes relating to N9626F.
- (11)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9628W ("N9628W")
- (11)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9628W.
- (11)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9628W.

- (11)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9628W.
- (11)(e) Form of Series 2001-1 Equipment Notes relating to N9628W.
- (12)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9629H ("N9629H")
- (12)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9629H.
- (12)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9629H.
- (12)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9629H.
- (12)(e) Form of Series 2001-1 Equipment Notes relating to N9629H.
- (13)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N961TW ("N961TW")
- (13)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N961TW.
- (13)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N961TW.
- (13)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N961TW.
- (13)(e) Form of Series 2001-1 Equipment Notes relating to N961TW.
- (14)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N962TW ("N962TW")

- (14)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N962TW.
- (14)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N962TW.
- (14)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N962TW.
- (14)(e) Form of Series 2001-1 Equipment Notes relating to N962TW.
- (15)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N963TW ("N963TW")
- (15)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N963TW.
- (15)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N963TW.
- (15)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N963TW.
- (15)(e) Form of Series 2001-1 Equipment Notes relating to N963TW.
- (16)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N964TW ("N964TW")
- (16)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N964TW.
- (16)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N964TW.
- (16)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N964TW.



- (16)(e) Form of Series 2001-1 Equipment Notes relating to N964TW.
- (17)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N965TW ("N965TW")
- (17)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N965TW.
- (17)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N965TW.
- (17)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N965TW.
- (17)(e) Form of Series 2001-1 Equipment Notes relating to N965TW.
- (18)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N966TW ("N966TW")
- (18)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N966TW.
- (18)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N966TW
- (18)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N966TW.
- (18)(e) Form of Series 2001-1 Equipment Notes relating to N966TW.
- (19)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N967TW ("N967TW")

- (19)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N967TW.
- (19)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N967TW.
- (19)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N967TW.
- (19)(e) Form of Series 2001-1 Equipment Notes relating to N967TW.
- (20)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N968TW ("N968TW")
- (20)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N968TW.
- (20)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N968TW.
- (20)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N968TW.
- (20)(e) Form of Series 2001-1 Equipment Notes relating to N968TW.
- (21)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N969TW ("N969TW")
- (21)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N969TW.
- (21)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N969TW.
- (21)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N969TW.

- (21)(e) Form of Series 2001-1 Equipment Notes relating to N969TW.
- (22)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N970TW ("N970TW")
- (22)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N970TW.
- (22)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N970TW.
- (22)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N970TW.
- (22)(e) Form of Series 2001-1 Equipment Notes relating to N970TW.
- (23)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N971TW ("N971TW")
- (23)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N971TW.
- (23)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N971TW.
- (23)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N971TW.
- (23)(e) Form of Series 2001-1 Equipment Notes relating to N971TW.
- (24)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N972TW ("N972TW")
- (24)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N972TW.

- (24)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N972TW.
- (24)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N972TW.
- (24)(e) Form of Series 2001-1 Equipment Notes relating to N972TW.
- (25)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9677W ("N9677W")
- (25)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9677W.
- (25)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9677W.
- (25)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9677W.
- (25)(e) Form of Series 2001-1 Equipment Notes relating to N9677W.
- (26)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N979TW ("N979TW")
- (26)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N979TW.
- (26)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N979TW.
- (26)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N979TW.
- (26)(e) Form of Series 2001-1 Equipment Notes relating to N979TW.

- (27)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N980TW ("N980TW")
- (27)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N980TW.
- (27)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N980TW.
- (27)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N980TW.
- (27)(e) Form of Series 2001-1 Equipment Notes relating to N980TW.
- (28)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N9681B ("N9681B")
- (28)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N9681B.
- (28)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N9681B.
- (28)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N9681B.
- (28)(e) Form of Series 2001-1 Equipment Notes relating to N9681B.
- (29)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N982TW ("N982TW")
- (29)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N982TW.

- (29)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N982TW.
- (29)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N982TW.
- (29)(e) Form of Series 2001-1 Equipment Notes relating to N982TW.
- (30)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N983TW ("N983TW")
- (30)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N983TW.
- (30)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N983TW.
- (30)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N983TW.
- (30)(e) Form of Series 2001-1 Equipment Notes relating to N983TW.
- (31)(a) Amended and Restated Participation Agreement, dated as of May 24, 2001, among American, the Owner Participant, the Owner Trustee, the Indenture Trustee, the Loan Trustee, the Pass Through Trustee, the Subordination Agent, and the Original Loan Participant, relating to one McDonnell Douglas MD-83 aircraft bearing United States registration number N984TW ("N984TW")
- (31)(b) Amended and Restated Trust Agreement, dated as of May 24, 2001, between the Owner Participant and the Owner Trustee, relating to N984TW.
- (31)(c) Amended and Restated Trust Indenture and Security Agreement, dated as of May 24, 2001, between the Owner Trustee and the Loan Trustee, relating to N984TW.
- (31)(d) Amended and Restated Lease Agreement, dated as of May 24, 2001, between the Owner Trustee and American, relating to N984TW.
- (31)(e) Form of Series 2001-1 Equipment Notes relating to N984TW.

PART B

The following documents relating to one Boeing 777-223ER aircraft bearing United States registration number N788AN (hereinafter referred to as "N788AN") have been provided in this filing: (a) Participation Agreement, dated as of May 24, 2001, among American Airlines, Inc. ("American"), State Street Bank and Trust Company of Connecticut, National Association, as trustee under each of the Pass Through Trust Agreements (the "Pass Through Trustee"), State Street Bank and Trust Company of Connecticut, National Association, as subordination agent (the "Subordination Agent"), as loan trustee (the "Loan Trustee"), and in its individual capacity as set forth therein ("State Street"); (b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee; and (c) Form of Series 2001-1 Equipment Notes.

The corresponding documents listed below are substantially identical in all material respects to the documents relating to N788AN, with the following exceptions: (1) conforming changes have been made to reflect the appropriate United States registration number of each aircraft (i.e., N789AN, N790AN, N791AN, etc.), the appropriate model of each aircraft (i.e., 777-223ER, 737-823) and the appropriate manufacturer's serial number of each aircraft; (2) the description and original principal amounts of the equipment notes set forth on Schedule II to each Participation Agreement and Schedule I to each Indenture and Security Agreement differ; (3) the dollar amount set forth in Exhibit C to each Indenture and Security Agreement differs according to the model of each aircraft, (4) conforming changes have been made to reflect the appropriate engines relating to each aircraft (i.e., Rolls-Royce, Ltd. RB211-Trent 892-17, CFM International, Inc. CFM56-7B); and (5) the definitions of "FAA Bill of Sale" and "Warranty Bill of Sale" set forth in Annex A to each Participation Agreement and Indenture and Security Agreement differ.

- (1)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 777-223ER aircraft bearing United States registration number N789AN ("N789AN").
- (1)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N789AN.
- (1)(c) Form of Series 2001-1 Equipment Notes relating to N789AN.
- (2)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 777-223ER aircraft bearing United States registration number N790AN ("N790AN").
- (2)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N790AN.
- (2)(c) Form of Series 2001-1 Equipment Notes relating to N790AN.

- (3)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 777-223ER aircraft bearing United States registration number N791AN ("N791AN").
- (3)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N791AN.
- (3)(c) Form of Series 2001-1 Equipment Notes relating to N791AN.
- (4)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N937AN ("N937AN").
- (4)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N937AN.
- (4)(c) Form of Series 2001-1 Equipment Notes relating to N937AN.
- (5)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N944AN ("N944AN").
- (5)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N944AN.
- (5)(c) Form of Series 2001-1 Equipment Notes relating to N944AN.
- (6)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N945AN ("N945AN").
- (6)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N945AN.
- (6)(c) Form of Series 2001-1 Equipment Notes relating to N945AN.
- (7)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N946AN ("N946AN").



- (7)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N946AN.
- (7)(c) Form of Series 2001-1 Equipment Notes relating to N946AN.
- (8)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N952AA ("N952AA").
- (8)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N952AA.
- (8)(c) Form of Series 2001-1 Equipment Notes relating to N952AA.
- (9)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N953AN ("N953AN").
- (9)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N953AN.
- (9)(c) Form of Series 2001-1 Equipment Notes relating to N953AN.
- (10)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N954AN ("N954AN").
- (10)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N954AN.
- (10)(c) Form of Series 2001-1 Equipment Notes relating to N954AN.
- (11)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N955AN ("N955AN").

- (11)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N955AN.
- (11)(c) Form of Series 2001-1 Equipment Notes relating to N955AN.
- (12)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N956AN ("N956AN").
- (12)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N956AN.
- (12)(c) Form of Series 2001-1 Equipment Notes relating to N956AN.
- (13)(a) Participation Agreement, dated as of May 24, 2001, among American, the Pass Through Trustee, the Subordination Agent, the Loan Trustee, and State Street, relating to one Boeing 737-823 aircraft bearing United States registration number N957AN ("N957AN").
- (13)(b) Indenture and Security Agreement, dated as of May 24, 2001, between American and the Loan Trustee, relating to N957AN.
- (13)(c) Form of Series 2001-1 Equipment Notes relating to N957AN.