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As filed with the Securities and Exchange Commission on August 27, 2004.

Registration No. 333-

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	**4512**	**13-150278**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

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

GARY F. KENNEDY, ESQ.
Senior Vice President and General Counsel
American Airlines, Inc.
P.O. Box 619616
Dallas/Fort Worth Airport, Texas
(817) 963-1234

JOHN T. CURRY, III, ESQ.
Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
(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 LLP
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. o

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. o

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee (1)
7.25% Class A Secured Notes due 2009	$180,457,000	100%	$180,457,000	$22,863.90

(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.

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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 IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

Subject to Completion, Dated August 27, 2004

$180,457,000

AmericanAirlines®

Offer to Exchange
7.25% Class A Secured Notes due 2009
Which have been Registered under the Securities Act of 1933,
For Any and All Outstanding 7.25% Class A Secured Notes due 2009

The New Class A Notes

- The terms of the New Class A Notes we are issuing will be substantially identical to the terms of the outstanding Class A Notes, except that the New Class A Notes 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 New Class A Notes will be available only in book-entry form.

- No market currently exists for the New Class A Notes.

The Exchange Offer

- The exchange offer expires at 5:00 p.m., New York City time, on , 2004, unless we extend it.

The Notes and the Exchange Offer involve risks. See "Risk Factors" beginning on page 17.

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.

The date of this Prospectus is , 2004.

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This Prospectus incorporates important business and financial information about us that is not included in or delivered with this Prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to American Airlines, Inc., P. O. Box 619616, Mail Drop 5675, Dallas/Fort Worth Airport, Texas 75261-9616, Attention: Corporate Secretary (Telephone: 817-967-1254).

In order to obtain timely delivery of any information that you request, you must submit your request no later than _____, 2004, which is five business days before the date the Exchange Offer expires.

You should rely only on the information contained in this Prospectus and those documents incorporated by reference herein. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this Prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information contained in this Prospectus or any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document. Neither the delivery of this Prospectus nor any distribution of securities pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the information set forth or incorporated into this Prospectus by reference or in our affairs since the date of this Prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

NOTICE TO PROSPECTIVE INVESTORS IN THE UK

THIS PROSPECTUS IS DIRECTED ONLY AT PERSONS WHO (i) ARE INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2001 (AS AMENDED) (THE "FINANCIAL PROMOTION ORDER") OR (ii) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(a) TO (d) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC") OF THE FINANCIAL PROMOTION ORDER OR (iii) ARE PERSONS TO WHOM SUCH A DOCUMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS COMMUNICATION MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE NEW CLASS A NOTES MAY NOT BE OFFERED OR SOLD TO PERSONS IN THE UNITED KINGDOM EXCEPT TO PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING OR DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESSES, OR OTHERWISE IN CIRCUMSTANCES THAT WILL NOT RESULT IN AN OFFER TO THE PUBLIC IN THE UNITED KINGDOM WITHIN THE MEANING OF THE PUBLIC OFFERS OF SECURITIES REGULATIONS 1995.

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.

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 New Class A Notes.

FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference contain various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "*Securities Act*") and Section 21E of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), which represent our expectations or beliefs concerning future events. When used in this Prospectus and in documents incorporated by reference, the words "believes," "expects," "plans," "anticipates," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements include, without limitation, our expectations concerning operations and financial conditions, including changes in capacity, revenues, and costs, future financing needs, overall economic conditions, plans and objectives for future operations, the impact on us of our results of operations for the past three years and the sufficiency of our financial resources to absorb that impact. Other forward-looking statements include statements which do not relate solely to historical facts, such as, without limitation, statements which discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed, or assured. All forward-looking statements in this Prospectus and the documents incorporated by reference are based upon information available to us on the date of this Prospectus or such document. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Forward-looking statements are subject to a number of factors that could cause actual results to differ materially from our expectations. The following factors, in addition to those discussed under the caption "Risk Factors" in this Prospectus and in Item 7 of our report on Form 10-K for the year ended December 31, 2003 and other possible factors not listed, could cause our actual results to differ materially from those expressed in forward-looking statements: changes in economic, business and financial conditions; our substantial indebtedness; continued high fuel prices and the availability of fuel; the residual effects of the war in Iraq; conflicts in the Middle East or elsewhere; the highly competitive environment we face, with increasing competition from low cost carriers and historically low fare levels (which could result in a deterioration of the revenue environment); our ability to implement our restructuring program and the effect of the program on operational performance and service levels; uncertainties with respect to our international operations; changes in our business strategy; actions by U.S. or foreign government agencies; the possible occurrence of additional terrorist attacks; another outbreak of a disease (such as SARS) that affects travel behavior; uncertainties with respect to our relationships with unionized and other employee work groups; our inability to satisfy existing financial or other covenants in certain of our credit agreements; availability of future financing; and increased insurance costs and potential reductions of available insurance coverage.

Additional information concerning these and other factors is contained in our Securities and Exchange Commission filings, including but not limited to our Quarterly Report on Form 10-Q for the quarters ended March 31, 2004 and June 30, 2004 and our Annual Report on Form 10-K for the year ended December 31, 2003.

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 us 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" in this Prospectus certain documents that we file with the Commission, which means:

- we can disclose important information to you by referring you to those documents;
- information incorporated by reference is considered to be part of this Prospectus, even though it is not repeated in this Prospectus; and
- information that we file later with the Commission will automatically update and supersede this Prospectus.

We incorporate by reference the documents listed below and all documents that American files with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the Exchange Offer, other than current reports (or portions thereof) furnished under Items 9 or 12 of Form 8-K:

- Annual Report on Form 10-K for the year ended December 31, 2003;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2004 and June 30, 2004; and
- Current Reports on Form 8-K filed on March 18, 2004 (8-K/A), April 2, 2004, May 5, 2004, May 19, 2004, June 3, 2004, June 18, 2004, July 9, 2004, August 3, 2004 and August 26, 2004.

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 Notes 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."

The Exchange Offer

The Notes	On February 6, 2004 we issued and privately placed an aggregate of $180,457,000 Class A Notes pursuant to exemptions from the registration requirements of the Securities Act. On February 6, 2004, we issued an aggregate of $42,031,000 Class B Notes. The Class B Notes were purchased by an affiliate of American and we are not offering to exchange the Class B Notes pursuant to this Prospectus. The Initial Purchasers for the Class A Notes were Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated (the *"Initial Purchasers"*). When we use the term "*Old Class A Notes*" in this Prospectus, we mean the Class A Notes which were privately placed with the Initial Purchasers on February 6, 2004, and were not registered with the Commission. When we use the term "*New Class A Notes*" in this Prospectus, we mean the Class A Notes registered with the Commission and offered hereby in exchange for the Old Class A Notes. When we use the term "*Class A Notes*" in this Prospectus, the related discussion applies to both the Old Class A Notes and the New Class A Notes.
Registration Rights Agreement	On February 6, 2004, we entered into the Registration Rights Agreement with the Initial Purchasers providing, among other things, for the Exchange Offer for the Old Class A Notes.
The Exchange Offer	We are offering New Class A Notes in exchange for an equal amount of Old Class A Notes of the same class. The New Class A Notes will be issued to satisfy our obligations under the Registration Rights Agreement. The New Class A Notes will be entitled to the benefits of and will be governed by the same indenture that governs the Old Class A Notes. The form and terms of the New Class A Notes are the same in all material respects as the form and terms of the Old Class A Notes, except that we registered the New Class A Notes under the Securities Act so their transfer is not restricted like the Old Class A Notes, the New Class A Notes do not contain terms with respect to interest rate increases and the New Class A Notes will be available only in book-entry form.

	As of the date of this Prospectus, $180,457,000 principal amount of Old Class A Notes is outstanding. Subject to the satisfaction or waiver of specified conditions, we will exchange New Class A Notes for all Old Class A Notes that are validly tendered and not validly withdrawn prior to the expiration of the Exchange Offer. We will cause the exchange to be effected promptly after the expiration of the Exchange Offer. See "The Exchange Offer – General."
Conditions to the Exchange Offer	The Exchange Offer is not conditioned upon any minimum amount of Old Class A Notes 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 Class A Notes	If you wish to accept the Exchange Offer, you must deliver your Old Class A Notes to the Exchange Agent for exchange no later than 5:00 p.m., New York City time, on _____, 2004. The Expiration Date may be extended under certain circumstances. You also must deliver a completed and signed letter of transmittal together with the Old Class A Notes (the "*Letter of Transmittal*"). A Letter of Transmittal has been sent to Class A Noteholders 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 Class A Notes and the Letter of Transmittal to U.S. Bank Trust National Association (the "*Exchange Agent*"), as follows: U.S. Bank Trust National Association 60 Livingston Avenue Attention: Specialized Finance EP-MN-WS-2N St. Paul, Minnesota 55107 Telephone: (800)934-6802 Facsimile: (651)495-8158 U.S. Bank Trust National Association also serves as Trustee under the Indenture relating to the Notes.

	If you hold Old Class A Notes through DTC and wish to accept the Exchange Offer, you may do so through DTC's Automated Tender Offer Program. A confirmation of such book-entry transfer of such Old Class A Notes into the Exchange Agent's account at DTC must be received by the Exchange Agent prior to 5:00 p.m. New York City time on the Expiration Date. By accepting the Exchange Offer through the Automated Tender Offer 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 Agent. A letter of transmittal need not accompany tenders effected through the Automated Tender Offer Program. By tendering your Old Class A Notes in either of these manners, you will make and agree to the representations that appear under "The Exchange Offer – Procedures for Tendering." See "The Exchange Offer – Procedures for Tendering," "– Book-Entry Transfer" and "– Exchange Agent."
Guaranteed Delivery Procedures	If you wish to tender Old Class A Notes and your Old Class A Notes are not immediately available or you cannot deliver your Old Class A Notes 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 Class A Notes according to the guaranteed delivery procedures set forth in the "Exchange Offer –Guaranteed Delivery Procedures."
Denominations	You may tender Old Class A Notes only in integral multiples of $1,000. Similarly, the New Class A Notes will be issued only in integral multiples of $1,000.
Withdrawal Rights	You may withdraw a tender of Old Class A Notes at any time before 5:00 p.m., New York City time, on the Expiration Date. To withdraw a tender of Old Class A Notes, 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 Expiration Date. See "The Exchange Offer – Withdrawal of Tenders."

Resale of New Class A Notes	Under existing interpretations of the Securities Act by the staff of the Commission contained in several no-action letters to third parties, we believe you generally will be able to freely transfer the New Class A Notes after the Exchange Offer without further registration under the Securities Act (subject to certain representations you will be required to make, as set forth under "The Exchange Offer – Procedures for Tendering"). However, if you: • are one of our "affiliates," as defined in Rule 405 of the Securities Act; or • intend to participate in the Exchange Offer for the purpose of distributing the New Class A Notes; you (1) will not be able to rely on the interpretation of the staff of the Commission, (2) will not be able to tender Old Class A Notes in the Exchange Offer and (3) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the Old Class A Notes unless such sale or transfer is made pursuant to an exemption from such requirements. We do not intend to seek our own interpretation regarding 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 Class A Notes as it has in other interpretations to other parties, although we have no reason to believe otherwise. For more information on the resale of New Class A Notes, see "The Exchange Offer – General."
Registration, Clearance and Settlement	The New Class A Notes will be represented by one or more permanent global notes, which will be registered in the name of the nominee of DTC. The global notes will be deposited with the Trustee as custodian for DTC. See "Description of the Notes – Book Entry Registration; Delivery and Form."
Delivery of New Class A Notes	The Exchange Agent will deliver New Class A Notes in exchange for all properly tendered Old Class A Notes promptly following the expiration of the Exchange Offer.
Appraisal Rights	You will not be entitled to any appraisal or dissenters rights in connection with the Exchange Offer.
Certain Federal Income Tax Consequences	The exchange of New Class A Notes for Old Class A Notes will not be treated as a taxable event for federal income tax purposes. See "Certain U.S. 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 Notes	Once the Exchange Offer has been completed, if you do not exchange your Old Class A Notes for New Class A Notes in the Exchange Offer, you will no longer be entitled to registration rights and will not be able to offer or sell your Old Class A Notes, unless (i) such Old Class A Notes 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. Upon completion of the Exchange Offer, there may be no market for the Old Class A Notes and you may have difficulty selling them. See "Risk Factors – Risk Factors Relating to the Notes 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 Class A Notes for the Old Class A Notes.

Summary of Terms of Notes

	Class A Notes	Class B Notes (1)
Principal amount at Issuance Date of Old Class A Notes and Class B Notes	$180,457,000	$42,031,000
Ratings:		
Fitch	BBB-	B
Moody's	Ba2	B2
Standard & Poor's	BBB-	B
Collateral Ratios (2)	54.0%	70.0%
Interest Payment Dates	February 5 and August 5	February 5 and August 5
Final Scheduled Payment Date	February 5, 2009	February 5, 2009
Final Legal Maturity Date	February 5, 2011	February 5, 2009
Minimum denomination	$100,000(3)	$100,000
Section 1110 protection (4)	Yes	Yes
Liquidity Facility coverage	Four semi-annual interest payments	None (5)

(1) The Class B Notes were purchased by an affiliate of American concurrently with the issuance of the Old Class A Notes. American may issue Class C Notes, as described in "Description of the Notes — General," but will not do so prior to the consummation of the Exchange Offer. The Class B Notes and Class C Notes (if any) may be refunded and new Class B notes and Class C notes issued with terms differing from those of the Class B Notes and Class C Notes, subject to the limitations described in "Description of the Notes — Possible Refunding of Class B Notes and Class C Notes."

(2) This percentage is calculated based on the appraised value of the spare parts of the types included in the Collateral as of May 27, 2004, and gives effect to a Cash Collateral deposit by American of $39,517,000. American is required to provide to the Trustee a quarterly appraisal of the Collateral. If any such quarterly appraisal indicates that the Class A Collateral Ratio is greater than 54.0%, or the Class B Collateral Ratio is greater than 70.0%, American will be required to provide additional Collateral or to reduce the principal amount of Notes outstanding so that the applicable Collateral Ratio is not greater than the applicable Maximum Collateral Ratio. The calculation of the Class A Collateral Ratio and the Class B Collateral Ratio is described in "Description of the Notes—Collateral—Appraisals and Maintenance of Ratios." An appraised value is only an estimate and reflects certain assumptions. It should not be relied upon as a measure of realizable value. See "Description of the Appraisal" and "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — Appraisals and Realizable Value of Collateral."

(3) The minimum denomination of the New Class A Notes is $1,000.

(4) Section 1110 of the U.S. Bankruptcy Code is applicable to the spare parts of the types initially subject to the lien securing the Notes. However, in order to satisfy the quarterly Maximum Collateral Ratios referred to in note (2) above, American may add other collateral (including, subject to certain limits, additional cash and/or investment securities) that may not be entitled to the benefits of Section 1110, subject to certain limitations (including obtaining a Ratings Confirmation for the Class A Notes except in the case of cash and/or investment securities).

(5) New Class B notes issued pursuant to a refunding of the Class B Notes may have the benefit of a liquidity facility.

Collateral

The Notes are secured by a lien on certain aircraft and engine spare parts first placed in service after October 22, 1994 and owned by American including:

- Rotables that are appropriate for installation on or use in Boeing model 737-800 or 777-200 aircraft, or both, or on or in any engine or spare part utilized on any such aircraft, and in each case are not appropriate for installation on or use in any other model of aircraft currently operated by American or engine or spare part utilized on any such other model of aircraft; and

- Expendables and Life Limited Parts that are appropriate for installation on or use in one or more of the following aircraft models: Boeing model 737-800, 757-200, 767-200, 767-300, or 777-200 aircraft or McDonnell Douglas model MD-80 aircraft, or on or in any engine or spare part utilized on any such aircraft.

References to "spare parts" in this Prospectus include appliances. The lien does not apply to a spare part for as long as such spare part is installed on or being used in any aircraft, engine or other spare part. In addition, the lien does not apply to a spare part not located at one of the designated locations specified pursuant to the security agreement applicable to the spare parts, to a spare part leased or loaned by American to another person, and in certain other circumstances.

American has deposited $39,517,000 with the Security Agent to be held as Cash Collateral.

The spare parts included in the Collateral fall into three categories, Rotables, Expendables, and Life Limited Parts. Currently, the Collateral does not include spare engines. "*Rotables*" include (i) parts that wear over time and can be repeatedly and economically restored to a serviceable condition over a period approximating the life of the flight equipment to which they relate and (ii) parts that can be economically restored to a serviceable condition but have a life less than the related flight equipment and can be overhauled or repaired only a limited number of times. For example, thrust reversers, auxiliary power units, landing gear, engine cowlings, engine blades and duct assemblies are Rotables. "*Expendables*" consist of parts that once used, cannot be re-used and, if not serviceable, generally cannot be overhauled or repaired. For example, bolts, screws, tubes and hoses are Expendables. "*Life Limited Parts*" consist of parts that have a finite operating life that is defined by hours, cycles or calendar limit and cannot be overhauled or repaired when they reach their life limit. Set forth below is certain information (more fully set forth in Appendix II) about the spare parts of the types included in the Collateral as of May 27, 2004 and the appraised value of such spare parts:

Spare Parts (1)

	Aircraft Model	Quantity (2)	Appraised Value (3)
Rotables and Life Limited Parts (4)			
	737-800	4,918	$ 64.4
	777-200	5,397	$ 96.6
	737-800/777-200	322	$ 2.8
	Subtotal	10,637	$163.8
Expendables			
	737-800	55,775	$ 4.7
	777-200	66,606	$ 8.1
	757-200	264,187	$ 10.6
	767-200	189,313	$ 8.2
	767-300	134,782	$ 5.6
	767 Common (5)	114,052	$ 6.4
	MD-80	925,813	$ 29.0
	Interchangeable (6)	3,026,607	$ 24.6
	Subtotal	4,777,135	$ 97.2
	Total	4,787,772	$261.0

(1) Appraised values are in millions, rounded to the first decimal point.

(2) This quantity of spare parts used in preparing the appraised value was determined as of May 27, 2004. Because spare parts are regularly used, refurbished, purchased, transferred and discarded in the ordinary course of American's business, the quantity of spare parts included in the Collateral and their appraised value will change over time. American is required to provide to the Trustee a quarterly appraisal of the Collateral.

(3) The appraised value reflects the opinion of Simat, Helliesen & Eichner, Inc., an independent aviation appraisal and consulting firm, of the fair market value of the spare parts. A copy of the appraisal, dated July 1, 2004, is annexed to this Prospectus as Appendix II. The appraisal is subject to a number of assumptions (which may not reflect current market conditions) and limitations and was prepared based on certain specified methodologies. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value.

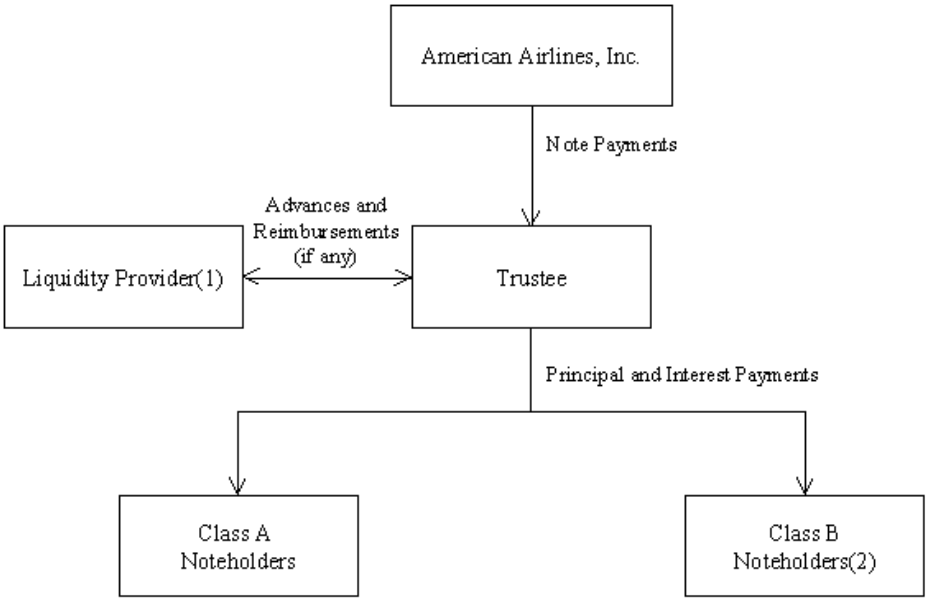
(4) The appraised value of the Life Limited Parts associated with the Boeing 737-800 and 777-200 aircraft constitutes less than 0.5% of the total appraised value of the Rotables and Life Limited Parts included in this category. Life Limited Parts associated with the Boeing 757-200, 767-200, 767-300, and MD-80 aircraft are not covered by the appraisal of Simat, Helliesen & Eichner, Inc. annexed to this Prospectus as Appendix II.

(5) 767 Common spare parts are spare parts that can be used in either 767-200 or 767-300 aircraft or their associated engines.

(6) Interchangeable spare parts are spare parts that may be used in multiple aircraft types or the associated engines, including at least one of the following aircraft types or their associated engines: Boeing 737-800, 777-200, 757-200, 767-200, 767-300 and McDonnell Douglas MD-80, but do not include 767 Common spare parts.

Cash Flow Structure

This diagram illustrates the structure of certain cash flows applicable to the Notes.



(1) The Liquidity Facility is sufficient to cover four consecutive semi-annual interest payments on the Class A Notes, but does not cover any other amounts payable on the Class A Notes. Currently, there is no liquidity facility available with respect to the Class B Notes.

(2) We are not offering to exchange the Class B Notes for registered notes pursuant to this Prospectus. American may issue Class C Notes as described in “Description of the Notes — General,” but will not do so prior to the consummation of the Exchange Offer.

The Notes

Issuer	American Airlines, Inc.
Notes Offered	7.25% Class A Secured Notes due 2009.
Class B Notes and Class C Notes	We are not offering to exchange the Class B Notes for registered notes pursuant to this Prospectus. The Class B Notes were purchased by a Delaware statutory trust concurrently with the issuance of the Old Class A Notes. This Delaware statutory trust is wholly owned by an affiliate of American. Class C Notes may be issued in the future as described in "Description of the Notes – General."
Use of Proceeds	The proceeds from the sale of the Old Class A Notes were used for general corporate purposes. We will not receive any cash proceeds from the exchange of the New Class A Notes for the Old Class A Notes.
Trustee, Security Agent, and Paying Agent	U.S. Bank Trust National Association.
Liquidity Provider for the Class A Notes.	Citibank, N.A. There is no liquidity facility available with respect to the Class B Notes.
Principal	The entire principal amount of the Class A Notes and the Class B Notes will be due on February 5, 2009. The principal amounts and maturity dates of any new Class B notes issued as described in "Description of the Notes — Possible Refunding of Class B Notes and Class C Notes" may differ.
Final Legal Maturity Date for Class A Notes	February 5, 2011
Interest	The Class A Notes bear interest at the rate of 7.25% per annum, subject to certain potential adjustments described in "The Exchange Offer — General." The Class B Notes bear interest at the rate per annum of 9.00%; *provided* that the interest rate with respect to any new Class B notes issued as described in "Description of the Notes — Possible Refunding of Class B Notes and Class C Notes" may differ. Interest on the Class A Notes and Class B Notes is calculated on the basis of a 360-day year consisting of twelve 30-day months.
Interest Payment Dates	February 5 and August 5, commencing on August 5, 2004.
Record Dates	The fifteenth day preceding the related Interest Payment Date.
Collateral	The Notes are secured by a lien on certain aircraft and engine spare parts first placed in service after October 22, 1994 and owned by American including: • Rotables that are appropriate for installation on or use in Boeing model 737-800 or 777-200 aircraft, or both, or on or in any engine or spare part utilized on any such aircraft, and in each case are not appropriate for installation on or use in any other model of aircraft currently operated by American or engine or spare part utilized on any such other model of aircraft, and

- Expendables and Life Limited Parts that are appropriate for installation on or use in one or more of the following aircraft models: Boeing model 737-800, 757-200, 767-200, 767-300 or 777-200 aircraft or McDonnell Douglas model MD-80 aircraft, or on or in any engine or spare part utilized on any such aircraft.

American has an unlimited right in the ordinary course of business to install the spare parts on its aircraft, engines, or other spare parts, and the lien does not apply to a spare part for as long as such spare part is installed on or being used in any aircraft, engine or other spare part. In addition, the lien does not apply to a spare part not located at one of the designated locations specified pursuant to the security agreement applicable to the spare parts, a spare part leased or loaned by American to another person, and in certain other circumstances.

American has deposited $39,517,000 with the Security Agent to be held as Cash Collateral.

Redemption

American may elect to redeem all or some of the Notes of any class at any time prior to maturity. The redemption price in each such case will be the principal amount of the Notes being redeemed, together with accrued and unpaid interest, and, except in the case of a Fleet Reduction or to comply with a Maximum Collateral Ratio, Make-Whole Amount, if any; *provided* that any Class A Notes redeemed in order to comply with a Maximum Collateral Ratio (but only with respect to the first $38,603,000 of aggregate principal amount of Class A Notes so redeemed since February 6, 2004, the date of original issuance of the Old Class A Notes), will be redeemed at the applicable redemption price (expressed as a percentage of the principal amount thereof) set forth below, plus accrued and unpaid interest thereon to the applicable redemption date (but without any Make-Whole Amount), if redeemed during the twelve-month period ending on February 5 of the years indicated below:

Year	Percentage
2005	107.25%
2006	107.25%
2007	103.625%
2008	103.625%
2009	103.625%

See "— Maintenance of Collateral Ratios" and "— Fleet Reduction" below and "Description of the Notes — Redemption." American also may elect to redeem all of the Class B Notes without a Make-Whole Amount in connection with a refunding as described in "Description of the Notes — Possible Refunding of Class B Notes and Class C Notes."

Maintenance of Collateral Ratios

American is required to provide to the Trustee a quarterly appraisal of the Collateral. If any such appraisal indicates that:

- the Class A Collateral Ratio is greater than 54.0%; or

	• the Class B Collateral Ratio is greater than 70.0%; then American will be required to provide additional collateral (which may include cash) or to reduce the principal amount of Class A Notes or Class B Notes outstanding (including by delivering Notes to the Trustee for cancellation or redeeming Notes without any Make-Whole Amount) so that such Collateral Ratios comply with the applicable Maximum Collateral Ratio. See "Description of the Notes — Collateral — Appraisals and Maintenance of Ratios."
Fleet Reduction	Subject to certain exceptions, if the total number of Boeing model 737-800 aircraft or Boeing model 777-200 aircraft in American's in-service fleet during any period of 60 consecutive days is less than a certain specified minimum number for such aircraft model, American must redeem without any Make-Whole Amount Class A Notes and Class B Notes and/or deliver Class A Notes and Class B Notes to the Trustee for cancellation. The principal amount of the Class A Notes and Class B Notes to be redeemed or cancelled will be based upon the number of aircraft of such model in American's in-service fleet on the last day of such 60-day period relative to the number of aircraft of such model on February 6, 2004, and the aggregate Fair Market Value of the Pledged Spare Parts that are appropriate for installation on, or use in, only the aircraft of such model, or the engines or spare parts utilized only on such aircraft, relative to the aggregate Fair Market Value of all of the Pledged Spare Parts. See "Description of the Notes — Collateral — Fleet Reduction."
Section 1110 Protection	American's General Counsel has provided an opinion to the Trustee that the benefits of Section 1110 of the Bankruptcy Code are available with respect to the Pledged Spare Parts subject to the lien of the Security Agreement.
Liquidity Facility	Under the Liquidity Facility for the Class A Notes, the Liquidity Provider will, if necessary, make advances in an aggregate amount sufficient to pay interest on the Class A Notes on up to four successive semi-annual Interest Payment Dates. The Liquidity Facility cannot be used to pay any other amount in respect of the Class A Notes. Upon each drawing under the Liquidity Facility to pay interest on the Class A Notes, the Trustee will be obligated to reimburse the 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 the Liquidity Facility and certain other agreements will rank senior to all of the Notes in right of distributions under the Indenture. Currently, there is no liquidity facility available with respect to the Class B Notes. If a liquidity facility is provided for new Class B notes in connection with a Refunding, the issuer of such liquidity facility will have the same priority distribution rights as the Liquidity Provider in respect of the Class A Notes.
Subordination	The Indenture provides for the following subordination provisions applicable to the Notes: • Class A Notes rank senior in right of distributions under the

	Indenture to other Notes;
	• Class B Notes rank junior in right of distributions to the Class A Notes and, if Class C Notes are issued, will rank senior in right of distributions to such Class C Notes; and
	• if Class C Notes are issued, they will rank junior in right of distributions to the Class A Notes and Class B Notes.
	Payments to the Liquidity Provider, and certain other payments, will be made prior to the distributions on the Notes as discussed under "Description of the Notes — Priority of Distributions."
Control of Trustee	Whether before or after the occurrence of an Event of Default, the "Controlling Party" will direct the Trustee and the Collateral Agents in taking action under the Indenture and other agreements relating to the Notes, including in amending such agreements and granting waivers thereunder. However, certain limited provisions with respect to the Collateral as they relate to the Class B Notes cannot be amended or waived without the consent of the holders of a majority of the outstanding principal amount of the Class B Notes, and certain other limited provisions cannot be amended or waived without the consent of each Noteholder affected thereby. If an Event of Default is continuing, the "Controlling Party" will direct the Trustee and the Collateral Agents in exercising remedies such as accelerating the Notes or foreclosing the lien on the collateral securing the Notes.
	The Controlling Party will be:
	• the holders of more than 50% in aggregate unpaid principal amount of the Class A Notes then outstanding or, if the Class A Notes have been paid in full, of the Class B Notes then outstanding or, if the Class A Notes and the Class B Notes have been paid in full, of the Class C Notes, if any have been issued, then outstanding; or
	• under certain circumstances, a liquidity provider.
	See "Description of Notes — Controlling Party."
Right to Buy Other Classes of Notes	If American is in bankruptcy or certain other specified events have occurred, Noteholders will have the right to buy certain other classes of Notes on the following basis:
	• The Class B Noteholders (other than American or any of its affiliates) will have the right to purchase all, but not less than all, of the Class A Notes.
	• If Class C Notes are issued, the Class C Noteholders (other than American or any of its affiliates) will have the right to purchase all, but not less than all, of the Class A Notes and the Class B Notes.
	The purchase price in each case described above will be the outstanding principal amount of the applicable class of Notes plus accrued and unpaid interest, but without any Make-Whole Amount.
Certain ERISA Considerations	Each person who acquires a Class A Note or any interest therein will be deemed to have represented that either:
	• no assets of (a) an employee benefit plan subject to the

Employee Retirement Income Security Act of 1974, as amended, (b) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended, (c) an entity whose underlying assets are deemed to include assets of any such employee benefit plan or plan, or (d) a governmental or church plan that is subject to any U.S. federal, state, local or foreign law or regulation that is substantially similar to Section 406 of ERISA or Section 4975 of the Code have been used to purchase such Class A Note or an interest therein; or

- the acquisition and holding of such Class A Note or an interest therein by such person are exempt from the prohibited transaction restrictions of ERISA, the Code or any similar provision of Similar Law, as applicable, pursuant to one or more prohibited transaction statutory or administrative exemptions.

Any subsequent transferee of the Class A Notes shall be deemed, by virtue of the transfer of such notes, to have made the foregoing representatives and warranties at the time of the transfer. See “Certain ERISA Considerations.”

Ratings of the Notes

The Class A Notes are rated BBB- by Fitch, Ba2 by Moody’s and BBB- by Standard & Poor’s.

A rating is not a recommendation to purchase, hold or sell Class A Notes; 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.

Threshold Rating for the Liquidity Provider

	Fitch	Moody’s	Standard & Poor’s
Short Term	F-1	P-1	A-1

For any entity that does not have a short-term rating from one or more of such rating agencies, then in lieu of such short-term rating, a senior unsecured long-term corporate rating of A in the case of Fitch (if such person is then rated by Fitch), a long-term unsecured debt rating of A2 in the case of Moody’s and a long-term issuer credit rating of A in the case of Standard & Poor’s.

Liquidity Provider Rating

The initial Liquidity Provider meets the Threshold Rating requirement.

Summary Historical Consolidated Financial and Operating Data

The following table presents summary historical consolidated financial data and 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 June 30, 2004 and 2003 from American's unaudited consolidated financial statements. These unaudited consolidated financial statements also are incorporated by reference in this Prospectus and should be read in conjunction with them. The data for such interim periods will not be indicative of results for the year as a whole. On April 9, 2001, American purchased substantially all of the assets of 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. The operating statistics of TWA LLC, the entity holding the assets acquired from TWA, since the date of acquisition are included in Operating Statistics for the interim periods ended June 30, 2004 and 2003 and the years ended December 31, 2003, 2002 and 2001.

	Six Months Ended June 30,		Year Ended December 31,		
	2004	2003	2003	2002	2001
Statement of Operations Data (in millions):					
Revenues:					
Passenger	$ 7,573	$ 6,938	$ 14,332	$ 14,439	$ 15,780
Regional Affiliates(1)	925	713	1,519	99	50
Cargo	303	274	558	557	656
Other	523	499	994	897	1,004
Operating expenses(2)	9,226	9,343	18,532	19,305	19,764
Operating income (loss)(2)	98	(919)	(1,129)	(3,313)	(2,274)
Other income (expense), net	(293)	(246)	(280)	(356)	(175)
Earnings (loss) before income taxes and cumulative effect of accounting change(2)	(195)	(1,165)	(1,409)	(3,669)	(2,449)
Net earnings (loss)(2)(3)	$ (195)	$ (1,165)	$ (1,318)	$ (3,495)	$ (1,562)
Other Data:					
Ratio of earnings to fixed charges(4)	—	—	—	—	—
Operating Statistics(5):					
Mainline Jet Operations:					
Available seat miles (millions)(6)	86,594	80,840	165,209	172,200	174,688
Revenue passenger miles (millions)(7)	63,613	58,019	120,328	121,747	120,606
Passenger load factor(8)	73.5%	71.8%	72.8%	70.7%	69.0%
Passenger revenue yield per passenger mile (cents)(9)	11.90	11.96	11.91	11.86	13.08
Passenger revenue per available seat mile (cents)	8.75	8.58	8.67	8.39	9.04
Operating expenses per available seat mile excluding Regional Affiliates (cents)(10)	9.49	10.49	10.15	11.14	11.31
Cargo ton miles (millions) (11)	1,088	983	2,000	2,007	2,130
Cargo revenue yield per ton mile (cents)	27.83	27.86	27.87	27.73	30.80

	At June 30, 2004	At December 31, 2003
Balance Sheet Data:		
Cash and short-term investments	$ 3,345	$ 2,592
Restricted cash and short-term investments	489	527
Total assets	26,875	26,471
Current liabilities	7,113	6,337
Long-term debt, less current maturities	9,058	9,073
Obligations under capital leases, less current obligations	1,090	1,156
Obligations for pension and post retirement benefits	4,604	4,803
Stockholder's equity	421	345

(1) American's Regional Affiliates include two wholly owned subsidiaries of AMR, American Eagle Airlines, Inc. (American Eagle) and Executive Airlines, Inc. (Executive and, collectively with American Eagle, AMR Eagle), and two independent carriers, Trans States Airlines, Inc. (Trans States) and Chautauqua Airlines, Inc. (Chautauqua). In 2001, American had revenue prorate agreements with AMR Eagle and, with its acquisitions of certain TWA assets in 2001, had revenue prorate agreements with Trans States and Chautauqua. In 2002, American had a capacity purchase agreement with Chautauqua and revenue prorate agreements with AMR Eagle and Trans States. In 2003, American had capacity purchase agreements with AMR Eagle, Trans States and Chautauqua.

(2) Operating expenses, operating income (loss), earnings (loss) before income taxes and cumulative effect of accounting change, and net earnings (loss) for the year ended December 31, 2003 include an asset impairment charge of approximately $264 million relating to Airbus A300 and Boeing 767-200 aircraft and approximately $143 million in other special charges related to aircraft grounding, facility exit costs, employee charges and other special charges (credits). In addition, such amounts for the year ended December 31, 2003 include the receipt of $315 million in government reimbursement of security fees. Such amounts for the years ended December 31, 2002 and 2001 included an asset impairment charge of approximately $244 million and $911 million, respectively, relating to the write-down of the carrying value of Fokker 100 aircraft and related rotables to their estimated fair market value. In addition, such amounts for the years ended December 31, 2002 and 2001 include $10 million and $827 million, respectively, in compensation under the Air Transportation Safety and Stabilization Act (the *"Act"*) and approximately $381 million and $337 million, respectively, in other special charges related to aircraft groundings, facility exit costs, and employee charges. Such amounts for the six months ended June 30, 2004 include $31 million in special credits related to aircraft groundings and employee charges and for the six months ended June 30, 2003 include $101 million in special charges related to aircraft groundings, facility exit costs and employee charges. In addition, such amounts for the six months ended June 30, 2003 include $315 million in government reimbursement of security fees.

(3) Net loss for the year ended December 31, 2002 includes a one-time, non-cash charge, effective January 1, 2002, of $889 million (net of a tax benefit of $363 million) to write off all of American's goodwill. This charge was nonoperational in nature and is reflected as a cumulative effect of accounting change in the consolidated statements of operations.

(4) As of June 30, 2004, American guaranteed approximately $1.3 billion of unsecured debt of its parent, AMR Corporation and approximately $484 million of secured debt of American Eagle Airlines, Inc. The impact of these unconditional guarantees is not included in the above computation. Earnings were inadequate to cover fixed charges by $1,475 million, $3,749 million and $2,584 million for the years ended December 31, 2003, 2002 and 2001, respectively, and by $231 million and $1,200 million for the six months ended June 30, 2004 and 2003, respectively.

(5) The operating statistics of TWA Airlines LLC, the entity holding the assets acquired from TWA, are included in Operating Statistics since the date of acquisition for the six months ended June 30, 2004 and 2003 and the years ended December 31, 2003, 2002 and 2001.

(6) "Available seat miles" represents the number of seats available for passengers multiplied by the number of scheduled miles the seats are flown.

(7) "Revenue passenger miles" represents the number of miles flown by revenue passengers in scheduled service.

(8) "Passenger load factor" is calculated by dividing revenue passenger miles by available seat miles, and represents the percentage of aircraft seating capacity utilized.

(9) "Passenger revenue yield per passenger mile" represents the average revenue received from each mile a passenger is flown in scheduled service.

(10) Operating expenses per available seat mile exclude costs related to Regional Affiliates of $1,004 million and $865 million for the six-month periods ended June 30, 2004 and 2003, respectively, and $1,757 million, $129 million and $7 million for the years ended December 31, 2003, 2002 and 2001, respectively.

(11) "Cargo ton miles" represents the tonnage of freight and mail carried multiplied by the number of miles flown.

RISK FACTORS

You should carefully consider all of the information contained in or incorporated by reference in this Prospectus, including but not limited to, our report on Form 10-K for the year ended December 31, 2003 and our reports on Form 10-Q for the quarters ended March 31, 2004 and June 30, 2004. In addition, you should carefully consider the risk factors described below, along with any risk factors that may be included in our future reports to the Commission.

Risk Factors Relating to American

We incorporate herein by reference the information under the caption "Risk Factors" in Item 7 of our report on Form 10-K for the year ended December 31, 2003.

Risk Factors Relating to the Notes 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 Class A Notes will be rejected. The New Class A Notes will be issued in exchange for the Old Class A Notes only after timely receipt by the Exchange Agent of the Old Class A Notes, 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 Class A Notes in exchange for New Class A Notes, 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 Class A Notes notification of defects or irregularities with respect to tenders of Old Class A Notes for exchange.

If you do not exchange your Old Class A Notes for New Class A Notes pursuant to the Exchange Offer, or if your tender of Old Class A Notes is not accepted, your Old Class A Notes will continue to be subject to the restrictions on transfer of such Old Class A Notes as set forth in the legend thereon. In general, you may not offer or sell Old Class A Notes 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 Class A Notes under the Securities Act. To the extent that Old Class A Notes are tendered and accepted in the Exchange Offer, the trading market for untendered and tendered but unaccepted Old Class A Notes could be adversely affected.

Appraisals and Realizable Value of Collateral

If American does not make payments of principal and interest on the Notes when due, in order to obtain such payments, the holders of Notes may have to rely on the proceeds from the sale of, or other exercise of remedies against, the Collateral. Those proceeds may be insufficient to cover such payments.

Simat, Helliesen & Eichner, Inc., an independent aviation appraisal and consulting firm ("*SH&E*"), prepared an appraisal dated July 1, 2004 of the spare parts of the types included in the Collateral owned by American as of May 27, 2004. A copy of such appraisal is annexed to this Prospectus as Appendix II. We have not undertaken to update the appraisal in connection with the Exchange Offer. The appraisal is subject to a number of assumptions (which may not reflect current market conditions) and limitations and was prepared based on certain specified methodologies. In preparing its appraisal, SH&E conducted only a limited physical inspection at certain locations at which American maintains the spare parts. An appraisal that is subject to other assumptions and limitations and based on other methodologies may result in valuations that are materially different from those contained in SH&E's appraisal. See "Description of the Appraisal."

American is required to provide to the Trustee a quarterly appraisal of the Collateral. If any such appraisal indicates that the Class A Collateral Ratio is greater than 54.0%, or that the Class B Collateral Ratio is greater than 70.0%, American will be required to provide additional collateral (which may include additional cash) or to reduce the principal amount of Class A Notes or Class B Notes outstanding so that the applicable Collateral Ratio is not greater than the applicable Maximum Collateral Ratio.

An appraisal is only an estimate of value. An appraisal should not be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Collateral may be less than the appraised value of such Collateral. The value of the Collateral if remedies are exercised under the Indenture will depend on market and economic conditions, the supply of similar spare parts, the availability of buyers, the condition of the Collateral and other factors. In addition, because spare parts are constantly being used, refurbished, purchased, transferred and discarded in the ordinary course of business, the quantity of spare parts included in the Collateral and their appraised value will change over time. Accordingly, American can provide no assurances that the proceeds realized upon any such exercise of remedies would be sufficient to satisfy in full payments due on the Notes. See "— The Collateral and the Remedies Against the Collateral May be Insufficient to Satisfy in Full Payments Due on the Notes."

Since September 11, 2001, the airline industry has suffered substantial losses. Two major air carriers, US Airways and United Air Lines, Inc., have filed for bankruptcy protection, although US Airways emerged from bankruptcy on March 31, 2003. Other airlines may file for bankruptcy protection as well. In response to adverse market conditions, many air carriers have reduced the number of aircraft in operation, and there may be further reductions, particularly by air carriers in bankruptcy or liquidation. Any such reduction of aircraft of the same models as the models of aircraft on which the spare parts included in the Collateral may be installed or used could adversely affect the value of the Collateral.

Priority of Distributions; Subordination

Under the Indenture, the Liquidity Provider (and the liquidity provider under any liquidity facility with respect to new Class B notes) will receive payment of all amounts owed to it before the holders of any class of Notes receive any funds. In addition, in certain default situations the Trustee will receive certain payments before the holders of any class of Notes receive distributions. See "Description of the Notes — Priority of Distributions."

The Class B Notes rank junior to the obligations related to the Class A Notes (including amounts owed to the Liquidity Provider) with respect to payments made by American, proceeds from liquidation of the Collateral and otherwise. Accordingly, if cash available for distribution under the Indenture is insufficient to cover all amounts then due, the Class A Notes and sums due to the Liquidity Provider will be paid in full before any amounts are paid with respect to the Class B Notes. See "Description of the Notes — Priority of Distributions". In addition, as a result of the subordination provisions, in a case involving the liquidation of substantially all of the assets of American, the holders of Class B Notes may receive a smaller distribution in respect of their claims than holders of unsecured claims of the same amount against American. In addition, if there is a payment default with respect to the Class B Notes or any other default under the Indenture, the holders of the Class B Notes will not be entitled to accelerate the Class B Notes and cause the Trustee to exercise remedies unless they are the Controlling Party. See "— Control over Amendments, Waivers and Sale of Collateral."

Control over Amendments, Waivers and Sale of Collateral

Whether before or after the occurrence of an Event of Default, the "Controlling Party" will direct the Trustee and the Collateral Agents in taking action under the Indenture and other agreements relating to the Notes, including in amending such agreements and granting waivers thereunder, except for certain limited provisions with respect to the Collateral as it relates to the Class B Notes and the Class C Notes (if any) that cannot be amended or waived without the consent of the holders of a majority of the outstanding principal amount of the Class B Notes and the Class C Notes (if any), respectively, and certain other limited provisions that cannot be amended or waived without the consent of each holder of any Note (a "*Noteholder*") affected thereby. Except for those limited provisions that are described in "Description of the Notes — Modifications and Waiver of the Indenture and Certain Other Agreements," the provisions of the Indenture, the Security Agreement and the other Operative Documents may be amended or waived by the Controlling Party without the consent of any other Noteholders. If an Event of Default is continuing, the "Controlling Party" will direct the Trustee and the Collateral Agents in exercising remedies under the Indenture and the Collateral Agreements, including accelerating the Notes or foreclosing the lien on the Collateral. See "Description of the Notes — Remedies."

The Controlling Party will be:

- the holders of more than 50% in aggregate unpaid principal amount of the Class A Notes then outstanding or, if the Class A Notes have been paid in full, of the Class B Notes then outstanding or, if the Class A Notes and the Class B Notes have been paid in full, of the Class C Notes, if any have been issued, then outstanding; or

- under certain circumstances described in "Description of the Notes — Controlling Party," and notwithstanding the foregoing, a liquidity provider.

The Controlling Party will have the ability, subject to certain limitations, to direct the Trustee and the Collateral Agents in the exercise of all remedies, including the ability to direct the Trustee to accelerate the Notes issued under the Indenture and to direct the Collateral Agents to foreclose upon the lien on the Collateral. If a liquidity provider is the Controlling Party, it will be in a position to take actions that are beneficial to it but which may be detrimental to the holders of the Class A Notes and the Class B Notes. In addition, if the holders of more than 50% in aggregate unpaid principal amount of the Class A Notes then outstanding are the Controlling Party, they will be in a position to take actions that are beneficial to the holders of the Class A Notes but which may be detrimental to the holders of the Class B Notes.

In addition, during the nine months after the earlier of the acceleration of the Notes or the occurrence and continuation of an American Bankruptcy Event, the sale of any Collateral for any amount less than the lesser of (i) 75% of the Fair Market Value of such Collateral and (ii) the aggregate outstanding principal amount of the Notes (disregarding the Notes of any class if all of the Notes of such class are held or beneficially owned by American Entities), plus accrued and unpaid interest thereon, shall not be permitted without the consent of the holders of a majority of principal amount of Class B Notes (except that no consent of the holders of the Class B Notes shall be required if all of the Class B Notes are owned by American Entities) and the holders of a majority of principal amount of Class C Notes (except that no consent of the holders of the Class C Notes shall be required if all of the Class C Notes are owned by American Entities).

Ratings of the Notes

The Class A Notes are rated BBB- by Fitch Ratings, Inc. ("*Fitch*"), Ba2 by Moody's Investors Service, Inc. ("*Moody's*") and BBB- by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("*Standard & Poor's*"). A rating is not a recommendation to purchase, hold or sell the Class A Notes, 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 ratings of the Class A Notes are based primarily on the default risk of American, the availability of the Liquidity Facility for the benefit of holders of the Class A Notes, and the collateral value provided by the Pledged Spare Parts securing the Class A Notes. The ratings of the Class A Notes address the likelihood of timely payment of interest when due on the Class A Notes and the ultimate payment of principal on the Class A Notes by their Final Legal Maturity Date. Such ratings do not address the possibility of certain defaults, redemptions, or other circumstances which could result in the payment of the outstanding principal amount of the Class A Notes before or after their Final Scheduled Payment Date. See "Description of the Notes."

The reduction, suspension or withdrawal of the ratings of any class of the Notes will not, by itself, constitute a default under the Indenture.

The Collateral and the Remedies Against the Collateral May be Insufficient to Satisfy in Full Payments Due on the Notes

If American does not make payments of interest and principal on the Notes when due, in order to obtain such payments, the holders of Notes may have to rely on the proceeds from the sale of, or other exercise of remedies against, the Collateral. Those proceeds may be insufficient to cover such payments.

The Notes are secured by a lien on the Pledged Spare Parts. See "Description of the Notes — Collateral." However, American has an unlimited right in the ordinary course of business to install spare parts on its aircraft, engines, and other spare parts, and the lien will not apply to a spare part if such spare part is installed on or being used in any aircraft, engine or other spare part. The lien also will not apply to any spare part that is leased or loaned by American to any person. In addition, because spare parts are regularly used, refurbished, purchased, transferred and discarded in the ordinary course of American's business, the quantity of spare parts included in the Collateral and their appraised value will change over time.

American is required, subject to certain exceptions, to keep the Pledged Spare Parts at certain Designated Locations which may change over time. Each quarter, American is required to add as a new Designated Location each location in the United States owned or leased by American where American holds spare parts that would otherwise qualify to be Pledged Spare Parts (other than any location with such spare parts that have an immaterial aggregate value). See "Description of the Notes — Collateral — Designated Locations." The lien of the Security Agreement securing the Notes does not apply to any spare part not located at a Designated Location.

It is likely to be difficult, time-consuming and expensive for the Trustee to exercise its remedies against the Pledged Spare Parts. The fact that the Pledged Spare Parts are not separately stored may introduce difficulties in identifying and separating them from other spare parts. Also, although over 80% of the Pledged Spare Parts are currently located at eight locations, there are over one hundred Designated Locations. Almost all of the Designated Locations are leased rather than owned by American. It could be difficult for the Trustee to get access to these locations, particularly if American is in default under the relevant lease. In addition, some third parties, such as certain landlords, may have statutory or other liens on, or other rights in, the Pledged Spare Parts, which could reduce the proceeds available to satisfy the obligations under the Notes.

American is required to provide to the Trustee a quarterly appraisal of the Pledged Spare Parts. If any such appraisal indicates that the Class A Collateral Ratio is greater than 54.0%, or that the Class B Collateral Ratio is greater than 70.0%, American will be required to reduce the principal amount of the Class A Notes or the Class B Notes outstanding or to provide additional collateral so that the applicable Collateral Ratio is not greater than the applicable Maximum Collateral Ratio. In order to satisfy this requirement, American may grant a lien on additional cash or certain investment securities (limited to an aggregate of $50,000,000 of cash and investment securities), or may grant a lien on other collateral, *provided* that each Rating Agency confirms that the use of such additional other collateral will not result in a reduction of the rating by such Rating Agency of the Class A Notes below the then current rating for such Notes or a withdrawal of the rating of such Notes. See "Description of the Notes — Collateral." Section 1110 of the U.S. Bankruptcy Code, which provides special rights to holders of liens with respect to certain equipment (see "Description of the Notes — Remedies"), would not apply to the Cash Collateral deposited with the Security Agent on initial issuance of the Notes or any such additional cash or investment securities. In addition, Section 1110 may not apply to such other collateral, depending on the circumstances. Any such grant of a lien on cash, investment securities or other collateral or reduction of the principal amount of any Notes by American could be subject to avoidance as a "preference" under Section 547 of the U.S. Bankruptcy Code if (1) it occurred within 90 days of a bankruptcy filing by American (or one year in the case of a redemption of Notes held by an "insider" of American within the meaning of the U.S. Bankruptcy Code) and (2) it enabled the holders of such Notes to receive more than they would receive if American were liquidated under Chapter 7 of the U.S. Bankruptcy Code and the grant of additional collateral or the redemption of such Notes had not occurred, which would likely be the case if, at the time of the grant or redemption, such Notes are undersecured.

Also, following a bankruptcy filing, American's continued use, sale, or lease of Pledged Spare Parts would reduce the quantity and value of Pledged Spare Parts subject to the lien in favor of the Security Agent. In addition, following a bankruptcy filing, by operation of Section 552 of the U.S. Bankruptcy Code, newly acquired spare parts as well as spare parts removed from American's aircraft, engines, or other spare parts would not, except in limited circumstances, become subject to the lien of the Security Agreement. Section 552 of the U.S. Bankruptcy Code provides that any property acquired by a debtor after the commencement of a bankruptcy case is not subject to a lien resulting from any security agreement entered into before the commencement of the case, except to the extent such newly acquired property constitutes proceeds, product, offspring, or profits of property subject to the lien prior to the commencement of the case.

In view of the potential erosion in the value of the Pledged Spare Parts included in the Collateral at the time of a bankruptcy filing as a result of American's continuing use thereof and the provisions of Section 552, the Security Agent would be entitled to apply to the bankruptcy court for "adequate protection" of its security interest in the Pledged Spare Parts. The meaning of the term "adequate protection" varies according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral from, and may require cash payments or the granting of additional security to the extent of, any diminution in the value of the collateral as a result of the disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, however, it is not possible to predict how quickly or to what extent, if any, holders of the Notes would be compensated for any loss of value of the Pledged Spare Parts in the Collateral through the requirements of "adequate protection".

If American fails to agree to perform its future obligations with respect to the Notes, the related documents and the Pledged Spare Parts in accordance with Section 1110(a) of the Bankruptcy Code within the 60 day period following the date of commencement of bankruptcy proceedings (or any longer period consented to by the relevant parties) and fails to cure all existing and future defaults thereunder (other than any defaults resulting solely from the financial condition, bankruptcy, insolvency or reorganization of American which would not be required to be cured) in accordance with Section 1110(a), the Security Agent would be entitled, notwithstanding American's bankruptcy, to exercise its rights to repossess and otherwise exercise remedies against the Pledged Spare Parts. See "Description of the Notes — Remedies". Having a ready source of spare parts is essential to American's ability to operate its fleets of Boeing 777, 767, 757, 737 and McDonnell Douglas MD-80 aircraft. Nevertheless, there can be no assurance that American would, in bankruptcy, agree to perform its obligations pursuant to Section 1110(a), or that American would not seek to renegotiate the terms of the Notes and the other documents relating thereto as a condition to such agreement.

No Protection Against Highly Leveraged or Extraordinary Transactions

The Notes and the underlying agreements do not contain any financial or other covenants or "event risk" provisions protecting the Noteholders in the event of a highly leveraged or other extraordinary transaction affecting American or its affiliates.

Holders May Not Be Able to Resell the Class A Notes Easily or at a Favorable Price

The New Class A Notes will constitute a new issue of securities with no established trading market. American does not intend to apply for listing of the Class A Notes on any securities exchange or otherwise, but has been advised by the Initial Purchasers that they presently intend to make a market in the Class A Notes, as permitted by applicable laws and regulations, but they are not required to do so. Any such market-making may be discontinued at any time, at the sole discretion of the Initial Purchasers. In addition, such market-making activities may be limited by the Securities Act and the Exchange Act during the pendency of the Exchange Offer or the effectiveness of a shelf registration in lieu thereof. Accordingly, American cannot give any assurance as to the liquidity of the trading market for the New Class A Notes or, in the case of non-exchanging holders of Old Class A Notes, the trading market for the Old Class A Notes following the Exchange Offer.

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

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges of American for the periods indicated:

	Year ended December 31,					
	1999	2000	2001	2002	2003	Six Months Ended June 30, 2004
Ratio of Earnings to Fixed Charges	1.95	2.07	(1)	(2)	(3)	(4)

(1) In April 2001, the board of directors of American approved the unconditional guarantee by American (the "American Guarantee") of the existing debt obligations of AMR Corporation, American's parent company. As such, as of December 31, 2001, American unconditionally guaranteed through the life of the related obligations approximately $676 million of unsecured debt and approximately $573 million of secured debt. The impact of these unconditional guarantees is not included in the above computation. For the year ended December 31, 2001, earnings were not sufficient to cover fixed charges. American needed additional earnings of $2,584 million to achieve a ratio of earnings to fixed charges of 1.0.

(2) At December 31, 2002, American's exposure under the American Guarantee was approximately $636 million with respect to unsecured debt and approximately $538 million with respect to secured debt. For the year ended December 31, 2002, earnings were not sufficient to cover fixed charges. American needed additional earnings of $3,749 million to achieve a ratio of earnings to fixed charges of 1.0.

(3) At December 31, 2003, American's exposure under the American Guarantee was approximately $936 million with respect to unsecured debt and approximately $503 million with respect to secured debt. For the year ended December 31, 2003, earnings were not sufficient to cover fixed charges. American needed additional earnings of $1,475 million to achieve a ratio of earnings to fixed charges of 1.0.

(4) At June 30, 2004, American's exposure under the American Guarantee was approximately $1.3 billion with respect to unsecured debt and approximately $484 million with respect to secured debt. For the six months ended June 30, 2004, earnings were not sufficient to cover fixed charges. American needed additional earnings of $231 million to achieve a ratio of earnings to fixed charges of 1.0.

For purposes of the table, "earnings" represents consolidated income from continuing operations before income taxes, extraordinary items, cumulative effect of accounting change and fixed charges (excluding interest capitalized). "Fixed charges" consists of interest expense (including interest capitalized), amortization of debt expense and the portion of rental expense we deem representative of the interest factor.

THE EXCHANGE OFFER

The following summary describes certain provisions of the registration rights agreement, dated as of February 5, 2004 (the "*Registration Rights Agreement*"), among American, the Initial Purchasers 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 Class A Notes, the Initial Purchasers became entitled to the benefits of the Registration Rights Agreement. Pursuant to the Registration Rights Agreement, we have agreed, for the benefit of and at no cost to the holders of the Old Class A Notes, to use our reasonable best efforts (i) to cause to

be filed with the Commission a registration statement (the "*Registration Statement*") with respect to a registered offer (the "*Exchange Offer*") to exchange the Old Class A Notes for notes having terms identical in all material respects to the Old Class A Notes (except that the New Class A Notes will not contain terms with respect to transfer restrictions or interest rate increases and the New Class A Notes will be available only in book entry form), (ii) to cause the Registration Statement to be declared effective under the Securities Act, and (iii) to have the Registration Statement remain effective until the closing of the Exchange Offer. American will 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 February 6, 2004, which is the date the Old Class A Notes were issued (the "*Issuance Date*"). However, in the event that (i) we determine that any changes in law or the applicable interpretations of the staff of the Commission do not permit us to effect the Exchange Offer, or (ii) the Exchange Offer has been consummated and in the opinion of counsel for the Initial Purchasers a registration statement must be filed and a prospectus must be delivered by the Initial Purchasers in connection with any primary offering or sale of the New Class A Notes, we have agreed that we will, at no cost to the holders of Old Class A Notes, use our reasonable best efforts to as soon as practicable (a) file with the Commission a shelf registration statement (the "*Shelf Registration Statement*") covering resales of the Class A Notes; (b) cause the Shelf Registration Statement to be declared effective under the Securities Act by the 270th day (or, if such 270th day is not a business day, the first business day thereafter) 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 Class A Notes covered by the Shelf Registration Statement have been sold pursuant thereto or may be freely sold pursuant to Rule 144 under the Securities Act).

We will keep the Exchange Offer open for not less than 30 days (or such shorter period as allowed by applicable law or Commission rules and interpretations) after the date notice of the Exchange Offer is mailed to the holders of the Old Class A Notes. For each Old Class A Note validly tendered to the Trustee pursuant to the Exchange Offer and not withdrawn by the holder thereof, the holder of such Old Class A Note will receive a New Class A Note having a principal amount equal to that of the tendered Old Class A Note.

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 day (or, if such 270th day is not a business day, the first business day thereafter) following the Issuance Date, the interest rate per annum borne by the Old Class A Notes shall be increased by 0.50% effective from and including such 270th day, to but excluding the date on which a Registration Event occurs. If, to permit additional holders of Old Class A Notes (who have notified us in writing of their intention to participate in the Exchange Offer) to participate in the Exchange Offer, the length of the Exchange Offer is extended beyond such 270th day, the interest rate shall not be so increased if the Exchange Offer is consummated within 60 days of such extension. 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 Old Class A 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 Class A Notes held by the Initial Purchasers if they are not eligible to participate in the Exchange Offer, and the interest rate on the Old Class A 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 Class A Notes validly tendered prior to 5:00 p.m., New York City time, on the Expiration Date. New Class A Notes will be issued in exchange for an equal face amount of outstanding Old Class A Notes accepted in the Exchange Offer. Old Class A Notes may be tendered only in integral multiples of $1,000. The Exchange Agent will act as agent for the tendering holders of Old Class A Notes for the purpose of receiving New Class A Notes from the Trustee and delivering New Class A Notes to such tendering holders. Old Class A Notes 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 amount of Old Class A Notes being tendered for exchange. However, the obligation to accept Old Class A Notes for exchange pursuant to the Exchange Offer is subject to certain conditions as set forth herein under "-Conditions."

Based on an interpretation by the staff of the Commission set forth in several no-action letters issued to third parties, including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co., Incorporated (available June 5, 1991), K-III Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993), and subject to the immediately following sentence, we believe that the New Class A Notes issued pursuant to the Exchange Offer in exchange for Old Class A Notes may be offered for resale, resold or otherwise transferred by a holder thereof without further compliance with the registration and prospectus delivery provisions of the Securities Act. However, any purchaser of Old Class A Notes who is an "affiliate" of ours or intends to participate in the Exchange Offer for the purpose of distributing the New Class A Notes (i) will not be able to rely on the interpretation by the staff of the Commission set forth in the above referenced no-action letters, (ii) will not be able to tender Old Class A Notes in the Exchange Offer and (iii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the Old Class A Notes, unless such sale or transfer is made pursuant to an exemption from such requirements. Holders of Old Class A Notes 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 Class A Notes as it has in such no-action letters.

Each broker-dealer that receives New Class A Notes for its own account in exchange for Old Class A Notes 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 Class A Notes. 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 Class A Notes received in exchange for Old Class A Notes. 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 Class A Notes for its own account in exchange for Old Class A Notes, where such Old Class A Notes 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.

Holders of Old Class A Notes do not have any appraisal or dissenters rights in connection with the Exchange Offer.

Upon consummation of the Exchange Offer, subject to certain exceptions, holders of Old Class A Notes who do not exchange their Old Class A Notes for New Class A Notes in the Exchange Offer will no longer be entitled to registration rights and will not be able to offer or sell their Old Class A Notes, unless such Old Class A Notes 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 Notes 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 Notes as of , 2004. As of the date of this Prospectus, $180,457,000 face amount of Old Class A Notes are outstanding.

If any tendered Old Class A Notes 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 Class A Notes will be returned, without expenses, to the tendering holder thereof as promptly as practicable after the Expiration Date.

Holder of Old Class A Notes 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 Class A Notes 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 , 2004 (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 the date that is 270 days (or, if such date is not a business day, the first business day thereafter) after the Issuance Date, the interest rate borne by the Class A Notes 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 Class A Notes 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:

- to delay acceptance of any Old Class A Notes, to extend the Exchange Offer or to terminate the Exchange Offer and not permit acceptance of Old Class A Notes 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

- to amend the terms of the Exchange Offer in any manner deemed by us to be advantageous to the holders of the Old Class A Notes.

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 Class A Notes 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 Class A Notes

Distributions on the New Class A Notes will be made from the last date on which distributions were made on the Old Class A Notes surrendered in exchange therefor. No additional distributions will be made on Old Class A Notes 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:

- certificates for such Old Class A Notes must be received by the Exchange Agent along with the Letter of Transmittal; or

- a timely confirmation of a book-entry transfer (a "*Book-Entry Confirmation*") of such Old Class A Notes, 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

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

The method of delivery of Old Class A Notes, 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 Class A Notes should be sent to American. Delivery of all documents must be made to the Exchange Agent at its address set forth below. Holders also may 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 Class A Notes 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 Class A Notes may tender such Old Class A Notes in the Exchange Offer. The term "*holder*" with respect to the Exchange Offer means any person in whose name Old Class A Notes 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 Class A Notes are held of record by DTC who desires to deliver Old Class A Notes by book-entry transfer at DTC.

Any beneficial holder whose Old Class A Notes 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 Class A Notes, either make appropriate arrangements to register ownership of the Old Class A Notes 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 Class A Notes 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 Class A Notes listed therein, such Old Class A Notes must be endorsed or accompanied by bond powers and a proxy that authorizes such person to tender the Old Class A Notes on behalf of the registered holder or holders, in either case as the name of the registered holder or holders appears on the Old Class A Notes.

If the Letter of Transmittal or any Old Class A Notes 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 Class A Notes 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 Class A Notes not properly tendered or any Old Class A Notes 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 Class A Notes. 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 Class A Notes 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 Class A Notes nor shall any of us incur any liability for failure to give such notification. Tenders of Old Class A Notes will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Old Class A Notes 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 Class A Notes (or, in the case of Old Class A Notes tendered by the book-entry transfer procedures described below, such Old Class A Notes 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 Class A Notes 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 Class A Notes 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.

Acceptance of Old Class A Notes for Exchange; Delivery of New Class A Notes

Upon satisfaction or waiver of all of the conditions to the Exchange Offer, all Old Class A Notes properly tendered will be accepted promptly after the Expiration Date, and New Class A Notes will be issued promptly after acceptance of the Old Class A Notes. See "- Conditions" below. For purposes of the Exchange Offer, Old Class A Notes 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 Class A Notes for Old Class A Notes 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 Class A Notes or a timely Book-Entry Confirmation of such Old Class A Notes 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 Class A Notes are not accepted for any reason set forth in the terms and conditions of the Exchange Offer or if Old Class A Notes are submitted for a greater face amount than the holder desires to exchange, such unaccepted or nonexchanged Old Class A Notes will be returned without expense to the tendering holder thereof (or, in the case of Old Class A Notes tendered by the book-entry transfer procedures described below, such unaccepted or nonexchanged Old Class A Notes 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 Class A Notes 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 Class A Notes 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 Class A Notes by causing DTC to transfer such Old Class A Notes into the Exchange Agent's account at DTC in accordance with DTC's ATOP procedures for transfer. However, although delivery of Old Class A Notes 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 Class A Notes 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 Class A Notes who wish to tender their Old Class A Notes and (i) whose Old Class A Notes are not immediately available, or (ii) who cannot deliver their Old Class A Notes, 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 Class A Notes if:

- the tender is made through an Eligible Institution;
- 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 Class A Notes, the certificate number or numbers of such Old Class A Notes and the amount of Old Class A Notes 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 Class A Notes 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
- such properly completed and executed Letter of Transmittal (or facsimile thereof) together with the Notes representing the Old Class A Notes 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 Class A Notes 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 Class A Notes to be withdrawn, identify the Old Class A Notes to be withdrawn, including the face amount of such Old Class A Notes, contain a statement that such holder is withdrawing its election to have such Old Class A Notes exchanged, and (where certificates for Old Class A Notes have been transmitted) specify the name in which such Old Class A Notes are registered, if different from that of the withdrawing holder. Any notice of withdrawal must be signed by the holder in the same manner as the original signature on the Letter of Transmittal by which the Old Class A Notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to have the Trustee register the transfer of the Old Class A Notes into the name of the person withdrawing the tender. If certificates for Old Class A Notes 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 Class A Notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the number of the account at DTC from which the Old Class A Notes were tendered and specify the name and number of the account at DTC to be credited with the withdrawn Old Class A Notes 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 Class A Notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer. Any Old Class A Notes 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 Class A Notes tendered by book-entry transfer into the Exchange Agent's account at DTC pursuant to the book-entry transfer procedures described above, such Old Class A Notes will be credited to an account maintained with DTC for the Old Class A Notes) as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Old Class A Notes 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

By tendering, each holder of Old Class A Notes will represent to us, in the letter of transmittal or through DTC's Automated Tender Offer Program, that, among other things, the New Class A Notes 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 Class A Notes, and such holder is not an "affiliate," as defined under Rule 405 of the Securities Act, of ours, 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 Class A Notes. If such holder is a broker-dealer that will receive New Class A Notes for its own account in exchange for Old Class A Notes 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 Class A Notes. Each holder also will represent that it is not acting on behalf of any person who could not truthfully make the foregoing representations.

Notwithstanding any other term of the Exchange Offer, we will not be required to accept for exchange, or exchange New Class A Notes for, any Old Class A Notes not previously accepted for exchange, and we may terminate or amend the Exchange Offer before the acceptance of such Old Class A Notes, 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 Class A Notes 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 Class A Notes to be received by such holder or holders of Old Class A Notes 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

U.S. Bank Trust 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:

U.S. Bank Trust National Association
60 Livingston Avenue
Attention: Specialized Finance
EP-MN-WS-2N
St. Paul, Minnesota 55107
Facsimile Transmission:
(651) 495-8158
Confirm by Telephone:
(800) 934-6802

U.S. Bank Trust National Association also serves as Trustee under the Indenture relating to the Notes.

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, telecopy 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 also may 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 Class A Notes, 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 Class A Notes pursuant to the Exchange Offer. If, however, Certificates representing New Class A Notes or Old Class A Notes for 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 Class A Notes tendered, or if tendered Old Class A Notes 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 Class A Notes 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.

Accounting Treatment

The New Class A Notes will be recorded at the same carrying value as the Old Class A Notes as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the completion of the Exchange Offer. The expenses of the Exchange Offer will be amortized by us over the term of the New Class A Notes.

Regulatory Requirements

Following the effectiveness of the Registration Statement covering the Exchange Offer, no material federal or state regulatory requirement must be complied with in connection with this Exchange Offer.

THE COMPANY

American Airlines, Inc., the principal subsidiary of AMR Corporation, was founded in 1934. On April 9, 2001, American (through a wholly owned subsidiary, TWA Airlines LLC ("*TWA LLC*")) purchased substantially all of the assets and assumed certain liabilities of Trans World Airlines, Inc. ("*TWA*"), the eighth largest U.S. carrier. American, including TWA LLC, is the largest scheduled passenger airline in the world. At the end of 2003, American provided scheduled jet service to approximately 150 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 wide range of freight and mail services to shippers throughout its system. The postal address for both American's and AMR's principal executive offices is P.O. Box 619616, Dallas/Fort Worth Airport, Texas 75261-9616 (Telephone: 817-963-1234). American's Internet address is http://www.aa.com. Information on American's website is not incorporated into this Prospectus and is not a part of this Prospectus.

USE OF PROCEEDS

There will be no cash proceeds to American as a result of the issuance of New Class A Notes pursuant to the Exchange Offer. The proceeds from the sale of the Old Class A Notes were used by American for general corporate purposes.

DESCRIPTION OF THE NOTES

The following summary describes the material terms of the Notes. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Class A Notes, the Indenture, the Security Agreement and the other Collateral Agreements, the Collateral Maintenance Agreement (collectively, the "*Operative Documents*") and the Class B Notes. The Operative Documents have been filed as exhibits to the Registration Statement. Copies are available as set forth under "Where You Can Find More Information." The

references to Sections in parentheses in the following summary are to the relevant Sections of the Indenture unless otherwise indicated.

General

The American Airlines, Inc. 7.25% Class A Secured Notes due 2009 (the "*Old Class A Notes*") and the American Airlines, Inc. 9.00% Class B Secured Notes due 2009 (the "*Class B Notes*") were issued on February 6, 2004 (the "*Issuance Date*") under an Indenture (the "*Indenture*") among American, U.S. Bank Trust National Association, as trustee (the "*Trustee*"), and the Liquidity Provider.

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

- we registered the New Class A Notes under the Securities Act so their transfer is not restricted like the Old Class A Notes;
- the New Class A Notes will not contain provisions relating to interest rate increases; and
- the New Class A Notes will be available only in book-entry form
- the New Class A Notes will bear a different CUSIP number from the Old Class A Notes.

New Class A Notes will be issued in fully registered form only, without coupons, and will be subject to the provisions described below under "—Book-Entry Registration: Delivery and Form." New Class A Notes will be issued only in minimum denominations of $1,000 and integral multiples thereof, except that one Class A Note may be issued in a different denomination. (Section 2.1)

American may elect to issue additional notes under the Indenture (the "*Class C Notes*") that are subordinated in right of distributions under the Indenture to the Class A Notes and the Class B Notes. American will not issue any Class C Notes prior to the consummation of this Exchange Offer. The Indenture provides that the ability of American to issue any Class C Notes is contingent upon its obtaining written confirmation from each Rating Agency that the issuance of such Class C Notes would not result in a withdrawal or downgrading of the rating by such Rating Agency of any rated class of Notes. The Old Class A Notes, New Class A Notes, when issued, Class B Notes, and, if issued, Class C Notes, are referred to in this Prospectus collectively as the "*Notes*."

The Notes are secured by a lien on the Collateral. The Notes are full recourse obligations of American. The Indenture provides for the following subordination provisions applicable to the Notes:

- Class A Notes rank senior in right of distributions under the Indenture to other Notes;
- Class B Notes rank junior in right of distributions to the Class A Notes and, if Class C Notes are issued, will rank senior in right of distributions to the Class C Notes; and
- if Class C Notes are issued, they will rank junior in right of distributions to the Class A Notes and Class B Notes.

On the Issuance Date, the Trustee, for the benefit of the holders of the Class A Notes (the "*Class A Noteholders*"), entered into the Liquidity Facility and the fee letter with respect thereto (such documents collectively, the "*Support Documents*"). (Section 3.11)

Payments of Principal and Interest

The New Class A Notes will be limited to an aggregate principal amount of $180,457,000. Subject to the provisions of the Indenture, the entire principal amount of the New Class A Notes is scheduled to be paid to the Class A Noteholders on the Final Scheduled Payment Date.

The Class B Notes were issued in the aggregate principal amount of $42,031,000. Following a Refunding, new Class B notes may be issued with a different principal amount. See "— Possible Refunding of Class B Notes and Class C Notes." Subject to the provisions of the Indenture, the entire principal amount of the initial Class B Notes is scheduled to be paid to the holders of the Class B Notes (the "*Class B Noteholders*") on the Final Scheduled Payment Date.

The "*Final Scheduled Payment Date*" with respect to the Class A Notes and the initial Class B Notes is February 5, 2009. The "*Final Legal Maturity Date*" with respect to the Class A Notes is February 5, 2011.

Interest will accrue on the unpaid principal amount of each New Class A Note at the fixed rate of 7.25% per annum. Accrued interest will be payable on February 5 and August 5 of each year (each date on which interest is due, an "*Interest Payment Date*"), commencing on August 5, 2004. Holders of record on the 15th day preceding the applicable Interest Payment Date will be paid such accrued interest. Interest on the New Class A Notes will accrue from the most recent date to which interest has been paid. Interest on the New Class A Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If any date scheduled for a payment of principal, interest or Make-Whole Amount, if any, is not a Business Day, such payment will be made on the next succeeding Business Day without additional interest. (Section 2.7)

Interest accrues on the unpaid principal amount of each Class B Note at a fixed rate of 9.00% per annum; *provided* that the interest rate with respect to any new Class B notes that may be issued as described in "— Possible Refunding of Class B Notes and Class C Notes" may differ. Accrued interest on the Class B Notes is payable on each Interest Payment Date. Holders of record on the 15th day preceding the applicable Interest Payment Date will be paid such accrued interest. Interest on the Class B Notes accrues from the most recent date to which interest has been paid. Interest on the Class B Notes is calculated on the basis of a 360-day year consisting of twelve 30-day months. If any date scheduled for a payment of principal, interest or Make-Whole Amount, if any, is not a Business Day, such payment will be made on the next succeeding Business Day without additional interest. (Section 2.7)

Payments of interest on the Class A Notes are supported by a Liquidity Facility provided by the Liquidity Provider for the benefit of the holders of the Class A Notes. The Liquidity Facility will provide an amount sufficient to pay interest on the Class A Notes at the Stated Interest Rate on up to four successive Interest Payment Dates. The Liquidity Facility does not provide for drawings or payments thereunder to pay for principal of, or Make Whole Amount, if any, with respect to, the Class A Notes. See "Description of the Liquidity Facility."

The initial Class B Notes do not have the benefit of a liquidity facility. Any new Class B notes that may be issued may have the benefit of a liquidity facility, as described in "— Possible Refunding of Class B Notes and Class C Notes."

Regularly scheduled payments of interest and principal on the Notes will be made by the Trustee on the date scheduled for such payment under the Indenture or, if the money for purposes of such payment has not been deposited, in whole or in part, with the Trustee by American or the Liquidity Provider on such date, on the next Business Day on which some or all of the money has been deposited with the Trustee (a "*Distribution Date*"). However, if some or all of the money has not been deposited with the Trustee for purposes of making an interest payment on the Class A Notes within five days after the Interest Payment Date for such payment, American will be required to fix a special payment date and special record date for such payment and to give written notice to the Class A Noteholders of such special dates and the amount of defaulted interest to be paid.

Redemption

The Class A Notes may be redeemed at any time in whole or in part (in any integral multiple of $1,000) by American at its sole option at a redemption price equal to the sum of 100% of the principal amount of, accrued and unpaid interest on, and, subject to the exceptions described below, Make-Whole Amount, if any, with respect to, the redeemed Class A Notes to the date of redemption. Any Class A Notes redeemed in order to comply with a Maximum Collateral Ratio (but only with respect to the first $38,603,000 of aggregate principal amount of Class A Notes so redeemed since the Issuance Date), will be redeemed at the applicable redemption price (expressed as a percentage of the principal amount thereof) set forth below, plus accrued and unpaid interest thereon to the

applicable redemption date (but without any Make-Whole Amount), if redeemed during the twelve-month period ending on February 5 of the years indicated below:

Year	Percentage
2005	107.25%
2006	107.25%
2007	103.625%
2008	103.625%
2009	103.625%

The Class B Notes may be redeemed at any time, in whole or in part (in any integral multiple of $1,000) by American at its sole option at a redemption price equal to the sum of 100% of the principal amount of, and accrued and unpaid interest on, and, subject to the exceptions described below, Make-Whole Amount, if any, with respect to, the redeemed Class B Notes to the date of redemption.

"*Make-Whole Amount*" means, with respect to any Note, the amount (as determined by an investment bank of national standing selected by American), 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 Note computed by discounting each such payment on a semi-annual basis from its respective payment date under the 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 Note plus accrued but unpaid interest thereon to the redemption date. (Indenture, Appendix I)

For purposes of determining the Make-Whole Amount, "*Treasury Yield*" means, at the date of determination with respect to any Note, the interest rate (expressed as a semi-annual 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 semi-annual yield to maturity for United States Treasury securities maturing on the Average Life Date of such 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 Note and (B) the other maturing as close as possible to, but later than, the Average Life Date of such 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 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 latest H.15(519) published prior to the close of business on the date of determination of a Make-Whole Amount. The "*date of determination*" of a Make-Whole Amount generally will be the third Business Day prior to the applicable redemption date. (Indenture, Appendix I)

"*Average Life Date*" means, for each Note to be redeemed, the date that follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Note. "*Remaining Weighted Average Life*" of a Note, at the redemption date of such 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 Note, including the payment due on the maturity date of such 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 Note. (Indenture, Appendix I)

Notwithstanding the foregoing, no Make-Whole Amount will be payable in connection with any redemption of Class A Notes (i) to comply with any Maximum Collateral Ratio requirement, as discussed under "— Collateral — Appraisals and Maintenance of Ratios" (but the redemption price for the first $38,603,000 of aggregate principal amount of Class A Notes so redeemed since the Issuance Date will be calculated as specified in the second sentence of the fifth preceding paragraph) or (ii) resulting from a Fleet Reduction, as discussed under "— Collateral — Fleet Reduction." Notwithstanding the foregoing, no Make-Whole Amount will be payable in connection with any redemption of Class B Notes (i) to comply with any Maximum Collateral Ratio requirement, as discussed under "— Collateral — Appraisals and Maintenance of Ratios," (ii) in connection with a Refunding as

discussed under "—Possible Refunding of Class B Notes and Class C Notes," or (iii) resulting from a Fleet Reduction, as discussed under "— Collateral — Fleet Reduction."

At least 15 days but not more than 60 days before any redemption date, the Trustee will send a notice of redemption to each Noteholder whose Notes are to be redeemed, identifying the Notes and the principal amount thereof to be redeemed. If less than all of the Notes of a class are to be redeemed, the Trustee will select the Notes of such class to be redeemed on either a pro rata basis or by lot or by any other equitable manner determined by the Trustee in its sole discretion. On the redemption date, interest will cease to accrue on the Notes or portions thereof called for redemption, unless American fails to make the redemption payment for such Notes. If the Trustee gives notice of redemption but American fails to pay when due all amounts necessary to effect such redemption, such redemption shall be deemed revoked and no amount shall be due as a result of notice of redemption having been given. (Sections 4.3, 4.4 and 4.5)

Possible Refunding of Class B Notes and Class C Notes

Under certain conditions, including those set forth below, American may elect to prepay all outstanding Class B Notes, all outstanding Class C Notes (if any), or both. The conditions to such a prepayment (a "*Refunding*") include:

- a written confirmation from each Rating Agency that the Refunding will not result in a withdrawal or downgrading (a "*Ratings Confirmation*") of the rating by such Rating Agency of the Class A Notes then in effect;
- no Liquidity Obligations shall be outstanding at the time of such Refunding, or provision shall have been made for the payment in full of any outstanding Liquidity Obligations from the proceeds of such Refunding;
- issuance by American of new Class B notes and/or new Class C notes under the Indenture, and execution of amendments to the existing agreements and instruments relating to the Class B Notes and Class C Notes being prepaid. The new arrangements may be effected with changes, amendments, modifications and supplements to the Indenture and other relevant agreements and instruments that may be necessary or advisable to implement changes to the economic terms of the new Class B notes and new Class C notes and conforming and clarifying changes to reflect the Refunding transaction; and
- sale of at least one class of new notes to persons unaffiliated with American.

The proceeds from the issuance and sale of such notes will be used to prepay, in whole or in part, the Class B Notes and/or Class C Notes (if any) held by affiliates of American.

The economic terms of any new class of notes may differ from the economic terms of the corresponding class of prepaid Class B Notes or Class C Notes insofar as:

- the interest rates of all new notes of either or both classes may be changed (provided that the interest rate of all notes of a class shall be the same), and may provide for specified increases and decreases in the stated interest rate under stated circumstances or may provide for floating rate interest;
- the principal amount of the new notes of either or both classes may be increased or decreased; provided that the principal amount of notes of a new class may not increase by more than 20% of the principal amount of the corresponding class of prepaid Class B Notes or Class C Notes;
- the maturity date of all new notes of a class shall be the same and may be made earlier or later by not more than one year before or after the original maturity date of the prepaid Class B Notes or Class C Notes;

- the terms of prepayment and the amount of premium on prepayment of either or both classes of new notes may be changed;
- the definitions of "Class B Collateral Ratio" and "Maximum Class B Collateral Ratio," and the Subordinated Note Provisions, may be changed; and
- the rights of either or both classes of new notes with respect to amendments, supplements, waivers and modifications of the terms and provisions of the Operative Documents may be changed.

American may arrange for a liquidity facility for new Class B notes that bear interest at a fixed rate, such liquidity facility to have substantially similar terms as the Liquidity Facility for the Class A Notes and the liquidity provider of such liquidity facility to have the same priority distribution rights as the Liquidity Provider for the Class A Notes to amounts distributable under the Indenture. American may not arrange for a liquidity facility for new Class B notes that bear interest at a floating rate or for new Class C notes. (Indenture, Exhibit D)

If Class C Notes are prepaid in connection with a Refunding of Class B and Class C Notes and new Class C notes are purchased by persons affiliated with American, such new Class C notes may be prepaid as part of a subsequent Refunding in which additional new Class C notes are sold to persons unaffiliated with American. In lieu of prepaying both Class B Notes and Class C Notes as aforesaid, American will have the right to prepay only the Class B Notes, in which case the conditions described above will be applicable to a subsequent Refunding of the Class C Notes and the Ratings Confirmation in respect of such subsequent Refunding shall also apply to the new Class B notes. Each party to the Indenture will agree to cooperate with American at American's reasonable request to carry out the purpose of the foregoing provisions on the terms and conditions set forth above. Appropriate amendments to reflect the Refunding transactions described above may be made to the Indenture, the other Operative Documents and the Liquidity Facility, in each case, without the consent of any Noteholder or any liquidity provider that has provided a liquidity facility for any class of Notes not being refunded. (Indenture, Exhibit D)

Collateral

The Notes are secured by a lien on certain aircraft and engine spare parts first placed in service after October 22, 1994, and owned by American including:

- Rotables that are appropriate for installation on or use in: Boeing model 737-800 or 777-200 aircraft, or both, or on or in any engine or spare part utilized on any such aircraft, and in each case are not appropriate for installation on or use in any other model of aircraft currently operated by American or engine or spare part utilized on any such other model of aircraft, and
- Expendables and Life Limited Parts that are appropriate for installation on or use in one or more of the following aircraft models: Boeing model 737-800, 757-200, 767-200, 767-300 or 777-200 aircraft or McDonnell Douglas model MD-80 aircraft, or on or in any engine or spare part utilized on any such aircraft

(the above parts collectively, "*Qualified Spare Parts*"), together with certain records relating to such spare parts, certain rights of American with respect to such spare parts and certain proceeds of the foregoing (collectively, the "*Collateral*"). The lien does not apply to a spare part for as long as such spare part is installed on or being used in any aircraft, engine or other spare part. In addition, the lien does not apply to a spare part that is not located at a Designated Location, to a spare part leased or loaned to another person, and in certain other circumstances. (Security Agreement, Section 2.1).

American has deposited $39,517,000 with the Security Agent to be held as Cash Collateral.

On the Issuance Date, American entered into a Security Agreement (the "*Security Agreement*" and, together with any other agreement under which American may grant a lien on Other Collateral for the benefit of the Noteholders, the "*Collateral Agreements*") with the Trustee, acting as security agent (the "*Security Agent*" and, together with any collateral agent under any other Collateral Agreement, the "*Collateral Agents*"), providing for the

grant of the lien on the Collateral. In addition, on the Issuance Date, American entered into a Collateral Maintenance Agreement (the "*Collateral Maintenance Agreement*") with the Security Agent, providing for appraisal reports with respect to the spare parts included in the Collateral (the "*Pledged Spare Parts*") and certain other requirements with respect to the Pledged Spare Parts. The following summarizes certain provisions of the Security Agreement and Collateral Maintenance Agreement relating to the Pledged Spare Parts.

Appraisals and Maintenance of Ratios

American is required to furnish to the Trustee, so long as the Notes of any class are outstanding, a quarterly appraisal report of an independent appraiser. Such reports are required to state such appraiser's opinion of the fair market value of the Pledged Spare Parts, determined on the basis of a hypothetical sale negotiated in an arm's length free market transaction between a willing and able seller and a willing and able buyer, neither of whom is under undue pressure to complete the transaction, under then current market conditions (the "*Fair Market Value*"). This appraisal will not apply to any cash or permitted investment securities (the "*Cash Collateral*") then held as Collateral for the Notes, and such securities will be valued by the Security Agent in accordance with customary financial market practices. Such valuations will then be used to calculate the following:

- the "*Class A Collateral Ratio*" which shall mean a percentage determined by dividing (i) the aggregate principal amount of the outstanding Class A Notes minus the amount of the Cash Collateral held by any Collateral Agent by (ii) the Fair Market Value of all Pledged Spare Parts as set forth in such independent appraiser's report and the value of the Other Collateral, as described below, excluding any Cash Collateral; and

- the "*Class B Collateral Ratio*" which shall mean a percentage determined by dividing (i) the aggregate principal amount of the outstanding Class A Notes and Class B Notes minus the amount of the Cash Collateral held by any Collateral Agent by (ii) the Fair Market Value of all Pledged Spare Parts as set forth in such independent appraiser's report and the value of the Other Collateral, as described below, excluding any Cash Collateral.

A quarterly calculation of the Class A Collateral Ratio and the Class B Collateral Ratio (together, the "*Collateral Ratios*") will be set forth in a certificate of American; *provided* that if the independent appraiser fails to deliver its quarterly report to American within 30 days of the date specified therefor in the Collateral Maintenance Agreement, American will not be obligated to furnish the quarterly independent appraiser's report or the accompanying certificate of American calculating the Collateral Ratios for that quarter and will use all reasonable efforts to engage another independent appraiser to provide the independent appraiser's report for the next quarter. (Collateral Maintenance Agreement, Article II)

If the Class A Collateral Ratio as so determined is greater than 54.0% (the "*Maximum Class A Collateral Ratio*") or the Class B Collateral Ratio as so determined is greater than 70.0% (the "*Maximum Class B Collateral Ratio*" and together with the Maximum Class A Collateral Ratio, the "*Maximum Collateral Ratios*"), American will be required, within 50 days (or if such 50th day is not a Business Day, the next Business Day following such 50th day) after the date of American's certificate calculating such Collateral Ratio to:

- grant a security interest in property other than Qualified Spare Parts ("*Other Collateral*") to secure the Notes for the benefit of the Noteholders (which Other Collateral thereafter will be included as "*Collateral*" for purposes of the Notes and the value thereof added to the fair market value of the Pledged Spare Parts for purposes of calculating the Collateral Ratios), but only if American shall have received written confirmation from each of Fitch, Moody's, and Standard & Poor's (or any successor thereto that is a nationally recognized rating agency then rating the Notes at American's request) (each, a "*Rating Agency*") that the use of such Other Collateral and the related Collateral Agreement to alter the Collateral Ratios will not result in a reduction of the rating for any Notes then rated below the then current rating for such Notes or a withdrawal or suspension of the rating of such Notes;

- provide additional Cash Collateral to the Security Agent under the Security Agreement, *provided* that the aggregate amount of such Cash Collateral provided by American that may be applied to the calculation of the Collateral Ratios at any time may not exceed $50,000,000;
- deliver Notes to the Trustee for cancellation;
- redeem some or all of the Notes; or
- any combination of the foregoing;

such that each Collateral Ratio, as recalculated giving effect to such action (but otherwise using the information in the applicable American certificate calculating such Collateral Ratios), would not be greater than the applicable Maximum Collateral Ratio. (Collateral Maintenance Agreement, Section 3.1(a))

Notwithstanding the foregoing, the provisions with respect to the Class B Collateral Ratio and the Maximum Class B Collateral Ratio described herein will not be applicable so long as all of the Class B Notes are held by an American Entity.

With respect to any redemption of Notes that American elects to make pursuant to the foregoing: (i) if the Class A Collateral Ratio exceeds the Maximum Class A Collateral Ratio but the Class B Collateral Ratio is less than or equal to the Maximum Class B Collateral Ratio, then American will redeem Class A Notes such that the recalculated Class A Collateral Ratio after giving effect to such redemption of Class A Notes and other actions taken (other than any redemption of Class B Notes) would be equal to the Maximum Class A Collateral Ratio (or less than the Maximum Class A Collateral Ratio to the extent necessary to comply with minimum denomination requirements for redemptions in the Indenture); (ii) if the Class B Collateral Ratio exceeds the Maximum Class B Collateral Ratio but the Class A Collateral Ratio is less than or equal to the Maximum Class A Collateral Ratio, then American will redeem Class B Notes such that the recalculated Class B Collateral Ratio after giving effect to such redemption of Class B Notes and other actions taken (other than any redemption of Class A Notes) would be equal to the Maximum Class B Collateral Ratio (or less than the Maximum Class B Collateral Ratio to the extent necessary to comply with minimum denomination requirements for redemptions in the Indenture); and (iii) if the Class A Collateral Ratio exceeds the Maximum Class A Collateral Ratio and the Class B Collateral Ratio exceeds the Maximum Class B Collateral Ratio, then American (x) first will redeem Class A Notes such that the recalculated Class A Collateral Ratio after giving effect to such redemption of Class A Notes and other actions taken (other than any redemption of Class B Notes) would be equal to the Maximum Class A Collateral Ratio (or less than the Maximum Class A Collateral Ratio to the extent necessary to comply with minimum denomination requirements for redemptions in the Indenture), and (y) if the recalculated Class B Collateral Ratio after giving effect to such redemption of Class A Notes and other actions taken would exceed the Maximum Class B Collateral Ratio, American will redeem Class B Notes such that the recalculated Class B Collateral Ratio after giving effect to such redemption of Class B Notes and other actions taken (including the redemption of Class A Notes described in clause (x)) would be equal to the Maximum Class B Collateral Ratio (or less than the Maximum Class B Collateral Ratio to the extent necessary to comply with minimum denomination requirements for redemptions in the Indenture). (Collateral Maintenance Agreement, Section 3.1(d))

For any redemption of Notes by American pursuant to the foregoing, except as provided in the second sentence of the first paragraph of "— Redemption," the redemption price will be the principal amount of the Notes being redeemed, together with accrued and unpaid interest, but without any Make-Whole Amount. Any such redemption will be effected as described in the last paragraph of "— Redemption."

If at any time Cash Collateral is on deposit with the Security Agent to comply with a Maximum Collateral Ratio, American may withdraw any portion of such Cash Collateral only to the extent that American is subsequently able to satisfy a Maximum Collateral Ratio without consideration of the portion of such Cash Collateral so withdrawn, *provided* that at such time no Event of Default shall have occurred and be continuing. (Security Agreement, Section 7.3(b))

American is required to furnish to the Trustee a quarterly report providing certain information regarding the quantity of Pledged Spare Parts included in the Collateral and compliance with certain requirements of the Collateral Maintenance Agreement. (Collateral Maintenance Agreement, Sections 2.2 and 2.3)

Fleet Reduction

On the Issuance Date, American's in-service fleet included 77 Boeing model 737-800 aircraft and 45 Boeing model 777-200 aircraft (each such number, the "*Original Number of Aircraft*"). The Collateral Maintenance Agreement requires that the outstanding principal amount of Class A Notes and Class B Notes be reduced if the total number of Boeing model 737-800 aircraft falls below 50 aircraft or Boeing model 777-200 aircraft falls below 30 aircraft (other than due to restrictions on operating such aircraft imposed by the Federal Aviation Administration (the "*FAA*") or any other U.S. Government agency). As of August 27, 2004, American's in-service fleet included 77 Boeing Model 737-800 aircraft and 45 Boeing model 777-200 aircraft.

If American's in-service fleet for one of these aircraft models is a number that is below the minimum number specified above for such model for each day of a period of 60 consecutive days (a "*Fleet Reduction*"), then within 90 days after the last day of such 60-day period, American must redeem Class A Notes or deliver Class A Notes to the Trustee for cancellation (or a combination thereof) in an amount equal to the percentage (the "*Redemption Percentage*") of the outstanding principal amount of Class A Notes determined by multiplying (i) the fraction with (x) the Original Number of Aircraft of such model minus the number of aircraft of such model on such last day (the "*Reduced Number of Aircraft*") as the numerator and (y) the Original Number of Aircraft of such model as the denominator by (ii) the fraction with (x) the aggregate Fair Market Value of the Pledged Spare Parts reported in the most recently delivered independent appraiser's report that are appropriate for installation on, or use in, only the aircraft of such aircraft model, or the engines or spare parts utilized only on such aircraft model, as the numerator and (y) the aggregate Fair Market Value of all of the Pledged Spare Parts reported in the most recently delivered independent appraiser's report as the denominator (or American must redeem or deliver for cancellation a greater principal amount of Class A Notes to the extent necessary to comply with the minimum denomination requirements for redemptions provided in the Indenture). In addition, American must redeem Class B Notes or deliver Class B Notes to the Trustee for cancellation (or a combination thereof) in an amount equal to the Redemption Percentage of the outstanding principal amount of Class B Notes (or American must redeem or deliver for cancellation a greater principal amount of Class B Notes to the extent necessary to comply with the minimum denomination requirements for redemptions provided in the Indenture). Further reductions in American's in-service fleet with respect to such aircraft model will, under certain circumstances, result in subsequent proportional redemptions of Notes. (Collateral Maintenance Agreement, Section 3.3)

For any redemption of Notes by American pursuant to the foregoing, the redemption price will be the principal amount of the Notes being redeemed, together with accrued and unpaid interest, but without any Make-Whole Amount. Any such redemption will be effected as described in the last paragraph of "— Redemption."

Liens

American is required to maintain the Pledged Spare Parts free of any liens, other than the rights of the Trustee, any Collateral Agent, the Liquidity Provider, the Noteholders and American arising under the Indenture, the other Operative Documents or Support Documents related thereto, and other than certain limited liens permitted under such documents, including but not limited to (i) liens for taxes either not yet due or payable or being contested in good faith by appropriate proceedings, *provided* that such liens and such proceedings do not involve any material risk of the sale, forfeiture, or loss of the applicable Pledged Spare Parts or the interest of any Collateral Agent therein or impair the lien of any Collateral Agreement; (ii) materialmen's, mechanics', warehousemens', employees' and other similar liens arising in the ordinary course of business that either are not yet delinquent for more than 60 days or are being contested in good faith by appropriate proceedings, *provided* that such liens and such proceedings do not involve any material risk of the sale, forfeiture, or loss of the applicable Pledged Spare Parts or the interest of any Collateral Agent therein or impair the lien of any Collateral Agreement; (iii) judgment liens so long as such judgment is discharged, vacated or reversed within 60 days after the entry thereof, or with respect to which there shall have been secured a stay of execution pending appeal or other judicial review and such judgment or award shall have been discharged, vacated or reversed within 60 days, after the expiration of such stay, so long as during any such 60-day period such liens or such judicial proceedings do not involve any material risk of sale, forfeiture, or

loss of the applicable Pledged Spare Parts or the interest of any Collateral Agent therein or impair the lien of any Collateral Agreement; (iv) purchase money security interest liens held by a vendor for goods purchased from such vendor by American in the ordinary course of business and for which American pays such vendor within 60 days of such purchase; *provided* that in each case such liens do not involve any material risk of the sale, forfeiture, or loss of the applicable Pledged Spare Parts or the interest of any Collateral Agent therein or materially impair the lien of any Collateral Agreement and that the aggregate System Value of Pledged Spare Parts subject to such liens at any time does not exceed $5,000,000; (v) any other lien as to which American has provided a bond or other security adequate in the reasonable opinion of the Security Agent; and (vi) salvage or similar rights of insurers under insurance policies maintained by American. (Collateral Maintenance Agreement, Section 3.4) "*System Value*" means, with respect to any Pledged Spare Part as of any date, the system average unit price of such Pledged Spare Part as of such date as set forth in American's equipment inventory tracking system.

Maintenance

American is required to maintain the Pledged Spare Parts in good working order and condition, excluding (i) Pledged Spare Parts that have become worn out, unfit for use, not reasonably repairable or obsolete (operationally, economically, or otherwise), (ii) Pledged Spare Parts that are not required for American's normal operations and (iii) Expendables that have been consumed or used in American's operations. In addition, American must maintain all records, logs and other materials required by the FAA or under the Federal Aviation Act to be maintained in respect of the Pledged Spare Parts. (Collateral Maintenance Agreement, Section 3.5)

Use and Possession

American has the right to deal with the Pledged Spare Parts in any manner consistent with its ordinary course of business. This includes the unlimited right in the ordinary course of business to install on, or use in, any aircraft, engine or spare part leased to or owned by American any Pledged Spare Part, free from the lien of the Security Agreement. (Security Agreement, Section 4.2(a))

American may not sell, lease, transfer or relinquish possession of any Pledged Spare Part without the prior written consent of the Security Agent, except as permitted by the Security Agreement or the Collateral Maintenance Agreement. So long as no Event of Default has occurred and is continuing, American may sell, transfer or dispose of Pledged Spare Parts free from the Lien of the Security Agreement. (Security Agreement, Section 4.3(a)) However, as of any date during the quarterly periods specified in the Collateral Maintenance Agreement:

(x) the aggregate System Value of all Pledged Spare Parts sold, transferred or disposed of (with certain exceptions) (i) previously during such period may not exceed 4% of the aggregate System Value of the Pledged Spare Parts in the Collateral as of such date and (ii) during the period from the beginning of the current calendar year to the date of determination may not exceed 8% of the aggregate System Value of the Pledged Spare Parts in the Collateral as of such date,

(y) the aggregate System Value of all Pledged Spare Parts then subject to leases or loans may not exceed 2% of the aggregate System Value of the Pledged Spare Parts in the Collateral as of such date or

(z) the aggregate System Value of all Pledged Spare Parts previously during such period moved from a Designated Location to a location that is not a Designated Location (with certain exceptions), net of the aggregate System Value of all Pledged Spare Parts moved from a location that is not a Designated Location to a Designated Location during such period, may not exceed 4% of the aggregate System Value of the Pledged Spare Parts in the Collateral as of such date.

Such restrictions may be waived by the Security Agent (at the direction of the Controlling Party), *provided* that if any Class B Notes are not then held by an American Entity, after giving effect to a transaction permitted as a result of such waiver the Class B Collateral Ratio (as recalculated giving effect to such transaction but otherwise using the information most recently used to determine such ratio) would be less than or equal to the Maximum Class B Collateral Ratio. (Collateral Maintenance Agreement, Section 3.2)

American may, in the ordinary course of business, transfer possession of any Pledged Spare Part to the manufacturer thereof or any other person for testing, service, overhaul, repairs, maintenance, refurbishing, alterations or modifications or to any person for the purpose of transport to any of the foregoing. In addition, American may dismantle any Pledged Spare Part that has become worn out or obsolete (operationally, economically, or otherwise) or unfit for use and may sell or dispose of any such Pledged Spare Part or any salvage resulting from such dismantling, free from the lien of the Security Agreement. American also may subject any Pledged Spare Part to a pooling, exchange, interchange, borrowing, or maintenance servicing agreement or arrangement customary in the airline industry and entered into in the ordinary course of business; *provided*, *however*, that if American's title to any such Pledged Spare Part shall be divested under any such agreement or arrangement, such divestiture shall be deemed to be a sale with respect to such Pledged Spare Part. (Collateral Maintenance Agreement, Section 3.6(a))

So long as no Event of Default shall have occurred and be continuing, American may enter into a lease or loan with respect to any Pledged Spare Part with any person. Any such leased or loaned spare part will be subject to the limitation described in clause (y) of the second preceding paragraph, but will not be subject to the lien of the Security Agreement. (Collateral Maintenance Agreement, Section 3.6(b))

Designated Locations

American is required to keep the Pledged Spare Parts at one or more of the designated locations specified in the Security Agreement or added from time to time by American in accordance with the Security Agreement (the "*Designated Locations*"), except as otherwise permitted under the Security Agreement and the Collateral Maintenance Agreement. (Security Agreement, Section 4.2(b)) Each quarter, American shall add as a new Designated Location any location in the United States owned or leased by American where American holds Qualified Spare Parts (other than any location with Qualified Spare Parts that have an immaterial aggregate value). (Collateral Maintenance Agreement, Section 3.9) American will be entitled to hold Qualified Spare Parts at locations, including locations outside the United States, other than Designated Locations. The lien of the Security Agreement will not apply to any spare part not located at a Designated Location.

Insurance

Subject to certain exceptions, American is required to maintain insurance covering physical damage to the Pledged Spare Parts, at all times in an amount not less than 110% of the aggregate outstanding principal balance of the Notes (the "*Debt Balance*"). However, after giving effect to self-insurance permitted as described below, the amounts payable under such insurance may be less than such amounts payable with respect to the Notes.

Insurance proceeds resulting from an Event of Loss with respect to any Pledged Spare Parts that are in excess of $2,000,000 and up to the Debt Balance will be payable to the Security Agent, and such insurance proceeds up to $2,000,000 and in excess of the Debt Balance as well as any insurance proceeds for loss or damage to the Pledged Spare Parts not constituting an Event of Loss will be payable to American so long as no Payment Default, American Bankruptcy Event or Event of Default has occurred and is continuing. For these purposes, "*Event of Loss*" means, with respect to any Pledged Spare Part, (i) the loss of any of the Pledged Spare Parts or of the use of any Pledged Spare Parts due to destruction, damage beyond repair or rendition of any of the Pledged Spare Parts permanently unfit for normal use for any reason whatsoever (other than the use of Pledged Spare Parts in the American's operations); (ii) any damage to any of the Pledged Spare Parts which results in the receipt of insurance proceeds with respect to such Pledged Spare Parts on the basis of an actual or constructive total loss; or (iii) the loss of possession of any of the Pledged Spare Parts by American for 90 consecutive days as a result of the theft or disappearance of such Pledged Spare Parts. Any such insurance proceeds held by the Security Agent will be disbursed to American or its designee to reimburse American or to pay for the purchase of additional Qualified Spare Parts after the occurrence of such Event of Loss. In addition, such proceeds will be disbursed to American to the extent it would not cause the Class A Collateral Ratio or the Class B Collateral Ratio, as determined in a

subsequent certificate of American calculating such Collateral Ratios, to exceed the Maximum Collateral Ratio or the Maximum Class B Collateral Ratio.

American is also required to maintain liability insurance (including bodily injury, personal injury, and property damage liability, exclusive of manufacturer's product liability insurance) and contractual liability insurance with respect to the Pledged Spare Parts. 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 liability coverage from time to time applicable to similar spare parts on which American carries insurance.

In the case of insurance covering physical damage to the Pledged Spare Parts, American may self-insure the risks required to be insured against as described above, but the amount of such self-insurance in the aggregate may not exceed an amount consistent with normal industry practice. In the case of liability insurance, American may self-insure the risks required to be insured against as described above, but the amount of such self-insurance in the aggregate may not exceed for any 12-month policy year 1% of the average aggregate insurable value (during the preceding policy year) of all aircraft on which American carries insurance, unless an insurance broker of national standing certifies that the standard among all other major U.S. airlines is a higher level of self-insurance, in which case American may self-insure to such higher level. In addition, American may self-insure to the extent of (i) any applicable deductible per occurrence that is not in excess of the amount customarily allowed as a deductible in the industry or is required to facilitate claims handling, or (ii) any applicable mandatory minimum deductibles (per annum or other period) or other insurance deductibles imposed by the liability or property insurers.

Events of Default

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

- failure by American to pay principal of, interest on, or Make-Whole Amount, if any, with respect to, any Note when due, and such failure shall remain unremedied for more than 15 days (it being understood that any amount paid to the Class A Noteholders in respect of the foregoing from funds provided by the Liquidity Provider or the Cash Collateral Account shall not be deemed to cure such Default) (such failure, without giving effect to any such notice or grace period, a "*Payment Default*");

- failure by American to pay any other amount payable by it to the Noteholders under the Indenture or any other Operative Document when due, and such failure shall continue for more than 30 days after American has received written notice from the Trustee or the holders of at least 25% of the principal amount of the outstanding Notes of the failure to make such payment when due;

- failure by American to achieve compliance with a Maximum Collateral Ratio within the time period specified for such compliance in "— Collateral — Appraisals and Maintenance of Ratios," or failure by American to comply with its obligations with respect to a Fleet Reduction as described in "— Collateral — Fleet Reduction" within the time period specified therein;

- failure by American to carry and maintain insurance on or with respect to the Pledged Spare Parts in accordance with the Collateral Maintenance Agreement and such failure shall continue for a period of 60 days after receipt by the Trustee of the notice of cancellation or lapse;

- the failure by American on two consecutive occasions to deliver to the Trustee the independent appraiser's report and American's certificate calculating the Collateral Ratios within 30 days of the respective dates required for such delivery specified in the Collateral Maintenance Agreement;

- failure by American to observe or perform (or cause to be observed and performed) in any material respect any other covenant, agreement or obligation set forth in the Indenture or in any other Operative Document, and such failure shall continue for a period of 60 days after American receives written notice thereof from the Trustee or the holders of at least 25% of the principal amount of the outstanding Notes; *provided* that, if such failure is capable of being remedied, no

such failure will constitute an Event of Default for a period of one year after such notice is received by American so long as American is diligently proceeding to remedy such failure;

- any representation or warranty made by American in the Indenture or any Operative Document (a) shall prove to have been untrue or inaccurate in any material respect as of the date made, (b) such untrue or inaccurate representation or warranty is material at the time in question and (c) the same shall remain uncured (to the extent of the adverse impact of such incorrectness on the Trustee) for more than 60 days after the date of written notice from the Trustee or the holders of at least 25% of the principal amount of the outstanding Notes to American; *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

- the occurrence of certain events of bankruptcy, reorganization or insolvency of American (each, an "*American Bankruptcy Event*"). (Section 7.1)

If an event occurs and is continuing which is, or after notice or passage of time, or both, would be an Event of Default (a "*Default*") and if such Default is known to the Trustee, the Trustee shall mail to each Noteholder and the Liquidity Provider a notice of the Default within 90 days after the occurrence thereof except as otherwise permitted by the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*"). Except in the case of a Payment Default, the Trustee may withhold the notice if and so long as it, in good faith, determines that withholding the notice is in the interests of the Noteholders. (Section 8.5)

Remedies

If an Event of Default (other than an American Bankruptcy Event) occurs and is continuing, the Trustee may, and upon the written instruction of the Controlling Party, the Trustee shall, declare by notice to American, all unpaid principal of, and accrued but unpaid interest on, the outstanding Notes and other amounts otherwise payable under the Indenture, if any, to be due and payable immediately (without Make-Whole Amount). If an American Bankruptcy Event occurs, such amounts shall be due and payable without any declaration or other act on the part of the Trustee, the Controlling Party or any Noteholder. (Section 7.2)

The Controlling Party by notice to the Trustee may rescind an acceleration and its consequences if (a) all existing Events of Default, other than the non-payment as to the Notes of the principal of, and interest on, and other amounts otherwise payable under the Indenture, if any, which have become due solely by such declaration of acceleration, have been cured or waived, (b) to the extent the payment of such interest is permitted by law, interest on overdue installments of interest and on overdue principal which has become due otherwise than by such declaration of acceleration, has been paid, (c) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction, and (d) all payments due to the Trustee and any predecessor Trustee have been made. No such rescission shall affect any subsequent default or impair any right arising from any subsequent default. (Section 7.2)

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of, and interest on, the Notes or other amounts otherwise payable under the Indenture, if any, or to enforce the performance of any provision of the Notes or the Indenture, including instituting proceedings and exercising and enforcing, or directing exercise and enforcement of, all rights and remedies of the Trustee and any Collateral Agent under the Operative Documents and directing any Collateral Agent to deposit with the Trustee all cash or investment securities held by such Collateral Agent. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Noteholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative. (Section 7.3)

The Controlling Party by notice to the Trustee may authorize the Trustee to waive an existing Default or Event of Default and its consequences, except a Default or Event of Default (i) in the payment of principal of,

interest on, or Make-Whole Amount, if any, with respect to, any Note that has not been paid to the Noteholder from funds provided by the Liquidity Provider or the Cash Collateral Account, (ii) in respect of a covenant or provision of the Indenture that cannot be amended or supplemented without the consent of the Liquidity Provider and the holders of each Note affected or (iii) in respect of any Subordinated Note Provision which cannot be amended or supplemented without the consent of the holders of a majority in principal amount of Class B Notes. See "— Modifications and Waiver of the Indenture and Certain Other Agreements." When a Default or Event of Default is waived, it is cured and ceases, and American, the Liquidity Provider, the Noteholders and the Trustee shall be restored to their former positions and rights hereunder respectively; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. (Section 7.4)

No holder of a Note may institute any remedy with respect to the Indenture or the Notes unless such holder has previously given to the Trustee written notice of a continuing Event of Default, the holders of 25% or more of the principal amount of a class of Notes then outstanding have requested in writing that the Trustee pursue the remedy, such holder has offered the Trustee indemnity against any loss, liability and expense satisfactory to the Trustee, the Trustee has failed so to act for 60 days after receipt of the same, during such 60-day period the Controlling Party has not given the Trustee a direction inconsistent with the request and, in the case of a Class B Noteholder, the principal of, interest on, and Make-Whole Amount, if any, and all other amounts payable under the Indenture with respect to the Class A Notes have been paid in full. (Section 7.7) Notwithstanding the foregoing, the right of any Noteholder to receive payment when due of principal, interest and Make-Whole Amount, if any, or to bring suit for the enforcement of any such payment, shall not be impaired or affected without the consent of such Noteholder. (Section 7.8)

The Controlling Party may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee (as Trustee or Collateral Agent, subject, in the case of any actions based on the status of the Trustee as Collateral Agent, to any limitations otherwise expressly provided for in the Operative Documents) or exercising any trust or power conferred on it; *provided* that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction. The Trustee may refuse to follow any direction or authorization that conflicts with law or the Indenture or that the Trustee determines may subject the Trustee to personal liability. In addition, the Trustee may refuse to follow any direction or authorization that the Trustee determines may be unduly prejudicial to the rights of another Noteholder. However, the Trustee shall have no liability for any actions or omissions to act which are in accordance with any such direction or authorization. (Section 7.5)

The Controlling Party shall not direct the Trustee or any Collateral Agent to sell or otherwise dispose of any Collateral unless all unpaid principal of, and accrued but unpaid interest on, the outstanding Notes and other amounts otherwise payable under the Indenture, if any, shall be declared or otherwise become due and payable immediately. (Section 7.5)

In the case of Chapter 11 bankruptcy proceedings in which an air carrier is a debtor, Section 1110 of the U.S. Bankruptcy Code ("*Section 1110*") provides special rights to holders of security interests with respect to "equipment" (defined as described below). Under Section 1110, the right of such holders to take possession of such equipment in compliance with the provisions of a security agreement is not affected by any provision of the U.S. 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, propeller, appliance or spare part (as defined in Section 40102 of Title 49 of the U.S. Code) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued pursuant to chapter 447 of Title 49 of the U.S. Code for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo.

As a condition to the initial issuance of the Notes, American's General Counsel provided his opinion to the Trustee that the Security Agent, as agent for the Trustee, will be entitled to the benefits of Section 1110 with respect to the Pledged Spare Parts subject to the lien of the Security Agreement. The opinion of American's General Counsel did not address the availability of Section 1110 with respect to the bankruptcy proceedings of any possible lessee of any Pledged Spare Parts if they are leased from American.

So long as any Notes are outstanding, during the nine months after the earlier of (i) the acceleration of the Notes or (ii) the occurrence and continuation of an American Bankruptcy Event, without the consent of the holders of a majority of principal amount of Class B Notes (except that no consent of the holders of the Class B Notes shall be required if all of the Class B Notes are owned by American Entities) and the holders of a majority of principal amount of Class C Notes (except that no consent of the holders of the Class C Notes shall be required if all of the Class C Notes are owned by American Entities), no Pledged Spare Parts or Other Collateral may be sold if the proceeds from such sale would be less than the Minimum Sale Price. "*Minimum Sale Price*" means, with respect to any Pledged Spare Part or Other Collateral, the lesser of (i) 75% of the Fair Market Value of such Pledged Spare Parts or Other Collateral and (ii) the aggregate outstanding principal amount of the Notes (disregarding the Notes of any class if all of the Notes of such class are held or beneficially owned by American Entities), plus accrued and unpaid interest thereon. The Trustee is required to give American, the Class A Noteholders, the Class B Noteholders and, if Class C Notes are issued, the holders of the Class C Notes (the "*Class C Noteholders*") at least 30 days' prior written notice of its intention to sell or lease all or any portion of the Collateral. (Section 7.15)

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

Controlling Party

Whether before or after the occurrence of an Event of Default, the Trustee and the Collateral Agents will be directed by the Controlling Party in taking action under the Indenture and other agreements relating to the Notes, including in amending such agreements and granting waivers thereunder. However, certain limited provisions with respect to the Collateral as they relate to the Class B Notes and the Class C Notes, if any, cannot be amended or waived without the consent of the holders of a majority of the outstanding principal amount of the Class B Notes and the Class C Notes, if any, respectively, and certain other limited provisions cannot be amended or waived without the consent of each Noteholder affected thereby. Except for those limited provisions which are described in "— Modifications and Waiver of the Indenture and Certain Other Agreements," the provisions of the Indenture, the Security Agreement and the other Operative Documents may be amended or waived by the Controlling Party without the consent of the Noteholders. If an Event of Default has occurred and is continuing, the Controlling Party will direct the Trustee and the Security Agent in exercising remedies under the Indenture and under the Security Agreement, subject to the limitations described herein. (Section 3.8(a))

The "*Controlling Party*" will be:

- the holders of more than 50% in aggregate unpaid principal amount of the Class A Notes then outstanding or, if the Class A Notes have been paid in full, of the Class B Notes then outstanding or, if the Class A Notes and the Class B Notes have been paid in full, of the Class C Notes, if any have been issued, then outstanding;

- under the circumstances described in the next paragraph, a liquidity provider.

At any time after the first Business Day which occurs after 24 months from the earliest to occur of (x) the date on which the entire available amount under the 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 Cash Collateral Account to pay interest on the Class A Notes or has been converted into a Final Drawing and remains unreimbursed and (z) the date on which all Class A Notes have been accelerated (provided that in the event of a bankruptcy proceeding under the U.S. Bankruptcy Code in which American is a debtor, any amounts payable in respect of Class A Notes which have become immediately due and payable by declaration or otherwise will not be considered accelerated for purposes of this clause (z) until the expiration of the 60-day period under Section 1110(a)(2)(A) of the Bankruptcy Code or such longer period (not to exceed an additional 75 days) as may apply under Section 1110(b) of the Bankruptcy Code), the Liquidity Provider (but not if it has defaulted in its obligation to make any advance under the Liquidity Facility) will have the right to become the Controlling Party. In the event there is more than one liquidity provider, the liquidity provider with the greater amount of unreimbursed obligations owing to it under its liquidity facility would have the right to become the Controlling Party.

Priority of Distributions

On each Distribution Date, all amounts received by the Trustee in respect of the Notes will be promptly paid in the following order:

- if an Event of Default shall have occurred and be continuing on such Distribution Date, to the Trustee, the Liquidity Provider and any Noteholder to the extent required to pay certain out-of-pocket costs and expenses actually incurred by the Trustee or to reimburse the Liquidity Provider or any Noteholder in respect of payments made to the Trustee in connection with the protection or realization of the value of the Collateral, in each case, pro rata;

- to the Liquidity Provider to the extent required to pay the Liquidity Expenses;

- to the Liquidity Provider to the extent required to pay accrued and unpaid interest on the Liquidity Obligations;

- (i) if applicable, to replenish the Cash Collateral Account up to the Required Amount (less the amount of repayments of Interest Drawings under the Liquidity Facility while clause (i)(x) is applicable), unless (x) the Class A Notes are Non-Performing and a Liquidity Event of Default has occurred and is continuing under the Liquidity Facility or (y) a Final Drawing has occurred under the Liquidity Facility; (ii) if the Liquidity Facility has become a Downgraded Facility or a Non-Extended Facility at a time when unreimbursed Interest Drawings under the Liquidity Facility have reduced the Maximum Available Commitment to zero, to deposit into the Cash Collateral Account an amount equal to the Required Amount (less the amount of repayments of Interest Drawings under the Liquidity Facility while the following clause (ii)(x) is applicable), unless (x) the Class A Notes are Non-Performing and a Liquidity Event of Default has occurred and is continuing under the Liquidity Facility or (y) a Final Drawing has occurred under the Liquidity Facility, or if neither clause (i) or (ii) of this bullet point is applicable, to the Liquidity Provider to the extent required to pay the outstanding amount of all Liquidity Obligations (other than amounts payable pursuant to the two preceding bullet points);

- to the Liquidity Provider (if, with respect to the Liquidity Facility, any amounts are distributed to replenish, or deposited in, the Cash Collateral Account as described in the preceding bullet point), an amount equal to the excess of (i) the aggregate outstanding amount of unreimbursed Drawings under the Liquidity Facility (whether or not then due) over (ii) the applicable Required Amount (less the amount of any repayments of Interest Drawings under the Liquidity Facility while clause (i)(x) or (ii)(x) of the preceding bullet point is applicable);

- if an Event of Default shall have occurred and be continuing on such Distribution Date and at all times thereafter, to the Trustee or any Noteholder, to the extent required to pay certain fees, taxes, charges and other amounts payable, in each case, pro rata;

- to the Class A Noteholders to the extent required to pay in full amounts due on such Distribution Date;
- to the Class B Noteholders to the extent required to pay in full amounts due on the Class B Notes on such Distribution Date;
- if the Class C Notes have been issued, to the Class C Noteholders to the extent required to pay in full amounts due on the Class C Notes on such Distribution Date;
- to the Trustee for the payment of certain fees and expenses (other than amounts payable pursuant to the first and sixth clauses above); and
- to the Company. (Section 3.2)

If there is a liquidity facility with respect to new Class B notes, the liquidity provider of such liquidity facility will have the same priority distribution rights as the Liquidity Provider for the Class A Notes to amounts distributable under the Indenture.

"*Liquidity Obligations*" means the obligations to reimburse or to pay the Liquidity Provider all principal, interest, fees and other amounts owing to it under the Liquidity Facility or certain other agreements.

"*Liquidity Expenses*" means all Liquidity Obligations other than any interest accrued thereon or the principal amount of any Drawing under the Liquidity Facility.

"*Non-Performing*" means, with respect to any Note, a Payment Default existing thereunder (without giving effect to any acceleration); *provided*, that in the event of a bankruptcy proceeding under the U.S. Bankruptcy Code in which the Company is a debtor: (a) any Payment Default occurring before the date of the order of relief in such proceeding will not be taken into consideration during the 60-day period under Section 1110(a)(2)(A) (or such longer period (not to exceed an additional 75 days) as may apply under Section 1110(b) of the U.S. Bankruptcy Code (the "*Section 1110 Period*"); (b) any Payment Default occurring after the date of the order of relief in such proceeding will not be taken into consideration if (i) on or before the expiry of the Section 1110 Period American shall have entered into an agreement of the kind described in Section 1110(a)(2)(A) of the U.S. Bankruptcy Code with respect to such Note, and (ii) 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 (c) any Payment Default occurring after the Section 1110 Period will not be taken into consideration if (i) on or before the expiry of the Section 1110 Period American shall have entered into an agreement of the kind described in Section 1110(a)(2)(A) of the U.S. Bankruptcy Code with respect such Note, and (ii) such Payment Default is cured before the end of the applicable grace period, if any, set forth in the Indenture.

Interest Drawings under the Liquidity Facility and withdrawals from the Cash Collateral Account will be distributed to the Trustee for payment to the Class A Noteholders, notwithstanding the priority of distributions set forth in the Indenture and otherwise described herein. All amounts on deposit in the Cash Collateral Account that are in excess of the Required Amount will be paid to the Liquidity Provider.

If any Distribution Date is a Saturday, a Sunday, or other day (i) on which commercial banks are authorized or required by law to close in New York, New York, Fort Worth, Texas, or the city and state in which the Trustee is located or (ii) solely with respect to drawings under the Liquidity Facility, which is not a "Business Day" as defined in the Liquidity Facility (any other day being a "*Business Day*"), distributions scheduled to be made on such Distribution Date may be made on the next succeeding Business Day without additional interest.

Purchase Rights of Noteholders

After the occurrence and during the continuation of an Event of Default, with ten days' prior written notice to the Trustee and each Noteholder of the same class:

- the Class B Noteholders (other than AMR Corporation, American, or any affiliate of AMR Corporation (each, an "*American Entity*")) will have the right to purchase all, but not less than all, of the Class A Notes; and

- if any Class C Notes are issued as described under "— General," the Class C Noteholders (other than any American Entity) will have the right to purchase all, but not less than all, of the Class A Notes and the Class B Notes.

In each case, the purchase price for a class of Notes will be equal to the outstanding principal amount of such Notes plus accrued and unpaid interest thereon to the date of purchase, without any Make-Whole Amount but including any other amounts then due and payable to the Noteholders of such class. Such purchase right may be exercised by any Noteholder 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 Noteholder of the same class notifies the purchasing Noteholder that the other Noteholder wants to participate in such purchase, then such other Noteholder may join with the purchasing Noteholder to purchase the Notes pro rata.

Modifications and Waiver of the Indenture and Certain Other Agreements

American and the Trustee or the applicable Collateral Agent, as the case may be, may amend or supplement the Indenture, the Notes, and the other Operative Documents and, upon request of American and the agreement of the Liquidity Provider, the Trustee shall amend or supplement the Support Documents, in each case without notice to or the consent of the Noteholders or the Controlling Party:

- to provide for bearer Notes of any class in addition to or in place of registered Notes of such class or to provide for the issuance of Notes in uncertificated form in addition to or in place of Notes in certificated form;

- to evidence the succession of another entity to American and provide for the assumption by such entity of American's obligations under the Indenture, the Notes, any other Operative Documents and the Support Documents in the case of a merger, consolidation or transfer of all or substantially all of the assets of American;

- to add to the covenants of American for the benefit of holders of Notes or surrender any right or power conferred upon American in the Indenture, the Notes, any other Operative Document or any Support Document;

- to comply with any requirements of the Commission or otherwise to the extent necessary in connection with, or to continue, the qualification of the Indenture or any other agreement under the Trust Indenture Act or under any similar U.S. federal statute or to add provisions permitted by the Trust Indenture Act;

- to provide for a replacement Liquidity Provider or replacement Liquidity Facility;

- to add to or change any of the provisions of the Indenture or the other Operative Documents as necessary or advisable to provide additional Collateral or to provide for the effectiveness of any additional Collateral Agreement or to obtain a Ratings Confirmation with respect thereto;

- to comply with any requirement of the Commission or of any other regulatory body or with any applicable law, rules, or regulations of or relating to any exchange or quotation system on which any Notes are listed (or to facilitate any listing of any Notes on any exchange or quotation system);

- to comply with any requirement of DTC, Euroclear or Clearstream or the Trustee with respect to the provisions of the Indenture or the Notes of any class relating to transfers and exchanges of the Notes of any class or beneficial interests therein;

- to provide for any successor or additional Trustee or Collateral Agent with respect to the Notes of one or more classes or to add to or change any of the provisions of the Indenture as shall be necessary or advisable to provide for or facilitate the administration of the trusts under the Indenture by more than one Trustee or, as provided in the Indenture, to provide for multiple liquidity facilities for a class of Notes;

- to modify, eliminate, or add to the provisions of the Indenture, the Notes, any other Operative Document or any Support Document to the extent necessary to provide for (a) the issuance of new Class B notes or new Class C notes as described in "— Possible Refunding of Class B Notes and Class C Notes," including provision for a liquidity facility for the new Class B notes, or (b) the issuance of Class C Notes as described in "— General";

- to provide for the delivery of Notes or any supplement to the Indenture, the Notes, any other Operative Document or any Support Document in or by means of any computerized, electronic, or other medium, including computer diskette;

- to provide for the guarantee by AMR Corporation or another entity of the Indenture, of one or more classes of Notes;

- to correct or supplement the description of the Collateral;

- to cure any ambiguity or correct any mistake, defect or inconsistency;

- to make changes to the Fee Letter as shall have been requested by the Company, with the agreement of the Liquidity Provider; and

- to make any other change not inconsistent with the Indenture provided that such action does not materially adversely affect the interests of any Noteholder. (Section 10.1)

In addition, subject to certain limited exceptions described below, American and the Trustee and/or any applicable Collateral Agent, as the case may be, may otherwise amend or supplement the Indenture, the Notes and the other Operative Documents, in each case with the written consent of the Controlling Party, but without notice to or consent of the Liquidity Provider (except in certain cases) and without notice to or consent of any other Noteholders, and, upon request of American and the agreement of the Liquidity Provider, the Trustee shall amend or supplement the Liquidity Facility with the written consent of the holders of a majority of principal amount of Class A Notes but without notice to or consent of any other Noteholders.

Whether before or after the occurrence of an Event of Default, the Controlling Party may authorize the Trustee or Security Agent to, and the Trustee or Security Agent, as applicable, upon such authorization shall, waive compliance by American with any provision of the Indenture, the Notes or the other Operative Documents (other than certain provisions in the Collateral Maintenance Agreement, including the Subordinated Note Provisions, as described below). However, no amendment, supplement or waiver of any provision in the Indenture, any Note or in the case of the last bullet-point, the Security Agreement may, without the consent of the Liquidity Provider and each Class A Noteholder affected:

- reduce the amount of Class A Notes whose holders must consent to an amendment, supplement or waiver;

- reduce the rate or change the time for payment of interest on any Class A Note;

- reduce the amount or change the time for payment of principal of, redemption price of, or Make-Whole Amount, if any, with respect to (in each case, whether on redemption or otherwise), any Class A Note;

- change the place of payment where, or the coin or currency in which any Class A Note (or the redemption price thereof), interest thereon or Make-Whole Amount, if any, with respect thereto, is payable;
- change the priority of distributions and application of payments specified in the Indenture in a manner materially adverse to the holders of the Class A Notes;
- impair the right of any Class A Noteholder to institute suit for the enforcement of any amount of principal or interest payable on any Class A Note when due;
- waive a default in the payment of the principal of, interest on, or make whole amount, if any, with respect to any Class A Note that has not been paid from funds provided by the Liquidity Provider or the Cash Collateral Account; or
- create any lien with respect to the Pledged Spare Parts prior to or *pari passu* with the lien of the Security Agreement except as permitted by the Security Agreement or by any other Operative Document or deprive the Security Agent of the benefit of the lien on the Pledged Spare Parts created by the Security Agreement except as permitted by the Security Agreement or by any other Operative Document. (Section 10.2)

No such amendment, supplement or waiver may, without the consent of any liquidity provider for the Class B Notes and each Class B Noteholder affected:

- reduce the amount of Class B Notes whose holders must consent to an amendment, supplement or waiver;
- reduce the rate or change the time for payment of interest on any Class B Note;
- reduce the amount or change the time for payment of principal of, or Make-Whole Amount, if any, with respect to (in each case, whether on redemption or otherwise), any Class B Note;
- increase the principal amount of, or the rate of interest on, the Class A Notes;
- change the place of payment where, or the coin or currency in which any Class B Note (or the redemption price thereof), interest thereon, or Make-Whole Amount, if any, with respect thereto, is payable;
- waive a default in the payment of the principal of, interest on, or Make-Whole Amount, if any, with respect to, any Class B Note;
- impair the right of any Class B Noteholder to institute suit for the enforcement of any amount of principal or interest payable on any Class B Note when due; or
- change the priority of distributions and application of payments specified in the Indenture in a manner materially adverse to the holders of the Class B Notes;

provided that any amendment, supplement, or waiver with respect to the foregoing other than the immediately preceding bullet point will not require notice to or the consent of the Controlling Party, any Class A Holders, any Class C Holders or the Liquidity Provider. (Section 10.2)

In addition, no such amendment, supplement or waiver may, without the consent of each Class C Noteholder (if any) affected:

- reduce the amount of Class C Notes (if any) whose holders must consent to an amendment, supplement or waiver;
- reduce the rate or change the time for payment of interest on any Class C Note (if any);
- reduce the amount or change the time for payment of principal of, or Make-Whole Amount, if any, with respect to (in each case, whether on redemption or otherwise), any Class C Note (if any);
- increase the principal amount of, or the rate of interest on, the Class A Notes or Class B Notes;
- change the place of payment where, or the coin or currency in which any Class C Note (if any) (or the redemption price thereof), interest thereon, or Make-Whole Amount, if any, with respect thereto, is payable;
- waive a default in the payment of the principal of, interest on, or Make-Whole Amount, if any, with respect to, any Class C Note (if any);
- impair the right of any Class C Noteholder (if any) to institute suit for the enforcement of any amount of principal or interest payable on any Class C Note (if any) when due; or
- change the priority of distributions and application of payments specified in the Indenture in a manner materially adverse to the holders of the Class C Notes (if any), as applicable;

provided that any amendment, supplement, or waiver with respect to the foregoing other than the immediately preceding bullet point will not require notice to or the consent of the Controlling Party, any Class A Holders, any Class B Holders, or any liquidity provider. (Section 10.2)

The provisions of the Indenture for determining who will be the Controlling Party, the covenant contained in Section 7.15 of the Indenture described in the second to last paragraph under "— Remedies," the provisions described in "— Purchase Rights of Noteholders," and the definitions of "Maximum Class B Collateral Ratio" and "Class B Collateral Ratio" cannot be amended without the consent of the holders of a majority in principal amount of the Class B Notes. The definition of "Event of Default" cannot be amended without the consent of the holders of a majority in principal amount of Class B Notes and the holders of a majority in principal amount of Class C Notes (if any). The requirement that the Class B Noteholders and the Class C Noteholders (if any) consent to an amendment to the definition of "Event of Default" does not affect the right of the Controlling Party to direct the Trustee to waive an Event of Default. See "— Remedies."

American and the Security Agent (as directed by the Controlling Party) can amend, modify or waive compliance with any provision of the Collateral Maintenance Agreement (including the provisions described under "— Appraisals and Maintenance of Ratios," "— Fleet Reduction," "— Liens," "— Maintenance," "— Insurance" and "— Use and Possession") without the consent of the Liquidity Provider, any Collateral Agent or any other Noteholders, except for certain limited provisions. However, American and the Security Agent, with the consent of the holders of a majority in principal amount of the outstanding Class B Notes, but without the consent of the Controlling Party, the Liquidity Provider, any Collateral Agent or any other Noteholder, can amend, modify or waive compliance with the following requirements of the Collateral Maintenance Agreement (such requirements collectively, the "*Subordinated Note Provisions*"):

- that appraisals of the Collateral be obtained for purposes of determining the Maximum Class B Collateral Ratio on the quarterly dates specified for such appraisals in the Collateral Maintenance Agreement (see "— Collateral — Appraisals and Maintenance of Ratios");
- that the Maximum Class B Collateral Ratio be complied with in connection with any particular appraisals (see "— Collateral — Appraisals and Maintenance of Ratios");

- that the outstanding principal amount of the Class B Notes be reduced if there is a Fleet Reduction (see "— Collateral — Fleet Reduction"); or

- that the Maximum Class B Collateral Ratio be complied with upon effecting a transaction permitted as a result of the waiver by the Trustee (as directed by the Controlling Party) of certain restrictions on selling, leasing and moving Pledged Spare Parts (see "— Collateral — Use and Possession");

except for any such amendment, modification, or waiver that would have a material adverse effect on the Class A Noteholders, in which event the consent of the Controlling Party to such amendment, modification, or waiver will also be required, *provided* that (i) an increase of less than 15% in the Maximum Class B Collateral Ratio or (ii) a waiver of the Company's obligations (x) with respect to the Maximum Class B Collateral Ratio (so long as in the case of this clause (x) the Class B Collateral Ratio does not exceed the Maximum Class B Collateral Ratio by more than 15%) or (y) with respect to the Class B Notes in the event of a Fleet Reduction is deemed not to have a material adverse effect on the Class A Noteholders. (Collateral Maintenance Agreement, Section 4.4(b))

In determining whether the holders of the required principal amount of Class A Notes, Class B Notes or Class C Notes (if any) have consented to an amendment, modification or waiver, any such Class A Notes, Class B Notes or Class C Notes (if any) owned by any American Entity will be disregarded and deemed not outstanding. (Section 2.13)

Defeasance

Under certain circumstances American may legally release itself from any payment or other obligations on all, but not less than all, of the Notes (a "*full defeasance*") if American puts in place the following arrangements for the benefit of the holders of the Notes:

- American must deposit in trust for the benefit of the holders of such Notes a combination of money and direct obligations of the United States (and certain depository receipts representing interests in such direct obligations) that will generate enough money to pay when due the principal of and interest on such Notes; and

- American must deliver to the Trustee a legal opinion stating that there has been a change in the U.S. federal tax law from such law as in effect on the Issuance Date or that there has been an IRS ruling, in either case that lets American make the above deposit without causing the holders of such Notes to be taxed on their Notes any differently than if American did not make the deposit and simply repaid such Notes itself.

American may accomplish full defeasance only if it obtains written confirmation from each Rating Agency that such full defeasance will not result in a withdrawal or downgrading of the rating by such Rating Agency of any class of Notes. If American were to accomplish full defeasance, as described above, holders of such Notes so defeased would rely solely on the trust deposit for repayment on such Notes. Holders of such Notes could not look to American for repayment if a shortfall in the payment of principal of or interest on such Notes occurred. In addition, the holders of such Notes would have no beneficial interest in or other rights with respect to the Collateral subject to the liens of the Collateral Agreements and such liens would terminate. (Section 9.1)

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:

- the surviving successor or transferee entity shall, if and to the extent required under Section 1110 in order that the Security Agent shall continue to be entitled to any benefits of Section 1110 with respect to the Pledged Spare Parts, 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 surviving successor or transferee entity expressly assumes all of the obligations of American contained in the Indenture, the Notes and any other Operative Documents to which American is a party; and
- American has delivered a certificate and an opinion or opinions of counsel indicating that such transaction, in effect, complies with such conditions.

In addition, after giving effect to such transaction, no Event of Default shall have occurred and be continuing. (Section 5.4)

The Indenture, the Notes and the other Operative Documents do not contain any covenants or provisions which may afford the Trustee or Noteholders protection in the event of a highly leveraged transaction, including transactions effected by management or affiliates, which may or may not result in a change in control of American.

Book-Entry Registration; Delivery and Form

The New Class A Notes will be represented by one or more fully registered global notes. Each global note will be deposited with the Trustee as custodian for 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 New Class A Notes (a "*Class A Note Owner*") will be entitled to receive a certificate representing such person's interest in such New Class A Notes, except as set forth below under "—Definitive Class A Notes." Unless and until Definitive Class A Notes are issued under the limited circumstances described herein, all references in this Prospectus to actions by Class A Noteholders will refer to actions taken by DTC upon instructions from DTC Participants, and all references to distributions, notices, reports and statements to Class A Noteholders will refer, as the case may be, to distributions, notices, reports and statements to DTC or Cede, as the registered holder of such Class A Notes, or to DTC Participants for distribution to Class A Note Owners in accordance with DTC procedures.

DTC has informed American as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of 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-entry changes in accounts of DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to the DTC system 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 Class A Notes among DTC Participants on whose behalf it acts with respect to the Class A Notes. Class A Note Owners that are not DTC Participants but that desire to purchase, sell or otherwise transfer ownership of, or other interests in, Class A Notes may do so only through DTC Participants. DTC Participants and indirect participants with which Class A Note Owners have accounts with respect to the Class A Notes, 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, Make-Whole Amount, if any, and interest with respect to the Class A Notes. Class A Note Owners thus will receive all distributions of principal, Make-Whole Amount, if any, and interest from the Trustee through DTC Participants or indirect participants, as the case may be. Under this book-entry system, Class A Note 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 Class A Notes, as shown on the records of DTC or its nominee. Distributions by DTC

Participants to indirect participants or Class A Note Owners, as the case may be, will be the responsibility of such DTC Participants.

Unless and until Definitive Class A Notes are issued under the limited circumstances described herein, the only "Class A Noteholder" under the Indenture will be Cede, as nominee of DTC. Class A Note Owners therefore will not be recognized by the Trustee as Class A Noteholders, as such term is used in the Indenture, and Class A Note Owners will be permitted to exercise the rights of Class A Noteholders only indirectly through DTC and DTC Participants. DTC has advised American that it will take any action permitted to be taken by Class A Noteholders under the Indenture only at the direction of one or more DTC Participants to whose accounts with DTC the Class A Notes are credited. Additionally, DTC has advised American that in the event any action requires approval by Class A Noteholders of a certain percentage of beneficial interest, 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 Class A Note 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 Class A Note Owner to pledge Class A Notes to persons or entities that do not participate in the DTC system, or to otherwise act with respect to such Class A Notes, may be limited due to the lack of a physical certificate for such Class A Notes.

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 Class A Notes 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 the Notes are registered in the name of DTC or its nominee, all payments made by American to the Trustee under the Indenture will be in immediately available funds. Such payments, including the final distribution of principal with respect to the Notes, will be passed through to DTC in immediately available funds.

Any Notes 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 Notes 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 Notes.

Definitive Class A Notes

Class A Notes will be issued in certificated form ("*Definitive Class A Notes*") to Class A Noteholders 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 Class A Notes 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 Indenture, Class A Noteholders with fractional undivided interests aggregating not less than a majority 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 Class A Noteholders' best interests.

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

Distributions of principal, Make-Whole Amount (if any) and interest with respect to Class A Notes will thereafter be made by the Trustee directly in accordance with the procedures set forth in Indenture, to holders in whose names the Definitive Class A Notes 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 Class A Note, however, will be made only upon presentation and surrender of such Class A Note at the office or agency specified in the notice of final distribution to Class A Noteholders.

Indemnification

American will be required to indemnify the Liquidity Provider, the Trustee and the Collateral Agent, but not the Noteholders, for certain losses, claims and other matters. (Sections 6.3 and 6.4)

Governing Law

The Indenture and the Notes are governed by the laws of the State of New York. (Section 12.8)

The Trustee

The Trustee is U.S. Bank Trust National Association. Except as otherwise provided in the Indenture, the Trustee, in its individual capacity, will not be answerable or accountable under the Indenture or under the Notes under any circumstances except, among other things, for its own willful misconduct or negligence. American and its affiliates have in the past, and may from time to time in the future enter into, banking and trustee relationships with the Trustee and its affiliates. The Trustee's address is U.S. Bank Trust National Association, One Federal Street, 3rd Floor, EX-FED-MA, Boston, Massachusetts 02110, Attention: Corporate Trust Department.

The Trustee may resign at any time, and may be removed by American under certain circumstances. In such cases, a successor Trustee will be appointed by American as provided in the Indenture. The Controlling Party may at any time remove the Trustee as provided in the Indenture, in which event a successor Trustee may be appointed by the Controlling Party with the consent of American as provided in the Indenture. Any resignation or removal of the Trustee and appointment of a successor Trustee does not become effective until acceptance of the appointment by the successor Trustee. (Section 8.8)

DESCRIPTION OF THE LIQUIDITY FACILITY

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

General

Citibank, N.A. (the "*Liquidity Provider*") has entered into a revolving credit agreement (the "*Liquidity Facility*") with the Trustee with respect to the Class A Notes. Currently, Class B Notes do not have the benefit of a liquidity facility. In connection with a Refunding of the Class B Notes, a liquidity facility may be provided for the new Class B Notes. If a liquidity facility is provided for new Class B notes in connection with a Refunding, the issuer of such liquidity facility will have the same priority distribution rights as the Liquidity Provider in respect of the Class A Notes. See "Description of the Notes — Possible Refunding of Class B Notes and Class C Notes."

On any Distribution Date, if, after giving effect to the subordination provisions of the Indenture, the Trustee does not have sufficient funds for the payment of interest on the Class A Notes, the Liquidity Provider will make an advance (an "*Interest Drawing*") in the amount needed to fund the interest shortfall up to the Maximum Available Commitment.

The maximum amount of Interest Drawings available under the Liquidity Facility are expected to be sufficient to pay interest on the Class A Notes on up to four consecutive semi-annual Interest Payment Dates at the Stated Interest Rate. If interest payment defaults occur which exceed the amount covered by and available under the Liquidity Facility, the Class A Noteholders will bear their allocable share of the deficiencies to the extent that there are no other sources of funds. The initial Liquidity Provider may be replaced by one or more other entities under certain circumstances.

Drawings

The initial Maximum Available Commitment available under the Liquidity Facility at August 5, 2004, the first Interest Payment Date after the Issuance Date, was $27,970,835.

Except as otherwise provided below, the Liquidity Facility enables the Trustee to make Interest Drawings thereunder promptly on or after any Interest Payment Date if, after giving effect to the subordination provisions of the Indenture, there are insufficient funds available to the Trustee to pay interest then due and payable on the Class A Notes at the Stated Interest Rate; *provided*, however, that the maximum amount available to be drawn under the Liquidity Facility on any Distribution Date to fund any shortfall of interest on the Class A Notes will not exceed the then Maximum Available Commitment.

The "*Maximum Available Commitment*" at any time under the Liquidity Facility is an amount equal to the then Required Amount of the Liquidity Facility less the aggregate amount of each Interest Drawing outstanding thereunder at such time, *provided* that, following a Non-Extension Drawing, a Downgrade Drawing or a Final Drawing, the Maximum Available Commitment shall be zero.

The "*Required Amount*" under the Liquidity Facility will be equal, on any day, to the sum of the aggregate amount of interest, calculated at the Stated Interest Rate, that would be payable on the Class A Notes on each of the four consecutive semi-annual Interest Payment Dates immediately following such day or, if such day is an Interest Payment Date, on such day and the succeeding three semi-annual Interest Payment Dates, in each case calculated on the outstanding aggregate principal amount of the Class A Notes on such day and without regard to expected future payments of principal.

The Liquidity Facility does not provide for drawings thereunder to pay for principal of, or Make-Whole Amount, if any, with respect to, the Class A Notes, any interest thereon in excess of an amount equal to four full semi-annual installments of interest calculated at the Stated Interest Rate thereon or any amount with respect to the Class B Notes or, if issued, the Class C Notes. (Liquidity Facility, Section 2.02; Indenture, Section 3.6)

Each payment by the Liquidity Provider will reduce by the same amount the Maximum Available Commitment, 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 interest thereon, the Maximum Available Commitment under the Liquidity Facility will be reinstated to an amount not to exceed the then Required Amount. However, the Liquidity Facility will not be so reinstated at any time if (i) the Class A Notes are Non-Performing and a Liquidity Event of Default shall have occurred and be continuing or (ii) a Final Drawing has been made. With respect to any other drawings under the Liquidity Facility, amounts available to be drawn thereunder are not subject to reinstatement. The Required Amount will be reduced automatically from time to time to an amount equal to the next four successive semi-annual interest payments due on the Class A Notes (without regard to expected future payments of principal) at the Stated Interest Rate. (Liquidity Facility, Section 2.04(a); Indenture, Section 3.6(j))

Replacement of Liquidity Facility

If at any time (i) the senior unsecured short-term corporate rating (with respect to Fitch), the short-term issuer credit rating (with respect to Standard & Poor's) or the short-term unsecured debt rating (with respect to Moody's) of the Liquidity Provider (or if the Liquidity Provider does not have such a rating issued by a given Rating Agency, the senior unsecured long-term corporate rating (with respect to Fitch), the long-term issuer credit rating (with respect to Standard & Poor's) or the long-term unsecured debt rating (with respect to Moody's) of the Liquidity Provider) or, if applicable, the short-term issuer credit rating (with respect to Standard & Poor's) or the short-term unsecured debt rating (with respect to Moody's) of any guarantor of the obligations of the Liquidity Provider issued by a given Rating Agency is lower than the Threshold Rating or (ii) any guarantee of the Liquidity Provider's obligations under the Liquidity Facility becomes invalid or unenforceable, the Liquidity Facility may be replaced by a Replacement Facility subject to receipt of the Rating Agencies' written confirmation of their respective ratings then in effect of the Class A Notes (before downgrading of such ratings, if any, as a result of downgrading of the Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the Liquidity Provider or any such guarantee becoming invalid or unenforceable). If the Liquidity Facility is not replaced with a Replacement Facility within 10 days after the date of the downgrading or such guarantee becoming invalid or unenforceable or as otherwise provided in the Indenture, the Liquidity Facility will be drawn in full up to the then Maximum Available Commitment under the Liquidity Facility (the "*Downgrade Drawing*"). The proceeds of any Downgrade Drawing will be deposited into a cash collateral account (the "*Cash Collateral Account*") for the Class A Notes and used for the same purposes and under the same circumstances and subject to the same conditions as cash payments of Interest Drawings under the Liquidity Facility would be used. (Liquidity Facility, Section 2.02(c); Indenture, Section 3.6(c)) If a qualified Replacement Facility is subsequently provided, the balance of the Cash Collateral Account will be repaid to the replaced Liquidity Provider.

A "*Replacement Facility*" for the Liquidity Facility means 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, insurance policy, or guaranty) as will permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Class A Notes (before downgrading of such ratings, if any, as a result of the downgrading of the Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the Liquidity Provider or any such guarantee becoming invalid or unenforceable), in a face amount (or in an aggregate face amount) equal to the amount sufficient to pay the interest payable on the Class A Notes (at the Stated Interest Rate for the Class A Notes, and without regard to expected future payments of principal) on the four Interest Payment Dates following the day of replacement of the Liquidity Facility, or, if such day is an Interest Payment Date, on such day and the three Interest Payment Dates following such day, and issued by a person (or persons) having a debt rating (or whose guarantor, if applicable, has a debt rating) issued by each Rating Agency that is equal to or higher than the applicable Threshold Rating or having such other ratings and qualifications that still permit each Rating Agency to issue a Ratings Confirmation with respect to each class of Notes (before downgrading of such ratings, if any, as a result of the downgrading of the Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the Liquidity Provider or any such guarantee becoming invalid or unenforceable). (Indenture, Appendix I) The provider of any Replacement Facility will have the same rights (including, without limitation, priority distribution rights and rights as "Controlling Party") under the Indenture as the replaced Liquidity Provider.

"*Threshold Rating*" means (i) a senior unsecured short-term corporate rating of F-1 in the case of Fitch (if such person is then rated by Fitch), a short-term unsecured debt rating of P-1 in the case of Moody's and a short-term issuer credit rating of A-1 in the case of Standard & Poor's, and (ii) in the case of any person who does not have a senior unsecured short-term corporate rating from Fitch, a short-term unsecured debt rating from Moody's or a short-term issuer credit rating from Standard & Poor's, then in lieu of such rating from such Rating Agency or Rating Agencies, a senior unsecured long-term corporate rating of A in the case of Fitch (if such person is then rated by Fitch), a long-term unsecured debt rating of A2 in the case of Moody's and a long-term issuer credit rating of A in the case of Standard & Poor's.

The Liquidity Facility provides that the Liquidity Provider's obligations thereunder will expire on the earliest of:

- 364 days after the Issuance Date (counting from, and including, the Issuance Date);

- the date on which the Trustee delivers to the Liquidity Provider a certification that (i) all of the Class A Notes have been paid in full (or provision has been made for such payment) or cancelled, (ii) the Indenture has been terminated, or (iii) the Class A Notes are no longer entitled to the benefits of the Liquidity Facility;
- the date on which the Trustee delivers to the Liquidity Provider a certification that a Replacement Facility has been substituted for such Liquidity Facility;
- the fifth Business Day following receipt by the Trustee of a Termination Notice from the Liquidity Provider (see "— Liquidity Events of Default and Termination");
- the date on which no amount is or may (including by reason of reinstatement) become available for drawing under the Liquidity Facility; and
- the date on which 100% of the principal amount of the Class A Notes are owned by American Entities.

The Liquidity Facility provides that it will be extended automatically for additional 364-day periods unless the Liquidity Provider notifies the Trustee that it does not agree to such extension.

The Indenture provides for the replacement of the Liquidity Facility if such Liquidity Facility is scheduled to expire earlier than 15 days after the Final Legal Maturity Date of the Class A Notes and such Liquidity Facility is not extended at least 25 days prior to its then scheduled expiration date. If the Liquidity Facility is not so extended or replaced by the 25th day prior to its then scheduled expiration date, the Liquidity Facility will be drawn in full up to the then Maximum Available Commitment thereunder (the "*Non-Extension Drawing*"). The proceeds of the Non-Extension Drawing will be deposited in the Cash Collateral Account 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 the Liquidity Facility would be used. (Liquidity Facility, Section 2.02(b); Indenture, Section 3.6(d))

Subject to certain limitations, American may, at its option, arrange for a Replacement Facility at any time to replace the Liquidity Facility (including, without limitation, any Replacement Facility described in the following two sentences). In addition, if the Liquidity Provider determines not to extend the Liquidity Facility, then the Liquidity Provider may, at its option, arrange for a Replacement Facility acceptable to American to replace such Liquidity Facility (i) 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 and (ii) provided that a Non-Extension Drawing shall have occurred, at any time after such scheduled expiration date. The Liquidity Provider also may arrange for a Replacement Facility to replace the Liquidity Facility at any time after a Downgrade Drawing thereunder. If any Replacement Facility is provided at any time after a Downgrade Drawing or a Non-Extension Drawing under the Liquidity Facility, the funds with respect to the Liquidity Facility on deposit in the Cash Collateral Account will be returned to the Liquidity Provider being replaced. (Indenture, Section 3.6(e))

Upon receipt by the Trustee of a Termination Notice with respect to the Liquidity Facility from the Liquidity Provider, the Trustee shall request a final drawing (a "*Final Drawing*") under the Liquidity Facility in an amount equal to the then Maximum Available Commitment thereunder. See "— Liquidity Events of Default and Termination." The Trustee will hold the proceeds of the Final Drawing in the Cash Collateral Account 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 the Liquidity Facility would be used. (Liquidity Facility, Section 2.02(d); Indenture, Section 3.6(i))

Drawings under the Liquidity Facility will be made by delivery by the Trustee of a certificate in the form required by the Liquidity Facility. Upon receipt of such a certificate, the Liquidity Provider is obligated to make payment of the drawing requested thereby in immediately available funds. Upon payment by the Liquidity Provider of the amount specified in any drawing under the Liquidity Facility, the Liquidity Provider will be fully discharged of its obligations under the Liquidity Facility with respect to such drawing and will not thereafter be obligated to

make any further payments under the Liquidity Facility in respect of such drawing to the Trustee or any other person.

Reimbursement of Drawings

The Trustee must reimburse amounts drawn under the Liquidity Facility by reason of an Interest Drawing, Final Drawing, Downgrade Drawing or Non-Extension Drawing (each, a "*Drawing*") and interest thereon, but only to the extent that the Trustee has funds available therefor.

Interest Drawings and Final Drawings

Amounts drawn under the Liquidity Facility by reason of an Interest Drawing or Final Drawing will be immediately due and payable to the Liquidity Provider, together with interest on the amount of such drawing. From the date of such Drawing to (but excluding) the third following business day, interest will accrue at the Base Rate plus 2.50% per annum. Thereafter, interest will accrue at LIBOR for the applicable interest period plus 2.50% per annum.

"*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 Liquidity Provider from three federal funds brokers of recognized standing selected by it plus one quarter of one percent (0.25%) per annum.

"*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) on the day that is 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 the Liquidity Facility by reason of a Downgrade Drawing or a Non-Extension Drawing and deposited in the Cash Collateral Account will be treated as follows:

- 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;
- any portion of such amount withdrawn from the Cash Collateral Account to pay interest on the Class A Notes will be treated in the same way as Interest Drawings; and
- the balance of such amount will be invested in certain specified eligible investments.

Any Downgrade Drawing or Non-Extension Drawing under the Liquidity Facility, other than any portion thereof applied to the payment of interest on the Class A Notes, will bear interest (x) subject to clause (y) below, at a rate equal to (i) from the date of such Drawing to (but excluding) the third following business day at the Base Rate, and (ii) thereafter, at LIBOR for the applicable period plus, in each case, a margin equal to the then effective commitment fee 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 and Termination," at a rate equal to LIBOR for the applicable interest period plus 2.50% per annum.

Liquidity Events of Default and Termination

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

- the acceleration of all of the Class A Notes; or
- certain bankruptcy or similar events involving American. (Liquidity Facility, Section 1.01)

If any Liquidity Event of Default under the Liquidity Facility has occurred and is continuing and the Class A Notes are Non-Performing, the Liquidity Provider may, in its discretion, give a notice of termination of the Liquidity Facility (a "*Termination Notice*"). The Termination Notice will have the following consequences:

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

Notwithstanding the foregoing, the Trustee will be obligated to pay amounts owing to the 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 Notes — Priority of Distributions." (Liquidity Facility, Section 6.01)

Upon the circumstances described under "Description of the Notes — Controlling Party," the Liquidity Provider may become the Controlling Party with respect to the exercise of remedies under the Indenture. (Indenture, Section 3.9(c))

Liquidity Provider

The initial Liquidity Provider for the Class A Notes is Citibank, N.A. Citibank, N.A. has a senior unsecured short-term corporate rating of F1+ from Fitch, a short-term unsecured debt rating of P-1 from Moody's and a short-term issuer credit rating of A-1+ from Standard & Poor's.

DESCRIPTION OF THE APPRAISAL

SH&E, an independent aviation appraisal and consulting firm, has prepared an appraisal of the spare parts included in the Collateral as of May 27, 2004. A copy of the appraisal, dated July 1, 2004, is annexed to this Prospectus as Appendix II. The appraisal is subject to a number of assumptions (which may not reflect current market conditions) and limitations and was prepared based at certain specified methodologies. In preparing its appraisal, SH&E conducted only a limited physical inspection of certain locations at which American maintains the spare parts; with respect to the quarterly appraisals of the Pledged Spare Parts that American is obligated to furnish to the Trustee, only one such appraisal per year will be based upon a physical inspection of locations where American maintains the spare parts. An appraisal that is subject to other assumptions and limitations and based on other methodologies may result in valuations that are materially different from those contained in SH&E's appraisal.

The spare parts included in the Collateral fall into three categories, "Rotables", "Expendables" and "Life Limited Parts." "Rotables" include (i) parts that wear over time and can be repeatedly and economically restored to a serviceable condition over a period approximating the life of the flight equipment to which they relate and (ii) parts that can be economically restored to a serviceable condition but have a life less than the related flight equipment and can be overhauled or repaired only a limited number of times. For example, thrust reversers, auxiliary power units, landing gear, engine cowlings, engine blades and duct assemblies are Rotables. "Expendables" consist of parts that once used, cannot be re-used and, if not serviceable, generally cannot be overhauled or repaired. For example, bolts, screws, tubes, and hoses are Expendables. "Life Limited Parts" consist of parts that have a finite operating life that is defined by hours, cycles or calendar limit and cannot be overhauled or repaired when they reach their life limit. Set forth below is certain information about the spare parts of the types

included in the Collateral and the appraised value of such spare parts set forth in SH&E's appraisal (set forth in Appendix II) referred to above:

Spare Parts (1)

Aircraft Model	Quantity (2)	Appraised Value (3)
Rotables and Life Limited Parts (4)		
737-800	4,918	$ 64.4
777-200	5,397	$ 96.6
737-800/777-200	322	$ 2.8
Subtotal	10,637	$163.8
Expendables		
737-800	55,775	$ 4.7
777-200	66,606	$ 8.1
757-200	264,187	$ 10.6
767-200	189,313	$ 8.2
767-300	134,782	$ 5.6
767 Common (5)	114,052	$ 6.4
MD-80	925,813	$ 29.0
Interchangeable (6)	3,026,607	$ 24.6
Subtotal	4,777,135	$ 97.2
Total	4,787,772	$261.0

(1) Appraised values are in millions, rounded to the first decimal point.

(2) This quantity of spare parts used in preparing the appraised value was determined as of May 27, 2004. Because spare parts are regularly used, refurbished, purchased, transferred and discarded in the ordinary course of American's business, the quantity of spare parts included in the Collateral and their appraised value will change over time. American is required to provide to the Trustee a quarterly appraisal of the Collateral.

(3) The appraised value reflects the opinion of Simat, Helliesen & Eichner, Inc., an independent aviation appraisal and consulting firm, of the fair market value of the spare parts. A copy of the appraisal, dated July 1, 2004, is annexed to this Prospectus as Appendix II. The appraisal is subject to a number of assumptions (which may not reflect current market conditions) and limitations and was prepared based on certain specified methodologies. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value.

(4) The appraised value of the Life Limited Parts associated with the Boeing 737-800 and 777-200 aircraft constitutes less than 0.5% of the total appraised value of the Rotables and Life Limited Parts included in this category. Life Limited Parts associated with the Boeing 757-200, 767-200, 767-300, and MD-80 aircraft are not covered by the appraisal of Simat, Helliesen & Eichner, Inc. annexed to this Prospectus as Appendix II.

(5) 767 Common spare parts are spare parts that can be used in either 767-200 or 767-300 aircraft or their associated engines.

(6) Interchangeable spare parts are spare parts that may be used in multiple aircraft types or the associated engines, including at least one of the following aircraft types or their associated engines: Boeing 737-800, 777-200, 757-200, 767-200, 767-300 and McDonnell Douglas MD-80, but do not include 767 Common spare parts.

An appraisal is only an estimate of value. An appraisal should not be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Collateral may be less than the appraised value of such Collateral. The value of the Collateral if remedies are exercised under the Indenture will depend on market and economic

conditions, the supply of similar spare parts, the availability of buyers, the condition of the Collateral and other factors. In addition, because spare parts are regularly used, refurbished, purchased, transferred and discarded in the ordinary course of business, the quantity of spare parts included in the Collateral and their appraised value will change over time. Accordingly, American can provide no assurances that the proceeds realized upon any such exercise of remedies would be sufficient to satisfy in full payments due on the Class A Notes. See "Risk Factors — Risk Factors Relating to the Notes and the Exchange Offer — The Collateral and the Remedies Against the Collateral May be Insufficient to Satisfy in Full Payments Due on the Notes."

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of the material federal income tax consequences to Class A Note Owners of the exchange of Old Class A Notes for New Class A Notes 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 Class A Note 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. Class A Note Owners should consult their own tax advisors regarding the federal, state, local and any other tax consequences to them of exchanging Old Class A Notes for New Class A Notes in light of their own particular circumstances.

The exchange of Old Class A Notes for New Class A Notes pursuant to the Exchange Offer will not be treated as a taxable event for federal income tax purposes. Receipt of New Class A Notes in the Exchange Offer will be treated as a continuation of the original investment of the Class A Note Owner in the Old Class A Notes. Similarly, there would be no federal income tax consequences to a Class A Note Owner that does not participate in the Exchange Offer. In particular, no gain or loss will be recognized by Class A Note Owners as a result of the Exchange Offer and, for purposes of determining gain or loss on a subsequent sale of Notes, a Class A Note Owner's basis and holding period for the Notes 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, or entities that are deemed to hold the assets of such plans or accounts (together with ERISA Plans, "*Plans*")) and certain persons (referred to as "*parties in interest*" or "*disqualified persons*") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

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

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

Prohibited Transaction Exemptions

The fiduciary of a Plan that proposes to acquire and hold any Class A Notes should consider, among other things, whether such acquisition 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 Trustee and the Liquidity Provider. Moreover, if Class A Notes are acquired by a Plan and Class B Notes or Class C Notes are held by a party in interest or a disqualified person with respect to such Plan, the exercise by such holder of Class B Notes or Class C Notes of its right to purchase the Class A Notes upon the occurrence of an American Bankruptcy 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 Class A Notes on behalf of a Plan, Prohibited Transaction Class Exemption ("*PTCE*") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 95-60 (relating to investments by an insurance company general account), PTCE 96-23 (relating to transactions directed by an in-house asset manager) or PTCE 90-1 (relating to investments by insurance company pooled separate accounts) (collectively, the "*Class Exemptions*") could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Class A Notes or that, if an exemption is available, it will cover all aspects of any particular transaction.

Each person who acquires or accepts a Class A Note or an interest therein will be deemed by such acquisition or acceptance to have represented and warranted that either: (i) no assets of (a) an employee benefit plan subject to ERISA, (b) a plan described in Section 4975(e)(1) of the Code, (c) an entity whose underlying assets are deemed to include assets of any such employee benefit plan or plan, or (d) a governmental or church plan that is subject to Similar Law have been used to purchase such Class A Note or any interest therein; or (ii) the acquisition and holding of such Class A Note or any interest therein by such person are exempt from the prohibited transaction restrictions of ERISA and the Code or any similar provision of Similar Law, as applicable, pursuant to one or more prohibited transaction statutory or administrative exemptions. Any subsequent transferee of the Class A Notes shall be deemed, by virtue of the transfer of such notes, to have made the foregoing representations and warranties at the time of the transfer.

Special Considerations Applicable to Insurance Company General Accounts

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

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

PLAN OF DISTRIBUTION

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

We will not receive any proceeds from any sale of New Class A Notes by broker-dealers. New Class A Notes received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Class A Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or 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 Class A Notes. Any broker-dealer that resells New Class A Notes that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such New Class A Notes 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 Notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

LEGAL OPINIONS

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

EXPERTS

The consolidated financial statements and schedule of American Airlines, Inc. included in our Annual Report on Form 10-K for the year ended December 31, 2003, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein and incorporated herein by reference. Such consolidated financial statements and schedule are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

APPRAISER

The references to SH&E, and to its appraisal report dated July 1, 2004, are included herein in reliance upon the authority of 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.

APPENDIX II

APPRAISAL REPORT

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e-mail: cgmedland@sh-e.com

July 1, 2004

American Airlines, Inc.
4333 Amon Carter Boulevard
Fort Worth, Texas 76155

Attention:
Treasurer

U.S Bank Trust National Association
One Federal Street, Third Floor
EX-FED-MA
Boston, Massachusetts, 02110

Attention:
Corporate Trust Department

Quarterly Appraisal to Update SH&E's Appraisal of Selected Spare Parts,
Dated February 4, 2004
(Second Quarterly Update)

Introduction

In accordance with Section 2.3 of the Collateral Maintenance Agreement, dated as of February 5, 2004, between American Airlines, Inc. ("American") and U.S. Bank Trust National Association as Security Agent, Simat, Helliesen & Eichner, Inc., ("SH&E") has prepared this Quarterly Appraisal to update its *Appraisal of Selected Spare Parts of American Airlines*, dated February 4, 2004 (the "Initial Appraisal").

Determination

SH&E has determined that the aggregate Current Market Value (as defined in the Initial Appraisal) of the Subject Assets (as defined below) as of the Parts Inventory Report Date (as also defined below) to be $261.0 million, summarized as follows:

Table -1: Current Market Value ($ million)[1]

Part Source	Aircraft Model		CMV Serviceable	CMV Unserviceable	Total
Rotables & Life Limited Parts [2]					
	737-800		$ 61.2	$ 3.2	$ 64.4
	777-200		$ 92.1	$ 4.5	$ 96.6
	737-800/777-200		$ 2.8	$ 0.0	$ 2.8
		Sub-total:	$156.1	$ 7.7	$163.8
Expendables					
	737-800		$ 4.7	$ 0.0	$ 4.7
	777-200		$ 8.1	$ 0.0	$ 8.1
	757-200		$ 10.6	$ 0.0	$ 10.6
	767-200		$ 8.2	$ 0.0	$ 8.2
	767-300		$ 5.6	$ 0.0	$ 5.6
	767 Common		$ 6.4	$ 0.0	$ 6.4
	MD80		$ 29.0	$ 0.0	$ 29.0
	Interchangeable		$ 24.6	$ 0.0	$ 24.6
		Sub-total:	$ 97.2	$ 0.0	$ 97.2
		Total:	$253.3	$ 7.7	$261.0

1 Totals in all tables may appear in error due to rounding.

2 Life Limited Parts constitute less than 0.5% of this category by CMV

Description of the Selected Spare Parts

The selected spare parts are:

- Rotable[3] and Life Limited Parts for the Boeing 737 and 777 aircraft
- Interchangeable rotable and Life Limited parts for the Boeing 737 and 777 aircraft and engines
- Expendable parts for the Boeing 737, 757, 767, 777 and the McDonnell Douglas MD-80 aircraft and engines
- Interchangeable expendable parts that can be used on more than one aircraft type (or their associated engines) in American's fleet including at least one of the following aircraft types (or their associated engines): Boeing 737, 757, 767, 777 and the McDonnell Douglas MD-80

For this appraisal, American provided SH&E with an electronic inventory listing of the above material (collectively the "Subject Assets" after the exclusion of certain material as summarized below), which listing was dated as of May 27, 2004 (the "Parts Inventory Report Date").

The starting inventory consisted of 80,268 line items with a total of 5,576,487 individual parts with a cost basis of $368.5 million. The starting cost basis increased by $2.8 million as compared to the previous quarterly update. The principal changes in the inventory were a reduction in the amount of MD-80 material on hand offset by an acquisition of some material for the Boeing 737 and 777 aircraft.

A total of 9,431 line items containing 788,715 parts with a total cost basis of $75.1 million were excluded from the determination of the CMV of the inventory. A summary of the largest adjustments and exclusions, on a cost basis, is as follows (in $ millions):

3 Part nomenclature may be found at Section 2.1 of the Initial Appraisal.

• Parts at vendors	$ 25.5
• Parts at non-designated locations[4]	$ 18.7
• Parts in transit	$ 8.9
• AA modified parts	$ 8.7
• AA branded	$ 5.9
• Consignments	$ 3.6
• Discounted hardware	$ 2.5
• Loans to other airlines	$ 1.4
• Other adjustments	$ (0.2)
• Total	$ 75.0

Current Market Conditions

There has been no significant change to the underlying market conditions for the Subject Assets since the time of the prior quarterly update to the Initial Appraisal.

SH&E Valuation Methodology and Definitions

This Quarterly Appraisal was performed in a manner consistent with the methodology described in the Initial Appraisal; however, please note that no physical inspections of the Subject Assets or sample audits were performed in connection with this Quarterly Appraisal.

4 Non-designated locations are American's locations in the U.S. that are not "Designated Locations" and also non-U.S. locations.

Qualifications

Founded in 1963 and with offices in New York, Boston, Washington and London, SH&E is the world's largest consulting firm specializing in commercial aviation. Its staff of over 90 personnel encompasses expertise in all disciplines of the industry and the firm has provided appraisal, consulting, strategic planning and technical services to airlines, leasing companies, government agencies, airframe and engine manufacturers, and financial institutions.

SH&E's appraisal staff are all members of the International Society of Transport Aircraft Trading (ISTAT), the internationally recognized body for the certification of aircraft appraisers. SH&E performs all appraisals in accordance with the definitions, guidelines and standards set forth by ISTAT. SH&E's officer responsible for all appraisals is an ISTAT Senior Appraiser.

SH&E annually values approximately $25 billion of aviation assets including commercial and military equipment, airline fleets and lease portfolios. The appraisals range from full appraisals involving detailed aircraft and record inspections conducted by SH&E's technical staff to the valuation of tax-based leases. SH&E's proprietary aircraft residual value model is widely accepted by the rating agencies as a reliable forecasting tool. In addition to the above aircraft valuations, SH&E annually values in excess of $5 billion worth of aircraft spare parts and spare engines. SH&E routinely values flight simulators, hangar tooling, ground equipment, gates, slots, maintenance facilities and Fixed Base Operations.

A related service that SH&E offers its clients is Asset Management. Over the last few years, SH&E has been the principal asset manager responsible for the recovery and subsequent remarketing of approximately 200 aircraft, nearly 150 engines and some significant inventories of spare parts.

This active participation in the marketplace provides SH&E with practical and firsthand knowledge of the values and lease rates of aircraft, engines, and parts.

Limitations

The opinions expressed herein are not given as an inducement or endorsement for any financial transaction. Although they are prepared for the exclusive use of the addressees, the addressees may provide this report to third parties without SH&E's written consent.

SH&E accepts no responsibility for damages, if any, that may result from decisions made or actions taken by third parties that may be based upon this report. In accepting this report the Client agrees to indemnify and hold SH&E harmless against all losses, claims and costs arising as a result of this report except when attributable to SH&E's negligence or willful misconduct.

This report reflects SH&E's expert opinion and best judgment based upon the information available to it at the time of its preparation. SH&E does not have, and does not expect to have, any financial interest in the appraised property.

Yours sincerely,

Clive G. Medland, FRAeS
Senior Vice President
Senior Appraiser
International Society of Transport Aircraft Trading

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:

§ 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 l hereof or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 3. *Determination That Indemnification Is Proper*. (a) Any indemnification of a director or officer of the corporation under Section l hereof (unless ordered by a court) shall be made by the corporation unless a determination is made that indemnification of the director or officer is not proper in the circumstances because he has not met the applicable standard of conduct set forth in Section l hereof. Such determination shall be made, with respect to a director or officer, *(1)* by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or *(2)* by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (*3*) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or *(4)* by the stockholders.

(b) Any indemnification of an employee or agent of the corporation (who is not also a director or officer of the corporation) under Section l hereof (unless ordered by a court) may be made by the corporation upon a determination that indemnification of the employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section l hereof. Such determination, in the case of an employee or agent, may be made *(1)* in accordance with the procedures outlined in the second sentence of 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 l and 2, or advance of costs, charges and expenses of a director or officer under Section 4 of this Article, shall be made promptly, and in any event within 60 days, upon the written request of the director or officer. If the corporation fails to respond within 60 days, then the request for indemnification shall be deemed to be approved. The right to indemnification or advances as granted by this Article shall be enforceable by the director or officer in any court of competent jurisdiction if the corporation denies such request, in whole or in part. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under Section 4 of this Article where the required undertaking, if any, has been received by the corporation) that the claimant has not met the standard of conduct set forth in Section l of this Article, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors or a committee thereof, its independent legal counsel, and its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in Section l of this Article, nor the fact that there has been an actual determination by the corporation (including its board of directors or a committee thereof, its independent legal counsel, and its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

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

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

Section 7. *Insurance*. The corporation shall purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the corporation, or is or was serving at the request of the corporation as 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 §174 of this title; or *(iv)* for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective. All references in this paragraph to a director shall also be deemed to refer (*x*) to a member of the governing body of a corporation which is not authorized to issue capital stock, and (*y*) to such other person or persons, if any, who, pursuant to a provision of the certificate of incorporation in accordance with §141(a) of this title, exercise or perform any of the powers or duties otherwise conferred or imposed upon the board of directors by this title.

Article Ninth of American'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	Indenture, dated as of February 5, 2004, between American Airlines, Inc. ("*American*"), and U.S. Bank Trust National Association ("U.S. Bank Trust"), as Trustee (the "*Trustee*"), and Citibank, N.A., as Class A Liquidity Provider
4.2	Form of American Airlines, Inc. 7.25% Class A Secured Exchange Notes due 2009 (included in Exhibit 4.1)
4.3	Spare Parts Security Agreement, dated as of February 5, 2004, from American to U.S. Bank Trust, as Security Agent, and Supplemental Security Agreement No. 1, dated as of August 19, 2004, executed by American
4.4	Collateral Maintenance Agreement, dated as of February 5, 2004, between American and U.S. Bank Trust, as Security Agent
4.5	Revolving Credit Agreement, dated as of February 5, 2004, between the Trustee, as Borrower, and Citibank, N.A., as Liquidity Provider
4.6	Registration Rights Agreement, dated as of February 5, 2004, among American, Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated
5.1	Opinion of Gary F. Kennedy, Senior Vice President and General Counsel of American
12.1	Statement regarding computation of ratio of earnings to fixed charges for the six months ended June 30, 2004 and 2003 (filed as Exhibit 12 to American's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, and incorporated herein by reference)
23.1	Consent of Ernst & Young LLP
23.2	Consent of Gary F. Kennedy, Senior Vice President and General Counsel of American (included in Exhibit 5.1)
23.3	Consent of Simat, Helliesen & Eichner, Inc.
24.1	Powers of Attorney
25.1	Statement of Eligibility under the Trust Indenture Act of 1939 of U.S. Bank Trust, on Form T-1
99.1	Form of Letter of Transmittal
99.2	Form of Notice of Guaranteed Delivery
99.3	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
99.4	Form of Letter to Clients

Item 22. ***Undertakings.***

(a) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement 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.

(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.

(3) 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 27th day of August, 2004.

AMERICAN AIRLINES, INC.

By /s/Gary F. Kennedy
GARY F. KENNEDY
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
GERARD J. ARPEY	Chairman of the Board, President and Chief Executive Officer; Director (Principal Executive Officer)
JAMES BEER	Senior Vice President — Finance and Chief Financial Officer (Principal Financial and Accounting Officer)
EDWARD A. BRENNAN	Lead Director
JOHN W. BACHMANN	Directors
DAVID L. BOREN	
ARMANDO M. CODINA	
EARL G. GRAVES	
ANN McLAUGHLIN KOROLOGOS	
MICHAEL A. MILES	
PHILIP J. PURCELL	
JOE M. RODGERS	
JUDITH RODIN	
ROGER T. STAUBACH	

By /s/Gary F. Kennedy
(Gary F. Kennedy,
Attorney-in-Fact)
Date: August 27, 2004

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EXHIBIT 4.1

EXECUTION COPY

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INDENTURE

among

AMERICAN AIRLINES, INC.,

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee

and

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

Dated as of February 5, 2004

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CROSS-REFERENCE TABLE*

TIA SECTION	INDENTURE SECTION
310(a)(1)	8.10
(a)(2)	8.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	8.10
(b)	8.8; 8.10
(c)	N.A.
311(a)	8.11
(b)	8.11
(c)	N.A.
312(a)	2.11
(b)	12.3
(c)	12.3
313(a)	8.6
(b)(1)	8.6
(b)(2)	8.6
(c)	8.6; 12.2
(d)	8.6
314(a)	5.5; 12.2
(b)	11.2
(c)(1)	12.4
(c)(2)	12.4
(c)(3)	N.A.
(d)	11.2
(e)	12.5
(f)	N.A.
315(a)	8.1
(b)	8.5; 12.2
(c)	8.1
(d)	8.1
(e)	7.12
316(a)(last sentence)	2.13
(a)(1)(A)	7.5
(a)(1)(B)	7.4
(a)(2)	N.A.
(b)	7.7; 7.8
(c)	2.10
317(a)(1)	0
(a)(2)	7.10
(b)	2.9
318(a)	12.1

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N.A. means Not Applicable

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of the Indenture.

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INDENTURE, dated as of February 5, 2004, among AMERICAN AIRLINES, INC., a Delaware corporation (the "Company"), U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association ("USBT"), not in its individual capacity but solely as Trustee (the "Trustee"), and CITIBANK, N.A., a national banking association ("Citibank"), as Class A Liquidity Provider.

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of the Notes (except as otherwise provided herein).

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in Section 1 of the Definitions Appendix attached hereto as Appendix I, which shall be a part of this Indenture as if fully set forth in this place.

Section 1.2 Rules of Construction. The rules of construction for this Indenture are set forth in Section 2 of the Definitions Appendix.

ARTICLE II

THE NOTES

Section 2.1 Title, Form, Denomination and Execution of the Notes.

(a) The Initial Class A Notes shall be known as the "Initial 7.25% Class A Secured Notes due 2009" and the Exchange Class A Notes shall be known as the "Exchange 7.25% Class A Secured Notes due 2009", in each case, of the Company. Each Class A Note shall be substantially in the form set forth as EXHIBIT A-1 hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture 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 the rules of any securities exchange or as may, consistently herewith, be determined by the Company or the Officers executing the Class A Notes, as evidenced by the Company's or the Officers' execution of the Class A Notes.

Except as may be provided in an Indenture Refunding Amendment with respect to the Refunding of the Class B Notes in accordance with EXHIBIT D: (i) the Initial Class B Notes shall be known as the "Initial 9.00% Class B Secured Notes due 2009" and the Exchange Class B Notes shall be known as the "Exchange 9.00% Class B Secured Notes due 2009", in each case, of the Company; and (ii) each Class B Note shall be substantially in the form set forth as EXHIBIT A-2 hereto, with such appropriate insertions,

omissions, substitutions and other variations as are required or permitted by this Indenture 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 the rules of any securities exchange or as may, consistently herewith, be determined by the Company or the Officers executing the Class B Notes, as evidenced by the Company's or the Officers' execution of the Class B Notes.

Subject to the provisions of Section 10.1(x) hereof, the Company may elect to issue Class C Notes hereunder.

(b) The Initial Notes shall be issued only in fully registered form without coupons and only in denominations of $100,000 or integral multiples of $1,000 in excess thereof, except that one Class A Note and one Class B Note may be issued in other than a multiple of $1,000. The Exchange Notes will be issued only in fully registered form without coupons and only in denominations of $1,000 or integral multiples thereof, except that one Class A Note and one Class B Note may be issued in a different denomination. Each Note shall be dated the date of its authentication. The aggregate principal amount of Class A Notes which may be authenticated and delivered under this Indenture is limited to $180,457,000 except for Class A Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Class A Notes pursuant to Section 2.4, 2.5(b), 2.6, 2.12, 2.14, 4.7 or 10.5 hereof. Except as may be provided in an Indenture Refunding Amendment with respect to the Refunding of the Class B Notes in accordance with EXHIBIT D, the aggregate principal amount of Class B Notes which may be authenticated and delivered under this Indenture is limited to $42,031,000 except for Class B Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Class B Notes pursuant to Section 2.4, 2.5(b), 2.6, 2.12, 2.14, 4.7 or 10.5 hereof.

(c) The Initial Class A Notes offered and sold in reliance on Rule 144A shall be issued, and will only be available, in the form of one or more global Class A Notes substantially in the form of EXHIBIT A-1 hereto with such applicable legends as are provided for in Section 2.2 hereof (each, a "Restricted Global Class A Note") duly executed by the Company and duly authenticated by the Trustee as herein provided. Except as may be provided in an Indenture Refunding Amendment with respect to a Refunding in accordance with EXHIBIT D, the Initial Class B Notes offered and sold in reliance on Rule 144A shall be issued, and will only be available, in the form of one or more global Class B Notes substantially in the form of EXHIBIT A-2 hereto with such applicable legends as are provided for in Section 2.2 hereof (each, a "Restricted Global Class B Note" and, together with the Restricted Global Class A Notes, the "Restricted Global Notes") duly executed by the Company and duly authenticated by the Trustee as herein provided. The Restricted Global Notes shall be in definitive, fully registered form without interest coupons 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 Restricted Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC for such Restricted Global Note, as provided in Section 2.6 hereof, which adjustments shall be conclusive as to the aggregate principal amount of any such Restricted Global Note.

(d) The Initial Class A Notes offered and sold outside the United States in reliance on Regulation S shall be issued, and will only be available, in the form of one or more temporary global Class A Notes substantially in the form of EXHIBIT A-1 hereto with such applicable legends as are provided for in Section 2.2 hereof (each, a "Temporary Regulation S Global Class A Note") duly executed by the Company and duly authenticated by the Trustee as herein provided. Except as may be provided in an Indenture Refunding Amendment with respect to a Refunding in accordance with EXHIBIT D, the Initial Class B Notes offered and sold outside the United States in reliance on Regulation S shall be issued, and will only be available, in the form of one or more temporary global Class B Notes substantially in the form of EXHIBIT A-2 hereto with such applicable legends as are provided for in Section 2.2 hereof (each, a "Temporary Regulation S Global Class B Note" and, together with the Temporary Regulation S Global Class A Notes, the "Temporary Regulation S Global Notes") duly executed by the Company and duly authenticated by the Trustee as herein provided. Following the Restricted Period (as defined below), beneficial interests in each Temporary Regulation S Global Note may be exchanged in accordance with Sections 2.4, 2.5, and 2.6 hereof for beneficial interests in one or more permanent global Notes of the same Class, substantially in the form of EXHIBIT A-1 hereto (in the case of a Temporary Regulation S Class A Note) (each, a "Permanent Regulation S Global Class A Note") or in the form of EXHIBIT A-2 hereto (in the case of a Temporary Regulation S Class B Note) (each, a "Permanent Regulation S Global Class B Note"), in each case duly executed by the Company and duly authenticated by the Trustee as provided herein. The Permanent Regulation S Global Class A Notes and the Permanent Regulation S Global Class B Notes are sometimes collectively referred to herein as the "Permanent Regulation S Global Notes". The Temporary Regulation S Global Notes and the Permanent Regulation S Global Notes are sometimes collectively referred to herein as the "Regulation S Global Notes". The Regulation S Global Notes shall be in definitive, fully registered form without interest coupons and be registered in the name of DTC and deposited with the Trustee, at its Corporate Trust Office, as custodian for DTC. As used herein, the term "Restricted Period", with respect to beneficial ownership in the Regulation S Global Notes offered and sold in reliance on Regulation S, means the period of 40 consecutive days beginning on and including the later to occur of (i) the date of the first offering of the applicable Notes to Persons other than distributors (as defined in Regulation S) in reliance on Regulation S, and (ii) the Issuance Date therefor. Simultaneously with the authentication of a Permanent Regulation S Global Note, the Trustee shall (i) reflect on its books and records: (A) the date of the exchange from the related Temporary Regulation S Global Note; (B) an increase in the principal amount of such Permanent Regulation S Global Note in an amount equal to the principal amount of

the Temporary Regulation S Global Note being exchanged; and (C) a decrease, by the same amount, in the principal amount of such Temporary Regulation S Global Note; and (ii) cancel such Temporary Regulation S Global Note. The aggregate principal amount of any Regulation S Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC for such Regulation S Global Note, as provided in Section 2.6 hereof, which adjustments shall be conclusive as to the aggregate principal amount of any such Regulation S Global Note. The Restricted Global Notes and the Regulation S Global Notes are sometimes collectively referred to herein as the "Global Initial Notes".

(e) Initial Class A Notes offered and sold to any Institutional Accredited Investor that is not a QIB in a transaction exempt from registration under the Securities Act (and other than as described in Section 2.1(d) hereof) shall be issued substantially in the form of EXHIBIT A-1 hereto in definitive, fully registered form without interest coupons with such applicable legends as are provided for in Section 2.2 hereof (the "Restricted Definitive Class A Notes") duly executed by the Company and duly authenticated by the Trustee as herein provided. Except as may be provided in an Indenture Refunding Amendment with respect to Refunding in accordance with EXHIBIT D, Initial Class B Notes offered and sold to any American Entity or to any Institutional Accredited Investor that is not a QIB in a transaction exempt from registration under the Securities Act (and other than as described in Section 2.1(d) hereof) shall be issued substantially in the form of EXHIBIT A-2 hereto in definitive, fully registered form without interest coupons with such applicable legends as are provided for in Section 2.2 hereof (the "Restricted Definitive Class B Notes", and together with the Restricted Definitive Class A Notes, the "Restricted Definitive Notes") duly executed by the Company and duly authenticated by the Trustee as herein provided. Any Note issued pursuant to Section 2.5(b) hereof in exchange for beneficial interests in a Restricted Global Note, a Regulation S Global Note, or a Global Exchange Note shall be issued in definitive, fully registered form without interest coupons (respectively, a "Definitive Initial Note", a "Regulation S Definitive Note", and a "Definitive Exchange Note"; and collectively, together with the Restricted Definitive Notes, the "Definitive Notes"). Except as provided in Section 2.5(b) hereof, following an Exchange Offer with respect to a given Class of Notes, beneficial interests in a Note of such Class may only be held in the form of a Global Exchange Note.

(f) The Exchange Class A Notes shall be issued in the form of one or more global Class A Notes substantially in the form of EXHIBIT A-1 hereto (each, a "Global Exchange Class A Note"), except that (i) the Restricted Legend shall be omitted and (ii) the Exchange Class A Notes shall contain such appropriate insertions, omissions, substitutions and other variations from the form set forth in EXHIBIT A-1 hereto relating to the nature of the Exchange Class A Notes as the Officers of the Company executing such Exchange Class A Notes on behalf of the Company may determine, as evidenced by such Officers' execution on behalf of the Company of such Exchange Class A Notes. The

Exchange Class B Notes shall be issued in the form of one or more global Class B Notes substantially in the form of EXHIBIT A-2 hereto (each, a "Global Exchange Class B Note" and together with the Global Exchange Class A Notes, the "Global Exchange Notes"; and the Global Exchange Notes together with the Global Initial Notes, the "Global Notes"), except that (i) the Restricted Legend shall be omitted and (ii) the Exchange Class B Notes shall contain such appropriate insertions, omissions, substitutions and other variations from the form set forth in EXHIBIT A-2 hereto relating to the nature of the Exchange Class B Notes as the Officers of the Company executing such Exchange Class B Notes on behalf of the Company may determine, as evidenced by such Officers' execution on behalf of the Company of such Exchange Class B Notes. The Global Exchange Notes shall be in definitive, fully registered form without interest coupons and be registered in the name of DTC and deposited with the Trustee, at its Corporate Trust Office, as custodian for DTC, and shall be duly authenticated by the Trustee as provided herein. The aggregate principal amount of any Global Exchange Note 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 Note, which adjustments shall be conclusive as to the aggregate principal amount of any such Global Exchange Note. Subject to clauses (i) and (ii) of each of the first two sentences of this Section 2.1(f), the terms hereof applicable to the Global Initial Notes shall apply to the Global Exchange Notes, mutatis mutandis, unless the context otherwise requires.

(g) The Notes shall be in 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 Notes, as evidenced by their execution of such Notes.

(h) The Notes shall be signed for the Company by the manual or facsimile signatures of two Officers. If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

(i) For all purposes of this Indenture, the Notes (including the Restricted Legend) and the other Operative Documents, and notwithstanding anything to the contrary set forth herein or therein, where the context so requires, the term "Institutional Accredited Investor" shall be deemed to encompass any American Entity.

Section 2.2 Restrictive Legends. All Initial Notes issued pursuant to this Indenture shall be "Restricted Notes" and shall bear a legend to the following effect (the "Restricted Legend") except as provided in Section 2.6 hereof or unless the Company and the Trustee determine otherwise consistent with applicable law:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED 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 SECURITY 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 SECURITIES UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER (EACH A "TRANSFER") THIS SECURITY EXCEPT: (I) (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 SECURITIES 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 SECURITY (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; AND (II) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER APPLICABLE

JURISDICTIONS; (3) AGREES THAT PRIOR TO ANY TRANSFER PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD REFERRED TO IN CLAUSE (2) ABOVE (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(I)(E) ABOVE), IT WILL FURNISH TO THE TRUSTEE, THE REGISTRAR AND AMERICAN AIRLINES, INC. SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS ANY OF THEM 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 SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE SECURITIES UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH BELOW ON THIS SECURITY RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS SECURITY TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE SECURITIES PURSUANT TO CLAUSE (2)(I)(E) ABOVE OR UPON ANY TRANSFER OF THE SECURITIES 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 INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING RESTRICTIONS."

Each Note shall bear the following ERISA legend:

"BY ITS ACQUISITION OR ACCEPTANCE HEREOF, THE HOLDER REPRESENTS THAT EITHER: (A) NO ASSETS OF (I) AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (II) A PLAN DESCRIBED IN SECTION 4975(E)(I) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, OR (IV) A

GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, OR FOREIGN LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), HAVE BEEN USED TO PURCHASE THIS SECURITY OR ANY INTEREST THEREIN; OR (B) THE PURCHASE AND HOLDING OF THIS SECURITY OR ANY INTEREST THEREIN BY THE HOLDER ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE OR ANY SIMILAR PROVISION OF SIMILAR LAW, AS APPLICABLE, PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS."

Each Global Note shall bear the following legend on the face thereof:

"UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO AMERICAN AIRLINES, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IN EXCHANGE FOR THIS SECURITY 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 SECURITY 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 SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 2.5 AND 2.6 OF THE INDENTURE REFERRED TO HEREIN."

Each Regulation S Global Note shall bear the following legend during the Restricted Period (the "Regulation S Restricted Period Legend"):

"EXCEPT AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN), BENEFICIAL OWNERSHIP INTERESTS IN THIS SECURITY WILL NOT BE EXCHANGEABLE FOR INTERESTS IN ANY OTHER SECURITY REPRESENTING AN INTEREST IN THE SECURITIES REPRESENTED HEREBY UNTIL THE EXPIRATION OF THE "40 DAY DISTRIBUTION COMPLIANCE PERIOD" (WITHIN THE MEANING OF RULE 903(b)(2) OF REGULATION S UNDER THE SECURITIES ACT). DURING SUCH 40 DAY DISTRIBUTION COMPLIANCE PERIOD, BENEFICIAL OWNERSHIP INTERESTS IN THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR TRANSFERRED TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT IN COMPLIANCE WITH RULE 144A AND REGULATION S UNDER THE SECURITIES ACT AND WITH ARTICLE II OF THE INDENTURE REFERRED TO HEREIN."

Section 2.3 Authentication of Notes.

(a) Subject to the limits set forth herein, the Trustee shall authenticate Notes for original issue upon written order of the Company signed by two Officers. The order shall specify the amount and Class of Notes to be authenticated and the date on which the original issue of the applicable Class of Notes is to be authenticated, shall provide instructions with respect to the delivery thereof and, with respect to the New Class B Notes and Class C Notes, if any, shall be accompanied by the documents specified in Section 12.4 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate the Notes. An authenticating agent may authenticate the applicable Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Company or any Affiliate of the Company.

(b) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by the Trustee by the manual signature of one of its authorized signatories, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

Section 2.4 Transfer and Exchange. All Notes of a Class issued upon any registration of transfer or exchange of Notes of such Class shall be valid obligations of the Company, evidencing the same interest therein, and entitled to the same benefits under this Indenture, as the Notes of such Class surrendered upon such registration of transfer or exchange.

A Noteholder may transfer a Note, or request that a Note be exchanged for Notes of the same Class (including, subject to the proviso to this sentence, Exchange Notes of such Class) in authorized denominations and in an aggregate principal amount equal to the principal amount of such Note surrendered for exchange of other authorized denominations, by surrender of such Note to the Trustee with the form of transfer notice thereon duly completed and executed, and otherwise complying with the terms of this Indenture and of such Note, including providing evidence of compliance with any restrictions on transfer, in form satisfactory to the Company, the Trustee and the Registrar; provided that exchanges of Initial Notes for Exchange Notes shall occur only after an Exchange Offer Registration Statement with respect to the applicable Class of Notes shall have been declared effective by the SEC (notice of which shall be provided to the Trustee by the Company) and otherwise only in accordance with the terms of the applicable Exchange Offer. No such transfer shall be effected until, and such transferee shall succeed to the rights of a Noteholder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer of a Note by a Noteholder as provided herein, the Company, the Registrar, the Paying Agent and the Trustee shall deem and treat the person in whose name the Note is registered on the Register as the absolute owner and holder thereof for the purpose of receiving payment of all amounts payable with respect to such Note and for all other purposes, and none of the Company, the Registrar, the Paying Agent or the Trustee shall be affected by any notice to the contrary. Furthermore, the Company understands that, under the rules and procedures followed by DTC, transfers of beneficial interests in any Global Note may be effected only through a book-entry system maintained by DTC (or its agent) and that ownership of a beneficial interest in the applicable Note shall be required to be reflected in a book-entry. When Notes are presented to the Registrar with a request to register the transfer thereof or to exchange them for other authorized denominations of a Note of the same Class in a principal amount equal to the aggregate principal amount of such Notes surrendered for exchange, 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 Company shall execute, and the Trustee shall authenticate, Notes at the Registrar's request. No service charge shall be made to a Noteholder for any registration of transfer or exchange of such Notes, but the Company may 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 such Notes. All Notes

surrendered for registration of transfer or exchange shall be canceled and subsequently destroyed by the Trustee.

Section 2.5 Book-Entry Provisions.

(a) Members of, or participants in, DTC ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by DTC, or the Trustee as its custodian, and DTC may be treated by the Company, the Trustee and any agent of the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, 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 Note of such Class. Upon the issuance of any Global Note, the Registrar or its duly appointed agent shall record DTC as the registered holder of such Global Note. Owners of a beneficial interest in any Global Note must exercise any rights in respect of such beneficial interest in accordance with the rules and procedures of DTC, in each case to the extent applicable to such transaction and as in effect from time to time.

(b) Transfers of any Global Note shall be limited to transfers of such Global Note in whole, but not in part, to DTC. Beneficial interests in any Global Note may be transferred in accordance with the rules and procedures of DTC and, in the case of such an interest in a Global Initial Note, the provisions of Sections 2.4 and 2.6 hereof. Beneficial interests in a Global Note of any Class shall be delivered to all beneficial owners thereof in the form of Definitive Notes corresponding to such Global Note, if: (i) DTC (A) notifies the Company that it is unwilling or unable to continue as depository with respect to such Global Note or (B) has ceased to be a clearing agency registered under the Exchange Act, and in either case the Company thereupon fails to appoint a successor depository; (ii) the Company, at its option, notifies the Trustee in writing that the Company is electing to issue Definitive Notes for such Class; or (iii) an Event of Default shall have occurred and be continuing with respect to the Notes and the Trustee has received a written request from DTC or from the beneficial holders of a majority of the principal amount of any Class of Global Notes to issue Definitive Notes.

(c) Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note of the same Class will, upon such transfer, cease to be an interest in such Global Note and become an interest in the other Global Note of the same Class and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note of the same Class for as long as it remains such an interest.

(d) In connection with the transfer of an entire Global Note of a given Class to the beneficial owners thereof pursuant to paragraph (b) of this Section 2.5, such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate, to each beneficial owner identified by DTC in exchange for such owner's beneficial interest in such Global Note an equal aggregate principal amount of Definitive Notes of such Class (and in the form of Definitive Note corresponding to such Global Note) of authorized denominations. None of the Company, the Registrar, the Paying Agent or 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 Notes, the Company and the Trustee shall recognize the Persons in whose name the Definitive Notes are registered in the Register as Noteholders hereunder.

(e) Any Definitive Note delivered in exchange for an interest in a Restricted Global Note pursuant to paragraph (b) of this Section 2.5 shall, except as otherwise provided by paragraph (e) of Section 2.6 hereof, bear the Restricted Legend.

(f) Any Regulation S Definitive Note delivered in exchange for an interest in a Regulation S Global Note pursuant to paragraph (b) of this Section 2.5 shall, except as otherwise provided by paragraph (e) of Section 2.6 hereof, bear the Restricted Legend.

(g) So long as DTC is the registered holder of any Global Note, DTC 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 Indenture or the applicable Notes.

(h) Neither the Company nor the Trustee shall be liable if the Trustee or the Company is unable to locate a qualified successor clearing agency.

Section 2.6 Special Transfer Provisions. Unless and until (i) an Initial Note of a particular Class is sold under an effective Shelf Registration Statement, or (ii) an Initial Note of a particular Class is exchanged for an Exchange Note of such Class pursuant to an effective Exchange Offer Registration Statement, in each case pursuant to the terms of the applicable registration rights agreement, the following provisions shall apply to such Initial Note:

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Note to any Institutional Accredited Investor that is neither a QIB nor a Non-U.S. Person:

(i) The Registrar shall register the transfer of any Initial Note (whether or not bearing the Restricted Legend), only if (A) the requested transfer

occurs after the expiration of the holding period applicable to sales of the Notes under Rule 144(k) under the Securities Act, or (B) (1) the proposed transferee has delivered to the Registrar a letter substantially in the form of EXHIBIT C hereto, and (2) the aggregate principal amount of the Notes being transferred is at least $100,000, and, in the case of clause (A) or (B) of this Section 2.6(a)(i), the proposed transferor shall have furnished to the Trustee and, if requested, to the Company, such certifications, legal opinions or other information as the Trustee or the Company 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. Except as provided in the foregoing sentence, the Registrar shall not register the transfer of any Note to any Institutional Accredited Investor that is neither a QIB nor a Non-U.S. Person; and

(ii) If the proposed transferor is or is acting through an Agent Member holding a beneficial interest in a Global Initial Note, upon receipt by the Registrar, the Trustee and the Company, as applicable, of (A) the documents, if any, required by paragraph (i) and (B) 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 Global Initial Note in an amount equal to the principal amount of the beneficial interest in such Global Initial Note 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 Restricted Definitive Notes 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 Note to a QIB (excluding transfers to Non-U.S. Persons):

(i) if the Note to be transferred consists of a Restricted Definitive Note or an interest in any Regulation S Global Note during the Restricted Period, the Registrar shall register the transfer if such transfer is being made in compliance with all other applicable requirements of this Indenture and by a proposed transferor who has checked the box provided for on the form of Initial Note stating, or has otherwise certified to the Company, 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 Note stating, or has otherwise certified to the Company, the Trustee and the Registrar in writing, that it is purchasing the Initial Note for its own account or an account with respect to which it exercises sole investment discretion and that it, and 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 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; and

(ii) upon receipt by the Registrar of the documents required by clause (i) of this Section 2.6(b) and instructions given in accordance with DTC's and the Registrar's procedures therefor, (A) in the case of transfer of an interest in a Restricted Definitive Note, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of a Restricted Global Note in an amount equal to the principal amount of the interests in such Restricted Definitive Note being transferred, and the Trustee shall cancel such Restricted Definitive Note (and, if applicable, the Company shall prepare and execute and the Trustee shall authenticate and deliver to the transferor a new Restricted Definitive Note of the same Class, tenor and form in an amount equal to the balance of the original Restricted Definitive Note not so transferred); or (B) in the case of a transfer of a beneficial interest in a Regulation S Global Note, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of a Restricted Global Note in an amount equal to the principal amount of the beneficial interest in such Regulation S Global Note being transferred, and the Trustee shall decrease, by the same amount, the amount of such Regulation S Global Note; and

(iii) in the case of a transfer of beneficial interest in a Restricted Global Note, the Registrar shall reflect the transfer on its books and records in accordance with DTC's and the Registrar's procedures therefor, if and to the extent so required in accordance with such procedures.

(c) Transfers of Interests in the Temporary Regulation S Global Notes. Until the expiration of the Restricted Period, a beneficial owner of an interest in a Temporary Regulation S Global Note shall not be permitted to exchange such interest for a Definitive Note or for a beneficial interest in a Permanent Regulation S Global Note.

(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 Note to a Non-U.S. Person:

(i) Prior to the expiration of the Restricted Period, the Registrar shall register any proposed transfer of an Initial Note to a Non-U.S. Person upon receipt of a certificate substantially in the form set forth as EXHIBIT B hereto from the proposed transferor.

(ii) After the expiration of the Restricted Period, the Registrar shall register any proposed transfer to any Non-U.S. Person if the Initial Note to be

transferred is a Restricted Definitive Note or an interest in a Restricted Global Note, upon receipt of a certificate substantially in the form of EXHIBIT B from the proposed transferor. The Registrar shall promptly send a copy of such certificate to the Company.

(iii) Upon receipt by the Registrar of (A) the documents, if any, required by clause (i) or (ii) of this Section 2.6(d) and (B) instructions in accordance with DTC's and the Registrar's procedures, (I) in the case of transfer of an interest in a Restricted Definitive Note, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of a Regulation S Global Note in an amount equal to the principal amount of the interests in such Restricted Definitive Note being transferred, and the Trustee shall cancel such Restricted Definitive Note (and, if applicable, the Company shall prepare and execute and the Trustee shall authenticate and deliver to the transferor a new Restricted Definitive Note of the same Class, tenor and form in an amount equal to the balance of the original Restricted Definitive Note not so transferred); or (II) in the case of a transfer of a beneficial interest in a Restricted Global Note, the Registrar shall reflect on its books and records the date of such transfer and an increase in the principal amount of a Regulation S Global Note in an amount equal to the principal amount of the beneficial interest in such Restricted Global Note being transferred, and the Trustee shall decrease, by the same amount, the amount of such Restricted Global Note.

(iv) In the case of a transfer of a beneficial interest in a Regulation S Global Note, the Registrar shall reflect the transfer on its books and records in accordance with DTC's and the Registrar's procedures therefor, if and to the extent so required in accordance with such procedures.

(e) Restricted Legend. Upon the transfer, exchange or replacement of Notes not bearing the Restricted Legend, the Registrar shall deliver Notes that do not bear the Restricted Legend. Upon the transfer, exchange or replacement of Notes bearing the Restricted Legend, the Registrar shall deliver only Notes that bear the Restricted Legend unless there is delivered to the Trustee and, if requested, to the Company, such certifications, legal opinions or other information as the Trustee or the Company may reasonably require to confirm 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 acceptance of any Note bearing the Restricted Legend, each Holder of such Note acknowledges the restrictions on transfer of such Note set forth in such Restricted Legend and otherwise in this Indenture and agrees that it will transfer such Note only as provided in such Restricted Legend and otherwise in this Indenture. Notwithstanding any other provision set forth in any Operative Document, the Registrar

shall not register a transfer of any Note or beneficial interest therein unless such transfer complies with the restrictions on transfer, if any, of such Note set forth in such Restricted Legend and otherwise in this Indenture. In connection with any transfer of Notes or beneficial interest therein, each Noteholder agrees by its acceptance of the Notes to furnish the Company, the Registrar or the Trustee such certifications, legal opinions or other information as any 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 and in accordance with the terms and provisions of this Article II; 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 Notes of a given Class remain Outstanding, the Registrar shall retain copies of all letters, notices and other written communications received pursuant to Article II hereof with respect to Notes of such Class. The Company and the Trustee, if not the Registrar at such time, each 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.

Section 2.7 Terms of Notes. The outstanding principal amount of the Class A Notes shall be due on February 5, 2009 and, except as may be provided in an Indenture Refunding Amendment with respect to Refunding of the Class B Notes in accordance with EXHIBIT D, the outstanding principal amount of the Class B Notes shall be due on February 5, 2009. The Notes shall bear interest on the unpaid principal amount thereof from time to time outstanding from the most recent Interest Payment Date to which interest has been paid or duly provided for (or, if no interest has been so paid or provided for, from the applicable Issuance Date) at the rate per annum equal to the applicable Debt Rate (calculated on the basis of a 360-day year consisting of twelve 30-day months), payable in arrears on each Interest Payment Date until such principal amount is paid in full. The Notes shall bear interest, payable on demand, at the applicable Payment Due Rate (calculated on the basis of a 360-day year consisting of twelve 30-day months), to the extent permitted by applicable law, on any part of the principal amount, interest and any other amounts payable thereunder not paid when due, in each case for the period the same is overdue. Amounts under any Note shall be overdue if not paid when due (whether at stated maturity, by acceleration or otherwise). Notwithstanding anything to the contrary contained herein or in any other Operative Document, if any date on which a payment under any 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 without additional interest.

Section 2.8 Registrar and Paying Agent. The Company shall maintain an office or agency where Notes eligible for transfer or exchange may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of

the Notes and of their transfer and exchange ("Register"). Such Register shall be in written form in the English language. At all reasonable times such Register shall be open for inspection by the Trustee and the Company. The Company may have one or more co-Registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

The Company may enter into an appropriate agency agreement with any Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee of the name and address of any such Agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such.

The Company initially appoints USBT as Registrar and Paying Agent.

Section 2.9 Paying Agent to Hold Payments in Trust. Each Paying Agent shall hold in trust for the benefit of Noteholders all Payments held by the Paying Agent for the payment of principal of, interest on, and Make-Whole Amount or other premium, if any, with respect to, the Notes and shall notify the Trustee of any default by the Company in making any such payment. The Company at any time may require a Paying Agent to pay all Payments held by it to the Trustee and account for any funds disbursed and the Trustee may at any time during the continuance of any Payment Default, upon written request to a Paying Agent, require such Paying Agent to pay all Payments held by it to the Trustee and to account for any Payments distributed. Upon receipt of such Payment, the Trustee shall immediately deposit all such amounts in the Collection Account. Upon doing so the Paying Agent shall have no further liability for the Payments.

The Paying Agent, as agent for the Company, shall exclude and withhold at the appropriate rate from each payment of principal of, interest on, Make-Whole Amount or other premium, if any, and other amounts due hereunder or under each Note (and such exclusion and withholding shall constitute payment of such amounts payable hereunder or in respect of such Note, as applicable) any and all United States withholding taxes applicable thereto as required by law. The Paying Agent agrees to act as such withholding agent and, in connection therewith, whenever any present or future United States taxes or similar charges are required to be withheld with respect to any amounts payable hereunder or in respect of the Notes, to withhold such amounts (which withholding shall constitute payment of such amounts payable hereunder or in respect of such 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 United States 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 receipts showing the payment thereof, together with such additional documentary evidence as any such Noteholder may reasonably request from time to time.

The Paying Agent agrees to file any other information reports as it may be required to file under United States law.

The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 2.9, that such Paying Agent will:

(a) hold all Payments received by it as such agent for the payment of the principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to the Notes in trust for the benefit of the Persons entitled thereto until such Payments shall be paid to such Persons or otherwise disposed of as herein provided;

(b) promptly give the Trustee notice of any failure by the Company to make any payment of the principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to, the Notes when the same shall be due and payable; and

(c) at any time during the continuance of any such failure, upon the written request of the Trustee, forthwith pay to the Trustee all Payments so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, direct any Paying Agent to pay to the Trustee all Payments held in trust by such Paying Agent, such Payments to be held by the Trustee upon the same trusts as those upon which such Payments 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 Payments held by it as Paying Agent.

Any Payments deposited with the Trustee or any Paying Agent in trust for the payment of the principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to, any Note and unclaimed for two years after such principal, interest, or Make-Whole Amount or other premium, if any, has become due and payable shall be paid to the Company on its request, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof and all liability of the Trustee or such Paying Agent with regard to such Payments shall thereupon cease.

Section 2.10 Record Dates. The Person in whose name any Note is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date to the extent

provided by such Note, except if and to the extent the Company shall default in the payment of the interest due on such Interest Payment Date and such defaulted interest becomes an Overdue Scheduled Payment, in which case any defaulted interest to be paid to the Noteholders pursuant to Section 2.7 hereof shall be paid to the Person in whose name the Outstanding Note is registered at the close of business on the subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Company to the Trustee not less than fifteen days preceding such subsequent record date (a "Special Record Date") pursuant to Section 2.16 hereof. The Trustee shall promptly (but in no event later than 10 days prior to such Special Record Date) deliver a copy of such notice to each Noteholder of the Class suffering the applicable default.

Section 2.11 Noteholder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Noteholders of each Class. If the Trustee is not the Registrar, the Company shall furnish to the Trustee on or before each Distribution Date and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Noteholders of each Class.

Section 2.12 Mutilated, Defaced, Destroyed, Lost and Stolen Notes. In case any temporary or definitive Note shall become mutilated or defaced or be destroyed, lost or stolen, subject to compliance with the following sentence, the Company shall execute, and the Trustee shall authenticate and deliver, a new Note of the same Class, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Company and to the Trustee and any agent of the Company or the Trustee such security or indemnity as may be required by them to indemnify and defend and to save each of them harmless from all risks, however remote, and, in every case of destruction, loss or theft, evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

Upon the issuance of any substitute Note pursuant to the preceding paragraph, the Company may 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) connected therewith. In case any Note which has matured or is about to mature, shall become mutilated or defaced or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Note, pay or authorize the payment of such Note (without surrender of such Note except in the case of a mutilated or defaced Note), as applicable, if the applicant for such payment shall furnish to the Company and to the Trustee and any agent of the Company or the Trustee such security or indemnity as any of them may require to save each of them harmless from all risks, however remote, and, in every case of destruction, loss or theft, the

applicant shall also furnish to the Company and the Trustee and any agent of the Company or the Trustee evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section 2.12 by virtue of the fact that any Note is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall also be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Notes of the same Class duly authenticated and delivered hereunder. Every substitute Note issued pursuant to the provisions of this Section 2.12 by virtue of the fact that any Note is mutilated or defaced shall constitute an additional contractual obligation of the Company and shall be entitled to all the benefits of (but shall also be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Notes of the same Class duly authenticated and delivered hereunder. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of mutilated or defaced or destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.13 Treasury Notes. In determining whether the Holders of the required principal amount of Notes or Class of Notes have given or concurred in any amendment, request, demand, authorization, direction, notice, consent, modification or waiver under this Indenture or any other Operative Document, Notes owned by any American Entity shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purposes of determining whether the Trustee shall be protected in relying on any such amendment, request, demand, authorization, direction, notice, consent, modification, or waiver, only Notes which the Trustee knows are so owned shall be so disregarded; provided that if 100% of the principal amount of the Notes are owned by American Entities, Notes so owned shall not be so disregarded and deemed to be not Outstanding. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee that neither the Company nor any Affiliate of the Company is an Affiliate of the pledgee and that the pledgee has the present right (subject to no contrary obligation or understanding) so to act with respect to the Notes as a Holder independently of any direction by or interest of the Company or any of its Affiliates. In case of a dispute as to such right, the Trustee in good faith shall be entitled to rely upon the advice of counsel, including counsel for the Company. Upon request of the Trustee, the Company shall promptly furnish to the Trustee a certificate of an Officer listing and identifying all Notes, if any, known by the Company to be owned or held by or for the

account of the Company or any Affiliate of the Company; and subject to Sections 8.1 and 8.2 herein, the Trustee shall be entitled to accept such certificate as conclusive evidence of the facts therein set forth and of the fact that all Notes not listed therein are Outstanding for the purpose of any such determination.

Section 2.14 Temporary Notes. Until definitive Notes of any Class are ready for delivery, the Company may prepare, and, upon written order of the Company, the Trustee shall authenticate, temporary Notes of such Class, in any authorized denominations. Temporary Notes of any Class shall be substantially of the tenor of the definitive Notes of such Class in lieu of which they are issued but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate and deliver definitive Notes in exchange for temporary Notes. Until so exchanged, the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes of the same Class.

Section 2.15 Cancellation. The Company may at any time deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for transfer, exchange, payment or cancellation. The Company may not issue new Notes to replace Notes it has paid or which have been delivered to the Trustee for cancellation. The Trustee shall destroy all canceled Notes and, if requested, deliver a certificate of such destruction to the Company. If the Company shall acquire any of the Notes, such acquisition shall not operate as a satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

Section 2.16 Defaulted Interest. If any payment of interest on the Notes due on any Interest Payment Date becomes an Overdue Scheduled Payment, the Company shall pay such defaulted interest, plus, to the extent permitted by applicable law, interest on the defaulted interest, at the applicable Payment Due Rate to the Trustee for distribution in accordance with Section 3.2 to the Persons who are Noteholders of the Class suffering such default on a subsequent Special Record Date. The Company shall fix the Special Record Date and payment date. If there is an Overdue Scheduled Payment with respect to each Class of Notes attributable to interest originally due on the same Interest Payment Date, the Special Record Date and payment date applicable to each Class shall be the same. At least fifteen days before the Special Record Date, the Company shall deliver a written notice to the Trustee stating the Special Record Date, the payment date and the amount of defaulted interest to be paid. The Trustee shall promptly (but in no event later than 10 days prior to the Special Record Date) deliver a copy of such notice to each Noteholder of the Class suffering the applicable default.

Section 2.17 CUSIP Numbers. The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP"

numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such "CUSIP" numbers.

Section 2.18 Persons Deemed Owners.

(a) Prior to the registration of any transfer of a Note by a Noteholder as provided in the Indenture, the Company, the Registrar, the Paying Agent and the Trustee shall deem and treat the person in whose name the Note is registered on the Register as the absolute owner and holder thereof for the purpose of receiving payment of all amounts payable with respect to such Note and for all other purposes, and none of the Company, the Registrar, the Paying Agent or the Trustee shall be affected by any notice to the contrary.

(b) Neither the Company nor the Trustee nor any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in any Global Note held by DTC, or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests or for the performance by DTC or any direct or indirect participant of DTC of their respective obligations under the rules, regulations, and procedures creating and affecting DTC and its operations or any other statutory, regulatory, contractual, or customary procedures governing their operations.

(c) The Company and any American Entity, and any other obligor upon any Note, may acquire, tender for, purchase, own, hold, become the pledgee of and otherwise deal with any Note.

ARTICLE III

LIQUIDITY PROVIDERS; PRIORITY OF DISTRIBUTIONS

Section 3.1 Written Notice of Distribution.

(a) No later than 3:00 p.m. (New York City time) on the Business Day immediately preceding each Distribution Date, each Liquidity Provider shall deliver to the Trustee a Written Notice setting forth, as at the close of business on such Business Day, the amounts to be paid to such Liquidity Provider in accordance with clauses "first", "second", "third", "fourth" and "fifth" of Section 3.2 hereof.

The notices required under this Section 3.1(a) may be in the form of a schedule or similar document provided to the Trustee by each Liquidity Provider, which schedule or

similar document may state that, unless there has been a redemption, purchase or prepayment of any of the Class of Notes to which the Liquidity Facility provided by such Liquidity Provider relates, such schedule or similar document is to remain in effect until any substitute notice or amendment shall be given to the Trustee by such Liquidity Provider.

(b) At such time as any Liquidity Provider shall have received all amounts owing to it pursuant to Section 3.2 hereof and its commitment or obligations under its Liquidity Facility shall have terminated or expired, such Liquidity Provider shall, by a Written Notice, so inform the Trustee.

(c) The Trustee shall be fully protected in relying on any of the information set forth in a Written Notice provided by any Liquidity Provider pursuant to paragraphs (a) or (b) of this Section 3.1 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.

(d) In the event the Trustee shall not receive from any Liquidity Provider any information set forth in paragraph (a) of this Section 3.1 which is required to enable the Trustee to make a distribution to such Liquidity Provider pursuant to Section 3.2 hereof, the Trustee shall request such information and, failing to receive any such information, the Trustee shall not make such distribution(s) to such Liquidity Provider. In such event, the Trustee shall make distributions pursuant to clauses "first" through "eleventh" of Section 3.2 hereof 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, until the Trustee 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 Trustee shall distribute such funds.

(e) On such dates (but not more frequently than monthly) as any Liquidity Provider shall request, but in any event automatically at the end of each calendar quarter, the Trustee shall send to such Liquidity Provider a written statement reflecting all amounts on deposit with the Trustee pursuant to Section 3.1(d) hereof.

Section 3.2 Priority of Distributions; Subordination. Except as otherwise provided in Article VI hereof or in Sections 3.1(d), 3.3, 3.4, 3.6(b), 3.6(k) and 8.15 hereof, amounts on deposit in the Collection Account on any Distribution Date shall be promptly distributed in the following order of priority and in accordance with the information provided to the Trustee pursuant to Section 3.1(a) hereof:

FIRST, if an Event of Default shall have occurred and be continuing on such Distribution Date, such amount as shall be required to reimburse (i) the Trustee for any reasonable 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 Collateral, shall be applied by the Trustee in reimbursement of such costs and expenses, and (ii) each Liquidity Provider or any Noteholder for payments, if any, made by it to the Trustee in respect of amounts described in clause (i) above, shall be distributed to the applicable Liquidity Provider or to the Trustee for the account of such Noteholder, in each such case, pro rata on the basis of all amounts described in clauses (i) and (ii) above;

SECOND, such amount as shall be required to pay all accrued and unpaid Liquidity Expenses owed to each Liquidity Provider shall be distributed to the Liquidity Providers pro rata (without duplication) on the basis of the amount of Liquidity Expenses owing to each Liquidity Provider under this clause "second";

THIRD, such amount as shall be required to pay the aggregate amount of accrued and unpaid interest on the Liquidity Obligations (at the rate, or in the amount, provided in the applicable Liquidity Facility) shall be distributed to the applicable Liquidity Providers pro rata (without duplication) on the basis of the amounts owing to each Liquidity Provider under this clause "third";

FOURTH, such amount as shall be required (i) if any Liquidity Facility Cash Collateral Account had been previously funded as provided in Section 3.6(f), unless (A) on such Distribution Date the Notes of the related Class of Notes are Non-Performing and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Liquidity Facility or (B) a Final Drawing shall have occurred under such Liquidity Facility, to fund such Liquidity Facility Cash Collateral Account up to the applicable Required Amount (less the amount of any repayments of Interest Drawings under such Liquidity Facility while subclause (i)(A) above is applicable) shall be deposited in such Liquidity Facility Cash Collateral Account, (ii) if any 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 Maximum Available Commitment to zero, unless (A) on such Distribution Date the Notes of the related Class of Notes are Non-Performing and a Liquidity Event of Default shall have occurred and be continuing with respect to such Liquidity Facility or (B) a Final Drawing shall have occurred under such Liquidity Facility, to deposit into such Liquidity Facility Cash Collateral Account an amount equal to the applicable Required Amount (less the amount of any repayments of Interest Drawings under such Liquidity Facility while subclause (ii)(A)

above is applicable) shall be deposited in such Liquidity Facility Cash Collateral Account, and (iii) if neither subclause (i) nor subclause (ii) of this clause "fourth" is applicable, to pay or reimburse each Liquidity Provider in an amount equal to the amount of all Liquidity Obligations then due to such Liquidity Provider under the applicable Liquidity Facility (other than amounts payable pursuant to clause "second" or "third" of this Section 3.2) shall be distributed to the Liquidity Providers, in each case, pro rata on the basis of unreimbursed Interest Drawings;

FIFTH, if, with respect to any Liquidity Facility, any amounts are to be distributed pursuant to either subclause (i) or (ii) of clause "fourth" above, then the related Liquidity Provider shall be paid the excess of (i) the aggregate outstanding amount of unreimbursed Drawings (whether or not then due) under such Liquidity Facility over (ii) the Required Amount for the relevant Class (less the amount of any repayments of Interest Drawings under such Liquidity Facility while subclause (i)(A) or (ii)(A), as the case may be, of clause "fourth" above is applicable), and, in case there shall be more than one Liquidity Facility, then payments pursuant to this clause "fifth" shall be made to the Liquidity Providers pro rata, on the basis of such amounts in respect of each Liquidity Facility;

SIXTH, if an Event of Default shall have occurred and be continuing on such Distribution Date and at all times thereafter, such amount as shall be required to reimburse or pay (i) the Trustee 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 Trustee in connection with the transactions contemplated hereby (to the extent not previously reimbursed), shall be applied by the Trustee in reimbursement of such amount, and (ii) each Noteholder for payments, if any, made by it pursuant to an indemnity provided pursuant to Section 7.7(c) hereof in respect of amounts described in subclause (i) of this clause "sixth", shall be distributed to the Trustee for the account of such Noteholder, in each such case, pro rata on the basis of all amounts described in subclauses (i) and (ii) of this clause "sixth";

SEVENTH, such amount as shall be required to pay in full all accrued and unpaid amounts due to the Class A Noteholders on such Distribution Date;

EIGHTH, such amount as shall be required to pay in full all accrued and unpaid amounts due to the Class B Noteholders on such Distribution Date;

NINTH, if the Class C Notes have been issued, such amount as shall be required to pay in full all accrued and unpaid amounts due to the Class C Noteholders on such Distribution Date;

TENTH, such amount as shall be required to pay in full the aggregate unpaid amount of fees and expenses payable as of such Distribution Date to the Trustee pursuant to the terms of this Indenture (other than amounts payable pursuant to clauses "first" and "sixth" of this Section 3.2), shall be distributed to the Trustee; and

ELEVENTH, the balance, if any, of any such amount remaining thereafter shall be paid to the Company.

Section 3.3 Distributions in Connection with a Refunding. Any payments received by the Trustee as the result of an optional redemption of the Original Class B Notes or the American Class C Notes pursuant to Section 4.1(b) hereof in connection with a Refunding shall be applied to redemption of such Class of Notes pursuant to Section 4.1(b) hereof and to payment of all other Obligations in respect of such Class of Notes by applying such funds in the following order of priority:

FIRST, to reimburse the Trustee for any reasonable costs or expenses incurred in connection with such redemption for which it is entitled to reimbursement, or indemnity by the Company, under the Operative Documents;

SECOND, (i) if the Original Class B Notes are being redeemed, to pay the principal and interest then due and payable in respect of the Original Class B Notes, and (ii) after giving effect to subclause (i) of this clause "second", if the American Class C Notes are being redeemed, to pay the principal and interest then due and payable in respect of such American Class C Notes, as applicable; and

THIRD, the balance, if any, of such payments shall be distributed to the Company.

No Make-Whole Amount or other premium shall be payable on the Original Class B Notes or the American Class C Notes in connection with their redemption pursuant to Section 4.1(b) hereof.

Section 3.4 Other Payments.

(a) Any payments received by the 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 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 shall be so paid to the Company. Any payments received by the 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. Any payments received by the 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 Trustee to the Company. Further, all payments received and amounts realized by the Trustee with respect to the Collateral, to the extent received or realized at any time after payment in full of all Obligations or after the conditions set forth in Section 9.1(b) 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 Trustee to the Company.

(b) Notwithstanding the priority of payments specified in Section 3.2 hereof, in the event any Investment Earnings on amounts on deposit in any Liquidity Facility Cash Collateral Account resulting from an Unapplied Provider Advance are deposited in the Collection Account, such Investment Earnings shall be used to pay interest payable in respect of such Unapplied Provider Advance to the extent of such Investment Earnings.

(c) Except as provided in Section 2.16 hereof, if the Trustee receives any Payment after the Scheduled Payment Date relating thereto, then the Trustee shall deposit such Payment in the Collection Account and distribute such Payment on the next Distribution Date in accordance with the priority of distributions set forth in Section 3.2 hereof.

(d) Any amounts distributed hereunder by the Trustee to the Company shall be paid to the Company promptly by wire transfer of funds of the type received by the 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 Trustee from time to time.

Section 3.5 Payments to 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 Trustee. The Trustee shall provide a Written Notice of any such transfer to the applicable Liquidity Provider at the time of such transfer.

Section 3.6 Liquidity Facilities.

(a) Interest Drawings. If on any Distribution Date, after giving effect to the subordination provisions of Section 3.2 hereof, the Trustee shall not have sufficient funds for the payment of any amounts due and owing in respect of accrued interest on any Class of Notes (at the related Stated Interest Rate), then, prior to 1:00 p.m. (New York City

time) on such Distribution Date, the Trustee shall request a drawing (each such drawing, an "Interest Drawing") under the Liquidity Facility, if any, for such Class, 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 the related Class of Notes), and (ii) the Maximum Available Commitment under the applicable Liquidity Facility, and shall pay such amount upon receipt thereof to the applicable Noteholders in accordance with the provisions of this Indenture in payment of such accrued interest as provided in Section 3.6(b) hereof.

(b) Application of Interest Drawings. Notwithstanding anything to the contrary contained in this Indenture, all payments received by the Trustee in respect of an Interest Drawing under a Liquidity Facility and all amounts withdrawn by the Trustee from any Liquidity Facility Cash Collateral Account, and payable in each case to the related Class of Noteholders, shall be promptly distributed to the applicable Noteholders in accordance with the provisions of this Indenture.

(c) Downgrade Drawings. Each Liquidity Provider shall promptly, but in any event within ten days of its receipt of notice thereof, deliver notice to the Trustee of any downgrading below the applicable Threshold Rating of the short-term unsecured debt rating or short-term issuer credit rating of such Liquidity Provider or of any Liquidity Guarantor for the applicable Liquidity Facility issued by any Rating Agency (or if such Liquidity Provider or Liquidity Guarantor does not have a short-term unsecured debt rating or short-term issuer credit rating from any Rating Agency, the long-term unsecured debt rating or long-term issuer credit rating of such Liquidity Provider or Liquidity Guarantor from such Rating Agency). If at any time (i) if there is no Liquidity Guarantor, the short-term issuer credit rating (with respect to Fitch or Standard & Poor's) or short-term unsecured debt rating (with respect to Moody's) of any Liquidity Provider (or, if such Liquidity Provider does not have such a rating issued by a given Rating Agency, the long-term issuer credit rating (with respect to Fitch or Standard & Poor's) or long-term unsecured debt rating (with respect to Moody's) of such Liquidity Provider issued by such Rating Agency) is lower than the applicable Threshold Rating or (ii) if there is a Liquidity Guarantor for any Liquidity Facility, the short-term issuer credit rating (with respect to Fitch or Standard & Poor's) or short-term unsecured debt rating (with respect to Moody's) of such Liquidity Guarantor issued by a given Rating Agency is lower than the applicable Threshold Rating or a Liquidity Guarantee Event has occurred with respect to such Liquidity Facility and is continuing, within 10 days after the date of such downgrading or Liquidity Guarantee Event (but not later than the expiration date of the Liquidity Facility issued by the downgraded Liquidity Provider (or guaranteed by the downgraded Liquidity Guarantor or affected by a Liquidity Guarantee Event) (the "Downgraded Facility")), such Liquidity Provider or the Company (in both cases at the Company's expense) may arrange, subject to Section 3.6(e) hereof, for a Replacement Liquidity Provider to issue and deliver a Replacement Liquidity Facility to the Trustee, subject to the Ratings Confirmation. If a Downgraded Facility has not been

replaced in accordance with the terms of this paragraph, the Trustee shall, on such 10th day (or if such 10th day is not a Business Day, on the next succeeding Business Day) (or, if earlier, on the expiration date of such Downgraded Facility), request a drawing in accordance with and to the extent permitted by such Downgraded Facility (such drawing, a "Downgrade Drawing") of all available and undrawn amounts thereunder. Amounts drawn pursuant to a Downgrade Drawing shall be maintained and invested as provided in Section 3.6(f) hereof. Subject to Section 3.6(e) hereof, the applicable 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 such Liquidity Provider.

(d) Non-Extension Drawings. If any Liquidity Facility with respect to a Class of Notes is scheduled to expire on a date (the "Stated Expiration Date") prior to the date that is 15 days after the Final Legal Maturity Date for such Class of Notes, then, no earlier than the 60th day and no later than the 40th day prior to the then applicable Stated Expiration Date, the Trustee shall request in writing that the related Liquidity Provider extend the Stated Expiration Date to the earlier of (i) the date that is 15 days after the Final Legal Maturity Date for such Class of Notes and (ii) the date that is the day immediately preceding the 364th day occurring after the last day of the applicable Consent Period (unless the obligations of such Liquidity Provider under the applicable Liquidity Facility are earlier terminated in accordance with such Liquidity Facility); provided that a Liquidity Provider may elect to extend the Stated Expiration Date for its Liquidity Facility to a date that is later than such 364th day and on or before the date that is 15 days after the Final Legal Maturity Date for the related Class of Notes in accordance with the procedures specified in its Liquidity Facility. Whether or not the applicable Liquidity Provider has received such a request from the Trustee, such Liquidity Provider shall by notice (the "Consent Notice") to the Trustee, 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 (such period, the "Consent Period"), advise the Trustee whether, in its sole discretion, it agrees to so extend such 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 Trustee, prior to the end of the Consent Period, such Liquidity Provider revokes its Consent Notice. If a Liquidity Provider advises the Trustee in the Consent Notice that such Stated Expiration Date shall not be so extended or gives a Withdrawal Notice to the Trustee prior to the end of the Consent Period, or fails to irrevocably and unconditionally advise the Trustee on or before the end of the Consent Period that such Stated Expiration Date shall be so extended (and, in each case, if such Liquidity Provider shall not have been replaced in accordance with Section 3.6(e) hereof), the Trustee 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 3.6(f) hereof. If any amounts shall be drawn pursuant to a Non-Extension Drawing and, within 30 days thereafter, the related Liquidity Provider shall not have been replaced, then at any time following the 30th day after such Non-Extension Drawing, such Liquidity Provider may, by written notice to the Trustee, agree to reinstate its 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 such Liquidity Provider shall reimburse the Trustee for any costs actually incurred by or on behalf of the Trustee in drawing pursuant to the Non-Extension Drawing and funding the related Liquidity Facility Cash Collateral Account or otherwise in connection with the Non-Extension Drawing.

(e) Issuance of Replacement Liquidity Facility.

(i) Subject to Section 3.6(e)(iii) hereof and the agreements, if any, in the applicable Fee Letter, at any time, the Company may, at its option and at its own expense, with cause or without cause, arrange for a Replacement Liquidity Facility to replace any Liquidity Facility (including any Replacement Liquidity Facility provided pursuant to Section 3.6(e)(ii) hereof). If a 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 Liquidity Facility Cash Collateral Account resulting from such Downgrade Drawing or Non-Extension Drawing will be returned to the related Liquidity Provider being replaced.

(ii) If any Liquidity Provider shall determine not to extend its Liquidity Facility in accordance with Section 3.6(d) hereof, then such Liquidity Provider may, at its option, with notice to the Trustee, 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 3.6(e)(iii) hereof, any Liquidity Provider also may arrange for a Replacement Liquidity Provider to issue and deliver a Replacement Liquidity Facility at any time after a Non-Extension Drawing so long as such Non-Extension Drawing has not been reimbursed in full to such Liquidity Provider.

(iii) No Replacement Liquidity Facility arranged by the Company or a Liquidity Provider in accordance with clause (i) or (ii) of this Section 3.6(e) or pursuant to Section 3.6(c) hereof, respectively, shall become effective and no such Replacement Liquidity Facility shall be deemed a "Liquidity Facility" under the Operative Documents and the Support Documents, unless and until (A) each of the conditions referred to in Section 3.6(e)(iv) below shall have been satisfied and (B) except as provided in the Support Documents, in the case of a Replacement Liquidity Facility arranged by a Liquidity Provider under Section 3.6(e)(ii) or pursuant to Section 3.6(c) hereof, 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 the Company.

(iv) In connection with the issuance of each Replacement Liquidity Facility, the Trustee shall (A) prior to the issuance of such Replacement Liquidity Facility, obtain written confirmation from each Rating Agency with respect to the related Class of Notes that such Replacement Liquidity Facility and any related amendments to this Indenture pursuant to Section 3.6(e)(v)(C) hereof will not cause a reduction of any rating then in effect for the related Class of Notes by such Rating Agency (without regard to any downgrading of any rating of any Liquidity Provider being replaced pursuant to Section 3.6(c) hereof) or a withdrawal or suspension of the rating of such Class of Notes by such Rating Agency), (B) pay all Liquidity Obligations then owing to the replaced Liquidity Provider (which payment shall be made first from available funds in the applicable Liquidity Facility Cash Collateral Account as described in Section 3.6(f)(ii), and thereafter from any other available source, including, without limitation, a drawing under the Replacement Liquidity Facility) and (C) cause the issuer of the Replacement Liquidity Facility to deliver the Replacement Liquidity Facility to the Trustee, together with a legal opinion addressed to the Trustee and the Company opining that such Replacement Liquidity Facility is an enforceable obligation of such Replacement Liquidity Provider.

(v) Upon satisfaction of the conditions set forth in clauses (iii) and (iv) of this Section 3.6(e) with respect to a Replacement Liquidity Facility, (A) the replaced Liquidity Facility shall terminate, (B) the Trustee shall, if and to the extent so requested by the Company 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, (C) each of the parties hereto shall enter into any amendments to this Indenture 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 (D) the applicable Replacement Liquidity Provider shall be deemed to be a Liquidity Provider with respect to the relevant Class with the rights and obligations of a Liquidity Provider for such Class hereunder and under the other Operative Documents and the Support Documents and such Replacement Liquidity Facility shall be deemed to be the Liquidity Facility for the relevant Class hereunder and under the other Operative Documents.

(f) Liquidity Facility Cash Collateral Account; Withdrawals; Investments. In the event the Trustee shall draw all available amounts under any Liquidity Facility pursuant to Section 3.6(c), Section 3.6(d) or Section 3.6(i) hereof, or in the event amounts

are to be deposited in any Liquidity Facility Cash Collateral Account pursuant to subclause (i) or (ii) of clause "fourth" of Section 3.2 hereof, amounts so drawn or to be deposited, as the case may be, shall be deposited by the Trustee in the related Liquidity Facility Cash Collateral Account. All amounts on deposit in each Liquidity Facility Cash Collateral Account shall be invested and reinvested in Eligible Investments in accordance with Section 8.13(b) hereof.

On each Distribution Date, Investment Earnings on amounts on deposit in each Liquidity Facility Cash Collateral Account shall be deposited in the Collection Account and applied on such Distribution Date in accordance with Section 3.2 or 3.4 hereof (as applicable). The Trustee shall deliver a written statement to the Company and each Liquidity Provider one day prior to each Distribution Date setting forth the amount of Investment Earnings held in the Liquidity Facility Cash Collateral Accounts as of such date. In addition, from and after the date funds are so deposited, the Trustee shall make withdrawals from such accounts as follows:

(i) on each Distribution Date, the Trustee shall, to the extent it shall not have received funds to pay accrued and unpaid interest due and owing on any Class of Notes covered by a Liquidity Facility (at the Stated Interest Rate for such Class of Notes) after giving effect to the subordination provisions of Section 3.2 hereof, withdraw from the applicable Liquidity Facility Cash Collateral Account, and pay to the related Noteholders, an amount equal to the lesser of (A) an amount necessary to pay accrued and unpaid interest (at the Stated Interest Rate for such Class of Notes) on such Class of Notes and (B) the amount on deposit in the related Liquidity Facility Cash Collateral Account (so long as the aggregate amount of unreplenished withdrawals, including such withdrawal, does not exceed the Required Amount with respect to the Liquidity Facility for such Class of Notes for such Distribution Date);

(ii) on each date on which principal of any Class of Notes covered by a Liquidity Facility shall have been paid to the Noteholders of such Class pursuant to Section 3.2 hereof, the Trustee shall withdraw from the related Liquidity Facility Cash Collateral Account such amount as is necessary so that, after giving effect to such payment of principal on such date (and any reduction in the amounts on deposit in such Liquidity Facility Cash Collateral Account resulting from a prior withdrawal of amounts on deposit in such Liquidity Facility Cash Collateral Account on such date) and any transfer of Investment Earnings from such Liquidity Facility Cash Collateral Account to the Collection Account on such date, an amount equal to the sum of the Required Amount (with respect to the Liquidity Facility for such Class of Notes) plus the remaining Investment Earnings on deposit in such Liquidity Facility Cash Collateral Account (after giving effect to any such transfer of Investment Earnings) will be on deposit in such Liquidity Facility Cash Collateral Account and shall, first, pay such

withdrawn amount to the applicable Liquidity Provider until the applicable Liquidity Obligations owing to such Liquidity Provider shall have been paid in full, and, second, deposit any remaining withdrawn amount in the Collection Account;

(iii) if a Replacement Liquidity Facility for any Class of Notes shall be delivered to the Trustee following the date on which funds have been deposited into the related Liquidity Facility Cash Collateral Account, the Trustee shall withdraw all amounts remaining on deposit in such Liquidity Facility Cash Collateral Account, after giving effect to any to any other withdrawals from such Liquidity Facility Cash Collateral Account on the date of replacement, 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 shall deposit any remaining amount in the Collection Account; and

(iv) following the payment of all sums payable with respect to a Class of Notes covered by a Liquidity Facility, on the date on which the Trustee shall have been notified by the Liquidity Provider with respect to such Class that the Liquidity Obligations owed to such Liquidity Provider have been paid in full, the Trustee shall withdraw all amounts on deposit in the related Liquidity Facility Cash Collateral Account and shall distribute such amounts in accordance with the order of priority set forth in Section 3.2 hereof.

(g) Reinstatement. With respect to any Interest Drawing under any Liquidity Facility, upon the reimbursement of the related Liquidity Provider for all or any part of the amount of such Interest Drawing, together with any accrued interest thereon, the Maximum Available Commitment of such Liquidity Facility shall be reinstated by an amount equal to the amount of such Interest Drawing so reimbursed to such Liquidity Provider but not to exceed the Maximum Commitment for such Liquidity Facility; provided, however, that the Maximum Available Commitment of such Liquidity Facility shall not be so reinstated in part or in full at any time if (A) the Notes of the related Class of Notes are Non-Performing and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Liquidity Facility or (B) a Final Drawing shall have occurred under such Liquidity Facility. In the event that, with respect to a Liquidity Facility, (i) funds are withdrawn from the related Liquidity Facility Cash Collateral Account pursuant to clause (i) of Section 3.6(f) hereof 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 Maximum Available Commitment thereunder to zero, then funds received by the Trustee at any time other than (A) any time when both the Notes of the related Class of Notes are Non-Performing and a Liquidity Event of Default shall have occurred and be continuing with respect to the relevant Liquidity Facility or (B) any time after a Final Drawing shall have occurred with respect to such Liquidity Facility, shall be deposited in such Liquidity Facility Cash

Collateral Account as and to the extent provided in clause "fourth" of Section 3.2 hereof, and applied in accordance with Section 3.6(f) hereof.

(h) Reimbursement. The amount of each drawing under each Liquidity Facility shall be due and payable, together with interest thereon, on the dates and at the rates, respectively, provided in such Liquidity Facility, subject to the terms and conditions of such Liquidity Facility.

(i) Final Drawing. Upon receipt from a Liquidity Provider of a Termination Notice, the Trustee 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 3.6(f) hereof.

(j) Reduction of Maximum Commitment. Promptly following each date on which the Required Amount of a Liquidity Facility is reduced as a result of a payment of the principal amount of the related Class of Notes, the Trustee shall, if such Liquidity Facility provides for reductions of the Maximum Commitment of such Liquidity Facility and if such reductions are not automatic, request the related Liquidity Provider to reduce such Maximum Commitment to an amount equal to the Required Amount with respect to such Liquidity Facility (as calculated by the Trustee after giving effect to such payment). Each such request shall be made in accordance with the provisions of the relevant Liquidity Facility.

(k) Relation to Subordination Provisions. Interest Drawings under each Liquidity Facility and withdrawals from each Liquidity Facility Cash Collateral Account will be distributed to the Trustee, and the Trustee will distribute such Interest Drawings and withdrawals promptly to the applicable Class of Noteholders in accordance with the provisions of this Indenture, in each case, notwithstanding Section 3.2 hereof.

(l) Assignment of Liquidity Facility. The Trustee agrees not to consent to the assignment by any Liquidity Provider of any of its rights or obligations under its Liquidity Facility or any interest therein, unless (i) the Company shall have consented to such assignment and (ii) each Rating Agency with respect to the applicable Class of Notes shall have provided a Ratings Confirmation in respect of such assignment.

(m) No Discharge of the Company's Obligations. The payment of interest on any Class of the Notes with funds drawn under the related Liquidity Facility or from the related Liquidity Facility Cash Collateral Account shall not be deemed to discharge the Company's obligation to make such payment, which obligation shall continue in full force and effect.

(n) Interest Coverage. The interest payable by each Liquidity Provider under the related Liquidity Facility shall include interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding.

Section 3.7 [Intentionally Left Blank]

Section 3.8 Designated Representatives.

(a) The Trustee shall furnish to the Class A Liquidity Provider on the Closing Date, and from time to time thereafter may furnish to each Liquidity Provider, at the Trustee's discretion, or upon any Liquidity Provider's request (which request shall not be made more than one time in any 12-month period), a certificate (a "Trustee Incumbency Certificate") of a Responsible Officer of the Trustee certifying as to the incumbency and specimen signatures of the officers of the Trustee and the attorney-in-fact and agents of the Trustee (the "Trustee Representatives") authorized to give Written Notices on behalf of the Trustee hereunder. Until any Liquidity Provider receives a subsequent Trustee Incumbency Certificate, it shall be entitled to rely on the last Trustee Incumbency Certificate delivered to it hereunder.

(b) The Class A Liquidity Provider shall furnish to the Trustee on the Closing Date, and each Liquidity Provider from time to time thereafter may furnish to the Trustee, at such Liquidity Provider's discretion, or upon the Trustee's request (which request shall not be made more than one time in any 12-month period), a certificate (each, a "Provider Incumbency Certificate") of any Responsible Officer of such Liquidity Provider certifying as to the incumbency and specimen signatures of any officer, attorney-in-fact, agent or other designated representative of such Liquidity Provider (in each case, the "Provider Representatives" and, together with the Trustee Representatives, the "Designated Representatives") authorized to give Written Notices on behalf of such Liquidity Provider hereunder. Until the Trustee receives a subsequent Provider Incumbency Certificate, it shall be entitled to rely on the last Provider Incumbency Certificate delivered to it hereunder by any Liquidity Provider.

Section 3.9 Controlling Party.

(a) Subject to the express rights of the Holders hereunder (including Sections 7.4, 7.6, 7.7, 7.8 and 10.2 hereof) and the requirements of the TIA, in taking, or refraining from taking, any action under this Indenture, whether before or after the occurrence of an Event of Default, the Trustee will be directed by the Controlling Party. In particular, in taking, or refraining from taking, any action under this Indenture pursuant to the exercise of remedies hereunder as provided in Article VII hereof and under the Spare Parts Security Agreement pursuant to the exercise of remedies thereunder as provided in Article VI thereof (including foreclosing the Lien on the Collateral), the

Trustee and the Security Agent will be directed by the Controlling Party. In taking or refraining from taking any action under the Collateral Maintenance Agreement or the Spare Parts Security Agreement, the Security Agent will be directed by the Trustee except as expressly provided therein and in the preceding sentence. The provisions of Section 316(a)(1) of the TIA and, except during any period that the Required Class A Holders or the Required Class B Holders or the Required Class C Holders, if any, are the Controlling Party, the provisions of Section 315(d)(3) of the TIA are expressly excluded from this Indenture.

(b) The "Controlling Party" shall be: (i) the Required Class A Holders, or (ii) if the Class A Notes have been paid in full, the Required Class B Holders, or (iii) if the Class C Notes have been issued and the Class A Notes and the Class B Notes have been paid in full, the Required Class C Holders.

The Trustee shall give Written Notice to each Liquidity Provider promptly upon a change in the identity of the Controlling Party. Each of the Class A Noteholders, by their acceptance of the Class A Notes, each of the Class B Noteholders, by their acceptance of the Class B Notes, and the Liquidity Provider for the Class A Notes, by entering into its Liquidity Facility, has agreed 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 Documents or the Support Documents.

(c) Notwithstanding the foregoing, at any time after the first Business Day which occurs after 24 months from the earliest to occur of (i) 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, (ii) the date on which the entire amount of any Downgrade Drawing or Non-Extension Drawing has been withdrawn from any Liquidity Facility Cash Collateral Account to pay interest on the related Class of Notes or has been converted into a Final Drawing and remains unreimbursed and (iii) the date on which all Notes have been accelerated (provided that in the event of a bankruptcy proceeding under the Bankruptcy Code in which the Company is a debtor, any amounts payable in respect of Notes which have become immediately due and payable by declaration or otherwise will not be considered accelerated for purposes of this clause (iii) until the expiration of the Section 1110 Period) (such Business Day, the "Liquidity Provider Election Date"), the Liquidity Provider with the greater amount of unreimbursed Liquidity Obligations owing to it (so long as it has not defaulted in its obligation to make any Drawing under its Liquidity Facility) will have the right to elect, by Written Notice to the Trustee, to become the Controlling Party hereunder at any time from and including the later of the Liquidity Provider Election Date and the fifteenth Business Day after the date of receipt by the Trustee of such Written Notice.

(d) 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.

Section 3.10 Company's Payment Obligations. The Company agrees to pay to the Trustee for distribution in accordance with Section 3.2 hereof:

(a) (i) an amount equal to the fees payable to the Class A Liquidity Provider under Section 2.03 of the Class A Liquidity Facility and the related Fee Letter; (ii) the amount equal to interest on any Downgrade Advance (other than any Applied Downgrade Advance) payable under Section 3.07 of the Class A Liquidity Facility minus Investment Earnings from such Downgrade Advance; (iii) the amount equal to interest on any Non-Extension Advance (other than any Applied Non-Extension Advance) payable under Section 3.07 of the Class A Liquidity Facility minus Investment Earnings from such Non-Extension Advance; (iv) if any Payment Default shall have occurred and be continuing with respect to interest on any Class A Notes, the excess, if any, of (A) an amount equal to interest on any Unpaid Advance, Applied Downgrade Advance or Applied Non-Extension Advance payable under Section 3.07 of the Class A Liquidity Facility over (B) the sum of Investment Earnings from any Final Advance plus any amount of interest at the Payment Due Rate actually payable (whether or not in fact paid) by the Company on the overdue scheduled interest on the Class A Notes; and (v) any other amounts owed to the Class A Liquidity Provider by the Trustee as borrower under the Class A Liquidity Facility other than amounts due as repayment of advances thereunder or as interest on such advances, except to the extent payable pursuant to clause (a)(ii), (iii) or (iv) above, but, in the case of each of clauses (a)(i) through (iv) above and this clause (v), without duplication of any such amounts actually paid by the Company or the Trustee to the Class A Liquidity Provider hereunder; and

(b) (i) an amount equal to the fees payable to the Class B Liquidity Provider under the equivalent of Section 2.03 of the Class A Liquidity Facility with respect to the Class B Liquidity Facility and the related Fee Letter; (ii) the amount equal to interest on any Downgrade Advance (other than any equivalent of an Applied Downgrade Advance with respect to the Class B Liquidity Facility) payable under the equivalent of Section 3.07 of the Class A Liquidity Facility with respect to the Class B Liquidity Facility minus Investment Earnings from such equivalent of a Downgrade Advance; (iii) the amount equal to interest on any Non-Extension Advance (other than any equivalent of an Applied Non-Extension Advance with respect to the Class B Liquidity Facility) payable under the equivalent of Section 3.07 of the Class A Liquidity Facility with respect to the Class B Liquidity Facility minus Investment Earnings from such equivalent of a Non-Extension Advance; (iv) if any Payment Default shall have occurred and be continuing with respect to interest on any Class B Notes, the excess, if any, of (A) an amount equal to interest on any equivalent of an Unpaid Advance, Applied Downgrade Advance or Applied Non-Extension Advance (as defined in the initial

Class A Liquidity Facility) with respect to such Class B Notes payable under the equivalent of Section 3.07 of the Class A Liquidity Facility with respect to the Class B Liquidity Facility over (B) the sum of Investment Earnings from any equivalent of a Final Advance (as defined in the Class A Liquidity Facility) with respect to the Class B Liquidity Facility plus any amount of interest at the Payment Due Rate actually payable (whether or not in fact paid) by the Company on the overdue scheduled interest on the Class B Notes; and (v) any other amounts owed to the Class B Liquidity Provider by the Trustee as borrower under the Class B Liquidity Facility other than amounts due as repayment of advances thereunder or as interest on such advances, except to the extent payable pursuant to clause (b)(ii), (iii) or (iv) above, but, in the case of each of clauses (b)(i) through (iv) above and this clause (v), without duplication of any such amounts actually paid by the Company or the Trustee to the Class B Liquidity Provider hereunder. The Trustee shall immediately deposit in the Collection Account all payments from the Company received pursuant to this Section 3.10.

Section 3.11 Execution of Support Documents. The Trustee is authorized and directed, for the benefit of the Class A Noteholders, to enter into the Support Documents on the Issuance Date. The Trustee shall not amend or supplement, or grant any waiver with respect to, any Support Document, except pursuant to the provisions of Article X hereof.

Section 3.12 [Intentionally Left Blank]

Section 3.13 Payment Provisions.

(a) As between the Liquidity Providers, on the one hand, and the Trustee and the Noteholders, on the other hand, this Indenture 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 Trustee and the Noteholders of each Class, this Indenture shall be a subordination agreement for purposes of such Section 510.

(b) The Trustee (on behalf of itself and the Holders of Notes) and the Liquidity Providers expressly confirm and agree, and the Noteholders shall be deemed to confirm and agree, that the payment priorities and subordination specified in this Article III shall apply to all distributions pursuant to Article III of this Indenture, notwithstanding 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 this Article III shall apply whether or not a claim for post-petition or post-filing interest is allowed or allowable in the proceedings resulting from such American Bankruptcy Event or other event or occurrence).

ARTICLE IV

REDEMPTIONS

Section 4.1 Redemption.

(a) The Notes may be redeemed at any time in whole or in part (in any integral multiple of $1,000) by the Company: (i) at its sole option, at a redemption price equal to the sum of 100% of the principal amount of, accrued and unpaid interest to (but excluding) the Redemption Date on, and Make-Whole Amount, if any, with respect to, the redeemed Notes to and including the Redemption Date; and (ii) pursuant to (but only to the extent provided under) Section 3.1 or Section 3.3 of the Collateral Maintenance Agreement, at a redemption price equal to the sum of 100% of the principal amount of, and accrued and unpaid interest to (but excluding) the Redemption Date on, the redeemed Notes, and without Make-Whole Amount or any other premium; provided that, notwithstanding the foregoing, solely with respect to the first $38,603,000 in aggregate principal amount of the Class A Notes that shall be redeemed pursuant to Section 3.1 of the Collateral Maintenance Agreement since the Closing Date, the applicable redemption price (expressed as a percentage of the principal amount thereof) shall be as set forth in the table below plus accrued and unpaid interest thereon to (but excluding) the Redemption Date (but without any Make-Whole Amount), if redeemed during the twelve-month period ending on February 5 of the year indicated below:

Year	Percentage
2005	107.250%
2006	107.250%
2007	103.625%
2008	103.625%
2009	103.625%

(b) In connection with a Refunding as provided in EXHIBIT D hereto, (i) all, but not less than all, of the Original Class B Notes, (ii) all, but not less than all, of the Original Class B Notes and, if any have been issued, the Original Class C Notes that are American Class C Notes, or (iii) if all the Original Class B Notes were redeemed in a prior Refunding, all, but not less than all, of the American Class C Notes, if any have been issued, may be redeemed in whole by the Company without Make-Whole Amount or any other premium upon at least 2 days revocable prior written notice to the Trustee at a redemption price equal to 100% of the unpaid principal amount of the Notes being redeemed, together with accrued interest thereon to (but excluding) the Redemption Date and all other amounts payable hereunder. All redemptions pursuant to this Section 4.1(b) shall be subject to the Company complying with the conditions set forth in EXHIBIT D hereto, and the Company shall deliver to the Trustee a certificate of a Responsible Officer

of the Company that all such conditions have been complied with prior to or on the Redemption Date. The parties hereto agree to cooperate with the Company at the Company's reasonable request to carry out any Refunding on the terms and conditions specified in EXHIBIT D hereto.

Section 4.2 Redemption Notice to Trustee. If the Company elects to redeem Notes as provided in Section 4.1 hereof, it shall notify the Trustee of the Redemption Date, the principal amount of Notes of each Class to be redeemed and all other information needed for the notice to be given by the Trustee pursuant to Section 4.4 hereof.

The Company shall give the notice provided for in this Section 4.2 at least ten days (unless a shorter notice shall be satisfactory to the Trustee) prior to the date the Trustee must give notice pursuant to Section 4.4 hereof.

Section 4.3 Selection of Notes to Be Redeemed. If less than all the Notes of a Class are to be redeemed, the Trustee shall select the Notes of such Class to be redeemed on either a pro rata basis or by lot or by any other equitable manner determined by the Trustee in its sole discretion (so long as such method is not prohibited by the rules of DTC, in the case of any Global Notes, or of any stock exchange on which the Notes are then listed). The Trustee shall make the selection from Outstanding Notes of such Class not previously called for redemption. The Trustee may select for redemption portions of the principal of Notes that have denominations larger than $1,000. Notes and portions of them the Trustee selects shall be in amounts of $1,000 or whole multiples of $1,000. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption, and references to such Notes shall also refer to such portions of such Notes. The Trustee shall notify the Company promptly of the Notes or portions of Notes to be redeemed.

Section 4.4 Notice of Redemption. At least 15 days but not more than 60 days before a Redemption Date, the Trustee shall mail a notice of redemption to each Holder whose Notes are to be redeemed.

The notice shall identify the Notes and the principal amount thereof to be redeemed and shall state:

(1) the Redemption Date;

(2) the redemption price (including the principal amount of, and accrued and unpaid interest on, the Notes called for redemption to (but excluding) the Redemption Date) and if any Make-Whole Amount may be due, the notice shall so state and shall state when the Make-Whole Amount, if any, shall be calculated;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company fails to make the redemption payment, interest on the Notes to be redeemed ceases to accrue on and after the Redemption Date and the only remaining right of the Holders of such Notes is to receive payment of the redemption price (including the principal amount of, accrued and unpaid interest on, and Make-Whole Amount or other premium, if any, with respect to Notes called for redemption to and including the Redemption Date) upon surrender of the Notes to the Paying Agent; and

(7) any other information the Company wishes to present.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense.

Section 4.5 Effect of Notice of Redemption. Once a notice of redemption is given, Notes called for redemption become due and payable on the Redemption Date at the redemption price and, on and after such Redemption Date (unless the Company shall fail to make the payment of the redemption price), such Notes shall cease to bear interest. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price. Notwithstanding the foregoing, if the Trustee gives notice of redemption, but the Company fails to pay when due all amounts necessary to effect such redemption, such redemption shall be deemed revoked and no amount shall be due as a result of notice of redemption having been given. The Trustee shall promptly give written notice of such revocation and failure to pay to the Holders and, if requested by the Company, the reason for such failure.

Section 4.6 Deposit of Redemption Price. On or before 12:30 p.m. (New York City time) on the Redemption Date, the Company shall deposit with the Paying Agent money in funds immediately available on the Redemption Date sufficient to pay the redemption price, including the principal amount of, accrued and unpaid interest on, and Make-Whole Amount or other premium, if any, with respect to, all Notes to be redeemed on that date; provided that the Company's failure to make such deposit shall result in the revocation of such redemption in accordance with Section 4.5 hereof.

Section 4.7 Notes Redeemed in Part. Upon surrender of a Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate and deliver to the Holder a new Note of the same Class equal in principal amount to the unredeemed portion of the Note surrendered.

ARTICLE V

COVENANTS

Section 5.1 Payment of Notes. The Company shall pay the principal of, interest on, and Make-Whole Amount or other premium, if any, with respect to, the Notes on the dates and in the manner provided in this Indenture and in the Notes. The Company will, on or before 12:30 p.m. (New York City time) on each due date for the payment of the principal of, interest on, or Make-Whole Amount or other premium, if any, due under any of the Notes, deposit with the Trustee at the Corporate Trust Office by wire transfer of immediately available funds, in Dollars, payments sufficient to pay the principal, interest, or Make-Whole Amount or other premium, if any, so becoming due, and the Trustee shall immediately deposit all such payments in the Collection Account.

The principal of, interest on, Make-Whole Amount or other premium, if any, and other amounts due under any of the Notes or hereunder will be deemed to be paid in full on the applicable due date if the Trustee holds, on such due date, monies or securities sufficient to pay all such amounts. The Trustee will make funds deposited in the Collection Account on a Distribution Date and required to be distributed to Noteholders pursuant to Section 3.2 hereof available to the Paying Agent for such distribution. The Paying Agent shall distribute amounts payable to each Noteholder by check mailed to such Noteholder at its address appearing in the Register, except that with respect to Notes registered on the applicable 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). The Company shall not have any responsibility for the distribution of such payments to any Noteholder. Any payment made hereunder shall be made without any presentment or surrender of any Notes, except that, in the case of the final payment in respect of any Note, such Note shall be surrendered to the Paying Agent for cancellation against receipt of such payment.

Section 5.2 Maintenance of Office or Agency. The Company shall maintain in the Borough of Manhattan, The City of New York, an office or agency where Notes may be surrendered for registration of transfer or exchange or for presentation for payment and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. At the request of the Company, said office or agency may be an office of the Trustee or an agent appointed by the Trustee for such purpose. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency not designated or appointed by the Trustee. If at

any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York, for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. The Company hereby designates the Corporate Trust Office as one such office or agency of the Company in accordance with Section 2.8 hereof.

Section 5.3 Corporate Existence. Except as otherwise provided in Section 5.4 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and shall, for as long as and to the extent required under Section 1110 in order that the Security Agent, as agent for the Trustee, shall be entitled to any of the benefits of Section 1110 with respect to the Pledged Spare Parts, remain a U.S. Air Carrier.

Section 5.4 Company Not to Consolidate, Merge, Convey or Transfer Except Under Certain Conditions.

(a) The Company shall not consolidate with, or merge into, or convey or transfer all or substantially all of its assets to, any Person unless:

(i) the resulting, surviving or transferee Person, if other than the Company (the "Successor Company"), formed by such consolidation or into which the Company is merged or to which all or substantially all of the assets of the Company are sold, conveyed or transferred (A) shall be a Person organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and shall, if and to the extent required under Section 1110 in order that the Security Agent shall continue to be entitled to any benefits of Section 1110 with respect to the Pledged Spare Parts, be a U.S. Air Carrier, and (B) shall expressly assume by supplemental indenture executed and delivered to the Trustee the due and punctual performance and observance of all of the covenants and obligations of the Company under the Notes, this Indenture and the other Operative Documents to which the Company is a party;

(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 Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance, transfer and, if a supplemental indenture is required under clause (i)(B) above in connection with such transaction, such supplemental indenture, comply with this Section 5.4 and that all conditions precedent herein provided for relating to such transaction have been satisfied.

(b) The Successor Company shall be the successor to the Company and shall succeed to, and be substituted for, and be bound by and obligated to pay the obligations of, and may exercise every right and power of, the Company under this Indenture, each other Operative Document, the Notes and the Support Documents to which the Company is a party, with the same effect as if such successor had been named as the Company herein and therein; and thereafter the Company shall be discharged from all obligations and covenants under this Indenture, each other Operative Document, the Notes and the Support Documents.

(c) The Successor Company may cause to be signed, and may issue either in its own name or in the name of the Company prior to such succession any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and upon the order of the Successor Company, instead of the Company, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication, and any Notes which such Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All of the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as though all of such Notes had been issued at the date of the execution hereof.

(d) In case of any such consolidation, merger, sale, conveyance or transfer such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

Section 5.5 Reports by the Company.

(a) The Company shall 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) that the Company may be required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company is not required to file information, documents, or reports pursuant to either of said sections, then to file with the Trustee and the SEC, in accordance with rules and regulations prescribed from time to time by the SEC, such of the supplementary and periodic information, documents, and reports that may be required

pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

(b) So long as any of the Obligations remain unpaid, the Company agrees to furnish to the Trustee: (i) within 60 days after the end of each of the first three quarterly periods in each fiscal year of the Company, either (A) 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 (B) a report of the Company on Form 10-Q in respect of such period in the form filed with the SEC; (ii) within 120 days after the close of each fiscal year of the Company, either (A) 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 (B) a report of the Company on Form 10-K in respect of such year in the form filed with the SEC and (iii) within 60 days of the filing thereof, a copy of any Current Report on Form 8-K filed by the Company with the SEC. The items required to be furnished pursuant to clauses (i) and (ii) above shall be deemed to have been furnished on the date on which such item is posted on the SEC's website at www.sec.gov, and such posting shall be deemed to satisfy the requirements of clauses (i) and (ii); provided that the Company shall deliver a paper copy of any item referred to in clause (i) or (ii) above to the Trustee upon request.

(c) So long as required by the TIA, the Company shall deliver to the Trustee, within 120 days after the end of each calendar year, a certificate signed by the Company's principal executive officer, principal financial officer or principal accounting officer (which certificate need not comply with Section 12.4 or Section 12.5 hereof) stating that to his or her knowledge during such preceding calendar year no Default or Event of Default has occurred (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge).

ARTICLE VI

INDEMNIFICATION

Section 6.1 Claims Defined. For the purposes of this Article VI, "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 Article VI, 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.

Section 6.2 Indemnitee Defined. For the purposes of this Article VI, "Indemnitee" means (i) USBT, the Trustee, each Agent, and each Collateral Agent, (ii) each separate or additional trustee, other Agent, or security agent appointed pursuant to this Indenture, (iii) each Liquidity Provider and (iv) 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 Indenture, have expressly agreed in writing to be bound by the terms of this Article VI prior to, or concurrently with, the making of a Claim hereunder. If an Indemnitee fails to comply with any duty or obligation under this Article VI 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 Article VI. No Holder in its capacity as such Holder shall be an Indemnitee for purposes hereof.

Section 6.3 Claims Indemnified. Subject to the exclusions stated in Section 6.4, 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 Pledged Spare Parts or the ownership, possession, use, non-use, substitution, control, maintenance, repair, operation, condition, sale, lease, sublease, storage, modification, alteration, return, transfer or other disposition of the Pledged Spare Parts (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 first paragraph of Section 8.7 hereof, 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 herein, reasonable compensation and expenses of the Trustee's agents), of the Trustee in connection with the transactions contemplated hereby.

Section 6.4 Claims Excluded. The following are excluded from the Company's agreement to indemnify an Indemnitee under this Article VI:

(a) any Claim to the extent such Claim is attributable to acts or events occurring after (i) the Notes shall have been paid in full or (ii) the transfer of possession of the Collateral pursuant to Article VII hereof or the applicable provisions of the applicable Collateral Document, unless such Claim is attributable to acts occurring in connection with the exercise of remedies pursuant to Section 7.3 hereof or the applicable provisions of the applicable Collateral Document following the occurrence and continuance of an Event of Default;

(b) any Claim to the extent such Claim is, or is attributable to, a Tax;

(c) 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;

(d) 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 Indenture, any other Operative Document or any Support Document to which such Indemnitee or any of such Related Indemnitee Group is a party or any agreement relating hereto or thereto;

(e) any Claim to the extent such Claim constitutes a Permitted Lien attributable to such Indemnitee;

(f) any Claim to the extent such Claim is attributable to the offer, sale, assignment, transfer, participation or other disposition (not required or contemplated by the Operative Documents) 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 this Indenture and applicable law) of any Note, all or any part of such Indemnitee's interest in the Operative Documents or the Support Documents or any interest in the Pledged Spare Parts or any similar security;

(g) any Claim to the extent such Claim is attributable to a failure on the part of the Trustee, any Collateral Agent or any Agent to distribute in accordance with this Indenture or any other Operative Document any amounts received and distributable by it hereunder or thereunder;

(h) 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 Support 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 Support Documents;

(i) any Claim to the extent such Claim is payable or borne by (i) the Company pursuant to any indemnification, compensation or reimbursement provision of any other Operative Document or any Support Document or (ii) a Person in its individual capacity other than the Company pursuant to any provision of any Operative Document or any Support Document;

(j) any Claim to the extent such Claim is an ordinary and usual operating or overhead expense; and

(k) 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 or any like provisions of similar laws affecting any governmental or church plan, as applicable.

Section 6.5 Insured Claims. In the case of any Claim indemnified by the Company hereunder that is covered by a policy of insurance maintained by the Company, each Indemnitee agrees to cooperate, at the Company's expense, with the insurers in the exercise of their rights to investigate, defend or compromise such Claim.

Section 6.6 Claims Procedure. An Indemnitee shall promptly notify the Company of any Claim as to which indemnification is sought; provided that the failure to provide such prompt notice shall not release the Company from any of its obligations to indemnify hereunder, except to the extent that the Company is prejudiced by such failure or the Company's indemnification obligations are increased as a result of such failure. Such Indemnitee shall promptly submit to the Company all additional information in such Indemnitee's possession to substantiate such request for payment to the Company as the Company shall reasonably request. Subject to the rights of insurers under policies of insurance maintained by the Company, the Company shall have the right, at its sole cost and expense, to investigate, and the right in its sole discretion to defend or compromise, any Claim for which indemnification is sought under this Article VI, and, at the Company's expense, the Indemnitee shall cooperate with all reasonable requests of the Company in connection therewith. Such Indemnitee shall not enter into a settlement or other compromise with respect to any Claim without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed, unless such Indemnitee waives its right to be indemnified with respect to such Claim under this Article VI. Where the Company or the insurers under a policy of insurance maintained by the Company undertake the defense of an Indemnitee with respect to a Claim, no additional legal fees or expenses of such Indemnitee in connection with the defense of such Claim shall be indemnified hereunder unless such fees or expenses were incurred at the written request of the Company or such insurers. Subject to the requirements of any policy of insurance, an Indemnitee may participate at its own expense in any judicial proceeding controlled by the Company pursuant to the preceding provisions; provided that such party's participation does not, in the opinion of the counsel appointed by the Company or its insurers to conduct such proceedings, interfere with such control; and such participation shall not constitute a waiver of the indemnification provided in this Article VI. 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.

Section 6.7 Subrogation. To the extent that a Claim indemnified by the Company under this Article VI is in fact paid in full by the Company or an insurer under a policy of insurance maintained by the Company, the Company or such insurer, as the case may be, shall, without any further action, be subrogated to the rights and remedies of the Indemnitee on whose behalf such Claim was paid with respect to the transaction or event giving rise to such Claim. Such Indemnitee shall give such further assurances or agreements and shall cooperate with the Company or such insurer, as the case may be, to permit the Company or such insurer to pursue such rights and remedies, if any, to the extent reasonably requested by the Company. So long as no Event of Default shall have occurred and be continuing, if an Indemnitee receives any payment from any party other than the Company or its insurers, in whole or in part, with respect to any Claim paid by the Company or its insurers hereunder, it shall promptly pay over to the Company the amount received (but not an amount in excess of the amount the Company or any of its insurers has paid in respect of such Claim). Any amount referred to in the preceding sentence that is payable to the Company shall not be paid to the Company, or, if it has been previously paid directly to the Company, shall not be retained by the Company, if at the time of such payment an Event of Default shall have occurred and be continuing, but shall be paid to and held by the Trustee as security for the Obligations of the Company under this 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 Trustee as security for more than 180 days after any such Event of Default shall have occurred, during which period (i) the Trustee shall not have been limited by operation of law or otherwise from exercising remedies under this Indenture and (ii) the Trustee shall not have exercised any remedy available to it under Section 7.3 hereof, then such amount, to the extent not previously so applied against the Company's payment Obligations, shall be paid to the Company.

Section 6.8 No Guaranty. Nothing set forth in this Article VI shall constitute a guarantee by the Company that the Pledged Spare Parts shall at any time have any particular value, useful life or residual value.

Section 6.9 Payments; Interest. Any amount payable to any Indemnitee pursuant to this Article VI 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 Article VI 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 12.2 hereof. To the extent permitted by applicable law, interest at the Payment Due Rate shall be paid, on demand, on any amount or indemnity not paid when due pursuant to this Article VI 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 VII

DEFAULT AND REMEDIES

Section 7.1 Events of Default. The term "Event of Default" shall mean any of the following events (whatever the reason for such 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 administration 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 pay (i) principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to any Note when due, and such failure shall continue unremedied for more than 15 days (it being understood that any amount distributed to any Class of Noteholders in respect of the foregoing from funds provided by the applicable Liquidity Provider or the applicable Liquidity Facility Cash Collateral Account shall not be deemed to cure such Default), or (ii) any other amount payable by the Company under this Indenture or any other Operative Document when due, and such failure shall continue for a period in excess of 30 days after the Company has received written notice from the Trustee or the Holders of at least 25% of the principal amount of the Outstanding Notes of the failure to make such payment when due;

(b) the Company shall fail to comply with its obligations in Section 3.1(a) or 3.3 of the Collateral Maintenance Agreement within the time period for such compliance set forth in such Section 3.1(a) or 3.3, as the case may be;

(c) the Company shall fail to furnish to the Trustee the Required Reports relating to each of two consecutive Appraisal Report Dates pursuant to Section 2.2 or 2.3 of the Collateral Maintenance Agreement within 30 days after the respective due dates therefor;

(d) the Company shall fail to carry and maintain insurance or indemnity on or with respect to the Pledged Spare Parts in accordance with the provisions of Appendix IV to the Collateral Maintenance Agreement; provided

that no such failure to carry insurance shall constitute an Event of Default until the date such failure shall have continued unremedied for a period of 60 days after receipt by the Trustee of the notice of cancellation or lapse referred to in Appendix IV to the Collateral Maintenance Agreement;

(e) the Company shall fail to observe or perform (or cause to be observed or performed) in any material respect any other covenant, agreement or obligation set forth herein or in any other Operative Document to which the Company is a party and such failure shall continue unremedied for a period of 60 days after the date of written notice thereof to the Company from the Trustee or the Holders of at least 25% of the principal amount of the Outstanding Notes, provided that, if such failure is capable of being remedied, no such failure will constitute an Event of Default for a period of one year after such notice is received by the Company so long as the Company is diligently proceeding to remedy such failure;

(f) any representation or warranty made by the Company herein or in any other Operative Document to which the Company is a party (i) shall prove to have been untrue or inaccurate in any material respect as of the date made, (ii) such untrue or inaccurate representation or warranty is material at the time in question, and (iii) the same shall remain uncured (to the extent of the adverse impact of such incorrectness on the interest of the Trustee or any Holder) for a period in excess of 60 days from and after the date of written notice thereof from Trustee or the Holders of at least 25% of the principal amount of the Outstanding Notes to the Company, provided that, if such incorrectness is capable of being remedied, no such incorrectness will constitute an Event of Default for a period of one year after such notice is received by the Company so long as the Company is diligently proceeding to remedy such incorrectness;

(g) the Company shall consent to the appointment of or taking possession by a receiver, trustee or liquidator of itself or of a substantial part of its property, or the Company 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 its creditors, or the Company shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization, liquidation or other relief 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 it in any such case, or the Company shall seek relief by voluntary petition, answer or consent, under the provisions of any other bankruptcy or 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 the property of the Company shall be sequestered, or granting any other relief in respect of the Company as a debtor under any bankruptcy laws or other insolvency laws (as in effect at such time), and any such order, judgment, decree, 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 proceeding under any 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 which may apply to the Company, any court of competent jurisdiction shall assume 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.

Section 7.2 Acceleration. If an Event of Default (other than an Event of Default specified in Section 7.1(g), (h) or (i) hereof with respect to the Company) occurs, and is continuing, the Trustee may, and upon the written instructions of the Controlling Party, the Trustee shall, declare by written notice to the Company all unpaid principal of, and accrued but unpaid interest on, the Notes (but, for the avoidance of doubt, without Make-Whole Amount or other premium) and other amounts otherwise payable hereunder, if any, to the date of acceleration to be due and payable and upon any such declaration, the same shall become and be immediately due and payable. If an Event of Default specified in Section 7.1(g), (h) or (i) hereof occurs with respect to the Company, all unpaid principal of, and accrued but unpaid interest on, the Notes (but, for the avoidance of doubt, without Make-Whole Amount or other premium) and other amounts otherwise payable hereunder, if any, shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee, the Controlling Party or any Noteholder. Upon payment of such principal amount, interest, and other amounts, all of the Company's obligations under the Notes and this Indenture, other than obligations under Article VI hereof and Section 8.7 hereof, shall terminate. The Controlling Party by notice to the Trustee may rescind an acceleration and its consequences if (a) all existing Events of Default, other than the non-payment as to the Notes of the principal, interest, and other amounts otherwise payable hereunder, if any, which have become due solely by such declaration of acceleration, have been cured or waived, (b) to the extent the payment of such interest is permitted by law, interest on overdue installments of interest and on overdue principal which has become due otherwise than by such declaration of acceleration, has been paid, (c) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction, and

(d) all payments due to the Trustee and any predecessor Trustee under Section 8.7 hereof have been made. No such rescission shall affect any subsequent default or impair any right arising from any subsequent default.

Section 7.3 Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of, or interest on, the Notes or other amounts otherwise payable hereunder, if any, or to enforce the performance of any provision of the Notes or this Indenture, including, without limitation, instituting proceedings and exercising and enforcing, or directing exercise and enforcement of, all rights and remedies of the Trustee and any Collateral Agent under the other Operative Documents and directing any Collateral Agent to deposit with the Trustee all cash and/or Investment Securities held by such Collateral Agent.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. To the extent permitted by applicable law, a delay or omission by the Trustee or any Noteholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. To the extent permitted by applicable law, no remedy is exclusive of any other remedy and all available remedies are cumulative.

Section 7.4 Waiver of Past Defaults. Subject to Sections 7.8, 10.2 and 10.6 hereof, the Controlling Party by notice to the Trustee may authorize the Trustee to waive an existing Default or Event of Default and its consequences, except a Default or Event of Default: (i) in the payment of principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to any Note as specified in Section 7.1(a)(i) hereof that has not been paid from funds provided by the applicable Liquidity Provider or the applicable Liquidity Facility Cash Collateral Account; (ii) in respect of a covenant or provision hereof that cannot be amended or supplemented without the consent of the applicable Liquidity Provider for each Class of Notes affected and the Holder of each Note affected; or (iii) in respect of any Subordinated Note Provision (compliance with respect to which may only be waived as provided in Section 4.4(b) of the Collateral Maintenance Agreement), provided that, for the avoidance of doubt, nothing in this clause (iii) shall be construed to derogate from the Controlling Party's rights to direct the exercise of remedies as set forth in Section 7.5 hereof. When a Default or Event of Default is so waived, it is cured and ceases, and the Company, the Liquidity Provider, the Holders and the Trustee shall be restored to their former positions and rights hereunder respectively; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 7.5 Control of Remedies. The Controlling Party may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee

(as Trustee or Collateral Agent, subject, in the case of any actions based on the status of the Trustee as Collateral Agent, to any limitations otherwise expressly provided for in the other Operative Documents) or exercising any trust or power conferred on it; provided that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction. The Trustee may refuse to follow any direction hereunder or authorization under Section 7.4 hereof that conflicts with law or this Indenture, that the Trustee determines may subject the Trustee to personal liability or that the Trustee determines may be unduly prejudicial to the rights of another Noteholder. However, the Trustee shall have no liability for any actions or omissions to act which are in accordance with any such direction or authorization. The Controlling Party shall not direct the Trustee or any Collateral Agent to sell or otherwise dispose of any Collateral unless all unpaid principal of, and accrued but unpaid interest on, the Outstanding Notes and other amounts otherwise payable under this Indenture, if any, shall be declared or otherwise become due and payable immediately.

Section 7.6 Purchase Rights of Noteholders.

(a) By acceptance of a Note, each Noteholder agrees that at any time after the occurrence and during the continuation of an Event of Default:

(i) each Class B Noteholder (other than any American Entity) shall have the right to purchase all, but not less than all, of the Class A Notes upon ten days' prior written notice to the Trustee and each other Class B Noteholder, provided that (A) if prior to the end of such ten-day period any other Class B Noteholder (other than any American Entity) notifies such purchasing Class B Noteholder that such other Class B Noteholder wants to participate in such purchase, then such other Class B Noteholder may join with the purchasing Class B Noteholder to purchase all, but not less than all, of the Class A Notes pro rata based on the percentage of the Outstanding aggregate principal amount of the Class B Notes held by each such Class B Noteholder, and (B) if - prior to the end of such ten-day period any other Class B Noteholder fails to notify the purchasing Class B Noteholder of such other Class B Noteholder's desire to participate in such a purchase, then such other Class B Noteholder shall lose its right to purchase the Class A Notes pursuant to this Section 7.6(a)(i); and

(ii) if Class C Notes are issued, each Class C Noteholder (other than any American Entity) shall have the right (which shall not expire upon any purchase of the Class A Notes pursuant to Section 7.6(a)(i)) to purchase all, but not less than all, of the Class A Notes and the Class B Notes upon ten days' prior written notice to the Trustee and each other Class C Noteholder, provided that (A) if prior to the end of such ten-day period any other Class C Noteholder (other than any American Entity) notifies such purchasing Class C Noteholder that such other Class C Noteholder wants to participate in such purchase, then such other

Class C Noteholder may join with the purchasing Class C Noteholder to purchase all, but not less than all, of the Class A Notes and Class B Notes pro rata based on the percentage of the Outstanding aggregate principal amount of the Class C Notes held by each such Class C Noteholder, and (B) if prior to the end of such ten-day period any other Class C Noteholder - fails to notify the purchasing Class C Noteholder of such other Class C Noteholder's desire to participate in such a purchase, then such other Class C Noteholder shall lose its right to purchase the Class A Notes and the Class B Notes pursuant to this Section 7.6(a)(ii).

The purchase price with respect to each Class of Notes shall be equal to the outstanding aggregate principal amount of that Class of Notes, together with accrued and unpaid interest in respect thereof to the date of such purchase, without any Make-Whole Amount or other premium, but including any other amounts then due and payable to the Holders of such Class of Notes under this Indenture or any other Operative Document or on or in respect of such Class of Notes; 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 Holders of such Class of Notes as of such Record Date); provided, further, that no such purchase of Notes pursuant to Section 7.6(a)(i) or 7.6(a)(ii) hereof 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 Indenture, all of the Notes of each Class of Notes that is senior to the Notes held by such purchaser(s). Each payment of the purchase price of the Notes to be purchased pursuant to this Section 7.6 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 7.6(a). Each Noteholder agrees by its acceptance of its Note that it will, subject to Sections 2.4 and 2.6 hereof, upon payment of the purchase price for its Notes 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 Noteholder in this Indenture, the other Operative Documents, the Support Documents applicable to such Class of Notes and all Notes of such Class held by such Noteholder (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 Noteholder's obligations with respect to the Purchased Notes under this Indenture, the other Operative Documents, the Support Documents applicable to such Class of Notes and all such Notes. The Notes will be deemed to be purchased on the date payment of the purchase price is made notwithstanding the failure of any Noteholder to deliver any such Notes and, upon such a purchase, (i) the only rights of the Noteholders of such Class will be to deliver such Notes and (ii) if the purchaser(s) shall so request, each such Noteholder will comply with all the provisions of Sections 2.4 and 2.6 hereof to enable new Notes of such Class 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 Notes shall be borne by the purchaser(s) thereof.

(b) Notwithstanding anything to the contrary set forth herein or in any other Operative Document, the provisions of this Section 7.6 may not be amended in any manner without the consent of each Class B Noteholder or Class C Noteholder, if any, that would be adversely affected thereby.

Section 7.7 Limitation on Suits. A Noteholder may not pursue any remedy with respect to this Indenture or the Notes or any other Operative Document unless:

(a) the Holder gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in aggregate principal amount of a Class of Notes then Outstanding make a written request to the Trustee to pursue the remedy;

(c) such Holder or Holders offer to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity;

(e) during such 60-day period the Controlling Party does not give the Trustee a direction which, in the opinion of the Trustee, is inconsistent with such request;

(f) in the case of a Class B Noteholder, the principal of, interest on, and Make-Whole Amount or other premium, if any, and all other amounts payable under this Indenture with respect to the Class A Notes have been paid in full; and

(g) in the case of a Class C Noteholder, the principal of, interest on and Make-Whole Amount or other premium, if any, and all other amounts payable under this Indenture with respect to the Class A Notes and the Class B Notes have been paid in full.

A Noteholder may not use this Indenture to prejudice the rights of another Noteholder hereunder or under any other Operative Document or to obtain or seek to obtain a preference or priority over such other Noteholder hereunder or under any other Operative Document (except for the preferences and priorities of the Class A Notes over

the Class B Notes and the preferences and priorities of the Class A Notes and Class B Notes over the Class C Notes, if issued, provided for in this Indenture).

Section 7.8 Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal of, interest on, and Make-Whole Amount or other premium, if any, with respect to the Note, on or after the respective due dates expressed in the Note, or 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 Holder.

It is hereby expressly understood, intended and agreed that any and all actions which a Holder of the Notes may take to enforce the provisions of this Indenture and/or collect Payments due hereunder or under the Notes, except to the extent that such action is determined to be on behalf of all Holders of the Notes, shall be in addition to and shall not in any way change, adversely affect or impair the rights and remedies of the Trustee, the Controlling Party or any other Holder of the Notes thereunder or under this Indenture, the other Operative Documents and the Support Documents, including the right to foreclose upon and sell the Collateral or any part thereof and to apply any proceeds realized in accordance with the provisions of this Indenture (provided that, notwithstanding the foregoing, in no event shall the Company be required to make duplicative payments, either directly or from the proceeds of the Collateral).

Subject to the provisions of this Indenture, the right of any Liquidity Provider to receive payments hereunder 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 Liquidity Provider.

Section 7.9 Collection Suit by Trustee. If an Event of Default in payment of principal, interest, or Make-Whole Amount or other premium specified in Section 7.1(a)(i) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company or any other obligor on the Notes for the whole amount of principal, accrued interest, or Make-Whole Amount or other premium, if any, remaining unpaid, together with interest, to the extent that payment of such interest is permitted by law, on overdue principal and on overdue interest, or Make-Whole Amount or other premium, in each case at the rate per annum provided for by the Notes, and such further amount as shall be sufficient to cover the reasonable costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 7.10 Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the

Noteholders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceedings is hereby authorized by each Noteholder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Noteholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due the Trustee under Section 8.7 hereof, and unless prohibited by law or applicable regulations to vote on behalf of the Holders of Notes for the election of a trustee in bankruptcy or other Person performing similar functions. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such proceeding except, as aforesaid, for the election of a trustee in bankruptcy or person performing similar functions.

Section 7.11 Application of Proceeds. Any monies collected by the Trustee pursuant to this Article VII or by the Security Agent under Section 6.2 of the Spare Parts Security Agreement (or by any other Collateral Agent under the analogous provision of a separate Collateral Agreement) shall be distributed in the order provided in Section 3.2 hereof at the date or dates fixed by the Trustee and, in case of the distribution of such monies on account of principal, interest, or Make-Whole Amount or other premium, if any, upon presentation of the several Notes and stamping (or otherwise noting) thereon the payment, or issuing Notes in reduced principal amounts in exchange for the presented Notes if only partially paid, or upon surrender thereof if fully paid.

The Trustee may fix a record date and payment date for any payment to Noteholders pursuant to this Section 7.11, and the Trustee shall give the Company, the Liquidity Provider and the Noteholders written notice thereof no less than 15 days prior to any such record date.

Section 7.12 Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court in its discretion may require in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. To the extent permitted by applicable law, this Section 7.12 does not apply to a suit by the Trustee or a suit by a Holder pursuant to Section 7.8 hereof.

Section 7.13 Restoration of Rights on Abandonment of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Company, the Trustee and the Noteholders shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Company, the Trustee and the Noteholders shall continue as though no such proceedings had been taken.

Section 7.14 Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default. No right or remedy herein conferred upon or reserved to the Trustee or to any Noteholder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

To the extent permitted by law, no delay or omission of the Trustee or of any Holder of any of the Notes to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and, subject to the other applicable provisions of this Indenture, every power and remedy given by this Indenture or by law to the Trustee, a Liquidity Provider or to any Noteholder may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by such Liquidity Provider or Noteholder.

Any right or remedy herein conferred upon or reserved to the Trustee may be exercised by it in its capacity as Trustee and/or as Collateral Agent, as it may deem most efficacious, if it is then acting in such capacity.

Section 7.15 Certain Limits on Remedies. Notwithstanding anything to the contrary set forth in this Indenture or in any other Operative Document, so long as any Notes are Outstanding, during the period ending on the date which is nine months after the earlier of (i) the Acceleration of the Notes or (ii) the occurrence of an American Bankruptcy Event which is continuing, without the consent of the Required Class B Holders (unless all of the Class B Notes are held or beneficially owned by American Entities) and the Required Class C Holders (unless all of the Class C Notes are held or beneficially owned by American Entities), no Pledged Spare Parts or Other Collateral may be sold if the proceeds from such sale would be less than the Minimum Sale Price. The Trustee further agrees to give the Company, the Class A Noteholders, the Class B Noteholders and the Class C Noteholders, if any, at least 30 days' prior written notice of its intention to sell or lease all or any portion of the Collateral.

Section 7.16 Class B Collateral Ratio. Notwithstanding anything to the contrary in the Operative Documents, the provisions in the Operative Documents relating to the Class B Collateral Ratio, the Maximum Class B Collateral Ratio, and Section 3.3(a)(ii) of the Collateral Maintenance Agreement will have no force and effect so long as all the Class B Notes are then held by an American Entity.

ARTICLE VIII

TRUSTEE

Section 8.1 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) The Trustee need perform only those duties as are specifically set forth in this Indenture, the other Operative Documents and the Support Documents and no others.

(ii) 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 Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

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

(i) This paragraph (c) does not limit the effect of paragraph (b) of this Section 8.1 or of Section 8.2 hereof.

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

(iii) The Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 7.5 hereof.

(d) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability or expense.

(e) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c) and (d) of this Section 8.1.

(f) Funds held in trust for the benefit of the Holders of the Notes by the Trustee or any Paying Agent on deposit with itself or elsewhere, and Investment Securities or Eligible Investments held in trust for the benefit of the Holders of the Notes by the Trustee, shall be held in distinct, identifiable accounts, and other funds or investments of any nature or from any source whatsoever may not be held in such accounts. The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree with the Company.

Section 8.2 Rights of Trustee.

(a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting (unless other evidence is provided for herein), it may require an Officers' Certificate or an Opinion of Counsel, which shall conform to Section 12.5 hereof. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

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

Section 8.3 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Company or Affiliates of the Company with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to Sections 8.10 and 8.11 hereof.

Section 8.4 Trustee's Disclaimer. The Trustee makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes, and it shall not be responsible for any statement in the Notes or in this Indenture other than its certificate of authentication.

Section 8.5 Notice of Defaults. If a Default occurs and is continuing and if it is known to a Responsible Officer of the Trustee, the Trustee shall mail to each Noteholder and each Liquidity Provider a notice of the Default within 90 days after the

occurrence thereof except as otherwise permitted by the TIA. Except in the case of a Payment Default, the Trustee may withhold the notice if and so long as it, in good faith, determines that withholding the notice is in the interests of the Noteholders.

Section 8.6 Information Reporting; Reports by Trustee to Holders. If circumstances require any report to Holders under TIA Section 313(a), such report shall be mailed to Noteholders within 60 days after each May 15 (beginning with the May 15 following the date of this Indenture) as of which such circumstances exist. The Trustee also shall comply with the remainder of TIA Section 313.

After the occurrence of an Event of Default or an American Bankruptcy Event, the Trustee shall provide to each Rating Agency on a continuing basis (but no more than once every quarter) upon the reasonable request of such Rating Agency in writing (1) copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Trustee in connection with the Indenture, each Liquidity Facility and the Operative Documents, (2) copies of statements setting forth the aggregate amount of funds distributed on each Distribution Date, indicating the amount allocable to each source (including each Liquidity Facility), the amount of such distribution allocable to principal, interest and premium (if any), the principal balance for each Class of Notes as of such Distribution Date and the amount of principal outstanding and accrued interest on each Liquidity Facility as of such Distribution Date, (3) a report of cash or short term investments held by the Trustee in the Trust Accounts or for future distribution and (4) such other information available to the Trustee regarding the Collateral, the Notes, the Trust Accounts and each Liquidity Facility.

The Company shall notify the Trustee if the Notes become listed on or delisted from any stock exchange or other recognized trading market.

Section 8.7 Compensation and Indemnity. The Company shall pay to the Trustee from time to time reasonable compensation, as agreed upon from time to time, for its services, including as Collateral Agent if the Trustee is acting as such. To the extent permitted by applicable law, the Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable disbursements, expenses and advances incurred or made by it in any such capacities, except any such disbursement, expense or advance as may be attributable to its negligence or bad faith. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

To secure the Company's payment obligations to the Trustee in Article VI hereof and in this Section 8.7, the Trustee shall have a Lien (legal and equitable) prior to the Notes on all money or property held or collected by the Trustee, in its capacity as

Trustee, or otherwise distributable to Noteholders, except money, securities, or property held in trust to pay principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to the particular Notes, and subject in all respects to the payment priorities set forth in Section 3.2 hereof.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 7.1(g), (h) or (i) hereof occurs, to the extent permitted by law, the reasonable expenses and the compensation for the services are intended to constitute expenses of administration under the Bankruptcy Code or any similar law of any jurisdiction other than the U.S.

Section 8.8 Replacement of Trustee. The Trustee for any Class may resign by so notifying the Company and any related Liquidity Provider in writing. The Controlling Party may remove the Trustee for any Class by so notifying the Trustee in writing and may appoint a successor Trustee with the Company's consent, which consent shall not be unreasonably refused or delayed. The Company may remove the Trustee for any Class if:

(a) such Trustee fails to comply with Section 8.10 hereof;

(b) such Trustee is adjudged a bankrupt or an insolvent;

(c) a receiver or other public officer takes charge of such Trustee or its property;

(d) such Trustee becomes incapable of acting; or

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

If the Trustee for any Class resigns or is removed or if a vacancy exists in the office of Trustee for any Class for any reason, the Company shall promptly appoint a successor Trustee for such Class. Within one year after the successor Trustee for any Class takes office, the Controlling Party may appoint a successor Trustee to replace the successor Trustee for such Class appointed by the Company.

A successor Trustee for any Class shall deliver a written acceptance of its appointment to the retiring Trustee for such Class and to the Company. Immediately after that, the retiring Trustee for such Class shall duly assign, transfer and deliver all property (and all books and records, or true, correct and complete copies thereof) held by it as Trustee for such Class to the successor Trustee for such Class, and subject to the Lien provided in Section 8.7 hereof, the resignation or removal of the retiring Trustee for such Class shall become effective, and the successor Trustee for such Class shall have all the rights, powers and duties of the Trustee for such Class under this Indenture. A

successor Trustee for any Class shall mail notice of its succession to each Holder of such Class of Notes. If there is a successor Collateral Agent under any Collateral Agreement, the Trustee shall mail notice of such succession to each Noteholder.

No resignation or removal of the Trustee and no appointment of a successor Trustee, pursuant to this Article VIII, shall become effective until the acceptance of appointment by the successor Trustee under this Section 8.8. If a successor Trustee for any Class does not take office within 60 days after the retiring Trustee for such Class resigns or is removed, the retiring Trustee, the Company, any related Liquidity Provider or the Holders of at least 10% in aggregate principal amount of the Notes of such Class Outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee for such Class.

If the Trustee for any Class fails to comply with Section 8.10 hereof, any Holder of such Class of Notes may petition any court of competent jurisdiction for the removal of the Trustee for such Class and the appointment of a successor Trustee for such Class.

Notwithstanding replacement of the Trustee pursuant to this Section 8.8, the Company's obligations under Section 8.7 hereof shall continue for the benefit of the retiring Trustee (whether in its capacity as Trustee or Collateral Agent) which shall retain its claim pursuant to Section 8.7 hereof.

The resignation, removal and replacement of each Collateral Agent shall be governed by the applicable Collateral Agreement.

Section 8.9 Successor Trustee by Merger, etc. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the resulting, surviving, succeeding or transferee Person without any further act shall be the successor Trustee; provided that such successor Person shall be otherwise qualified and eligible under this Article VIII. In case any Notes shall have been executed or authenticated, but not delivered, by the Trustee then in office, such successor may adopt such execution or authentication and deliver the Notes so executed or authenticated with the same effect as if such successor Trustee had itself executed or authenticated such Notes.

Section 8.10 Eligibility; Disqualification. This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1) and Section 310(a)(5). The Trustee shall have a combined capital and surplus of at least $50,000,000 (or a combined capital and surplus in excess of $5,000,000 and the obligations of which, whether now in existence or hereinafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least $50,000,000) as set forth in its most recent, published

annual report of condition. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.10, it shall resign immediately in the manner and with the effect specified in this Article VIII. The Trustee shall comply with TIA Section 310(b); provided, however, that there shall be excluded from the operation of TIA Section 310(b)(1) any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company are outstanding, if the requirements for such exclusion set forth in TIA Section 310(b)(1) are met.

Section 8.11 Preferential Collection of Claims Against Company. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated.

Section 8.12 Other Capacities. In acting in its capacity as the Collateral Agent, the Trustee shall have and may effectively exercise all the rights, remedies and powers, and be entitled to all protections and indemnifications, provided to the Collateral Agent in whatever capacities the Collateral Agent then serves under any and all of the Indenture, the other Operative Documents and the Support Documents, regardless of the capacity or capacities in which the Trustee may purport to take or omit any action. The Trustee agrees to and shall have the benefit of all provisions of the Operative Documents stated therein to be applicable to the Trustee.

Section 8.13 Trust Accounts.

(a) Upon the execution of this Indenture, the Trustee shall establish and maintain in its name 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 Noteholders and the Liquidity Providers. The Trustee shall also establish and maintain Liquidity Facility Cash Collateral Accounts pursuant to and under the circumstances set forth in Section 3.6(f) hereof. Upon such establishment and maintenance under Section 3.6(f) hereof, the Liquidity Facility 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 Trustee in Eligible Investments selected by the Company 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 Interest Payment Date 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 Trustee shall invest and reinvest such amounts in Eligible Investments at the direction of the Company (or, if and to the extent so specified to the Trustee by the Company, the applicable Liquidity Provider); provided further, however, that upon the occurrence and during the continuation of an Event of Default, the Trustee

shall invest and reinvest amounts in the Trust Accounts in accordance with the written instructions of the Controlling Party. Unless otherwise expressly provided in this Indenture (including with respect to Investment Earnings on amounts on deposit in any Liquidity Facility Cash Collateral Account pursuant to Section 3.6(f) hereof), any Investment Earnings shall be deposited in the Collection Account when received by the Trustee and shall be applied by the Trustee in the same manner as the other amounts on deposit in the Collection Account are to be applied and any losses shall be charged against the principal amount invested, in each case net of the Trustee's reasonable fees and expenses in making such investments. The Trustee shall not be liable for any loss resulting from any investment, reinvestment or liquidation required to be made under this Indenture other than by reason of its willful misconduct or gross 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 Trustee without instructions whenever such sale is necessary to make a distribution required under the Indenture. Uninvested funds held hereunder shall not earn or accrue interest.

(c) The Trustee 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 in Section 3.4(b) hereof with respect to Investment Earnings). The Trust Accounts shall be held in trust by the Trustee under the sole dominion and control of the Trustee for the benefit of the Noteholders and each Liquidity Provider, as the case may be. If, at any time, any of the Trust Accounts ceases to be an Eligible Deposit Account, the Trustee shall within 10 Business Days (or such longer period, not to exceed 30 calendar days, for which a Ratings Confirmation for the Notes of each Class then so rated, shall have been obtained) establish a new Collection Account or Liquidity Facility 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 or Liquidity Facility Cash Collateral Account, as the case may be. So long as USBT is an Eligible Institution, the Trust Accounts shall be maintained with it as Eligible Deposit Accounts.

Section 8.14 Deposits to the Collection Account. The Trustee shall, upon receipt thereof, deposit in the Collection Account all Payments received by it (other than any Payment which by the express terms hereof is to be deposited in a Liquidity Facility Cash Collateral Account).

Section 8.15 Certain Payments. Except for amounts constituting Liquidity Obligations that are deposited in the Collection Account and distributed as provided in Section 3.2 hereof, the Trustee will distribute promptly upon receipt thereof to the Person entitled thereto any indemnity payment or expense reimbursement received by it from the Company in respect of any Liquidity Provider.

Section 8.16 Information from the Trustee.

(a) The Trustee shall inform the Company, the Security Agent or the Class A Liquidity Provider, as applicable, of the principal amount of the Class A Notes Outstanding, the principal amount of the Class B Notes Outstanding, and the amount of cash and the Fair Market Value of any Investment Securities included in the Cash Collateral, in each case as of any Parts Inventory Report Date promptly after the request by the Company, the Security Agent or the Class A Liquidity Provider, as the case may be, for such information.

(b) The Trustee will furnish to the Class A Liquidity Provider, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Trustee hereunder to the extent the same shall not have been otherwise directly distributed to such Class A Liquidity Provider pursuant to any other Operative Document, except for such communications from the Noteholders to the Trustee that are not expressly contemplated by the terms hereof.

ARTICLE IX

DISCHARGE OF INDENTURE

Section 9.1 Discharge of Indenture and Liability on Notes.

(a) Upon (or at any time after):

(i) the Company delivers to the Trustee all Outstanding Notes (other than Notes replaced pursuant to Section 2.12 hereof) for cancellation, or

(ii) all Outstanding Notes have become due and payable, whether at maturity or as a result of the mailing of a notice of redemption pursuant to Article IV hereof, and the Company irrevocably deposits with the Trustee funds sufficient to pay at maturity or upon redemption the principal amount of all Outstanding Notes, including interest thereon to maturity or such redemption date (other than Notes replaced pursuant to Section 2.12 hereof), and Make-Whole Amount or other premium, if any, and if in either case the Company pays all other sums payable hereunder by the Company and due on or prior to such maturity or redemption date and all Liquidity Obligations have been paid in full,

then the Company and the Trustee shall be deemed to have been released and discharged from their respective obligations hereunder and under the Notes and the 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 Collateral from the Lien of this Indenture and the Collateral Agreements, and, in such event, this Indenture and the other Operative Documents shall terminate and be of no further force or effect (subject to Section 9.1(c) hereof). Except as otherwise provided above, this Indenture, the other Operative Documents and the trusts created hereunder and thereunder shall continue in full force and effect in accordance with their respective terms. The Trustee shall acknowledge satisfaction and discharge of this Indenture by executing and delivering to the Company on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel, a written instrument to such effect prepared by the Company at its sole cost and expense.

(b) On the 91st day after there has been irrevocably deposited (except as provided in Section 9.3 hereof) with the Trustee as funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Noteholders, (i) money in an amount, (ii) 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 (iii) a combination of money and U.S. Government Obligations referred to in the foregoing clause (ii), sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Trustee, to pay in full the outstanding principal amount of and interest on all the Notes on the dates such amounts are due; provided, however, that

(1) (A) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that there has been a change in tax - law since the Closing Date or has been published by the Internal Revenue Service a ruling to the effect that Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise by the Company of its option under this Section 9.1(b) and will be subject to U.S. 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 (B) the Company shall have obtained a - Ratings Confirmation with respect to the exercise by the Company of its option under this Section 9.1(b);

(2) all other amounts then due and payable hereunder have been paid and there shall be no Liquidity Obligations then outstanding;

(3) the Company has delivered to the Trustee an Officers' 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 9.1(b) 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 Section 7.1(g), (h) or (i) hereof 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 Trustee shall be deemed to have been released and discharged from their respective obligations hereunder and under the Notes and the 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 Collateral from the Lien of this Indenture and the Collateral Agreements, and, in such event, this Indenture and the other Operative Documents, and the Support Documents, shall terminate and be of no further force or effect (subject to Section 9.1(c) hereof). Except as otherwise provided above, this Indenture, the other Operative Documents, the Support Documents and the trusts created hereunder and thereunder shall continue in full force and effect in accordance with their respective terms. Upon making of the deposit of the defeasance funds as described above, the right of the Company to cause redemption of the Notes shall cease. The Trustee shall acknowledge satisfaction and discharge of this Indenture by executing and delivering to the Company on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel, a written instrument to such effect prepared by the Company at its sole cost and expense.

(c) Notwithstanding Section 9.1(a) or Section 9.1(b) hereof, the provisions of Article VI hereof, Sections 2.1 through 2.17, inclusive, 8.7 and 8.8 hereof and in this Article IX shall survive until the Outstanding Notes have been paid in full. Thereafter, Article VI hereof and Sections 8.7 and 9.3 hereof shall survive.

Section 9.2 Application of Trust Money. The Trustee shall hold in trust all monies and U.S. Government Obligations deposited with it pursuant to this Article IX. It shall apply the deposited amounts through the Paying Agent and in accordance with this Indenture to the payment of principal of, interest on, and Make-Whole Amount or other premium, if any, on the Notes.

Section 9.3 Repayment to Company. The Trustee and the Paying Agent shall promptly turn over to the Company any excess money or U.S. Government Obligations

held by them, upon request accompanied by a certificate from a nationally recognized firm of independent accountants expressing their opinion that any money or U.S. Government Obligations then held by the Trustee is in excess of the amounts sufficient to pay when due all of the principal of, interest on, and Make-Whole Amount or other premium, if any, with respect to the Notes to redemption or maturity, as the case may be.

Subject to the mandatory provisions of any applicable escheat or abandoned or unclaimed property law, the Trustee and the Paying Agent shall pay to the Company upon request any money or U.S. Government Obligations held by them for the payment of principal, interest, or Make-Whole Amount or other premium that remains unclaimed for two years, and, thereafter, Noteholders entitled to the cash must look to the Company for payment as unsecured general creditors.

ARTICLE X

AMENDMENTS, SUPPLEMENTS AND WAIVERS

Section 10.1 Without Consent of the Controlling Party or Holders. At any time after the date hereof, the Company and the Trustee or any applicable Collateral Agent, as the case may be, may enter into one or more amendments or supplements to this Indenture, the Notes and the other Operative Documents and, upon request of the Company and the agreement of the applicable Liquidity Provider, the Trustee shall amend or supplement the Support Documents, in each case without notice to or consent of any Noteholder or the Controlling Party:

(i) to provide for bearer Notes of any Class in addition to or in place of registered Notes of such Class or to provide for the issuance of Notes in uncertificated form in addition to or in place of Notes in certificated form;

(ii) to evidence the succession of another Person to the Company and to provide for the assumption by such successor Person of the Company's obligations under this Indenture, the Notes, any other Operative Document, and the Support Documents in the case of a merger, consolidation or transfer of all or substantially all of the assets of the Company or otherwise to comply with Section 5.4 hereof;

(iii) to add to the covenants of the Company for the benefit of the Noteholders or to surrender any right or power conferred upon the Company in this Indenture, the Notes, any other Operative Document or any Support Document;

(iv) to comply with any requirements of the SEC or otherwise to the extent necessary in connection with, or to continue, the qualification of this

Indenture or any other agreement under the TIA or under any similar U.S. federal statute or to add provisions permitted by the TIA;

(v) to provide for any Replacement Liquidity Provider, or any Replacement Liquidity Facility, or to effect the amendments contemplated by Section 3.6(e)(v)(C);

(vi) to provide for the effectiveness of any Collateral Agreement pursuant to Section 3.1 of the Collateral Maintenance Agreement, or to add to or change any of the provisions of this Indenture or any other Operative Documents as shall be necessary or advisable to provide for the addition of Other Collateral or new Collateral Agreements pursuant to Section 3.1 of the Collateral Maintenance Agreement or to obtain a Ratings Confirmation with respect thereto;

(vii) to comply with any requirement of the SEC or of any other regulatory body, or with any applicable law, rules, or regulations of or relating to any exchange or quotation system on which any Notes are listed (or to facilitate any listing of any Notes on any exchange or quotation system);

(viii) to comply with any requirements of DTC, Euroclear or Clearstream or the Trustee with respect to the provisions of this Indenture or the Notes of any Class relating to transfers and exchanges of the Notes of any Class or beneficial interests therein;

(ix) to provide for any successor or additional Collateral Agent or Trustee with respect to the Notes of one or more Classes or to add to or change any of the provisions of this Indenture as shall be necessary or advisable to provide for or facilitate the administration of the trusts hereunder by more than one Trustee or, as otherwise provided in this Indenture, to provide for multiple Liquidity Facilities for a Class of Notes;

(x) to provide for the issuance of Class C Notes and to make changes relating thereto, provided that the Company shall have obtained written confirmation from each Rating Agency that the issuance of Class C Notes would not result in a reduction of the rating for any Class of Notes that is then rated below the then current rating for such Class of Notes or a withdrawal of the rating of such Class of Notes;

(xi) to provide for the issuance of New Class B Notes (including provision for a liquidity facility for the New Class B Notes) and/or New Class C Notes or Second New Class C Notes in connection with a Refunding pursuant to EXHIBIT D hereof and to make changes relating thereto;

(xii) to provide for the delivery of Notes or any supplement to this Indenture, the Notes, any other Operative Document or any Support Document in or by means of any computerized, electronic, or other medium, including computer diskette;

(xiii) to provide for the guarantee by AMR Corporation or another entity of this Indenture, of one or more Classes of Notes; (xiv) to correct or supplement the description of the Collateral;

(xv) to cure any ambiguity, or correct any mistake, defect or inconsistency;

(xvi) to make such changes to the Fee Letter with respect to any Liquidity Facility as shall have been requested by the Company, with the agreement of the applicable Liquidity Provider; and

(xvii) to make any other change not inconsistent with the provisions hereof, provided that such action does not materially adversely affect the interests of any Noteholder.

Each Liquidity Provider hereby agrees and confirms that (i) except as otherwise provided in the Support Documents, it shall be deemed to consent to the issuance of New Class B Notes (including provision for a liquidity facility for the New Class B Notes) and/or New Class C Notes or Second New Class C Notes in connection with a Refunding pursuant to EXHIBIT D hereof, as in effect on the date hereof, and the amendments to this Indenture made in connection therewith in accordance with this Section 10.1 and EXHIBIT D hereof, as in effect on the date hereof, and (ii) any such issuance and amendments shall not affect any of its respective obligations under its Liquidity Facility or any other document relating to the Notes to which it is a party.

Section 10.2 With Consent of the Controlling Party, Liquidity Providers and Holders.

(a) With respect to any amendment or supplement of any Operative Document or Support Document not contemplated by Section 10.1 hereof, the Company and the Trustee and/or any applicable Collateral Agent, as the case may be, may amend or supplement this Indenture, the Notes and the other Operative Documents, in each case without notice to or consent of any Liquidity Provider and without notice to or consent of any Noteholder but with the written consent of the Controlling Party, and, upon request of the Company and the agreement of the applicable Liquidity Provider, the Trustee shall amend or supplement the Liquidity Facility with respect to any Class of Notes with the written consent of the Required Class A Holders or the Required Class B Holders, as applicable, provided that (i) Sections 2.1, 4.2, 4.5, 5.1, 5.2, 9.1, 9.2, 9.6 and Article VI of

the Spare Parts Security Agreement and Sections 3.1, 3.2, 3.4 through 3.13, 5.1 (to the extent that such Section requires the Trustee to deposit payments in the Collection Account), 7.4, 7.5, 7.11 (to the extent such Section requires the Trustee to distribute monies in the order provided in Section 3.2 hereof), 8.13, 8.14, 8.15, 9.1 and 12.8 of this Indenture may not be amended or supplemented without the consent of each Liquidity Provider, (ii) to the extent that any amendment or supplement to Section 7.8, 7.11, 7.14, 8.5, 8.8, 8.16, 10.1, this Section 10.2 or EXHIBIT D to this Indenture purports to change any right of any Liquidity Provider provided for in such Section or such Exhibit, as the case may be, such Section or Exhibit may not be amended or supplemented without the consent of each Liquidity Provider affected thereby, (iii) no amendment or supplement to this Indenture shall reduce, modify or amend any indemnities in favor of any Liquidity Provider provided for in Article VI hereof or remove any Liquidity Provider as an "Indemnitee" without the consent of each Liquidity Provider affected thereby, (iv) the Collateral Maintenance Agreement and the Support Documents may not be amended or supplemented other than in accordance with the provisions thereof, (v) Sections 3.9(b), 3.9(c), 7.6 and 7.15 of this Indenture, this clause (v), clause (vi) of this proviso to Section 10.2(a), and the definitions of "Maximum Class B Collateral Ratio" and "Class B Collateral Ratio" may not be amended or supplemented without the consent of the Required Class B Holders (it being understood that the foregoing does not affect the right of the Controlling Party in Section 7.4 hereof and the next sentence to direct the Trustee to waive an Event of Default), and (vi) the definition of "Event of Default" may not be amended or supplemented without the consent of the Required Class B Holders and the Required Class C Holders, if any (it being understood that the foregoing does not affect the right of the Controlling Party in Section 7.4 hereof and the next sentence to direct the Trustee to waive an Event of Default). Subject to Sections 7.4, 7.5 and 7.8 hereof, whether before or after Event of Default has occurred and is continuing, the Controlling Party may authorize the Trustee (or applicable Collateral Agent, as the case may be) to, and the Trustee (or applicable Collateral Agent, as the case may be), subject to Section 10.6 hereof, upon such authorization shall, waive compliance by the Company with any provision of this Indenture, the Notes or the other Operative Documents. However, an amendment or supplement to, or waiver of any provision in, this Indenture, any Note or, in the case of clause (viii) below, the Spare Parts Security Agreement, including a waiver pursuant to any provision of Section 7.4 hereof, may not, without the consent of the Class A Liquidity Provider and each Class A Noteholder affected:

(i) reduce the amount of Class A Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the rate or change the time for payment of interest on any Class A Note;

(iii) reduce the amount or change the time for payment of principal or redemption price of or Make-Whole Amount or other premium, if any, with respect to (in each case, whether on redemption or otherwise) any Class A Note;

(iv) change the place of payment where, or the coin or currency in which, any Class A Note (or the redemption price thereof), interest thereon, or Make-Whole Amount or other premium, if any, with respect thereto is payable;

(v) change the priority of distributions and application of payments as described in Section 3.2 of this Indenture in a manner materially adverse to the Class A Noteholders;

(vi) impair the right of any Holder to institute suit for the enforcement of any amount payable on any Class A Note when due;

(vii) waive a default in the payment of the principal of, interest on, or Make Whole Amount, if any, with respect to any Class A Note that has not been paid from funds provided by the Class A Liquidity Provider or the Class A Liquidity Facility Cash Collateral Account; or

(viii) create any Lien with respect to the Spare Parts Collateral prior to or pari passu with the Lien thereon pursuant to the Spare Parts Security Agreement except as permitted thereby or by any other Operative Document or deprive the Security Agent of the benefit of the Lien on the Spare Parts Collateral created thereby except as permitted thereby or by any other Operative Document.

(b) An amendment or supplement to, or waiver of any provision in, the Indenture or any Note, including a waiver pursuant to any provision of Section 7.4 hereof, may not, without the consent of the Class B Liquidity Provider, if any, and each Class B Noteholder affected:

(i) reduce the amount of Class B Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the rate or change the time for payment of interest on any Class B Note;

(iii) reduce the amount or change the time for payment of principal of or Make-Whole Amount or other premium, if any, with respect to (in each case, whether on redemption or otherwise) any Class B Note;

(iv) increase the principal amount of, or the rate of interest on, the Class A Notes;

(v) change the place of payment where, or the coin or currency in which, any Class A Note or Class B Note (or the redemption price thereof), interest thereon, or Make-Whole Amount or other premium, if any, with respect thereto is payable;

(vi) change the priority of distributions and application of payments as described in Section 3.2 of this Indenture in a manner materially adverse to the Class B Noteholders;

(vii) waive a default in the payment of the principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to any Class B Note; or

(viii) impair the right of any Holder to institute suit for the enforcement of any amount payable on any Class B Note when due;

provided that an amendment, supplement or waiver with respect to the subject matter of the foregoing clauses (i), (ii), (iii), (iv), (v), (vii) or (viii) of this Section 10.2(b) shall not require the consent of the Controlling Party or of any Class A Holders or any Class C Holders or of the Class A Liquidity Provider.

(c) If Class C Notes are issued, an amendment or supplement to, or waiver of any provision in, the Indenture or any Note, including a waiver pursuant to any provision of Section 7.4 hereof, may not, without the consent of each Class C Noteholder affected:

(i) reduce the amount of Class C Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the rate or change the time for payment of interest on any Class C Note;

(iii) reduce the amount or change the time for payment of principal of or Make-Whole Amount or other premium, if any, with respect to (in each case, whether on redemption or otherwise) any Class C Note;

(iv) increase the principal amount of, or the rate of interest on, the Class A Notes or the Class B Notes;

(v) change the place of payment where, or the coin or currency in which, any Class A Note, Class B Note or Class C Note (or the redemption price thereof), interest thereon, or Make-Whole Amount or other premium, if any, with respect thereto is payable;

(vi) change the priority of distribution and application of payments as described in Section 3.2 of this Indenture in a manner materially adverse to the Class C Noteholders;

(vii) waive a default in the payment of the principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to any Class C Note; or

(viii) impair the right of any Holder to institute suit for the enforcement of any amount payable on any Class C Note when due;

provided that an amendment, supplement or waiver with respect to the subject matter of the foregoing clauses (i), (ii), (iii), (v), (vii) or (viii) of this Section 10.2(c) shall not require the consent of the Controlling Party or of the Class A Holders or Class B Holders or of any Liquidity Provider.

(d) It shall not be necessary for the consent of the Holders under this Section 10.2 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

(e) After an amendment, supplement or waiver under this Section 10.2 hereof becomes effective, the Company shall mail to the Holders and to each Liquidity Provider a brief notice describing such amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however in any way impair or affect the validity of any such amendment, supplement or waiver.

Section 10.3 Compliance with Trust Indenture Act. Every amendment to, or supplement of this Indenture, any other Operative Document or the Notes shall comply with the TIA as then in effect.

Section 10.4 Revocation and Effect of Consents. Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note.

Section 10.5 Notation on or Exchange of Notes. If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note about the changed terms and return it to the Holder. Alternatively, if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note of the same Class that reflects the changed terms.

Section 10.6 Trustee to Sign Amendments, etc. Upon the Request of the Company, the Trustee shall execute any amendment, supplement or waiver authorized pursuant to this Article X; provided that the Trustee shall not be obligated to execute any such amendment, supplement or waiver which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 10.7 Effect of Supplement and/or Amendment. Upon the execution of any supplemental indenture and/or any such amendment or supplement to the Operative Documents or the Support Documents pursuant to the provisions of this Article X, this Indenture, such Operative Documents and such Support Documents shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture, the other Operative Documents and the Support Documents of the Trustee, the Collateral Agent, each Liquidity Provider, the Company and the Holders of Notes shall thereafter be determined, exercised and enforced hereunder and thereunder subject in all respects to such modifications, amendments and supplements, and all terms and conditions of any such supplemental indenture and/or any such amendment or supplement to the other Operative Documents or the Support Documents shall be and be deemed to be part of the terms and conditions of this Indenture, the other Operative Documents and the Support Documents for any and all purposes.

ARTICLE XI

SECURITY

Section 11.1 Other Operative Documents. To secure the due and punctual payment, performance and observance of the Obligations, the Company simultaneously with the execution of this Indenture has entered into the Spare Parts Security Agreement and has granted a security interest on the Spare Parts Collateral to the Security Agent in the manner and to the extent therein provided. USBT is hereby appointed by the Trustee as its Security Agent and is hereby authorized and directed to enter into the Spare Parts Security Agreement and the Collateral Maintenance Agreement on the date hereof. Each Noteholder, by accepting a Note, agrees to all of the terms and provisions of each Operative Document (including, without limitation, the provisions providing for the release of Collateral), as the same may be in effect or may be amended from time to time pursuant to its terms and the terms hereof. The Company will cause to be done, executed, acknowledged and delivered to the Trustee or each Collateral Agent such further acts, conveyances and assurances as the Trustee shall reasonably request for accomplishing the purposes of this Indenture 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 right of the Company in respect of the transactions contemplated by the Operative Documents. The Company shall also take, or cause to be taken, such actions with respect to the recording, filing, re-recording, refiling of the

Indenture and any Financing Statements or other instruments and such other actions as are necessary to maintain, so long as the Indenture is in effect, the perfection of the security interests created by the Operative Documents or will furnish the Trustee timely notice of the necessity of such actions, together with such information as may be required to enable the Trustee to take such actions.

Section 11.2 Opinions, Certificates and Appraisals.

(a) The Company shall furnish to the Trustee promptly after the execution and delivery of the Indenture an Opinion of Counsel stating that in the opinion of such counsel the Spare Parts Security Agreement has been properly recorded and filed so as to make effective the Lien intended to be created thereby and reciting the details of such actions, or stating that, in the opinion of such counsel, no such action is necessary to make such Lien effective.

(b) The Company shall furnish to the Trustee not later than 120 days after January 1 in each year beginning with January 1, 2005, an Opinion of Counsel, dated on or after each such January 1 and prior to the date of delivery, either (a) stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording, and refiling of the Indenture, any Collateral Agreement, any amendment or supplement thereto, and all Financing Statements, continuation statements or other instruments of further assurance as is necessary to maintain the Lien created by the Collateral Agreements (if not then terminated pursuant to its terms) and reciting the details of such action, or (b) stating that, in the opinion of such counsel, no such action is necessary to maintain such Lien.

(c) The release of any Collateral from the terms of any Collateral Agreement, will not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to the terms of the applicable Collateral Agreement. To the extent applicable, the Company shall cause TIA Section 314(d) relating to the release of property or securities from the Lien of any Collateral Agreement, and relating to the substitution therefor of any property or securities to be subjected to the Lien of such Collateral Agreement, to be complied with. With respect to any such release or substitution, the Company shall furnish to the Trustee an Independent Appraiser's Certificate if required by TIA Section 314(d). Any certificate or opinion required by TIA Section 314(d) may be made by an Officer of the Company, except in cases where TIA Section 314(d) requires that such certificate or opinion be made by an independent person, which person shall meet the requirements set forth in clause (ii) of the definition of the term "Independent Appraiser".

Section 11.3 Agreement as to Fair Market Value. The Company and the Trustee acknowledge that the use of Fair Market Value herein or in the other Operative Documents is strictly and solely for convenience in establishing the amount of Collateral

and any substitutions therefor under the Operative Documents. Accordingly, to the extent permitted by law, the Fair Market Value of any Collateral subjected to the Lien of a Collateral Agreement is not an indication of and shall not be deemed an agreement by the parties as the basis for valuation of such Collateral for purposes of determining the value of the Trustee's secured claim against the Company, adequate protection of the Trustee's interest in the Collateral or for any other purpose in any bankruptcy, receivership or insolvency proceeding involving the Company or any remedial action brought by the Trustee or Collateral Agent, except to the extent such valuations are mandated by applicable law, or by any court with jurisdiction over such proceedings, in either case without regard to the use of the concept of Fair Market Value by the parties hereto.

Section 11.4 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 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.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Trust Indenture Act Controls. It is intended that this Indenture will become subject to the TIA. If any provision hereof limits, qualifies or conflicts with a provision of the TIA that is required by the TIA to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the TIA that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified, or to be excluded, as the case may be, whether or not such provision of this Indenture refers expressly to such provision of the TIA.

Section 12.2 Notices; Waivers.

(a) Unless provided otherwise in this Indenture, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(i) the Company shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Company at:

American Airlines, Inc.
4333 Amon Carter Boulevard
Fort Worth, Texas 76155
Attention: Treasurer

(ii) the Trustee shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Trustee at:

U.S. Bank Trust National Association
One Federal Street, 3rd Floor
EX-FED-MA
Boston, MA 02110
Attention: Corporate Trust Department

(iii) the Class A Liquidity Provider shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Liquidity Provider at:

Citibank, N.A.
Global Aviation
388 Greenwich Street
23rd Floor
New York, New York 10013
Attention: Gaylord Holmes

(iv) the Class B Liquidity Provider shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Class B Liquidity Provider at the address set forth in the Class B Liquidity Facility;

or to any of the above parties at any other address subsequently furnished in writing by it to each of the other parties listed above.

(b) Any notice or communication mailed to a Holder shall be sent to such Holder by first-class mail, postage prepaid, at such Holder's address as it appears on the Register and shall be sufficiently given to such Holder if so sent within the time prescribed. Any notice or communication shall comply with TIA Section 313(c) to the extent required by the TIA.

Failure to mail a notice or send a communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. Notices under this Indenture to the Trustee, to any Liquidity Provider or to the Company are deemed given only when

received. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by the Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

If by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice as provided above, then such notification as shall be made with the approval of the Trustee (such approval not to be unreasonably withheld) shall constitute a sufficient notification for every purpose hereunder. If it is impossible or, in the opinion of Trustee, impracticable to give any notice by publication in the manner herein required, then such publication in lieu thereof as shall be made with the approval of the Trustee will constitute a sufficient publication of such notice.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language.

(c) If the Company mails a notice or communication to the Noteholders generally, it shall mail a copy to the Trustee and the Registrar. Unless an Event of Default shall have occurred and be continuing, the Trustee shall promptly furnish the Company with a copy of any report, notice or written communication sent or furnished by the Trustee hereunder to the Noteholders generally.

Section 12.3 Communications by Holders with Other Holders. Noteholders may communicate pursuant to TIA Section 312(b) with other Noteholders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and any other person shall have the protection of TIA Section 312(c).

Section 12.4 Certificate and Opinion as to Conditions Precedent. Upon any Request or application by the Company to the Trustee to take any action under this Indenture or another Operative Document, the Company shall furnish to the Trustee:

(a) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with;

provided, that in the case of any such application or Request as to which the furnishing of an Officers' Certificate or Opinion of Counsel is specifically required by any provision of this Indenture or another Operative Document relating to such particular application or Request, no additional certificate or opinion, as the case may be, need be furnished.

Section 12.5 Statements Required in Certificate or Opinion.

(a) Each Officers' Certificate or Opinion of Counsel with respect to compliance with a covenant or condition provided for in this Indenture shall include, to the extent required by the Trustee or the Collateral Agent:

(i) a statement that each person making such Officers' Certificate or Opinion of Counsel has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such Officers' Certificate or Opinion of Counsel are based;

(iii) a statement that, in the opinion of each such Person, such examination or investigation has been made as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement that, in the opinion of such Person, such covenant or condition has been complied with.

(b) 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.

Any certificate or opinion of an Officer of the Company or an engineer, insurance broker, accountant or other expert may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such Officer, engineer, insurance broker, accountant or other expert knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an Officer or Officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations as to such matters are erroneous.

Any certificate or opinion of an Officer of the Company or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Company, unless such officer or counsel, as the case may be, knows, or in the exercise of reasonable care should know, that the certificate or opinions or representations as to such accounting matters are erroneous.

Wherever in this Indenture or another Operative Document in connection with any application, certificate or report to the Trustee or the Collateral Agent it is provided that the Company shall deliver any document as a condition of the granting of such application or as evidence of the Company's compliance with any term hereof, it is intended that the truth and accuracy at the time of the granting of such application or at the effective date of such certificate or report, as the case may be, of the facts and opinions stated in such document shall in each such case be a condition precedent to the right of the Company to have such application granted or to the sufficiency of such certificate or report. Nevertheless, in the case of any such application, certificate or report, any document required by any provision of this Indenture or another Operative Document to be delivered to the Trustee or the Collateral Agent as a condition of the granting of such application or as evidence of such compliance may be received by the Trustee or the Collateral Agent as conclusive evidence of any statement therein contained and shall be full warrant, authority and protection to the Trustee or the Collateral Agent acting on the faith thereof.

Whenever any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture or another Operative Document, such Person may, but need not, consolidate such instruments into one.

Section 12.6 Rules by Trustee, Paying Agent, Registrar. The Company and the Trustee may make reasonable rules for action by or at a meeting of Noteholders. The Registrar or Paying Agent may make reasonable rules for their respective functions.

Section 12.7 Effect of Headings. The Article and Section headings and the Table of Contents contained in this Indenture have been inserted for convenience of reference only, and are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Indenture.

Section 12.8 Governing Law. THIS INDENTURE HAS BEEN DELIVERED IN THE STATE OF NEW YORK. THIS INDENTURE AND THE NOTES 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 12.9 Quiet Enjoyment. Each of the Trustee and each Liquidity Provider agrees as to itself with the Company that, so long as no Event of Default shall have occurred and be continuing, such Person shall not (and shall not permit any of its Affiliates or other Person claiming by, through or under it to) interfere with the Company's rights in accordance with the Indenture and the other Operative Documents to the quiet enjoyment, possession and use of the Collateral.

Section 12.10 No Recourse Against Others. No past, present or future director, officer, employee, agent, representative, member, manager, trustee, stockholder or other equity holder, as such, of the Company or any successor Person or any Affiliate of the Company shall have any liability for any obligations of the Company or any successor Person or any Affiliate of any thereof, either directly or through the Company or any successor Person or any Affiliate of any thereof, under the Notes, this Indenture or the other Operative Documents 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 Note, each Noteholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Notes.

Section 12.11 Benefits of Indenture and the Notes Restricted. Subject to the provisions of Section 12.12 hereof, nothing in this Indenture or the Notes, express or implied, shall give or be construed to give to any Person, other than the parties hereto and the Holders, any legal or equitable right, remedy or claim under or in respect of this Indenture or under any covenant, condition, or provision herein contained, all such covenants, conditions and provisions, subject to Section 12.12 hereof, being for the sole benefit of the parties hereto and of the Holders.

Section 12.12 Successors and Assigns. This Indenture and all obligations of each of the parties to this Indenture set forth herein shall be binding upon the successors and permitted assigns of each such party, and shall, together with the rights and remedies of the remaining parties hereunder, inure to the benefit of the remaining parties and their respective successors and permitted assigns. To the extent permitted by applicable law, any assignment in violation of this Indenture shall be null and void ab initio.

Section 12.13 Counterpart Originals. This Indenture may be signed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

Section 12.14 Severability. To the extent permitted by applicable law, the provisions of this Indenture are severable, and if any clause or provision shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect in that jurisdiction only such clause or provision, or part thereof, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Indenture in any jurisdiction.

Section 12.15 Directions of Noteholders.

(a) Any direction, consent, request, demand, authorization, notice, waiver or other action provided by this Indenture or in respect of the Notes of any Class to be given or taken by Noteholders (a "Direction") may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders 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 Indenture, the Company or the Trustee. 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 Indenture and conclusive in favor of the Company and the Trustee, if made in the manner provided in this Section 12.15.

(b) The fact and date of 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 acknowledgements 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 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) The Company may, at its option, by delivery of an Officers' Certificate to the Trustee, set a record date to determine the Noteholders in respect of the Notes of any Class entitled to give any Direction. Notwithstanding Section 316(c) of the TIA, such record date shall be the record date specified in such Officers' Certificate, which shall be a date not more than 10 days prior to the first solicitation of Noteholders of the applicable Class in connection therewith. During the continuance of an Event of Default, the Trustee may also set such a record date. If such a record date is fixed, such Direction may be given before or after such record date, but only the Noteholders of record of the applicable Class at the close of business on such record date shall be deemed to be

Noteholders for the purposes of determining whether Noteholders of the requisite portion of Outstanding Notes of such Class have authorized or agreed or consented to such Direction, and for that purpose the Outstanding Notes of such Class shall be computed as of such record date; provided, however, that no such Direction by the Noteholders on such record date shall be deemed effective unless it shall become effective pursuant to the provision of this Indenture 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).

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

(e) Except as otherwise provided in Section 2.13 hereof or in the definition of "Outstanding," Notes of any Class shall have an equal and proportionate benefit under the provisions of this Indenture, without preference, priority or distinction as among all of the Notes of such Class.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed and delivered all as of the date first written above.

AMERICAN AIRLINES, INC.

By: /s/ Michael P. Thomas

Name: Michael P. Thomas

Title: Managing Director, Corporate Finance & Banking

U.S. BANK TRUST NATIONAL ASSOCIATION, as Trustee

By: /s/ Alison D. B. Nadeau

Name: Alison D. B. Nadeau

Title: Vice President

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

By: /s/ Gaylord C. Holmes

Name: Gaylord C. Holmes

Title: Vice President

DEFINITIONS APPENDIX

SECTION 1. Defined Terms.

"Acceleration" means, with respect to the amounts payable in respect of the Notes issued under the Indenture, such amounts becoming immediately due and payable pursuant to Section 7.2 of the Indenture. "Accelerate", "Accelerated" and "Accelerating" have meanings correlative to the foregoing.

"Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "Control" when used with respect to any 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.

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

"Agent Members" is defined in Section 2.5(a) of the Indenture.

"Aircraft" means any contrivance invented, used, or designed to navigate, or fly in, the air.

"Aircraft Model" is defined in Section 3.3(b) of the Collateral Maintenance Agreement.

"American Bankruptcy Event" means the occurrence and continuation of an Event of Default under Section 7.1(g), (h) or (i) of the Indenture.

"American Class C Notes" means any Original Class C Notes or New Class C Notes that are sold to an American Entity.

"American Entity" means AMR Corporation, a Delaware corporation, the Company, and any Affiliate of AMR Corporation.

"Annual Appraisal Report Date" means, with respect to 2004 and each year thereafter, October 1, in each case subject to Sections 2.5, 2.6, and 2.8 of the Collateral Maintenance Agreement.

"Annual Methodology" means, in determining an opinion as to the Fair Market Value of the Pledged Spare Parts, taking the following actions: (i) reviewing the Parts Inventory Report prepared as of the applicable Parts Inventory Report Date; (ii) reviewing the Independent Appraiser's internal value database for values applicable to Qualified Spare Parts included in the Pledged Spare Parts; (iii) developing a representative sampling of a reasonable number of the different Qualified Spare Parts included in Pledged Spare Parts for which a market check will be conducted; (iv) checking other sources, such as manufacturers, other airlines, U.S. government procurement data and airline parts pooling price lists, for current market prices of the sample parts referred to in clause (iii); (v) establishing a ratio of Serviceable Parts to Unserviceable Parts as of the applicable Parts Inventory Report Date based upon information provided by the Company and the Independent Appraiser's limited physical review of the Pledged Spare Parts referred to in the following clause (vi); (vi) visiting at least two locations selected by the Independent Appraiser where the Pledged Spare Parts are kept by the Company (none of which was visited for purposes of the last appraisal based upon the Annual Methodology, unless it would be impossible to comply with the immediately following proviso without visiting one or more of the locations visited for purposes of such last appraisal), provided that at least one such location shall be one of the top three locations at which the Company keeps the largest number of Pledged Spare Parts, to conduct a limited physical inspection of the Pledged Spare Parts; (vii) conducting a review of the inventory reporting system applicable to the Pledged Spare Parts the scope of which shall be reasonably determined by the Independent Appraiser in its professional judgment, including checking information reported in such system against information determined through physical inspection pursuant to the preceding clause (vi); and (viii) reviewing a sampling of the Spare Parts Documents.

"Annual Methodology Request" is defined in Section 2.5(a) of the Collateral Maintenance Agreement.

"Annual Parts Inventory Report" means any Parts Inventory Report dated as of a date falling within the time period set forth in clause (iii) of the definition of "Parts Inventory Report Period", subject to Section 2.5(b)(ii) of the Collateral Maintenance Agreement.

"Appliance" means an instrument, equipment, apparatus, a part, an appurtenance, or an accessory used, capable of being used, or intended to be used, in operating or controlling Aircraft in flight, including a parachute, communication equipment, and another mechanism installed in or attached to Aircraft during flight, and not a part of an Aircraft, Engine, or Propeller.

"Applicable Period" means, with respect to any Nonappraisal Compliance Report Date, the period commencing on the immediately preceding Nonappraisal Compliance Report Date (or in the case of the first Nonappraisal Compliance Report Date following the Closing Date, commencing on the Closing Date) through the date immediately preceding but not including such Nonappraisal Compliance Report Date.

"Applied Downgrade Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Applied Non-Extension Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Appraisal Compliance Report" means, as of any date, a report providing information relating to the calculation of each Collateral Ratio, which report shall be substantially in the form of Appendix II to the Collateral Maintenance Agreement.

"Appraisal Report Date" means (a) any Annual Appraisal Report Date and (b) any Quarterly Appraisal Report Date.

"Appraised Value" means, (i) with respect to any Pledged Spare Parts or Cash Collateral, the Fair Market Value of such Pledged Spare Parts or Cash Collateral as most recently determined pursuant to (x) the report attached as Appendix II to the Offering Memo or (y) Article II of the Collateral Maintenance Agreement, and (ii) with respect to Other Collateral, the Fair Market Value of such Other Collateral determined in accordance with the applicable Collateral Agreement, as contemplated by Section 3.1(c) of the Collateral Maintenance Agreement.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq.

"Base Rate", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Business Day" means any day that is other than a Saturday, a Sunday, or (a) a day on which commercial banks are required or authorized to close in (i) Fort Worth, Texas, (ii) New York, New York, or (iii) the city and state in which the Trustee maintains its Corporate Trust Office or receives and disburses funds, or (b) solely with respect to draws under any Liquidity Facility, a day which is not a "Business Day" as defined in such Liquidity Facility.

"Cash Collateral" means cash and/or Investment Securities: (a) deposited or to be deposited with the Collateral Agent or an Eligible Institution (i) by the Company or (ii) consisting of the proceeds of the Collateral pursuant to the Collateral Agreements, and (b) subject to the Lien of any Collateral Agreement. For the avoidance of doubt, a

drawing on any Liquidity Facility or any Liquidity Facility Cash Collateral Account will not be deemed to be "Cash Collateral" for purposes of any Collateral Agreement.

"Citibank" has the meaning assigned to such term in the first paragraph of the Indenture.

"Citizen of the United States" is defined in 49 U.S.C. Section 40102(a)(15).

"Claims" is defined in Section 6.1 of the Indenture.

"Class" means any class of Notes, including the Class A Notes, the Class B Notes and, if issued, the Class C Notes.

"Class A Collateral Ratio" means a percentage determined by dividing (i) the aggregate principal amount of all Class A Notes Outstanding minus the Fair Market Value of the Cash Collateral held by the Collateral Agent by (ii) the Fair Market Value of all Pledged Spare Parts, as set forth in the most recent Independent Appraiser's Certificate delivered by the Company pursuant to Article II of the Collateral Maintenance Agreement, plus the Fair Market Value of Other Collateral, if any, excluding any Cash Collateral, as provided in Section 3.1(c) of the Collateral Maintenance Agreement.

"Class A Debt Rate" means a rate per annum equal to 7.25%, provided that, solely in the event no Registration Event (as defined in the Class A Registration Rights Agreement) occurs on or prior to the 270th day after the Closing Date, the Class A Debt Rate for the Initial Class A Notes shall be increased by 0.50% per annum, 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 such Registration Event occurs, provided further, that, if to permit additional Holders of Offered Securities (as defined in the Class A Registration Rights Agreement) (who have notified the Company in writing of their 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 (as defined in the Class A Registration Rights Agreement) required to be effective pursuant to Section 2(b) of the Class A Registration Rights Agreement ceases to be effective at any time during the period specified by Section 2(b) of the Class A Registration Rights Agreement for more than 60 days, whether or not consecutive, during any 12-month period, the Class A Debt Rate for the Initial Class A Notes shall be increased by 0.50% per annum from and including 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.

"Class A Final Legal Maturity Date" means February 5, 2011.

"Class A Final Scheduled Payment Date" means February 5, 2009.

"Class A Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the Issuance Date, between the Trustee and the initial Class A Liquidity Provider, and, from and after the replacement of such Revolving Credit 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 Liquidity Facility Cash Collateral Account" means an Eligible Deposit Account in the name of the Trustee maintained at an Eligible Institution, which shall be the Trustee if it shall so qualify, into which all amounts drawn under the Class A Liquidity Facility pursuant to Section 3.6(c), 3.6(d) or 3.6(i) of the Indenture shall be deposited.

"Class A Liquidity Provider" means, initially, Citibank, N.A., or, upon the issuance of a Replacement Liquidity Facility to replace the Class A Liquidity Facility pursuant to Section 3.6(e) of the Indenture, the Replacement Liquidity Provider issuing such Replacement Liquidity Facility.

"Class A Liquidity Provider Provisions" is defined in Section 4.1 of the Collateral Maintenance Agreement.

"Class A Noteholder" means any Holder of one or more Class A Notes.

"Class A Notes" means the Initial Class A Notes and the Exchange Class A Notes.

"Class A Registration Rights Agreement" means the Registration Rights Agreement, dated as of February 6, 2004, by and between the Company and the Initial Purchasers.

"Class B Collateral Ratio" means a percentage determined by dividing (i) the aggregate principal amount of all Class A Notes and Class B Notes Outstanding minus the Fair Market Value of the Cash Collateral held by the Collateral Agent by (ii) the Fair Market Value of all Pledged Spare Parts, as set forth in the most recent Independent Appraiser's Certificate delivered by the Company pursuant to Article II of the Collateral Maintenance Agreement, plus the Fair Market Value of Other Collateral, if any, excluding any Cash Collateral, as provided in Section 3.1(c) of the Collateral Maintenance Agreement.

"Class B Debt Rate" means a rate per annum equal to 9.00%.

"Class B Final Legal Maturity Date" means February 5, 2009.

"Class B Final Scheduled Payment Date" means February 5, 2009.

"Class B Liquidity Facility", if any, means a revolving credit agreement (or agreements) in substantially the form of the Class A Liquidity Facility, including reinstatement provisions, or in such other form (which may include a letter of credit, surety bond, financial insurance policy or guaranty) between the Trustee and the Class B Liquidity Provider, in each case in accordance with the applicable provisions of Exhibit D to the Indenture, 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 Facility Cash Collateral Account", if any, means an Eligible Deposit Account in the name of the Trustee maintained at an Eligible Institution, which shall be the Trustee if it shall so qualify, into which all amounts drawn under the Class B Liquidity Facility pursuant to Section 3.6(c), 3.6(d) or 3.6(i) of the Indenture shall be deposited.

"Class B Liquidity Provider", if any, means the Person issuing the initial Class B Liquidity Facility or, upon the issuance of a Replacement Liquidity Facility to replace the Class B Liquidity Facility pursuant to Section 3.6(e) of the Indenture, the Replacement Liquidity Provider issuing such Replacement Liquidity Facility.

"Class B Noteholder" means any Holder of one or more Class B Notes.

"Class B Notes" means the Initial Class B Notes and the Exchange Class B Notes.

"Class C Noteholder" means any Holder of one or more Class C Notes, if and when issued.

"Class C Notes" means (a) the Original Class C Notes, (b) following a Refunding of the American Class C Notes that are Original Class C Notes, the New Class C Notes or (c) following a Refunding of the American Class C Notes that are New Class C Notes, the Second New Class C Notes.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearstream" means Clearstream Banking societe anonyme, Luxembourg.

"Closing Date" means February 6, 2004.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means the Spare Parts Collateral and all other collateral in which the Collateral Agent has a security interest pursuant to the Collateral Agreements.

"Collateral Agent" means the Security Agent and each other Person acting as agent on behalf of the Holders under any other Collateral Agreement.

"Collateral Agreement" means each of the Spare Parts Security Agreement and any agreement under which a security interest has been granted in any Other Collateral pursuant to Section 3.1(a)(i) of the Collateral Maintenance Agreement.

"Collateral Maintenance Agreement" means the Collateral Maintenance Agreement, dated as of the Issuance Date, between the Company and the Security Agent, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with its terms.

"Collateral Ratio" means the Class A Collateral Ratio or the Class B Collateral Ratio, as applicable.

"Collection Account" means the Eligible Deposit Account established by the Trustee pursuant Section 8.13(a) of the Indenture which the Trustee shall make deposits in and withdrawals from in accordance with the Indenture.

"Company" means the party named as such in the Indenture until a successor replaces it pursuant to the Indenture and thereafter means the successor.

"Compliance Report Date" means, with respect to any Appraisal Compliance Report, the date by which the Independent Appraiser's Certificate related to such Appraisal Compliance Report is to be furnished by the Company under Article II of the Collateral Maintenance Agreement.

"Consent Period" is defined in Section 3.6(d) of the Indenture.

"Controlling Party" means the Person entitled to act as such pursuant to the terms of Section 3.9 of the Indenture.

"Corporate Trust Office" when used with respect to the Trustee or the Security Agent, as the case may be, means the office of such Person at which at any particular time its corporate trust business is administered and which, at the Closing Date, is located at U.S. Bank Trust National Association, One Federal Street, 3rd Floor, EX-FED-MA, Boston, Massachusetts 02110, Attention: Corporate Trust Department.

"Debt Balance" means 110% of the principal amount of the Outstanding Notes.

"Debt Rate" means (i) with respect to the Class A Notes and the Original Class B Notes, the Class A Debt Rate or Class B Debt Rate, as applicable, (ii) with respect to any New Class B Notes, the rate per annum specified as such in an Indenture Refunding Amendment applicable to such Class, subject to any adjustments as provided therein, and (iii) with respect to any Class C Notes, the rate per annum specified in an amendment to the Indenture at the time of issuance of such Class C Notes, subject to any adjustments as provided therein.

"Default" means any event which is, or after notice or passage of time, or both, would be, an Event of Default.

"Definitions Appendix" means the Definitions Appendix attached as Appendix I to each of the Indenture, the Spare Parts Security Agreement, and the Collateral Maintenance Agreement, and constituting a part of each such Operative Document, respectively.

"Definitive Exchange Note" is defined in Section 2.1(e) of the Indenture.

"Definitive Initial Note" is defined in Section 2.1(e) of the Indenture.

"Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Designated Locations" means the locations in the U.S. owned or leased by the Company and designated from time to time by the Company at which the Pledged Spare Parts may be stored, located, maintained by or on behalf of the Company, which initially shall be the locations set forth on Schedule 1 to the Spare Parts Security Agreement and shall include the additional locations included by the Company in Supplemental Security Agreements filed for recording in accordance with the provisions of the Federal Aviation Act.

"Designated Representatives" is defined in Section 3.8(b) of the Indenture.

"Direction" is defined in Section 12.15 of the Indenture.

"Distribution Date" means (i) each Scheduled Payment Date (and, if a Payment required to be paid to the Trustee for distribution on such Scheduled Payment Date has not been so paid by 12:30 p.m., New York time, in whole or in part, on such Scheduled Payment Date, the next Business Day on which the Trustee receives some or all of such Payment by 12:30 p.m., New York time) and (ii) each day established for payment by the Trustee pursuant to Section 7.11 of the Indenture.

"Dollar" and "$" mean the lawful currency of the United States.

"Downgrade Drawing" is defined in Section 3.6(c) of the Indenture.

"Downgraded Facility" is defined in Section 3.6(c) of the Indenture.

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

"DTC" means The Depository Trust Company, its nominees and their respective successors.

"Eligible Account" means an account established by and with an Eligible Institution at the request of the Security Agent, which institution agrees, for all purposes of the NY UCC including Article 8 thereof, that (a) such account shall be a "securities account" (as defined in Section 8-501 of the NY UCC), (b) such institution is a "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC), (c) all property (other than cash) credited to such account shall be treated as a "financial asset" (as defined in Section 8-102(9) of the NY UCC), (d) the Security Agent shall be the "entitlement holder" (as defined in Section 8-102(7) of the NY UCC) in respect of such account, (e) it will comply with all entitlement orders issued by the Security Agent to the exclusion of the Company, (f) it will waive or subordinate in favor of the Security Agent all claims (including without limitation, claims by way of security interest, lien or right of set-off or right of recoupment), and (g) the "securities intermediary jurisdiction" (under Section 8-110(e) of the NY UCC) shall be the State of New York.

"Eligible 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 of America or any one of the states thereof or the District of Columbia (or any U.S. 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 senior unsecured long-term corporate rating from Fitch of at least A- or its equivalent, a long-term unsecured debt rating from Moody's of at least A3 or its equivalent or a long-term issuer credit rating from Standard & Poor's of at least A- or its equivalent. 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 Security Agent or the Trustee, or (b) a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any U.S. branch of a foreign bank), which has a senior unsecured long-term corporate rating from Fitch of at least A- or its equivalent, a long-term unsecured debt rating from Moody's of at least A3 or its equivalent or a long-term issuer credit rating from Standard & Poor's of at least A- or its equivalent.

"Eligible Investments" means (a) investments in obligations of, or guaranteed by, the U.S. Government having maturities no later than 90 days following the date of such investment, (b) investments in open market commercial paper of any corporation incorporated under the laws of the United States or any state thereof rated by Fitch at least F-1 or its equivalent, by Moody's at least P-1 or its equivalent or by Standard & Poor's at least A-1 or its equivalent having maturities no later than 90 days following the date of such investment or (c) investments in negotiable certificates of deposit, time deposits, banker's acceptances, commercial paper or other direct obligations of, or obligations guaranteed by, commercial banks organized under the laws of the United States or of any political subdivision thereof (or any U.S. branch of a foreign bank) with a senior unsecured short-term corporate rating by Fitch of at least F-1, a short-term unsecured debt rating by Moody's of at least P-1 or a short-term issuer credit rating by Standard & Poor's of at least A-1, having maturities no later than 90 days following the date of such investment; provided, however, that (x) all Eligible Investments that are bank obligations shall be denominated in U.S. dollars; and (y) the aggregate amount of Eligible Investments at any one time that are bank obligations issued by any one bank shall not be in excess of 5% of such bank's capital surplus; provided further that any investment of the types described in clauses (a), (b) and (c) above may be made through a repurchase agreement in commercially reasonable form with a bank or other financial institution qualifying as an Eligible Institution so long as such investment is held by a third party custodian also qualifying as an Eligible Institution. Notwithstanding the foregoing, no investment of the types described in clause (b) above which is issued or guaranteed by the Company or any of its Affiliates, and no investment in the obligations of any one bank in excess of $10,000,000, shall be an Eligible Investment unless a Ratings Confirmation shall have been received with respect to the making of such investment.

"Engine" means an engine used, or intended to be used, to propel an Aircraft, including a part, appurtenance, and accessory of the Engine, except a Propeller.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"Event of Default" is defined in Section 7.1 of the Indenture.

"Event of Loss" means (i) the loss of any of the Pledged Spare Parts or of the use thereof due to destruction, damage beyond repair or rendition of any of the Pledged Spare Parts permanently unfit for normal use for any reason whatsoever (other than the use of Pledged Spare Parts in the Company's operations); (ii) any damage to any of the Pledged Spare Parts which results in the receipt of insurance proceeds with respect to such

Pledged Spare Parts on the basis of an actual or constructive total loss; or (iii) the loss of possession of any of the Pledged Spare Parts by the Company for 90 consecutive days as a result of the theft or disappearance of such Pledged Spare Parts.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Exchange 7.25% Class A Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Exchange Class A Notes" means the Class A Notes substantially in the form of Exhibit A-1 to the Indenture issued in exchange for, or replacement of, the Initial Class A Notes pursuant to the Class A Registration Rights Agreement and authenticated pursuant to the Indenture.

"Exchange 9.00% Class B Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Exchange Class B Notes" means the Class B Notes substantially in the form of Exhibit A-2 to the Indenture issued in exchange for, or in replacement of, the New Class B Notes pursuant to a registration rights agreement entered into with respect to the Initial Class B Notes and authenticated pursuant to the Indenture.

"Exchange Notes" means the Exchange Class A Notes, if any, and the Exchange Class B Notes, if any.

"Exchange Offer" means, (i) with respect to the Class A Notes, the exchange offer which may be made pursuant to the Class A Registration Rights Agreement to exchange Initial Class A Notes for Exchange Class A Notes, and (ii) with respect to New Class B Notes, the exchange offer which may be made pursuant to a registration rights agreement with respect to such Notes to exchange such Notes for Exchange Class B Notes.

"Exchange Offer Registration Statement" means, (i) with respect to the Class A Notes, the registration statement that, pursuant to the Class A Registration Rights Agreement, is filed by the Company with the SEC with respect to the exchange of Initial Class A Notes for Exchange Class A Notes, and (ii) with respect to New Class B Notes, the registration statement that, pursuant to a registration rights agreement with respect to such Notes, is filed by the Company with the SEC with respect to the exchange such Notes for Exchange Class B Notes.

"Excluded Parts" means Spare Parts and Appliances (a) not located at a Designated Location, or (b) subject to a Loan to any Person.

"Expendable" means a Spare Part or Appliance that, once used, cannot be reused and, if not serviceable, generally cannot be overhauled or repaired.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Filed Documents" means the Spare Parts Security Agreement and, to the extent required by the FAA to be filed with the FAA, any other Collateral Agreements.

"Fair Market Value", (i) with respect to any Pledged Spare Part or Cash Collateral, means its fair market value, subject to Sections 2.7 and 4.2 of the Collateral Maintenance Agreement, determined on the basis of a hypothetical sale negotiated in an arm's length free market transaction between a willing and able seller and a willing and able buyer, neither of whom is under undue pressure to complete the transaction, under then current market conditions, provided that cash shall be valued at its Dollar amount, and, (ii) with respect to Other Collateral, has the meaning specified in the applicable Collateral Agreement, as contemplated by Section 3.1(c) of the Collateral Maintenance Agreement.

"Federal Aviation Act" means Title 49 of the United States Code, "Transportation", as amended from time to time, or any similar legislation of the United States enacted in substitution or replacement thereof.

"Fee Letters" means, with respect to each Liquidity Facility, the Fee Letter between such Liquidity Provider and the Trustee with respect to the related Liquidity Facility and any fee letter entered into by the Trustee and any Replacement Liquidity Provider in respect of any Replacement Liquidity Facility.

"Final Advance" with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Final Drawing" is defined in Section 3.6(i) of the Indenture.

"Final Legal Maturity Date" means, as the context requires: the Class A Final Legal Maturity Date or the Class B Final Legal Maturity Date.

"Final Scheduled Payment Date" means, as the context requires: the Class A Final Scheduled Payment Date or the Class B Final Scheduled Payment Date.

"Financing Statements" means, collectively, UCC-1 financing statements covering the Collateral, by the Company, as debtor, showing the Security Agent as secured party, for filing in Delaware, and each other jurisdiction that, in the opinion of the Security Agent, is necessary to perfect its Lien on the Collateral.

"Fitch" means Fitch Ratings, Inc.

"Fleet Reduction" is defined in Section 3.3(a) of the Collateral Maintenance Agreement.

"GAAP" means generally accepted accounting principles in the United States as in effect on the Closing Date and consistent with the accounting principles applied in the preparation of the Company's financial statements filed with the SEC in connection with the most recent annual report of the Company on Form 10-K.

"Global Exchange Class A Note" is defined in Section 2.1(f) of the Indenture.

"Global Exchange Class B Note" is defined in Section 2.1(f) of the Indenture.

"Global Exchange Notes" is defined in Section 2.1(f) of the Indenture.

"Global Initial Notes" is defined in Section 2.1(d) of the Indenture.

"Global Notes" is defined in Section 2.1(f) of the Indenture.

"Government Entity" means (a) any federal, state or similar government, and any body, board, department, commission, court, tribunal, authority, agency or other instrumentality of any such government or otherwise exercising any executive, legislative, judicial, administrative or regulatory functions of such government or (b) any other government entity having jurisdiction over any matter contemplated by the Operative Documents or the Support Documents, or relating to the observance or performance of the obligations of any of the parties to the Operative Documents or the Support Documents.

"Holder", "holder", or "Noteholder" means, with respect to a Note, the Person in whose name the Note is registered on the Registrar's books.

"Indemnitee" is defined in Section 6.2 of the Indenture.

"Indenture" means the Indenture, dated as of February 5, 2004, among the Company, the Trustee and the Class A Liquidity Provider under which the Notes are issued, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including by an Indenture Refunding Amendment or a supplemental indenture.

"Indenture Refunding Amendment" means an amendment to the Indenture entered into for purposes of effecting a Refunding.

"Independent Appraiser" means Simat, Helliesen & Eichner, Inc. or any other Person (i) engaged in a business which includes appraising Aircraft and assets related to the operation and maintenance of Aircraft from time to time and (ii) who does not have any material financial interest in the Company and is not connected with the Company or any of its Affiliates as an officer, director, employee, promoter, underwriter, partner or Person performing similar functions.

"Independent Appraiser's Certificate" means an appraisal report prepared and signed by an Independent Appraiser, addressed to the Security Agent and the Company and attached as Appendix II to the Offering Memo or delivered thereafter pursuant to Article II of the Collateral Maintenance Agreement.

"Initial 7.25% Class A Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Initial Class A Notes" mean the securities issued and authenticated pursuant to the Indenture and substantially in the form of Exhibit A-1 thereto, other than the Exchange Class A Notes.

"Initial 9.00% Class B Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Initial Class B Notes" means (a) the Original Class B Notes, or (b) following a Refunding of the Original Class B Notes, the New Class B Notes, in each case other than Exchange Class B Notes.

"Initial Notes" means the Initial Class A Notes and the Initial Class B Notes.

"Initial Purchasers" means Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated.

"Inspecting Parties" is defined in Section 3.7 of the Collateral Maintenance Agreement.

"Institutional Accredited Investor" means, subject to Section 2.1(i) of the Indenture, an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

"Interest Drawing" is defined in Section 3.6(a) of the Indenture.

"Interest Payment Date" means February 5 and August 5 of each year so long as any Note is Outstanding (commencing August 5, 2004).

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

"Investment Security" means each of (a) direct obligations of the United States and agencies thereof; (b) obligations fully guaranteed by the United States; (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000 and having a rating of A, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 (g) or (h) 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 any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 any

Rating Agency (or, if no Rating Agency shall rate such obligations at such time, by any nationally recognized rating organization in the United States); (m) mortgage backed securities guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or rated AAA, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 Trustee; (n) asset-backed securities rated A, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 Trustee; and (o) such other investments approved in writing by the Trustee; provided that the instruments described in the foregoing clauses shall have a maturity no later than the earliest date when such investments may be required for distribution. Any of the investments described herein may be made through or with, as applicable, a bank acting as Trustee or any of its affiliates.

"Issuance Date" means, with respect to the Class A Notes and Original Class B Notes, the Closing Date, and with respect to the New Class B Notes, the Original Class C Notes, if issued, and the New Class C Notes, if issued, the date of initial issuance of the Notes of such Class.

"Lien" means any mortgage, pledge, lease, security interest, encumbrance, lien or charge of any kind affecting title to or any interest in property.

"Life Limited Part" means a Spare Part or Appliance that (i) has a finite operating life that is defined by hours, cycles or calendar limit and (ii) cannot be overhauled or repaired when it reaches its life limit.

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

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

"Liquidity Facility" means, at any time, the Class A Liquidity Facility or the Class B Liquidity Facility, as applicable.

"Liquidity Facility Cash Collateral Account" means the Class A Liquidity Facility Cash Collateral Account or the Class B Liquidity Facility Cash Collateral Account, as applicable.

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

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

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

"Liquidity Obligations" means all principal, interest, fees and other amounts owing to the Liquidity Provider under any Liquidity Facility or the applicable Fee Letter.

"Liquidity Provider" means the Class A Liquidity Provider or the Class B Liquidity Provider, as applicable.

"Liquidity Provider Election Date" is defined in Section 3.9(c) of the Indenture.

"Loans" means all Pledged Spare Parts subject to leases or loans to any Person.

"Make-Whole Amount" means (a) with respect to any Class A Note or Original Class B Note, the amount (as determined by an investment bank of national standing selected by the Company), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Note computed by discounting each such payment on a semi-annual 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 Note plus accrued but unpaid interest thereon to the date of redemption; (b) with respect to any New Class B Note, the amount computed in the manner set forth in an Indenture Refunding Amendment applicable to such Class; and (c) with respect to any Class C Note, the amount computed in the manner set forth in an amendment to the Indenture at the time of issuance of the Class C Notes. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the time of determination, the interest rate (expressed as a semi-annual 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 semi-annual 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 latest H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Note to be redeemed, the date that follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Note. "Remaining Weighted Average Life" of an Note, at the redemption date of such 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 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 Note.

"Maximum Available Commitment" with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Maximum Class A Collateral Ratio" means 54.0%.

"Maximum Class B Collateral Ratio" means 70.0%.

"Maximum Commitment" means, with respect to any Liquidity Facility, the Maximum Commitment (as defined in such Liquidity Facility).

"Minimum Sale Price" means, with respect to any Pledged Spare Part or Other Collateral, at any time, the lesser of (a) 75% of the Fair Market Value of such Pledged Spare Parts or Other Collateral, and (b) the aggregate principal amount of the Notes Outstanding (disregarding for this purpose the Notes of any Class if all of the Notes of such Class are held or beneficially owned by American Entities), plus accrued and unpaid interest thereon.

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

"Moves" means all Pledged Spare Parts that become Excluded Parts by operation of one or more transactions contemplated by Section 4.2(a)(iii) of the Spare Parts Security Agreement or by operation of a transaction contemplated by a similar provision

of any other Collateral Agreement. For the avoidance of doubt, "Moves" shall not include any Pledged Spare Part: (a) that becomes an Excluded Part by operation of one or more of the actions contemplated by clause (i) or (ii) of Section 4.2(a) of the Spare Parts Security Agreement or Section 3.6(b) of the Collateral Maintenance Agreement; or (b) transferred under, or subject to an agreement or arrangement contemplated by, clause (i) or (ii) of Section 3.6(a) of the Collateral Maintenance Agreement.

"New Appraisal Report Date" is defined in Section 2.8 of the Collateral Maintenance Agreement.

"New Appraiser" means an Independent Appraiser that has not previously provided to the Company a signed Independent Appraiser's Certificate which the Company has delivered to the Trustee pursuant to the Collateral Maintenance Agreement or in connection with the Offering Memo.

"New Class" is defined in Exhibit D to the Indenture.

"New Class B Notes" means Notes that are issued as new Class B Notes in connection with a Refunding of the Original Class B Notes, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"New Class C Notes" means Notes (other than any Second New Class C Notes) that are issued as new Class C Notes in connection with a Refunding of the Original Class C Notes, if issued, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"Nonappraisal Compliance Report" means a report providing information relating to compliance by the Company with Section 3.2 of the Collateral Maintenance Agreement, which shall be substantially in the form of Appendix III to the Collateral Maintenance Agreement.

"Nonappraisal Compliance Report Date" means January 1, April 1, July 1, and October 1 of each year, commencing with April 1, 2004.

"Non-Controlling Party" means, at any time, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders (if any) and each Liquidity Provider, excluding whichever is the Controlling Party at such time.

"Non-Designated Spare Part" means a Qualified Spare Part owned by the Company that: (a) is not incorporated in, installed on, attached or appurtenant to, or being used in, an Aircraft, Engine, Spare Part or Appliance; (b) if such Qualified Spare Part was previously incorporated in, installed on, attached or appurtenant to, or used in an Aircraft, Engine, Spare Part, or Appliance, does not remain owned by a lessor or

conditional seller of, or subject to a Lien applicable to, such Aircraft, Engine, Spare Part, or Appliance; (c) for the avoidance of doubt, is not leased to, loaned to, or held on consignment by, the Company; and (d) is not subject to a Loan to any Person.

"Non-Extended Facility" is defined in Section 3.6(d) of the Indenture.

"Non-Extension Drawing" is defined in Section 3.6(d) of the Indenture.

"Non-Performing" means, with respect to any Note, a Payment Default existing thereunder (without giving effect to any Acceleration); provided, that in the event of a bankruptcy proceeding in which the Company is a debtor under the Bankruptcy Code: (a) any Payment Default occurring before the date of the order of relief in such proceeding will not be taken into account during the Section 1110 Period; (b) any Payment Default occurring after the date of the order of relief in such proceeding shall not be taken into consideration if (i) on or before the expiry of the Section 1110 Period the Company shall have entered into an agreement of the kind described in Section 1110(a)(2)(A) of the Bankruptcy Code with respect such Note, and (ii) 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 (c) any Payment Default occurring after the Section 1110 Period will not be taken into consideration if (i) on or before the expiry of the Section 1110 Period the Company shall have entered into an agreement of the kind described in Section 1110(a)(2)(A) of the Bankruptcy Code with respect such Note, and (ii) such Payment Default is cured before the end of the applicable grace period, if any, set forth in the Indenture.

"Non-Pledged Spare Part" means a Non-Designated Spare Part stored, located or maintained by or on behalf of the Company at a Section 3.9 Location.

"Non-U.S. Person" means any Person other than a "U.S. person", as defined in Regulation S.

"Noteholder" means any Holder of one or more Notes.

"Notes" means the Class A Notes, the Class B Notes, and, if any are issued, the Class C Notes.

"NY UCC" is defined in Section 1.1 of the Spare Parts Security Agreement.

"Obligations" is defined in Section 2.1 of the Spare Parts Security Agreement.

"Offering Memo" means the Offering Memorandum, dated February 5, 2004, of the Company relating to the offering of the Notes, as such Offering Memorandum may be amended or supplemented.

"Officer" means the Chairman of the Board, the President, any Vice President of any grade, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary or the Controller of the Company.

"Officers' Certificate" means a certificate signed by an Officer, satisfying the requirements of Sections 12.4 and 12.5 of the Indenture.

"Operative Documents" means the Indenture, the Collateral Agreements, the Collateral Maintenance Agreement, and the Notes.

"Opinion of Counsel" means a written opinion from the General Counsel of the Company, legal counsel to the Company or another legal counsel who is reasonably acceptable to the Trustee, which Opinion of Counsel shall comply with Sections 12.4 and 12.5 of the Indenture. The counsel may be an employee of the Company. The acceptance by the Trustee (without written objection to the Company during the 15 Business Days following receipt) of, or its action on, an opinion of counsel not specifically referred to above shall be sufficient evidence that such counsel is acceptable to the Trustee.

"Original Class B Notes" means the securities issued and authenticated on the Closing Date pursuant to the Indenture and substantially in the form of Exhibit A-2 thereto.

"Original Class C Notes" means the securities, if any, issued and authenticated pursuant to Section 10.1 of the Indenture in the original principal amount and maturities and bearing interest as specified in an amendment to the Indenture at the time of issuance.

"Original Number of Aircraft" means: (a) initially, (i) with respect to Boeing model 737-800 Aircraft, 77, and (ii) with respect to Boeing model 777-200 Aircraft, 45; and (b) following any redemption or cancellation of Notes required by any Fleet Reduction of an Aircraft Model pursuant to Section 3.3 of the Collateral Maintenance Agreement, the Original Number of Aircraft with respect to such Aircraft Model shall be the Reduced Number of Aircraft with respect to such Fleet Reduction.

"Other Collateral" is defined in Section 3.1(a)(i) of the Collateral Maintenance Agreement.

"Outstanding" or "outstanding", when used with respect to Notes or a Note, means all Notes theretofore authenticated and delivered under the Indenture, except:

(a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Notes, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee in trust for the Holders of such Notes, provided that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Notes for which payment has been deposited with the Trustee or any Paying Agent in trust pursuant to Article IX of the Indenture (except to the extent provided therein); and

(d) Notes which have been paid, or for which other Notes shall have been authenticated and delivered in lieu thereof or in substitution therefor pursuant to the terms of Section 2.12 of the Indenture.

A Note does not cease to be Outstanding because the Company or one of its Affiliates holds the Note; provided, however, that in determining whether the Holders of the requisite aggregate principal amount of Notes Outstanding have given or concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture or any other Operative Document, Section 2.13 of the Indenture shall be applicable.

"Overdue Scheduled Payment" means any Payment of accrued interest on any Notes which is not in fact received by the Trustee (whether from the Company, a Liquidity Provider or otherwise) on or within five days after the Scheduled Payment Date relating thereto.

"Parts Inventory Report" means, as of any date, a report consisting of: (a) a list identifying the Pledged Spare Parts by Company part number and brief description, stating the quantity of each such part included in the Pledged Spare Parts as of such specified date, and indicating, for each Company part number, the percentages of such Pledged Spare Parts that are Serviceable Parts and Unserviceable Parts; (b) a list of the Designated Locations setting forth, for each such location as of such specified date, the percentage of the aggregate System Value of all Pledged Spare Parts that is represented by the aggregate System Value of the Pledged Spare Parts located at that Designated Location; (c) a list identifying the Non-Pledged Spare Parts by Company part number and brief description, stating the quantity of each such part included in the Non-Pledged Spare Parts as of such specified date, and indicating, for each Company part number the percentages of such Non-Pledged Spare Parts that are Serviceable Parts and Unserviceable Parts; and (d) a list of the Section 3.9 Locations as of such date, setting forth for each such Section 3.9 Location as of such specified date, the percentage of the aggregate System Value of all Non-Pledged Spare Parts that is represented by the aggregate System Value of the Non-Pledged Spare Parts located at that Section 3.9

Location. Some or all of the information in a Parts Inventory Report may be in the form of a CD-ROM.

"Parts Inventory Report Date" is defined in Section 2.1 of the Collateral Maintenance Agreement.

"Parts Inventory Report Period" means, for 2004 and each year thereafter: (i) February 19 through and including March 1; (ii) May 22 through and including June 1; (iii) August 22 through and including September 1; and (iv) November 21 through and including December 1.

"Paying Agent" is defined in Section 2.8 of the Indenture.

"Payment" means (i) any payment of principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to the Notes from the Company, (ii) any payment of interest on a Class of Notes with funds drawn under the applicable Liquidity Facility or from the applicable Liquidity Facility Cash Collateral Account or (iii) any payment received or amount realized by the Trustee from the exercise of remedies after the occurrence of an Event of Default.

"Payment Default" means a Default referred to in Section 7.1(a)(i) of the Indenture.

"Payment Due Rate" means, for any Class of Notes, (a) the applicable Debt Rate plus 1% or, if less, (b) the maximum rate permitted by applicable law.

"Permanent Regulation S Global Class A Note" is defined in Section 2.1(d) of the Indenture.

"Permanent Regulation S Global Class B Note" is defined in Section 2.1(d) of the Indenture.

"Permanent Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Permitted Lien" means (a) the rights of any Person existing pursuant to any Operative Document or any Support Document; (b) Liens attributable to the Trustee or any Collateral Agent (both in its capacity as Trustee or Collateral Agent and in its individual capacity); (c) the rights of others under agreements or arrangements to the extent expressly permitted by the terms of Section 3.6 of the Collateral Maintenance Agreement; (d) Liens for Taxes of the Company (and its U.S. federal tax law consolidated group), either not yet due or payable or being contested in good faith by appropriate proceedings, so long as such Liens and such proceedings do not involve any material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of any

Collateral Agent therein or impair the Lien of any Collateral Agreement; (e) materialmen's, mechanics', workers', repairers', warehousemans', 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) for amounts the payment of which is either not yet delinquent for more than 60 days or is being contested in good faith by appropriate proceedings, so long as such Liens and such proceedings do not involve any material risk of the sale, forfeiture, or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement; (f) Liens arising out of any judgment or award against the Company, so long as such judgment shall, within 60 days after the entry thereof, have been discharged, vacated or reversed, or with respect to which there shall have been secured a stay of execution pending appeal or other judicial review and such judgment or award shall have been discharged, vacated or reversed within 60 days after the expiration of such stay, so long as during any such 60 day period, such Liens or such judicial proceedings do not involve any material risk of the sale, forfeiture, or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement; (g) purchase money security interest Liens held by a vendor of the Company for goods purchased from such vendor by the Company, in each case arising in the ordinary course of business and for which the Company pays such vendor within 60 days of such purchase; provided that in each case that such Liens do not involve any material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement and that the aggregate System Value of Pledged Spare Parts subject to such Liens at any time does not exceed $5,000,000; (h) any other Lien with respect to which the Company shall have provided a bond, cash collateral or other security adequate in the reasonable opinion of the Security Agent; and (i) salvage or similar right of insurers under insurance policies maintained by the Company.

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

"Pledged Expendable Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Pledged Non-Expendable Spare Parts" is defined in clause (1) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Pledged Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Prepaid Class" is defined in Exhibit D to the Indenture.

"Propeller" includes a part, appurtenance, and accessory of a propeller.

"Provider Incumbency Certificate" is defined in Section 3.8(b) of the Indenture.

"Provider Representatives" is defined in Section 3.8(b) of the Indenture.

"Purchase Agreement" means the Purchase Agreement, dated February 2, 2004, by and between the Initial Purchasers and the Company.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Expendable Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Qualified Non-Expendable Spare Parts" is defined in clause (1) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Qualified Spare Parts" is defined in clause (2) of the first paragraph in Section 2.1 of the Spare Parts Security Agreement.

"Quarterly Appraisal Report Date" means, with respect to a Parts Inventory Report Period ending on: (i) March 1, the immediately following April 1; (ii) June 1, the immediately following July 1; and (iii) December 1, the immediately following January 1; in each case, subject to Sections 2.5, 2.6, and 2.8 of the Collateral Maintenance Agreement.

"Quarterly Methodology" means, in determining an opinion as the Fair Market Value of the Pledged Spare Parts, taking the following actions: (i) reviewing the Parts Inventory Report prepared as of the applicable Parts Inventory Report Date; (ii) reviewing the Independent Appraiser's internal value database for values applicable to Qualified Spare Parts included in the Pledged Spare Parts; and (iii) establishing a ratio of Serviceable Parts to Unserviceable Parts as of the applicable Parts Inventory Report Date based upon information provided by the Company.

"Quarterly Parts Inventory Report" means any Parts Inventory Report dated as of a date falling within a time period set forth in clause (i), (ii) or (iv) of the definition of "Parts Inventory Report Period"; in each case, subject to Section 2.5(b)(ii) of the Collateral Maintenance Agreement.

"Rating Agencies" means, collectively, at any time, and with respect to a Class of Notes, each of up to three nationally recognized rating agencies that shall have been requested by the Company to rate such Class of Notes and which shall then be rating such Class of Notes. The initial Rating Agencies with respect to the Class A Notes and the Class B Notes will be Moody's, Fitch, and Standard & Poor's.

"Ratings Confirmation" means, with respect to any action proposed to be taken, a written confirmation from each of the Rating Agencies with respect to the applicable Class of Notes that such action would not result in (i) a reduction of the rating for such Class of Notes below the then current rating for such Class of Notes or (ii) a withdrawal of the rating of such Class of Notes.

"Record Date" means the 15th day preceding any Interest Payment Date, whether or not a Business Day.

"Redemption Date", when used with respect to any Note to be redeemed, means the date fixed for such redemption by or pursuant to the Indenture and such Note.

"Redemption Percentage", with respect to any Aircraft Model, means, as of any date of determination, the percentage determined by multiplying (a) the fraction with (i) a numerator equal to the Original Number of Aircraft for such Aircraft Model minus the Reduced Number of Aircraft for such Aircraft Model, and (ii) a denominator equal to the Original Number of Aircraft for such Aircraft Model by (b) the fraction with (i) a numerator equal to the aggregate Fair Market Value of the Pledged Spare Parts (as set forth in the Independent Appraiser's Certificate most recently delivered prior to such date of determination) that are appropriate for installation on, or use in, only such Aircraft Model, or the Engines or Spare Parts or Appliances utilized only on such Aircraft Model, and (ii) a denominator equal to the aggregate Fair Market Value of the Pledged Spare Parts for all models of Aircraft (as set forth in such Independent Appraiser's Certificate).

"Reduced Number of Aircraft" means in the case of an Aircraft Model as to which the Company's in-service fleet of such Aircraft Model is below the then applicable Specified Minimum for such Aircraft Model during each day of a period of any 60 consecutive days as provided in Section 3.3 of the Collateral Maintenance Agreement, the number of Aircraft of such Aircraft Model remaining in the Company's in-service fleet as of the last day of such 60-day period.

"Refunding" means a refunding of the Class B Notes or, if issued, the Class C Notes in accordance with Exhibit D of the Indenture.

"Register" has the meaning provided in Section 2.8 of the Indenture.

"Registrar" has the meaning provided in Section 2.8 of the Indenture.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Regulation S Restricted Period Legend" is defined in Section 2.2 of the Indenture.

"Relevant Appraisal Report Date" is defined in Section 2.5(b) of the Collateral Maintenance Agreement.

"Relevant Appraiser's Certificate" is defined in Section 2.5(b) of the Collateral Maintenance Agreement.

"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 or forms (which may include a letter of credit, surety bond, insurance policy or guaranty) as shall permit the Rating Agencies to issue a Ratings Confirmation with respect to each Class of Notes (before downgrading of such ratings, if any, as a result of the downgrading of the applicable Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the applicable Liquidity Provider or any such guarantee becoming invalid or unenforceable), in a face amount (or in an aggregate face amount) equal to the Required Amount and issued by a Person (or Persons) (or, if applicable, by a Person (or Persons) with a guarantor (or guarantors)) having a debt rating issued by each Rating Agency that is equal to or higher than the applicable Threshold Rating or with such other ratings and qualifications as shall permit each Rating Agency to issue a Ratings Confirmation with respect to each Class of Notes (before downgrading of such ratings, if any, as a result of the downgrading of the Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the Liquidity Provider or any such guarantee becoming invalid or unenforceable). Without limitation of the form that a Replacement Liquidity Facility otherwise may have pursuant to the preceding sentence, a Replacement Liquidity Facility for the Class A Notes or the Class B Notes may have a stated expiration date earlier than 15 days after the Final Legal Maturity Date so long as such Replacement Liquidity Facility provides for a Non-Extension Drawing as contemplated by Section 3.6(d) of the Indenture.

"Replacement Liquidity Provider" means a Person who issues a Replacement Liquidity Facility.

"Request" means a written request for the action therein specified signed on behalf of the Company by any Officer and delivered to the Trustee. Each Request shall be accompanied by an Officers' Certificate if and to the extent required by Section 12.4 of the Indenture.

"Required Amount" means, with respect to the Liquidity Facility or the Liquidity Facility Cash Collateral Account for any Class of Notes, for any day, the sum of the applicable aggregate amount of interest, calculated at the rate per annum equal to the

Stated Interest Rate applicable to the related Class of Notes on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on such Class of Notes on each of the four consecutive semi-annual Interest Payment Dates immediately following such day or, if such day is an Interest Payment Date, on such day and the succeeding three semi-annual Interest Payment Dates, in each case calculated on the basis of the outstanding principal amount of such Class of Notes on such date and without regard to expected future payments of principal on such Class of Notes.

"Required Class A Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class A Notes then Outstanding.

"Required Class B Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class B Notes then Outstanding.

"Required Class C Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class C Notes, if issued, then Outstanding.

"Required Reports" means, with respect to any Appraisal Report Date, the Independent Appraiser's Certificate, Appraisal Compliance Report, and Parts Inventory Report relating thereto.

"Responsible Officer" means (i) with respect to the Trustee, any officer in the corporate trust administration department of the Trustee or any other officer customarily performing functions similar to those performed by the Persons who at the time shall be such officers or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with a particular subject and (ii) with respect to a Liquidity Provider, any authorized officer of such Liquidity Provider.

"Restricted Definitive Class A Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Definitive Class B Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Global Class A Note" is defined in Section 2.1(c) of the Indenture.

"Restricted Global Class B Note" is defined in Section 2.1(c) of the Indenture.

"Restricted Global Notes" means the Restricted Global Class A Notes and the Restricted Global Class B Notes.

"Restricted Legend" is defined in Section 2.2 of the Indenture.

"Restricted Notes" is defined in Section 2.2 of the Indenture.

"Restricted Period" is defined in Section 2.1(d) of the Indenture.

"Rotable" means a Spare Part or Appliance (i) that wears over time and can be repeatedly and economically restored to a serviceable condition over a period approximating the life of the flight equipment to which it relates or (ii) that can be economically restored to a serviceable condition but has a life less than the related flight equipment and can be overhauled or repaired only a limited number of times.

"Rule 144A" means Rule 144A under the Securities Act.

"Sales" means all Pledged Spare Parts sold, transferred, or otherwise disposed of, excluding any Pledged Spare Part: (a) sold, transferred or otherwise disposed of in a transaction pursuant to Section 4.2(a) of the Spare Parts Security Agreement or pursuant to a similar provision of any other Collateral Agreement; or (b) deemed sold pursuant to the proviso of Section 3.6(a) of the Collateral Maintenance Agreement but as to which the Company has reacquired title.

"Scheduled Payment Date" means (i) with respect to any payment of interest, the Interest Payment Date applicable thereto, (ii) with respect to any payment of defaulted interest, the payment date established pursuant to Section 2.16 of the Indenture, (iii) with respect to amounts due on the redemption of any Note, the Redemption Date applicable thereto, and (iv) with respect to the final maturity of the Notes, the Final Scheduled Payment Date.

"SEC" means the Securities and Exchange Commission and any government agency succeeding to its functions.

"Second New Class C Notes" means Notes that are issued as new Class C Notes in connection with a Refunding of any New Class C Notes that are American Class C Notes, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"Section 3.9 Location" means, at any time, any location in the United States owned or leased by the Company where the Company holds Non-Designated Spare Parts (other than any such location with Non-Designated Spare Parts that have an immaterial aggregate System Value) that is not a Designated Location, but which, by operation of Section 3.9 of the Collateral Maintenance Agreement and Section 4.2(b) of the Spare Parts Security Agreement, is expected to become a Designated Location.

"Section 1110" means Section 1110 of the Bankruptcy Code.

"Section 1110 Period" means the continuous period of 60 days specified in Section 1110(a)(2)(A) of the Bankruptcy Code (or such longer period, if any (not to exceed an additional 75 days), agreed to under Section 1110(b) of the Bankruptcy Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Security Agent" means the Trustee acting in the capacity of security agent on behalf of the Holders under the Spare Parts Security Agreement and under the Collateral Maintenance Agreement until a successor replaces it, or is substituted for it, in accordance with the provisions of the Spare Parts Security Agreement or the Collateral Maintenance Agreement, as the case may be, and thereafter means such successor.

"Security Agreement" means the Spare Parts Security Agreement.

"Serviceable Parts" means Pledged Spare Parts or Non-Pledged Spare Parts, as the context requires, in condition satisfactory for incorporation in, installation on, attachment or appurtenance to or use in an Aircraft, Engine, Spare Part or Appliance.

"Shelf Registration Statement" means the shelf registration statement which may be required with respect to any Class of Notes to be filed by the Company with the SEC pursuant to a registration rights agreement, other than an Exchange Offer Registration Statement.

"Spare Part" means an accessory, appurtenance, or part of an Aircraft (except an Engine or Propeller), Engine (except a Propeller), Propeller, or Appliance, that is to be installed at a later time in an Aircraft, Engine, Propeller or Appliance.

"Spare Parts Collateral" is defined in Section 2.1 of the Spare Parts Security Agreement.

"Spare Parts Documents" is defined in clause (7) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Spare Parts Security Agreement" means the Spare Parts Security Agreement, dated as of the Issuance Date, between the Company and the Security Agent, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with its terms.

"Special Default" means a Payment Default or an American Bankruptcy Event.

"Special Record Date" is defined in Section 2.10 of the Indenture.

"Specified Minimum" is defined in Section 3.3(b) of the Collateral Maintenance Agreement.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Stated Expiration Date" is defined in Section 3.6(d) of the Indenture.

"Stated Interest Rate" means, with respect to any Class of Notes, the Debt Rate for such Class of Notes.

"Subordinated Note Provisions" is defined in Section 4.1 of the Collateral Maintenance Agreement.

"Successor Company" is defined in Section 5.4(a)(i) of the Indenture.

"Supplemental Security Agreement" means a supplement to the Spare Parts Security Agreement substantially in the form of Exhibit A to the Spare Parts Security Agreement.

"Support Documents" means the Liquidity Facilities and the Fee Letters.

"System Value" means, with respect to any Qualified Spare Part as of any date, the system average unit price of such Qualified Spare Part as of such date as set forth in the Company's equipment inventory tracking system.

"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.

"Temporary Regulation S Global Class A Note" is defined in Section 2.1(d) of the Indenture.

"Temporary Regulation S Global Class B Note" is defined in Section 2.1(d) of the Indenture.

"Temporary Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Termination Notice", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Threshold Amount" means $2,000,000.

"Threshold Rating" means a senior unsecured short-term corporate rating of F-1 by Fitch (if the applicable Person is then rated by Fitch), a short-term unsecured debt rating of P-1 by Moody's and a short-term issuer credit rating of A-1 by Standard & Poor's; and in the case of any Person who does not have a senior unsecured short-term corporate rating by Fitch, a short-term unsecured debt rating from Moody's or a short-term issuer credit rating from Standard & Poor's, then in lieu of such rating from such Rating Agencies, a senior unsecured long-term corporate rating of A in the case of Fitch (if such Person is then rated by Fitch), a long-term unsecured debt rating of A2 in the case of Moody's and a long-term issuer credit rating of A in the case of Standard & Poor's.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbbb) as in effect on the date of the Indenture; provided, however, that in the event the TIA is amended after such date, "TIA" means, to the extent required by any such amendment, the TIA as so amended.

"Trust Accounts" is defined in Section 8.13(a) of the Indenture.

"Trust Officer" means any Responsible Officer of the Trustee.

"Trustee" means the party named as such in the Indenture until a successor replaces it in accordance with the provisions of the Indenture and thereafter means the successor Trustee and if, at any time, there is more than one Trustee, "Trustee" as used with respect to the Notes of any Class shall mean the Trustee with respect to the Notes of that Class.

"Trustee Incumbency Certificate" is defined in Section 3.8(a) of the Indenture.

"Trustee Representatives" is defined in Section 3.8(a) of the Indenture.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"Unapplied Provider Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Unpaid Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Unserviceable Parts" means Pledged Spare Parts or Non-Pledged Spare Parts, as the context requires, that have been either removed from service (i) because they did not

work correctly or (ii) because upon inspection and testing, they were found not to meet certain prescribed standards.

"U.S." or "United States" means the United States of America.

"U.S. Air Carrier" means any United States air carrier that is a Citizen of the United States holding an air carrier operating certificate issued pursuant to chapter 447 of title 49 of the United States Code for aircraft capable of carrying 10 or more individuals or 6000 pounds or more of cargo, or that otherwise is certificated or registered to the extent required to fall within the purview of Section 1110.

"U.S. Government" means the federal government of the United States, or any instrumentality or agency thereof the obligations of which are guaranteed by the full faith and credit of the federal government of the United States.

"U.S. Government Obligations" means securities that are direct obligations of the U.S. Government 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.

"USBT" is defined in the first paragraph of the Indenture.

"Warranty Rights" means the rights of the Company under any warranty or indemnity, express or implied, regarding title, materials, workmanship, design and patent infringement, or related matters in respect of the Pledged Spare Parts, in each case to the extent that: (a) such rights relate to the Pledged Spare Parts (and not to other Spare Parts, Appliances or any other properties or assets), (b) such rights are assignable at no additional expense to the Company, and (c) that such assignment does not require the consent of any Person and does not violate any contract or agreement binding upon the Company relating to such rights.

"Written Notice" means, from the Trustee or any Liquidity Provider, a written instrument executed by the Designated Representative of such Person.

SECTION 2. Rules of Construction. Unless the context otherwise requires, the following rules of construction shall apply for all purposes of the Operative Documents (including this appendix) and of such agreements as may incorporate this appendix by reference.

(a) In each Operative Document, unless otherwise expressly provided, a reference to:

(i) each of the Company, the Trustee, the Collateral Agent, the Security Agent 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 the 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 Closing Date, 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", an "Exhibit", an "Annex", an "Appendix" or a "Schedule" in any Operative Document, or in any annex thereto, is a reference to a Section of, or an exhibit, an annex, an appendix or a schedule to, such Operative Document or such annex, respectively.

(b) Each exhibit, annex, appendix and schedule to each Operative Document is incorporated in, and shall be deemed to be a part of, such Operative Document.

(c) Unless otherwise defined or specified in any Operative Document, all accounting terms therein shall be construed and all accounting determinations thereunder shall be made in accordance with GAAP.

(d) 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.

[FORM OF CLASS A NOTE]

[THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED 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 SECURITY 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 SECURITIES UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER (EACH A "TRANSFER") THIS SECURITY EXCEPT: (I) (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 SECURITIES 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 SECURITY (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; AND (II) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER APPLICABLE JURISDICTIONS; (3) AGREES THAT PRIOR TO ANY TRANSFER PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD REFERRED TO IN CLAUSE (2) ABOVE (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(I)(E) ABOVE), IT WILL FURNISH TO THE

TRUSTEE, THE REGISTRAR AND AMERICAN AIRLINES, INC. SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS ANY OF THEM 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 SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE SECURITIES UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH BELOW ON THIS SECURITY RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS SECURITY TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE SECURITIES PURSUANT TO CLAUSE (2)(I)(E) ABOVE OR UPON ANY TRANSFER OF THE SECURITIES 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 INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

[EXCEPT AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN), BENEFICIAL OWNERSHIP INTERESTS IN THIS SECURITY WILL NOT BE EXCHANGEABLE FOR INTERESTS IN ANY OTHER SECURITY REPRESENTING AN INTEREST IN THE SECURITIES REPRESENTED HEREBY UNTIL THE EXPIRATION OF THE "40 DAY DISTRIBUTION COMPLIANCE PERIOD" (WITHIN THE MEANING OF RULE 903(b)(2) OF REGULATION S UNDER THE SECURITIES ACT). DURING SUCH 40 DAY DISTRIBUTION COMPLIANCE PERIOD, BENEFICIAL OWNERSHIP INTERESTS IN THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR TRANSFERRED TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT IN COMPLIANCE WITH RULE 144A AND REGULATION S UNDER THE SECURITIES ACT AND WITH ARTICLE II OF THE INDENTURE REFERRED TO HEREIN.](2)

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(1) To be included on each Restricted Class A Note.

(2) To be included on each Temporary Regulation S Global Class A Note.

[UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO AMERICAN AIRLINES, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IN EXCHANGE FOR THIS SECURITY 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 SECURITY 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 SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 2.5 AND 2.6 OF THE INDENTURE REFERRED TO HEREIN.](3)

BY ITS ACQUISITION OR ACCEPTANCE HEREOF, THE HOLDER REPRESENTS THAT EITHER: (A) NO ASSETS OF (I) AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (II) A PLAN DESCRIBED IN SECTION 4975(E)(I) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, OR (IV) A GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, OR FOREIGN LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), HAVE BEEN USED TO PURCHASE THIS SECURITY OR ANY INTEREST THEREIN; OR (B) THE PURCHASE AND HOLDING OF THIS SECURITY OR ANY INTEREST THEREIN BY THE HOLDER ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE OR ANY SIMILAR PROVISION OF SIMILAR LAW, AS APPLICABLE, PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

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(3) To be included on each Class A Note that is a Global Note.

No. [_] CUSIP/Common Code No.[_]
$ [_]

[[REGULATION S] GLOBAL](1)

[INITIAL] [EXCHANGE] 7.25% CLASS A SECURED NOTE DUE 2009

AMERICAN AIRLINES, INC., a Delaware corporation (the "Company"), promises to pay to [_____], or the registered assignee thereof, the principal sum of $[_____] Dollars (the "Principal Amount") on February 6, 2009, subject to earlier payment as provided in the Indenture referred to herein. This Class A Note shall bear interest on the unpaid Principal Amount from time to time outstanding from the most recent Interest Payment Date to which interest has been paid or duly provided for (or, if no interest has been paid or so provided for, from February 6, 2004) at a rate per annum equal to the Class A Debt Rate (calculated on the basis of a 360-day year consisting of twelve 30 day months), payable in arrears on each February 5 and August 5 of each year, commencing August 5, 2004 (an "Interest Payment Date") until the Principal Amount has been paid in full. This Class A Note shall bear interest, payable on demand, at the Payment Due Rate (calculated on the basis of a 360-day year consisting of twelve 30-day months), to the extent permitted by applicable law, on any part of the principal amount, interest and any other amounts payable hereunder not paid when due, in each case for the period the same is overdue. Amounts shall be overdue if not paid when due (whether at stated maturity, by acceleration or otherwise). Notwithstanding anything to the contrary contained herein, if any date on which a payment under this Class A 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 without additional interest.

1. General. This Class A Note is one of a duly authorized issue of Class A Notes of the Company designated as "[Initial] [Exchange] 7.25% Class A Secured Notes due 2009" (herein, called the "Class A Notes"), limited in aggregate principal amount to $180,457,000, issued, authenticated and delivered pursuant to the Indenture, dated as of February 5, 2004 (the "Indenture"), among the Company, U.S. Bank Trust National Association, as Trustee (the "Trustee"), and Citibank, N.A., as Class A Liquidity Provider. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Indenture. This Class A Note is subject to the terms, provisions and conditions of the Indenture. To the extent any provision of this Class A Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. Reference is hereby made to the Indenture, the

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(1) To be included on each Class A Note that is a Global Note.

Spare Parts Security Agreement, the other Operative Documents and the Support Documents for a complete statement of the rights and obligations of the holders of, and the nature and extent of the security for, this Class A Note. By virtue of its acceptance hereof, the Class A Noteholder of this Class A Note assents to and agrees to be bound by the provisions of the Indenture.

2. Record Dates. The Person in whose name any Class A Note is registered at the close of business on the fifteenth day preceding an Interest Payment Date, whether or not a Business Day, shall be entitled to receive the interest payable on the applicable Interest Payment Date to the extent provided by such Class A Note, except if and to the extent the Company shall default in the payment of the interest due on such Interest Payment Date and such defaulted interest becomes an Overdue Scheduled Payment, in which case any defaulted interest payable to the Holders of the Class A Notes pursuant to the terms of the Indenture shall be paid to the Person in whose name the outstanding Class A Note is registered at the close of business on the subsequent record date (which shall not be less than five Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Company to the Trustee not less than fifteen days preceding such subsequent record date pursuant to the Indenture.

3. Redemption. The Company may redeem the Class A Notes at any time in whole or in part (in any integral multiple of $1,000) (i) at its sole option, at a redemption price equal to the sum of 100% of the principal amount of, accrued and unpaid interest to (but excluding) the Redemption Date on, and Make-Whole Amount, if any, with respect to the redeemed Class A Notes; and (ii) pursuant to (but only to the extent provided under) Section 3.1 or Section 3.3 of the Collateral Maintenance Agreement, at a redemption price equal to the sum of 100% of the principal amount of, and accrued and unpaid interest to (but excluding) the Redemption Date on, the redeemed Class A Notes, and without Make-Whole Amount or any other premium or, in the circumstances specified in the proviso to Section 4.1 of the Indenture, at the redemption price specified in such proviso. The Trustee shall mail a notice of any redemption at least 15 days but not more than 60 days before the Redemption Date to each Holder whose Class A Notes are to be redeemed at such Holder's registered address. If the Trustee gives notice of redemption but the Company fails to pay when due all amounts necessary to effect such redemption, such redemption shall be deemed revoked and no amount shall be due as a result of notice of redemption having been given. Class A Notes called for redemption shall cease to bear interest on and after the Redemption Date (unless the Company shall fail to pay the redemption price). Upon surrender to the Paying Agent, such Class A Notes shall be paid the redemption price.

4. Method of Payment. The Paying Agent shall distribute amounts payable to each Class A Noteholder by check mailed to such Class A Noteholder at its address appearing in the Register, except that with respect to Class A Notes registered on the

applicable 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). The Company shall not have any responsibility for the distribution of such payments to any Class A Noteholder. Any payment made hereunder shall be made without any presentment or surrender of this Class A Note, except that, in the case of the final payment in respect of this Class A Note, this Class A Note shall be surrendered to the Paying Agent for cancellation against receipt of such payment.

5. Registrar and Paying Agent. The Company shall maintain an office or agency where Class A Notes eligible for transfer or exchange may be presented for registration of transfer or for exchange, and an office or agency where Class A Notes may be presented for payment. Initially, the Trustee will act as Registrar and Paying Agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such.

6. Denominations, Transfer and Exchange. The Class A Notes shall be issued only in fully registered form without coupons and [only in denominations of $100,000 or integral multiples of $1,000 in excess thereof,](2) [in denominations of $1,000 or integral multiples thereof,](3) except that one Class A Note may be issued in a different denomination. The transfer of Class A Notes may be registered and Class A Notes may be exchanged as provided in the Indenture and this Class A Note. No transfer shall be effected until, and such transferee shall succeed to the rights of a Class A Noteholder only upon, final acceptance and registration of the transfer by the Registrar in the Register. No service charge shall be made to a Class A Noteholder for any registration of transfer or exchange of Class A Notes, but the Company may 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 Class A Notes.

7. Persons Deemed Owners. Prior to the registration of any transfer of a Class A Note by a Class A Noteholder as provided in the Indenture, the Company, the Registrar, the Paying Agent and the Trustee shall deem and treat the person in whose name the Class A Note is registered on the Register as the absolute owner and holder thereof for the purpose of receiving payment of all amounts payable with respect to such Class A Note and for all other purposes, and none of the Company, the Registrar, the Paying Agent or the Trustee shall be affected by any notice to the contrary.

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(2) To be included on Initial Class A Notes.

(3) To be included on Exchange Class A Notes.

8. Amendments and Waivers. The Company and the Trustee or any applicable Collateral Agent, as the case may be, may amend or supplement the Indenture, the Class A Notes, or any of the other Operative Documents and, upon request of the Company, and the agreement of the applicable Liquidity Provider, the Trustee shall amend or supplement the Support Documents, in each case as provided in Article X of the Indenture. Any consent by the Class A Noteholder of this Class A Note shall be conclusive and binding on such Class A Noteholder and upon all future Class A Noteholders of this Class A Note and of any Class A Note issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon such Class A Note. Without the consent of the Controlling Party or any Holder, the Indenture, the Class A Notes, any of the Operative Documents and any of the Support Documents may be amended or supplemented as provided in Section 10.1 of the Indenture.

9. Defaults and Remedies. Subject to certain limitations in the Indenture, if an Event of Default occurs and is continuing, the Trustee may, and upon the written instructions of the Controlling Party, the Trustee shall, declare by written notice to the Company, all unpaid principal of, and accrued but unpaid interest on, the Notes (but, for the avoidance of doubt, without Make-Whole Amount or other premium) and other amounts otherwise payable under the Indenture, if any, to the date of acceleration to be due and payable and upon any such declaration, the same shall become and be immediately due and payable. In the case of an Event of Default arising from certain events of bankruptcy, reorganization or insolvency, such amounts shall automatically become and be immediately due and payable without further action or notice. Under certain circumstances, the Controlling Party by notice to the Trustee may rescind an acceleration and its consequences.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of, or interest on, the Class A Notes or other amounts otherwise payable under the Indenture, if any. Subject to the Indenture, so long as an Event of Default has occurred and is continuing, the Controlling Party by notice to the Trustee may authorize the Trustee to waive an existing Default or Event of Default and its consequences. The Controlling Party may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee (as Trustee or Collateral Agent, subject, in the case of any actions based on the status of the Trustee as Collateral Agent, to any limitations otherwise expressly provided for in the Operative Documents) or exercising any trust or power conferred on it; provided that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction. Class A Noteholders may not enforce the Indenture or the Class A Notes except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Class A Notes. The Trustee may withhold from Class A Noteholders notice of any continuing Default (except a default in payment of principal, interest, or Make-Whole

Amount or other premium) if it determines in good faith that withholding notice is in their interests. The above description of Events of Default and remedies is qualified by reference, and subject in its entirety, to the more complete description thereof contained in the Indenture.

10. No Recourse Against Others. No past, present or future director, officer, employee, agent, representative, member, manager, trustee, stockholder or other equity holder, as such, of the Company or any successor Person or any Affiliate of the Company shall have any liability for any obligations of the Company or any successor Person or any Affiliate of any thereof, either directly or through the Company or any successor Person or any Affiliate of any thereof, under the Class A Notes, the Indenture or the other Operative Documents 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 Class A Note, each Class A Noteholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Class A Notes.

11. Authentication. This Class A Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until the certificate of authentication attached hereto has been executed by the manual signature of an authorized signatory of the Trustee or an authenticating agent appointed by the Trustee.

12. Unclaimed Money. If money deposited with the Trustee or any Paying Agent in trust for the payment of the principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to, any Class A Note and unclaimed for two years after such principal, interest, or Make-Whole Amount or other premium, if any, has become due and payable shall be paid to the Company on its request, subject to any applicable escheat or abandoned or unclaimed property law, and the Holder of such Class A Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof and all liability of the Trustee or such Paying Agent with regard to such Payments shall thereupon cease.

13. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

14. CUSIP Numbers. The Company in issuing this Class A Note may use a "CUSIP" number (if then generally in use) and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Class A Notes or as contained in any notice of a

redemption and that reliance may be placed only on the other identification numbers printed on the Class A Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

[15. Holders' Compliance With Class A Registration Rights Agreement. Each Holder of a Class A Note, by acceptance hereof, acknowledges and agrees to the provisions of the Class A Registration Rights Agreement, including, without limitation, the obligations of the Holders with respect to a registration and the indemnification of the Company to the extent provided therein.](4)

16. Governing Law. THIS CLASS A NOTE HAS BEEN DELIVERED IN THE STATE OF NEW YORK. THIS CLASS A 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, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

The Company will furnish to any Holder of this Class A Note, upon written request and without charge, a copy of the Indenture. Request may be made to: American Airlines, Inc., 4333 Amon Carter Boulevard, Fort Worth, Texas 76155, Attention: Corporate Secretary.

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(4) To be included on each Initial Note.

IN WITNESS WHEREOF, the Company has caused this Class A Note to be duly executed in its corporate name by its officers thereunto duly authorized on the date hereof.

Date:

AMERICAN AIRLINES, INC.

By:

Name:
Title:

By:

Name:
Title:

[FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Class A Notes referred to in the Indenture.

U.S. BANK TRUST 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 Class A Note and all rights thereunder, hereby irrevocably constituting and appointing

_____

attorney to transfer said Class A Note on the books of the Registrar with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED
ON ALL CLASS A NOTES EXCEPT EXCHANGE NOTES]

In connection with any transfer of this Class A Note occurring prior to the expiration of the holding period applicable to sales of the Class A Notes under Rule 144(K) under the Securities Act of 1933, as amended, or any successor provision, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[CHECK ONE]

[_] (a) this Class A Note 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 Class A Note is being transferred other than in accordance with (a) above and documents are being furnished that comply with the conditions of transfer set forth in this Class A Note and the Indenture.

If neither of the foregoing boxes is checked, the Registrar shall not be obligated to register this Class A Note 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 Sections 2.4 and 2.6 of the Indenture shall have been satisfied.

Date:[_____, ___] [NAME OF TRANSFEROR]

_____

NOTE: The signature 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:_____

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Class A Note 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:[_____, ___]

_____

NOTE: To be executed by an executive officer.

[FORM OF CLASS B NOTE]

[THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED 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 SECURITY 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 SECURITIES UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER (EACH A "TRANSFER") THIS SECURITY EXCEPT: (I) (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 SECURITIES 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 SECURITY (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; AND (II) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER APPLICABLE JURISDICTIONS; (3) AGREES THAT PRIOR TO ANY TRANSFER PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD REFERRED TO IN CLAUSE (2) ABOVE (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(I)(E) ABOVE), IT WILL FURNISH TO THE

TRUSTEE, THE REGISTRAR AND AMERICAN AIRLINES, INC. SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS ANY OF THEM 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 SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE SECURITIES UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH BELOW ON THIS SECURITY RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS SECURITY TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE SECURITIES PURSUANT TO CLAUSE (2)(I)(E) ABOVE OR UPON ANY TRANSFER OF THE SECURITIES 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 INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING RESTRICTIONS.](1)

[EXCEPT AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN), BENEFICIAL OWNERSHIP INTERESTS IN THIS SECURITY WILL NOT BE EXCHANGEABLE FOR INTERESTS IN ANY OTHER SECURITY REPRESENTING AN INTEREST IN THE SECURITIES REPRESENTED HEREBY UNTIL THE EXPIRATION OF THE "40 DAY DISTRIBUTION COMPLIANCE PERIOD" (WITHIN THE MEANING OF RULE 903(b)(2) OF REGULATION S UNDER THE SECURITIES ACT). DURING SUCH 40 DAY DISTRIBUTION COMPLIANCE PERIOD, BENEFICIAL OWNERSHIP INTERESTS IN THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR TRANSFERRED TO, OR FOR THE ACCOUNT OR BENEFIT OF, A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT IN COMPLIANCE WITH RULE 144A AND REGULATION S UNDER THE SECURITIES ACT AND WITH ARTICLE II OF THE INDENTURE REFERRED TO HEREIN.](2)

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(1) To be included on each Restricted Class B Note.

(2) To be included on each Temporary Regulation S Global Class B Note.

[UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO AMERICAN AIRLINES, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IN EXCHANGE FOR THIS SECURITY 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 SECURITY 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 SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 2.5 AND 2.6 OF THE INDENTURE REFERRED TO HEREIN.](3)

BY ITS ACQUISITION OR ACCEPTANCE HEREOF, THE HOLDER REPRESENTS THAT EITHER: (A) NO ASSETS OF (I) AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (II) A PLAN DESCRIBED IN SECTION 4975(E)(I) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (III) AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, OR (IV) A GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, OR FOREIGN LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), HAVE BEEN USED TO PURCHASE THIS SECURITY OR ANY INTEREST THEREIN; OR (B) THE PURCHASE AND HOLDING OF THIS SECURITY OR ANY INTEREST THEREIN BY THE HOLDER ARE EXEMPT FROM THE PROHIBITED TRANSACTION RESTRICTIONS OF ERISA AND THE CODE OR ANY SIMILAR PROVISION OF SIMILAR LAW, AS APPLICABLE, PURSUANT TO ONE OR MORE PROHIBITED TRANSACTION STATUTORY OR ADMINISTRATIVE EXEMPTIONS.

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(3) To be included on each Class B Note that is a Global Note.

No. [__] CUSIP/Common Code No. [__]
$ [___]

[[REGULATION S] GLOBAL](1)
[INITIAL] [EXCHANGE] 9.00% CLASS B SECURED NOTE DUE 2009

AMERICAN AIRLINES, INC., a Delaware corporation (the "Company"), promises to pay to [_____], or the registered assignee thereof, the principal sum of $[_____] Dollars (the "Principal Amount") on February 5, 2009, subject to earlier payment as provided in the Indenture referred to herein. This Class B Note shall bear interest on the unpaid Principal Amount from time to time outstanding from the most recent Interest Payment Date to which interest has been paid or duly provided for (or, if no interest has been paid or so provided for, from [ ](2) at a rate per annum equal to the Class B Debt Rate (calculated on the basis of a 360-day year consisting of twelve 30-day months), payable in arrears on each February 5 and August 5 of each year, commencing August 5, 2004 (an "Interest Payment Date") until the Principal Amount has been paid in full. This Class B Note shall bear interest, payable on demand, at the Payment Due Rate (calculated on the basis of a 360-day year consisting of twelve 30-day months) to the extent permitted by applicable law, on any part of the principal amount, interest and any other amounts payable hereunder not paid when due, in each case for the period the same is overdue. Amounts shall be overdue if not paid when due (whether at stated maturity, by acceleration or otherwise). Notwithstanding anything to the contrary contained herein, if any date on which a payment under this Class B 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 without additional interest.

1. General. This Class B Note is one of a duly authorized issue of Class B Notes of the Company designated as "[Initial] [Exchange] 9.00% Class B Secured Notes due 2009" (herein, called the "Class B Notes"), limited in aggregate principal amount to $42,031,000, issued, authenticated and delivered pursuant to the Indenture, dated as of February 5, 2004 (the "Indenture"), among the Company, U.S. Bank Trust National Association, as Trustee (the "Trustee"), and Citibank, N.A., as Class A Liquidity Provider. To the extent not otherwise defined herein, the capitalized terms used herein have the meanings assigned to them in the Indenture. This Class B Note is subject to the terms, provisions and conditions of the Indenture. The indebtedness evidenced by this Class B Note is, to the extent provided in the Indenture, subordinate and subject in right

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(1) To be included on each Class B Note that is a Global Note.

(2) Insert February 6, 2004 for the Original Class B Notes. Insert the Closing Date of the applicable Refunding for New Class B Notes.

of payment to the prior payment of amounts due on the Class A Notes, and this Class B Note is issued subject to such provisions. To the extent any provision of this Class B Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. Reference is hereby made to the Indenture, the Spare Parts Security Agreement, the other Operative Documents and the Support Documents for a complete statement of the rights and obligations of the holders of, and the nature and extent of the security for, this Class B Note. By virtue of its acceptance hereof, the Class B Noteholder of this Class B Note assents to and agrees to be bound by the provisions of the Indenture.

2. Record Dates. The Person in whose name any Class B Note is registered at the close of business on the fifteenth day preceding an Interest Payment Date, whether or not a Business Day, shall be entitled to receive the interest payable on the applicable Interest Payment Date to the extent provided by such Class B Note, except if and to the extent the Company shall default in the payment of the interest due on such Interest Payment Date and such defaulted interest becomes an Overdue Scheduled Payment, in which case any defaulted interest payable to the Holders of the Class B Notes pursuant to the terms of the Indenture shall be paid to the Person in whose name the outstanding Class B Note is registered at the close of business on the subsequent record date (which shall not be less than five Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Company to the Trustee not less than fifteen days preceding such subsequent record date pursuant to the Indenture.

3. Redemption. The Company may redeem the Class B Notes at any time in whole or in part (in any integral multiple of $1,000) (i) at its sole option, at a redemption price equal to the sum of 100% of the principal amount of, accrued and unpaid interest to (but excluding) the Redemption Date on, and Make-Whole Amount or other premium, if any, with respect to, the redeemed Class B Notes; and (ii) pursuant to (but only to the extent provided under) Section 3.1 or Section 3.3 of the Collateral Maintenance Agreement, at a redemption price equal to the sum of 100% of the principal amount of, and accrued and unpaid interest to (but excluding) the Redemption Date on, the redeemed Class B Notes, and without Make-Whole Amount or any other premium. The Trustee shall mail a notice of any redemption at least 15 days but not more than 60 days before the Redemption Date to each Holder whose Class B Notes are to be redeemed at such Holder's registered address. If the Trustee gives notice of redemption but the Company fails to pay when due all amounts necessary to effect such redemption, such redemption shall be deemed revoked and no amount shall be due as a result of notice of redemption having been given. Class B Notes called for redemption shall cease to bear interest on and after the Redemption Date (unless the Company shall fail to pay the redemption price). Upon surrender to the Paying Agent, such Class B Notes shall be paid the redemption price.

4. Method of Payment. The Paying Agent shall distribute amounts payable to each Class B Noteholder by check mailed to such Class B Noteholder at its address appearing in the Register, except that with respect to Class B Notes registered on the applicable 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). The Company shall not have any responsibility for the distribution of such payments to any Class B Noteholder. Any payment made hereunder shall be made without any presentment or surrender of this Class B Note, except that, in the case of the final payment in respect of this Class B Note, this Class B Note shall be surrendered to the Paying Agent for cancellation against receipt of such payment.

5. Registrar and Paying Agent. The Company shall maintain an office or agency where Class B Notes eligible for transfer or exchange may be presented for registration of transfer or for exchange, and an office or agency where Class B Notes may be presented for payment. Initially, the Trustee will act as Registrar and Paying Agent. If the Company fails to maintain a Registrar or Paying Agent, the Trustee shall act as such.

6. Denominations, Transfer and Exchange. The Class B Notes shall be issued only in fully registered form without coupons and [only in denominations of $100,000 or integral multiples of $1,000 in excess thereof,](3) [in denominations of $1,000 or integral multiples thereof,](4) except that one Class B Note may be issued in a different denomination. The transfer of Class B Notes may be registered and Class B Notes may be exchanged as provided in the Indenture and this Class B Note. No transfer shall be effected until, and such transferee shall succeed to the rights of a Class B Noteholder only upon, final acceptance and registration of the transfer by the Registrar in the Register. No service charge shall be made to a Class B Noteholder for any registration of transfer or exchange of Class B Notes, but the Company may 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 Class B Notes.

7. Persons Deemed Owners. Prior to the registration of any transfer of a Class B Note by a Class B Noteholder as provided in the Indenture, the Company, the Registrar, the Paying Agent and the Trustee shall deem and treat the person in whose name the Class B Note is registered on the Register as the absolute owner and holder thereof for the purpose of receiving payment of all amounts payable with respect to such

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(3) To be included on Initial Class B Notes.

(4) To be included on Exchange Class B Notes.

Class B Note and for all other purposes, and none of the Company, the Registrar, the Paying Agent or the Trustee shall be affected by any notice to the contrary.

8. Amendments and Waivers. The Company and the Trustee or any applicable Collateral Agent, as the case may be, may amend or supplement the Indenture, the Class B Notes, or any of the other Operative Documents and, upon request of the Company, and the agreement of the applicable Liquidity Provider, the Trustee shall amend or supplement the Support Documents, in each case as provided in Article X of the Indenture. Any consent by the Class B Noteholder of this Class B Note shall be conclusive and binding on such Class B Noteholder and upon all future Class B Noteholders of this Class B Note and of any Class B Note issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon such Class B Note. Without the consent of the Controlling Party or any Holder, the Indenture, the Class B Notes, any of the Operative Documents and any of the Support Documents may be amended or supplemented as provided in Section 10.1 of the Indenture.

9. Defaults and Remedies. Subject to certain limitations in the Indenture, if an Event of Default occurs and is continuing, the Trustee may, and upon the written instructions of the Controlling Party, the Trustee shall, declare by written notice to the Company, all unpaid principal of, and accrued but unpaid interest on, the Notes (but, for the avoidance of doubt, without Make-Whole Amount or other premium) and other amounts otherwise payable under the Indenture, if any, to the date of acceleration to be due and payable and upon such declaration, the same shall become and be immediately due and payable. In the case of an Event of Default arising from certain events of bankruptcy, reorganization or insolvency, such amounts shall automatically become and be immediately due and payable without further action or notice. Under certain circumstances, the Controlling Party by notice to the Trustee may rescind an acceleration and its consequences.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of, or interest on, the Class B Notes or other amounts otherwise payable under the Indenture, if any. Subject to the Indenture, so long as an Event of Default has occurred and is continuing, the Controlling Party by notice to the Trustee may authorize the Trustee to waive an existing Default or Event of Default and its consequences. The Controlling Party may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee (as Trustee or Collateral Agent, subject, in the case of any actions based on the status of the Trustee as Collateral Agent, to any limitations otherwise expressly provided for in the Operative Documents) or exercising any trust or power conferred on it; provided that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction. Class B Noteholders may not enforce the Indenture or the Class B Notes except as provided in the Indenture. The

Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Class B Notes. The Trustee may withhold from Class B Noteholders notice of any continuing Default (except a default in payment of principal, interest, or Make-Whole Amount or other premium) if it determines in good faith that withholding notice is in their interests. The above description of Events of Default and remedies is qualified by reference, and subject in its entirety, to the more complete description thereof contained in the Indenture.

10. No Recourse Against Others. No past, present or future director, officer, employee, agent, representative, member, manager, trustee, stockholder or other equity holder, as such, of the Company or any successor Person or any Affiliate of the Company shall have any liability for any obligations of the Company or any successor Person or any Affiliate of any thereof, either directly or through the Company or any successor Person or any Affiliate of any thereof, under the Class B Notes, the Indenture or the other Operative Documents 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 Class B Note, each Class B Noteholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Class B Notes.

11. Authentication. This Class B Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until the certificate of authentication attached hereto has been executed by the manual signature of an authorized signatory of the Trustee or an authenticating agent appointed by the Trustee.

12. Unclaimed Money. If money deposited with the Trustee or any Paying Agent in trust for the payment of the principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to, any Class B Note and unclaimed for two years after such principal, interest, or Make-Whole Amount or other premium, if any, has become due and payable shall be paid to the Company on its request, subject to any applicable escheat or abandoned or unclaimed property law, and the Holder of such Class B Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof and all liability of the Trustee or such Paying Agent with regard to such Payments shall thereupon cease.

13. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

14. CUSIP Numbers. The Company in issuing this Class B Note may use a "CUSIP" number (if then generally in use) and, if so, the Trustee shall use "CUSIP"

numbers in notices of redemption as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Class B Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Class B Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

[15. Holders' Compliance With Registration Rights Agreement. Each Holder of a Class B Note, by acceptance hereof, acknowledges and agrees to the provisions of the registration rights agreement with respect to the Class B Notes, including, without limitation, the obligations of the Holders with respect to a registration and the indemnification of the Company to the extent provided therein.](5)

16. Governing Law. THIS CLASS B NOTE HAS BEEN DELIVERED IN THE STATE OF NEW YORK. THIS CLASS B 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, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

The Company will furnish to any Holder of this Class B Note, upon written request and without charge, a copy of the Indenture. Request may be made to: American Airlines, Inc., 4333 Amon Carter Boulevard, Fort Worth, Texas 76155, Attention: Corporate Secretary.

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(5) To be included on each Initial Class B Note that is a New Class B Note.

IN WITNESS WHEREOF, the Company has caused this Class B Note to be duly executed in its corporate name by its officers thereunto duly authorized on the date hereof.

Date:

AMERICAN AIRLINES, INC.

By:_____
Name:
Title:

By:_____
Name:
Title:

[FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Class B Notes referred to in the Indenture.

U.S. BANK TRUST 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 Class B Note and all rights thereunder, hereby irrevocably constituting and appointing

_____

attorney to transfer said Class B Note on the books of the Registrar with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED
ON ALL CLASS B NOTES EXCEPT EXCHANGE NOTES]

In connection with any transfer of this Class B Note occurring prior to the expiration of the holding period applicable to sales of the Class B Notes under Rule 144(K) under the Securities Act of 1933, as amended, or any successor provision, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[CHECK ONE]

[__] (a) this Class B Note 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 Class B Note is being transferred other than in accordance with (a) above and documents are being furnished that comply with the conditions of transfer set forth in this Class B Note and the Indenture.

If neither of the foregoing boxes is checked, the Registrar shall not be obligated to register this Class B Note 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 Sections 2.4 and 2.6 of the Indenture shall have been satisfied.

Date:[_____, ___] [NAME OF TRANSFEROR]

_____

NOTE: The signature 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:_____

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Class B Note 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:[_____, ___]

_____

NOTE: To be executed by an executive officer.

EXHIBIT B

FORM OF CERTIFICATION TO BE DELIVERED IN CONNECTION WITH
TRANSFERS OF NOTES PURSUANT TO REGULATION S

U.S. Bank Trust National Association
One Federal Street, 3rd Floor
EX-FED-MA
Boston, Massachusetts 02110
Attention: Corporate Trust Department

Re: [ ]% CLASS [A] [B] SECURED NOTES DUE 2009 (THE "NOTES")

Ladies and Gentlemen:

In connection with our proposed sale or other transfer of US$[_____] aggregate principal amount of the Notes, we confirm that such sale or other transfer has been effected pursuant to and in accordance with Regulation S ("Regulation S") under the Securities Act of 1933, as amended (the "Securities Act"), and accordingly, we hereby certify as follows:

1. The offer of the Notes was not made to a person in the United States (unless such person or the account held by it for which it is acting is excluded from the definition of "U.S. person" pursuant to Rule 902(k) of Regulation S under the circumstances described in Rule 902(h)(3) of Regulation S) or specifically targeted at an identifiable group of U.S. citizens abroad.

2. Either (a) at the time the buy or transfer order was originated, the buyer or transferee was outside the United States or we and any person acting on our behalf reasonably believed that the buyer or transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated offshore securities market, and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer or transferee in the United States.

3. No directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(a)(2) or Rule 904(a)(2) of Regulation S, as applicable.

4. The proposed transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

5. If we are a dealer or a person receiving a selling concession or other fee or remuneration in respect of the Notes, and the proposed transaction takes place before the end of the distribution compliance period under Regulation S, or we are an officer or director of the Company or a distributor, we certify that the proposed transaction is being made in accordance with the provisions of Rules 903 and 904 of Regulation S.

6. We have advised the transferee of the transfer restrictions applicable to the Notes.

7. We acknowledge that the Company, the Trustee, and others will rely upon the truth and accuracy of this Certification and agree that, if any part of this Certification is established to be inaccurate, we shall promptly notify the Company and the Trustee.

You, the Company and counsel for the Company are entitled to rely upon this Certificate and are irrevocably authorized to produce this Certificate or a copy hereof to any interested party in any administrative or legal proceeding 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 SELLER/TRANSFEROR]

By:_____
Name:
Title:
Address:

Date of this Certificate: _____ __, 200_

EXHIBIT C

FORM OF CERTIFICATION TO BE DELIVERED IN CONNECTION
WITH TRANSFERS OF NOTES TO
NON-QIB INSTITUTIONAL ACCREDITED INVESTORS

[_____, _____]

U.S. Bank Trust National Association
One Federal Street, 3rd Floor
EX-FED-MA
Boston, Massachusetts 02110
Attention: Corporate Trust Department

American Airlines, Inc.
4333 Amon Carter Boulevard
Fort Worth, Texas 76155
Attention: Treasurer

AMERICAN AIRLINES
[__]% Class [A][B] Secured Notes due 2009 (the "Notes")

Ladies and Gentlemen:

In connection with our proposed purchase of U.S. $[_____] of Notes (the "Purchased Notes"), we confirm that:

1. We understand that any subsequent transfer of the Purchased Notes is subject to certain restrictions and conditions set forth in the Indenture, dated as of February 5, 2004, among American Airlines, Inc. (the "Company"), U.S. Bank Trust National Association, as Trustee (the "Trustee"), and Citibank, N.A., as Class A Liquidity Provider, relating to the Notes, and we agree to be bound by, and not to resell, pledge or otherwise transfer the Purchased Notes except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

2. We are purchasing Notes having an aggregate principal amount of not less than $100,000 and each account (if any) for which we are purchasing Notes is purchasing Notes having an aggregate principal amount of not less than $100,000.

3. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) (an "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 Purchased Notes,

and we and any accounts for which we are acting are each able to bear the economic risk of our or their investments and can afford the complete loss of such investment.

4. We represent that we are acquiring the Purchased Notes for our own account or for one or more accounts (each of which is an Institutional Accredited Investor) with respect to which we exercise sole investment discretion and not with a view to any distribution of the Purchased Notes, subject, nevertheless, to the understanding that the disposition of our property shall at all times be and remain within our control.

5. We acknowledge that the Purchased Notes have not been registered under the Securities Act or any other securities laws, that the Purchased Notes are being sold to us in a transaction that is exempt from the registration requirements of the Securities Act and that the Purchased Notes may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the Securities Act), except as set forth below.

6. We agree that if we should offer, resell, pledge or otherwise transfer (each, a "Transfer") any Purchased Note within the period prior to the expiration of the holding period applicable to sales thereof under Rule 144(k) under the Securities Act (or any successor provision), we will do so only (A) (i) to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) (a "QIB") in compliance with Rule 144A, (ii) inside the United States to an Institutional Accredited Investor acquiring $100,000 or more aggregate principal amount of such Purchased Notes that, prior to such transfer, if such Institutional Accredited Investor is not a QIB, furnishes to the Trustee a signed letter substantially in the form of the letter which we are now providing, (iii) outside the United States in an offshore transaction in compliance with Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), (v) 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 (vi) to the Company or any subsidiary thereof and (B) in accordance with all applicable securities laws of the states of the United States and other applicable jurisdictions. We further agree that, subject to the procedures set forth in Section 2.6 of the Indenture, prior to any proposed Transfer of the Purchased Notes within the period prior to the expiration of the holding period applicable to sales thereof under Rule 144(k) under the Securities Act (or any successor provision) (otherwise than pursuant to an effective registration statement) we, as the holder thereof, must check the appropriate box set forth on such Purchased Note relating to the manner of such transfer and submit the Purchased Note to the Trustee. We understand that if the proposed transferee is an Institutional Accredited Investor or is not a "U.S. person" (as defined in Regulation S under the Securities Act) or the proposed transfer is being effected pursuant to the exemption from registration provided by Rule 144 under the Securities Act, we, as the holder (or beneficial holder, as the case may be) must, prior to such transfer, furnish

to the Trustee and, if requested, to the Company, such certifications, legal opinions or other information as they 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.

7. We agree that we will deliver to each person to whom we transfer the Purchased Notes notices of any restrictions on transfer of such Purchased Notes.

8. We represent and warrant that either: (i) no assets of (a) an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (b) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), (c) an entity whose underlying assets are deemed to include assets of any such employee benefit plan or plan, or (d) a governmental or church plan that is subject to federal, state, local or foreign law or regulation that is substantially similar to Section 406 of ERISA or Section 4975 of the Code ("Similar Law") have been used to acquire such Purchased Notes or an interest therein; or (ii) the acquisition and holding of such Purchased Notes or interest therein are exempt from the prohibited transaction restrictions of ERISA and the Code or any similar provision of Similar Law, as applicable, pursuant to one or more prohibited transaction statutory or administrative exemptions.

9. We acknowledge that the Company, the Trustee and others will rely upon the truth and accuracy of the foregoing and following acknowledgments, representations, warranties and agreements and agree that, if any of the acknowledgments, representations, warranties and agreements made or deemed to have been made by our acquisition of the Purchased Notes is no longer accurate, we shall promptly notify the Company and the Trustee. If we are acquiring any Purchased Notes as a fiduciary or agent of one or more investor accounts, we represent that we have sole investment discretion with respect to each such investor account and that we have full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.

10. We understand and acknowledge that the Purchased Notes will bear a legend in the form indicated in Section 2.2 of the Indenture unless otherwise agreed by the Company and us, as the holder thereof.

You are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy thereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

By:_____
Name:
Title:

REFUNDING TERMS

The Company shall have the option to prepay (each such prepayment and the related transactions contemplated by this EXHIBIT D, a "Refunding") at any time without premium all outstanding Class B Notes or, if issued, Class C Notes, or both, provided that all the following conditions are complied with:

1. Ratings Confirmation with respect to the Refunding shall have been received with respect to any then-rated Class of Notes not undergoing such Refunding.

2. No Liquidity Obligations shall be outstanding at the time of such Refunding, or provisions shall have been made for the payment in full of any outstanding Liquidity Obligations from the proceeds of such Refunding.

3. The Company shall have issued, pursuant to this Indenture, new Class B Notes and/or new Class C Notes, as the case may be (each, a "New Class"). The economic terms of either New Class (the "Specified Economic Terms") may not differ in any material respect from the economic terms of the corresponding Notes being prepaid (a "Prepaid Class"), except that:

   (a) the interest rates of either New Class may be changed (provided that the interest rate of all Notes of the same New Class shall be the same), and either New Class or both may provide for specified increases and decreases in the stated interest rate under stated circumstances or floating rate interest;

   (b) the principal amount of either New Class or both issued under the Indenture may be increased or decreased; provided that the principal amount of a New Class issued under the Indenture may not increase by more than 20% of the principal amount outstanding as of the date of redemption of the corresponding Prepaid Class issued under the Indenture;

   (c) the maturity date of either New Class or both may be made earlier or later by not more than one year before or after the original maturity date of the corresponding Prepaid Class (provided that the maturity date of all Notes of the same New Class shall be the same);

   (d) the terms of prepayment and the amount of premium on prepayment on either New Class or both may be changed;

(e) the definitions of "Class B Collateral Ratio" and "Maximum Class B Collateral Ratio", and the Subordinated Note Provisions may be changed; and

(f) rights of either New Class or both with respect to amendments, supplements, waivers, and modifications with respect to the terms and provisions of the Operative Documents may be changed.

4. Each New Class shall be substantially in the form of the respective Class of Notes being prepaid, with only Permitted Refunding Changes thereto. "Permitted Refunding Changes", with respect to any instrument, agreement or other document, means only such changes, amendments and modifications to such instrument, agreement or other document as may be necessary or advisable to implement (a) the Specified Economic Terms and (b) conforming and clarifying changes to reflect the transactions contemplated by this EXHIBIT D.

5. A New Class of Class B Notes shall have been sold to one or more Persons unaffiliated with the Company, and the proceeds thereof there shall have been used, in whole or in part, to redeem the Prepaid Class. A Class B Liquidity Facility with terms substantially similar to those contained in the Class A Liquidity Facility covering 24 months of interest on the New Class of Class B Notes may be provided for the New Class B Notes, if such New Class bears interest at a fixed rate. The provider of such a Class B Liquidity Facility will have the same priority to payments under the Indenture as the provider of the Class A Liquidity Facility. There shall be no liquidity facility for any New Class of Class B Notes that bears interest at a floating rate or for any Class of Class C Notes.

6. Concurrently with the sale of a New Class of Class B Notes, a New Class of Class C Notes may be sold to one or more Persons affiliated with the Company or unaffiliated with the Company, and the proceeds thereof shall have been used in whole or in part, to redeem the Prepaid Class. If the Class C Notes are the subject of such a Refunding, and if the New Class of Class C Notes issued in such Refunding is purchased by one or more Persons affiliated with the Company, such New Class of Class C Notes may, at the Company's option, be prepaid as part of a second Refunding in which an additional New Class of Class C Notes are sold to one or more Persons unaffiliated with the Company as provided in this EXHIBIT D.

7. The Company shall have paid or made provision for the payment of all costs of implementing the foregoing.

8. The Company shall provide the Trustee with prior notice of its intention to effect a Refunding as promptly as practicable, but in no event less than 5 Business Days in advance of such Refunding.

In lieu of prepaying both the Class B Notes and the Class C Notes, the Company shall have the right to prepay only the Class B Notes, in which case the conditions relating to Class C Notes (the "Class C Conditions") shall not be applicable to such Refunding. The Company may thereafter prepay the Class C Notes in which case the Class C Conditions above will be applicable to the Refunding thereof and the Ratings Confirmation in respect of such Refunding shall also be in respect of the Class B Notes.

Each party to this Indenture agrees for the benefit of the Company to cooperate with the Company at the Company's reasonable request to carry out the purpose of the foregoing provisions on the terms and conditions set forth above. Notwithstanding anything to the contrary set forth in this Indenture, any other Operative Document or any Support Document (as such terms are defined in this Indenture), any Permitted Refunding Changes to this Indenture or any such other agreement or instrument may be made without the consent of any Noteholder, or any Liquidity Provider that has provided a Liquidity Facility for any Class of Notes not being refunded; provided that each of the following instruments, agreements or specified provisions of instruments or agreements may be amended, modified or supplemented in connection with a Refunding only to make conforming or clarifying changes resulting from the consummation of the transactions described in this EXHIBIT D (or otherwise in accordance with the terms of such instrument or agreement):

Class A Notes
Class A Liquidity Facility
Section 2.1 of the Spare Parts Security Agreement
Sections 3.1, 3.2, 3.4, 3.6 and 7.10 of the Indenture.

EXHIBIT 4.3

EXECUTION COPY

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SPARE PARTS SECURITY AGREEMENT

from

AMERICAN AIRLINES, INC.

to

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Security Agent

Dated as of February 5, 2004

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SPARE PARTS SECURITY AGREEMENT

SPARE PARTS SECURITY AGREEMENT, dated as of February 5, 2004, by and between (i) AMERICAN AIRLINES, INC., a Delaware corporation (the "Company"), and (ii) U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, as agent (the "Security Agent") for U.S. Bank Trust National Association, in its capacity as trustee (the "Trustee") under the Indenture, dated as of the date hereof, among the Company, the Trustee and Citibank, N.A., as Class A Liquidity Provider (the "Class A Liquidity Provider").

RECITALS

WHEREAS, the Company, which is a certificated air carrier under Section 44705 of title 49 of the U.S. Code, the Trustee and the Class A Liquidity Provider have entered into the Indenture, providing for the issuance of certain Notes; and

WHEREAS, in order to secure the payment of the principal amount of and interest on the Notes and all other Obligations of the Company under the Indenture, the Notes, the Collateral Maintenance Agreement, and the other Operative Documents, the Company has agreed to grant a security interest in certain Spare Parts, Appliances and other Collateral, as provided for herein; and

WHEREAS, Schedule 1 to this Agreement specifically describes the locations at which such Spare Parts and Appliances covered by the security interest of this Agreement may be maintained by or on behalf of the Company, and Section 4.2(b) of this Agreement provides for the designation of additional locations pursuant to Supplemental Security Agreements; and

WHEREAS, the Company and the Security Agent wish to set forth herein their respective rights, liabilities and obligations with respect to the Spare Parts Collateral.

NOW, THEREFORE, in consideration of the premises and other benefits to the Company, the receipt and sufficiency of which are hereby acknowledged, the Company and the Security Agent agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. Capitalized terms used above or hereinafter and not otherwise defined herein shall have the meanings ascribed to such terms in Section 1 of the Definitions Appendix attached hereto as Appendix I, which shall be part of this Spare Parts Security Agreement as if fully set forth in this place. Unless otherwise defined in this Spare Parts Security Agreement or in Section 1 of the Definitions Appendix, terms defined in Article 8 or 9 of the UCC as in effect in the State of New York (the "NY UCC") are used in this Spare Parts Security Agreement as such terms are defined in such Article 8 or 9 of the NY UCC.

Section 1.2 Rules of Construction. The rules of construction for this Spare Parts Security Agreement are set forth in Section 2 of the Definitions Appendix.

ARTICLE II

SECURITY INTEREST

Section 2.1 Grant of Security Interest. To secure the prompt payment of the principal amount of, interest on, and Make-Whole Amount or other premium, if any, with respect to, all Notes from time to time Outstanding under the Indenture according to their tenor and effect, and the prompt payment of all other amounts from time to time owing by the Company under, and the performance and observance by the Company of all the agreements, covenants and provisions contained in, the Indenture, the Notes, this Spare Parts Security Agreement, the Collateral Maintenance Agreement, and the other Operative Documents (collectively, the "Obligations"), for the benefit of the Holders and each of the Indemnitees, and in consideration of the premises and of the covenants herein contained, and of the acceptance of the Notes by the Holders thereof, and for other good and valuable consideration the receipt and adequacy whereof are hereby acknowledged, the Company 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 Security Agent, its successors in trust and permitted assigns, for the security and benefit of, the Holders and each of the Indemnitees, a first priority security interest in and mortgage lien on all right, title and interest of the Company in, to and under the following described property, rights and privileges, whether now owned or hereafter acquired (which, collectively, together with

all property hereafter specifically subject to the Lien of this Spare Parts Security Agreement by the terms hereof or any supplement hereto, are included within, and are referred to as, the "Spare Parts Collateral"), to wit:

(1) all Rotables first placed in service after October 22, 1994 and currently owned or hereafter acquired by the Company that are (a) appropriate for incorporation in, installation on, attachment or appurtenance to, or use in (i) either the Boeing model 737-800 of Aircraft or the Boeing model 777-200 of Aircraft, or both such Aircraft models, or (ii) any Engine, Spare Part or Appliance utilized on any such Aircraft model, and (b) not appropriate for incorporation in, installation on, attachment or appurtenance to, or use in, any other model of Aircraft currently operated by the Company or any Engine, Spare Part or Appliance utilized on any such other model of Aircraft (such Rotables, collectively, the "Qualified Non-Expendable Spare Parts"); provided that the following Qualified Non-Expendable Spare Parts shall be excluded from the Lien of this Spare Parts Security Agreement: (A) any Qualified Non-Expendable Spare Part so long as it is incorporated in, installed on, attached or appurtenant to, or being used in, an Aircraft, Engine, Spare Part or Appliance; (B) any Qualified Non-Expendable Spare Part that has been incorporated in, installed on, attached or appurtenant to, or used in an Aircraft, Engine, Spare Part, or Appliance, for so long after its removal from such Aircraft, Engine, Spare Part, or Appliance as it remains owned by a lessor or conditional seller of, or subject to a Lien applicable to, such Aircraft, Engine, Spare Part, or Appliance; (C) any Qualified Non-Expendable Spare Part that is an Excluded Part; and (D) any Qualified Non-Expendable Spare Part leased to, loaned to, or held on consignment by, the Company (such Qualified Non-Expendable Spare Parts, giving effect to such exclusions, the "Pledged Non-Expendable Spare Parts");

(2) all Expendables and Life-Limited Parts first placed in service after October 22, 1994 and currently owned or hereafter acquired by the Company that are appropriate for incorporation in, installation on, attachment or appurtenance to, or use in (i) one or more of the following models of Aircraft: Boeing model 737-800, Boeing model 757-200, Boeing model 767-200, Boeing model 767-300, Boeing model 777-200 and McDonnell Douglas model MD-80 or (ii) any Engine, Spare Part or Appliance utilized on any such Aircraft model (such Expendables and Life Limited Parts, collectively, the "Qualified Expendable Spare Parts", and together with the Qualified Non-Expendable Spare Parts, the "Qualified Spare Parts"); provided that the following Qualified Expendable Spare Parts shall be excluded from the Lien of this Spare Parts Security Agreement: (A) any Qualified Expendable Spare Part so long as it is incorporated in, installed on, attached or appurtenant to, or being used in, an Aircraft, Engine, Spare Part, or Appliance; (B) any Qualified Expendable Spare Part that has been incorporated in, installed on, attached or appurtenant to, or used in an Aircraft, Engine, Spare

Part, or Appliance, for so long after its removal from such Aircraft, Engine, Spare Part, or Appliance as it remains owned by a lessor or conditional seller of, or subject to a Lien applicable to, such Aircraft, Engine, Spare Part, or Appliance; (C) any Qualified Expendable Spare Part that is an Excluded Part; and (D) any Qualified Expendable Spare Part leased to, loaned to, or held on consignment by, the Company (such Qualified Expendable Spare Parts, giving effect to such exclusions, the "Pledged Expendable Spare Parts", and together with the Pledged Non-Expendable Spare Parts, the "Pledged Spare Parts");

(3) the Warranty Rights;

(4) all proceeds with respect to the sale or other disposition by the Security Agent of any Pledged Spare Part or other Spare Parts Collateral pursuant to the terms of this Spare Parts Security Agreement, and all insurance proceeds with respect to any Pledged Spare Part, but excluding any insurance maintained by the Company and not required under the Collateral Maintenance Agreement;

(5) all rents, revenues and other proceeds collected by the Security Agent pursuant to Section 6.1(c);

(6) all Cash Collateral; all Eligible Accounts; all cash, Investment Securities and other financial assets held therein by the Security Agent or an Eligible Institution; and all security entitlements with respect thereto;

(7) all repair, maintenance and inventory records, logs, manuals and all other documents and materials similar thereto (including, without limitation, any such records, logs, manuals, documents and materials that are computer print-outs) at any time maintained, created or used by the Company, and all records, logs, documents and other materials required at any time to be maintained by the Company under the Federal Aviation Act or by the FAA, in each case only to the extent that the same relate to any of the Pledged Spare Parts (the "Spare Parts Documents"); and

(8) 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, (a) the Security Agent shall not take or cause to be taken any action contrary to the Company's right hereunder to quiet enjoyment of the Spare Parts Collateral, to possess, use, retain and control the Spare Parts Collateral and to all revenues, income and profits derived therefrom, and (b) the Company shall have the right, to the exclusion of the Security Agent, with respect to the Warranty Rights, to exercise in the Company's name all rights and powers (other than to amend, modify or waive any of the warranties or indemnities contained therein, except in

the ordinary course in the exercise of the Company's reasonable business judgment) and to retain any recovery or benefit resulting from the enforcement of any such Warranty Right; and provided further that, notwithstanding the occurrence or continuation of an Event of Default, the Security Agent shall not enter into any amendment or modification of any such Warranty Right that would increase the obligations or limit any rights or benefits of the Company thereunder.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Agent, and its successors and permitted assigns, in trust for the equal and proportionate benefit and security of the Holders and the Indemnitees, except as provided in Section 3.2 of the Indenture, without any preference, distinction or priority of any one Note over any other by reason of priority of time of issue, sale, negotiation, date of maturity thereof or otherwise for any reason whatsoever, and for the uses and purposes and in all cases and as to all property specified in clauses (1) through (8) inclusive above, subject to the terms and provisions set forth in this Spare Parts Security Agreement.

The Company does hereby constitute the Security Agent the true and lawful attorney of the Company, irrevocably, granted for good and valuable consideration and coupled with an interest and with full power of substitution, and with full power (in the name of the Company or otherwise) to ask for, require, demand, receive, compound and give acquittance for any and all monies and claims for monies (in each case including insurance and requisition proceeds) due and to become due under or arising out of all property which now or hereafter constitutes part of the Spare Parts Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or to institute any proceedings which the Security Agent may deem to be necessary or advisable in the premises; provided that the Security Agent shall not exercise any such rights except upon the occurrence and during the continuance of an Event of Default hereunder.

The Company agrees that at any time and from time to time, upon the written request of the Security Agent, the Company will promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents (including without limitation UCC continuation statements) as the Security Agent may reasonably deem necessary to perfect, preserve or protect the mortgage, security interests and assignments created or intended to be created hereby or to obtain for the Security Agent the full benefits of the security interest granted hereunder and of the rights and powers herein granted; provided that any instrument or other document so executed by the Company will not increase any obligations or limit any rights or benefits of the Company in respect of the transactions contemplated by the Operative Documents or the Support Documents.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Company represents and warrants, as of the date hereof, to the Trustee, the Class A Liquidity Provider and the Security Agent as follows:

Section 3.1 Organization; Qualification. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to conduct the business in which it is currently engaged and to own or hold under lease its properties and to enter into and perform its obligations under the Operative Documents to which it is party. The Company is duly qualified to do business as a foreign corporation in good standing in each jurisdiction in which the nature and extent of the business conducted by it, or the ownership of its properties, requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the consolidated financial condition of the Company and its subsidiaries, considered as a whole or its ability to observe or perform its obligations and agreements under the Operative Documents.

Section 3.2 Corporate Authorization. The Company has taken, or caused to be taken, all necessary corporate action (including, without limitation, the obtaining of any consent or approval of stockholders required by its Certificate of Incorporation or By-Laws) to authorize the execution and delivery of each of the Operative Documents to which it is party, and the performance of its obligations thereunder.

Section 3.3 No Violation. The execution and delivery by the Company of the Operative Documents to which it is party, the performance by the Company of its obligations thereunder and the consummation by the Company on the Closing Date of the transactions contemplated thereby, do not and will not (a) violate any provision of the Certificate of Incorporation or By-Laws of the Company, (b) violate any law applicable to or binding on the Company or (c) violate or constitute any default under (other than any violation or default that would not have a material adverse effect on the consolidated financial condition of the Company and its subsidiaries, considered as a whole or its ability to observe or perform its obligations and agreements under the Operative Documents), or result in the creation of any Lien (other than a Permitted Lien) upon the Pledged Spare Parts under, any material indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, lease, loan or other material agreement, instrument or document to which the Company is a party or by which the Company or any of its properties is bound.

Section 3.4 Approvals. The execution and delivery by the Company of the Operative Documents to which the Company is a party, the performance by the Company of its obligations thereunder and the consummation by the Company on the Closing Date of the transactions contemplated thereby do not and will not require the consent or approval of, or the giving of notice to, or the registration with, or the recording or filing of any documents with, or the taking of any other action in respect of, (a) any trustee or other holder of any debt of the Company and (b) any Government Entity, other than (i) the filing of the FAA Filed Documents (with the FAA) and the Financing Statements in respect of the Spare Parts Collateral (and continuation statements relating thereto at periodic intervals), (ii) filings, recordings, notices or other ministerial actions pursuant to any routine recording, contractual or regulatory requirements applicable to it, and (iii) consents, approvals, notices, registrations, recordings, filings, or other actions, which, if not obtained, given, made or taken, as the case may be, would not have a material adverse effect on the consolidated financial condition of the Company and its subsidiaries, considered as a whole or its ability to observe or perform its obligations and agreements under the Operative Documents.

Section 3.5 Valid and Binding Agreements. The Operative Documents to which the Company is a party have been duly authorized, executed and delivered by the Company and, assuming the due authorization, execution and delivery thereof by the other party or parties thereto, constitute the legal, valid and binding obligations of the Company and are enforceable against the Company in accordance with the respective terms thereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity, whether considered in a proceeding at law or in equity.

Section 3.6 Registration and Recordation. Except for (a) the filing for recordation (and recordation) of the FAA Filed Documents with the FAA, and (b) the filing of the Financing Statements in respect of the Spare Parts Collateral (and continuation statements relating thereto at periodic intervals), no further action, including any filing or recording of any document (including any financing statement in respect thereof under Article 9 of the UCC), is necessary in order to establish and perfect the Security Agent's security interest created herein with respect to the Pledged Spare Parts, the Warranty Rights, and the Spare Parts Documents as against the Company and any other Person, in each case, in any applicable jurisdictions in the United States.

Section 3.7 The Company's Location. The Company's location (as such term is used in Section 9-307 of the UCC) is Delaware. The full and correct legal name and mailing address of the Company are correctly set forth in Section 9.5 hereof.

Section 3.8 Compliance with Laws. (a) The Company is a Citizen of the United States and a U.S. Air Carrier.

(b) The Company holds all licenses, permits and franchises from the appropriate Government Entities necessary to authorize the Company to lawfully engage in air transportation and to carry on scheduled commercial passenger service as currently conducted, except where the failure to so hold any such license, permit or franchise would not have a material adverse effect on the consolidated financial condition of the Company and its subsidiaries, considered as a whole or its ability to observe or perform its obligations and agreements under the Operative Documents.

(c) 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.

Section 3.9 Broker's Fees. No Person acting on behalf of the Company is or will be entitled to any broker's fee, commission or finder's fee in connection with the transactions pursuant to the Operative Documents on the Closing Date, other than the fees and expenses payable by the Company in connection with the sale of the Class A Notes.

Section 3.10 Section 1110. The Security Agent, as agent for the Trustee, is entitled to the benefits of Section 1110 with respect to the Pledged Spare Parts subject to the Lien hereof. The Pledged Spare Parts constitute "spare parts" or "appliances" within the meaning of Section 40102 of Title 49 of the United States Code.

Section 3.11 Security Interest. This Spare Parts Security Agreement creates in favor of the Security Agent, for the benefit of the Holders and the Indemnitees, a valid and perfected Lien on the Spare Parts Collateral purported to be covered hereby, subject to no equal or prior Lien, except Permitted Liens. There are no Liens of record with the FAA on the Spare Parts Collateral that are equal or prior to the Lien of the this Spare Parts Security Agreement.

ARTICLE IV

COVENANTS

Section 4.1 Notice of Change of Location. The Company will give the Security Agent timely written notice (but in any event within 30 days prior to the expiration of the period of time specified under applicable law to prevent lapse of perfection) of any change in its location (as such term is used in Section 9-307 of the UCC) or legal name and will promptly take any action required by Section 4.4(c) hereof as a result of such relocation.

Section 4.2 Use, Possession and Designated Locations. (a) Subject to Article III of the Collateral Maintenance Agreement, the Company shall have the right, at any time

and from time to time at its own cost and expense, without any release from or consent by the Security Agent, to deal with the Pledged Spare Parts in any manner consistent with the Company's ordinary course of business, including without limitation any of the following:

(i) to incorporate in, install on, attach or make appurtenant to, or use in, any Aircraft, Engine, Spare Part, or Appliance, in each case leased to or owned by the Company (whether or not subject to any Lien), any Pledged Spare Part, free from the Lien of this Spare Parts Security Agreement;

(ii) to dismantle any Pledged Spare Part that has become worn out, unfit for use, not reasonably or economically repairable, or obsolete (operationally, economically or otherwise), and to sell or dispose of any such Pledged Spare Part or any salvage resulting from such dismantling of a Pledged Spare Part, free from the Lien of this Spare Parts Security Agreement; and

(iii) to transfer any or all of the Pledged Spare Parts located at one or more Designated Locations to one or more other Designated Locations or to one or more locations which are not Designated Locations.

(b) The Company shall keep the Pledged Spare Parts at one or more of the Designated Locations, except as otherwise permitted under Section 4.2(a) or 4.3 of this Spare Parts Security Agreement or under the Collateral Maintenance Agreement. If and whenever the Company shall wish, or shall be required pursuant to Section 3.9 of the Collateral Maintenance Agreement, to add a location as a Designated Location, the Company will furnish to the Security Agent (with a copy to each Rating Agency and the Class A Liquidity Provider) the following:

(i) a Supplemental Security Agreement duly executed by the Company, identifying each location that is to become a Designated Location for purposes of this Spare Parts Security Agreement;

(ii) an Opinion of Counsel, dated the date of execution of said Supplemental Security Agreement, stating that said Supplemental Security Agreement has been duly filed for recording in accordance with the provisions of the Federal Aviation Act, and either: (a) no other filing or recording is required in any other place within the United States in order to perfect the Lien of this Spare Parts Security Agreement on the Pledged Spare Parts held at the Designated Locations specified in such Supplemental Security Agreement under the laws of the United States, or (b) if any such other filing or recording shall be required, that said filing or recording has been accomplished in such other manner and places, which shall be specified in such Opinion of Counsel, as are necessary to perfect the Lien of this Spare Parts Security Agreement; and

(iii) an Officers' Certificate stating that in the opinion of the Officers executing the Officers' Certificate, all conditions precedent provided for in this Spare Parts Security Agreement relating to the subjection of such property to the Lien of this Spare Parts Security Agreement have been complied with.

(c) The Company's right to rely upon Section 4.2(a) hereof will be conditioned upon (i) the Company delivering the Nonappraisal Compliance Reports to the Security Agent containing the certification described in Section 3 of the form of Nonappraisal Compliance Report attached as Appendix III to the Collateral Maintenance Agreement and (ii) the continued attachment of the Lien of this Spare Parts Security Agreement to newly acquired Pledged Spare Parts and Pledged Spare Parts that have been removed from the Company's Aircraft, Engines, and other Spare Parts and Appliances.

Section 4.3 Permitted Sale or Dispositions. (a) So long as no Event of Default has occurred and is continuing, the Company may sell, transfer or dispose of Pledged Spare Parts free from the Lien of the Spare Parts Security Agreement, subject to the provisions of the Collateral Maintenance Agreement.

(b) No purchaser in good faith of property purporting to be transferred pursuant to Section 4.2(a)(ii) or 4.3(a) hereof shall be bound to ascertain or inquire into the authority of the Company to make any such transfer, free and clear of the Lien of this Spare Parts Security Agreement. Any instrument of transfer executed by the Company under Section 4.2(a)(ii) or 4.3(a) hereof shall be sufficient for the purposes of this Spare Parts Security Agreement and shall constitute a good and valid release, assignment and transfer of the property therein described free from any right, title or interest of the Security Agent and the Lien of this Spare Parts Security Agreement.

Section 4.4 Certain Assurances. (a) The Company shall duly execute, acknowledge and deliver, or shall cause to be executed, acknowledged and delivered, all such further agreements, instruments, certificates or documents, and shall do and cause to be done such further acts and things, in any case, as Security Agent shall reasonably request in writing for accomplishing the purposes of this Spare Parts Security Agreement, provided that any instrument or other document so executed by the Company will not increase any obligations or limit any rights or benefits of the Company in respect of the transactions contemplated by any Operative Document.

(b) The Company shall promptly take such action with respect to the recording, filing, re-recording and refiling of this Spare Parts Security Agreement and any amendments or supplements thereto, as shall be necessary to continue the perfection and priority of the Lien created by this Spare Parts Security Agreement.

(c) The Company, at its sole cost and expense, will cause the FAA Filed Documents, the Financing Statements in respect of the Spare Parts Collateral and all continuation statements (and any amendments necessitated by any consolidation or merger of the Company, any conveyance or transfer of all or substantially all of the assets of the Company, or any change of the Company's location) in respect of the Financing Statements in respect of the Spare Parts Collateral to be prepared and, subject only to the execution and delivery thereof by Security Agent, duly and timely filed and recorded, or filed for recordation, to the extent permitted under the Federal Aviation Act (with respect to the FAA Filed Documents) or the UCC or similar law of any other applicable jurisdiction (with respect to such other documents).

Section 4.5 Obligations Under Other Operative Documents. The Company agrees to perform and observe all of the agreements, covenants and obligations of the Company set forth in the Indenture, the Notes, the Collateral Maintenance Agreement, and the other Operative Documents and confirms that the Indenture, the Notes, the Collateral Maintenance Agreement, this Spare Parts Security Agreement, and the other Operative Documents constitute the collective agreement of the Company with respect to the subject matter hereof (it being understood that nothing in this Section 4.5 shall restrict the ability to amend or supplement, or waive compliance with, any Operative Document in accordance with its terms).

ARTICLE V

INSURANCE

Section 5.1 Application of Insurance Proceeds. (a) As between the Company and the Security Agent, all insurance proceeds up to the Debt Balance paid under policies required to be maintained by the Company pursuant to paragraph (b) of Appendix IV to the Collateral Maintenance Agreement as a result of the occurrence of an Event of Loss with respect to any Pledged Spare Parts involving proceeds in excess of the Threshold Amount will be paid to the Security Agent. All losses or damages with respect to any Pledged Spare Parts shall be adjusted by the Company and its insurers. If either the Security Agent or the Company receives a payment of such insurance proceeds in excess of its entitlement pursuant to this Section 5.1, it shall promptly pay such excess to the other. At any time or from time to time after the receipt by the Security Agent of insurance proceeds, upon submission to the Security Agent of an Officers' Certificate stating that the Company has after the occurrence of such Event of Loss purchased additional Qualified Spare Parts that are located at a Designated Location, and stating the aggregate purchase price for such additional Qualified Spare Parts, the Security Agent shall pay the amount of such purchase price, up to the amount of such insurance proceeds not previously disbursed pursuant to this sentence or otherwise distributed under the Indenture in accordance with its terms, to the Company or its designee. Any insurance

proceeds described in this Article V that are being held by the Security Agent shall be invested pursuant to Article VII hereof.

(b) All proceeds of insurance required to be maintained by the Company in accordance with the Collateral Maintenance Agreement in respect of any property damage or loss involving proceeds of the Threshold Amount or less or not constituting an Event of Loss with respect to any Pledged Spare Parts and insurance proceeds in excess of the Debt Balance shall be paid over to, and retained by, the Company.

Section 5.2 Application of Payments During Existence of a Special Default or Event of Default. Any amount described in this Article V that is payable or creditable to, or retainable by, the Company shall not be paid or credited to, or retained by, the Company if at the time such payment, credit or retention would otherwise occur a Special Default or Event of Default shall have occurred and be continuing, but shall instead be held by or paid over to the Security Agent as security for the obligations of the Company under this Spare Parts Security Agreement and shall be invested pursuant to Article VII hereof. At such time as there shall not be continuing any Special Default or Event of Default, such amount and any gains thereon shall be paid to the Company to the extent not previously applied in accordance with this Spare Parts Security Agreement or the Indenture, as applicable; provided that if any such amount has been so held by the Security Agent as security for more than 180 days after any such Special Default or Event of Default has occurred, during which period (i) the Security Agent shall not have been limited by operation of law or otherwise from exercising remedies under this Spare Parts Security Agreement and (ii) the Security Agent shall not have exercised any remedy available to it under Section 6.1 hereof, then such amount shall be paid to the Company.

ARTICLE VI

REMEDIES

Section 6.1 Remedies. (a) If an Event of Default shall have occurred and be continuing and so long as the same shall continue unremedied and the Notes shall have been Accelerated or are otherwise due and payable, then and in every such case the Security Agent may exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to this Article VI, and shall have and may exercise all of the rights and remedies of a secured party under Article 9 of the UCC, and in furtherance thereof may take possession of all or any part of the Spare Parts Collateral covered or intended to be covered by the Lien created hereby or pursuant hereto, may exclude the Company and all persons claiming under it wholly or partly therefrom and may sell, lease, or otherwise dispose of the Spare Parts Collateral as a whole or from time to time in part; provided, that the Security Agent shall give the Company 30 days' prior written notice of its intention to sell, lease, or otherwise dispose of any Spare Parts Collateral. Without limiting any of the foregoing, it is understood and agreed that the Security Agent may

exercise any right of sale, lease or other disposition of any Spare Parts Collateral available to it, even though it shall not have taken possession of such Spare Parts Collateral and shall not have possession thereof at the time of such sale, lease or disposition.

(b) If an Event of Default shall have occurred and be continuing and the Notes shall have been Accelerated or are otherwise due and payable, at the request of the Security Agent, the Company shall assemble the Spare Parts Collateral and make it available to the Security Agent at the Designated Locations and shall promptly execute and deliver to the Security Agent such instruments of title and other documents as the Security Agent may deem necessary or advisable to enable the Security Agent or an agent or representative designated by the Security Agent, at such time or times and place or places as the Security Agent may specify, to obtain possession of all or any part of the Spare Parts Collateral to which the Security Agent shall at the time be entitled hereunder. If the Company shall for any reason fail to execute and deliver such instruments and documents after such request by the Security Agent, the Security Agent may, to the extent permitted by applicable law, (i) seek to obtain a judgment conferring on the Security Agent the right to immediate possession and requiring the Company to execute and deliver such instruments and documents to the Security Agent, to the entry of which judgment the Company hereby specifically consents to the fullest extent permitted by law, or (ii) pursue all or part of such Spare Parts Collateral wherever it may be found and may enter any of the premises of the Company wherever such Spare Parts Collateral may be or are supposed to be and search for such Spare Parts Collateral and take possession of and remove such Spare Parts Collateral. 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 Security Agreement.

(c) Upon every such taking of possession, the Security Agent may, from time to time, at the expense of the Spare Parts Collateral, make all such expenditures for maintenance, use, operation, storage, insurance, leasing, control, management, disposition, modifications or alterations to and of the Spare Parts Collateral, as it may deem proper. In each such case, the Security Agent shall have the right to maintain, use, operate, store, insure, lease, control, manage, dispose of, modify or alter the Spare Parts Collateral and to exercise all rights and powers of the Company relating to the Spare Parts Collateral, as the Security Agent shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, insurance, leasing, control, management, disposition, modification or alteration of the Spare Parts Collateral or any part thereof as the Security Agent may determine, and the Security Agent shall be entitled to collect and receive directly all rents, revenues and other proceeds of the Spare Parts Collateral and every part thereof, without prejudice, however, to the right of the Security Agent under any provision of this Spare Parts Security Agreement to collect and receive all cash held by, or required to be deposited with, the Security Agent hereunder. Such rents, revenues and other proceeds shall be

applied, subject to Section 6.2 hereof, to pay the expenses of the maintenance, use, operation, storage, insurance, leasing, control, management, disposition, modification or alteration of the Spare Parts Collateral and of conducting the business thereof, and to make all payments which the Security Agent may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Spare Parts Collateral or any part thereof (including the employment of engineers and accountants to examine, inspect and make reports upon the Pledged Spare Parts and Spare Parts Documents), and all other payments which the Security Agent may be required or expressly authorized to make under any provision of this Spare Parts Security Agreement, as well as just and reasonable compensation for the services of the Security Agent, and of all persons properly engaged and employed by the Security Agent with respect hereto. The Company shall be liable for all legal fees and other costs and expenses incurred by the Security Agent in connection with any Event of Default or the exercise of remedies hereunder with respect thereto, including all costs and expenses incurred in connection with the repossession of all or any part of the Spare Parts Collateral in accordance with the terms hereof or under applicable law, which amounts shall, until paid, be secured by the Lien of this Spare Parts Security Agreement.

(d) Each of the Holders shall be entitled, at any sale pursuant to this Section 6.1, to credit against any purchase price bid at such sale by such Holder all or any part of the unpaid obligations owing to such Holder under the Operative Documents and secured by the Lien of this Spare Parts Security Agreement (but only to the extent that such purchase price would have been paid to such Holder pursuant to Section 3.2 of the Indenture if such purchase price were paid in cash and the foregoing provisions of this subsection (d) were not given effect).

(e) In the event of any sale of the Spare Parts Collateral, 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 Spare Parts Security Agreement, the aggregate unpaid principal amount of all Notes then outstanding, together with accrued but unpaid interest thereon, and other amounts due thereunder (but, for the avoidance of doubt, without any Make-Whole Amount or other premium), shall immediately become due and payable without presentment, demand, protest or notice, all of which are hereby waived.

(f) Except as set forth in Section 9.6(b), as provided in Section 3.9(a) of the Indenture, if no Event of Default has occurred and is continuing, in taking, or refraining from taking, any action under this Security Agreement, the Security Agent, as agent for the Trustee, shall be directed by the Trustee, and after the occurrence and during the continuation of an Event of Default, in taking, or refraining from taking, any action under this Security Agreement pursuant to the exercise of remedies under this Article VI, the Security Agent shall be directed by the Controlling Party.

(g) After the occurrence and during the continuation of an Event of Default, and if the Notes shall have been Accelerated or are otherwise due or payable, the Company agrees to provide to the Security Agent all necessary access to the Spare Parts Collateral in order to permit the Security Agent or its authorized representatives to inspect the Spare Parts Collateral.

Section 6.2 Application of Proceeds. If, in the case of the happening of any Event of Default or Acceleration, the Security Agent shall exercise any of the powers conferred upon it by Section 6.1 hereof, all payments made by the Company to the Security Agent hereunder after such Event of Default or Acceleration, and the proceeds of any judgment collected by the Security Agent hereunder, and the proceeds of every sale, lease or other disposition by the Security Agent hereunder of any part or the whole of the Spare Parts Collateral, together with any other monies which may then be held by the Security Agent under any of the provisions hereof, shall be applied by the Security Agent in the manner set forth in Section 7.11 of the Indenture.

After all such payments shall have been made in full, the Lien of this Spare Parts Security Agreement with respect to any part or the whole of the Spare Parts Collateral remaining unsold and abandoned by the Security Agent shall be released. If after applying all such sums of money realized by the Security Agent as aforesaid there shall remain any due and unpaid Obligations owing by the Company, the Company agrees to pay the amount of such deficit to the Security Agent for application in accordance with the Indenture.

Section 6.3 Obligations of Company Not Affected by Remedies. No retaking of possession of part or the whole of the Spare Parts Collateral by the Security Agent, nor any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Company or in respect of the Spare Parts Collateral, on the part of the Security Agent, the Controlling Party or the Holder of any Notes, nor any delay or indulgence granted to the Company by the Security Agent, the Controlling Party or any such Holder, shall affect the obligations of the Company hereunder, except that the Company shall not be required to comply with its obligations hereunder with respect to any Spare Parts Collateral to the extent that the possession of such Spare Parts Collateral has been retaken by the Security Agent, or such Spare Parts Collateral has been withdrawn, leased or sold by the Security Agent.

Section 6.4 Remedies Cumulative. No right, power or remedy herein conferred upon or reserved to the Security Agent is intended to be exclusive of any other right, power or remedy conferred upon or reserved to any one or more of them and every right, power and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right, power and remedy given hereunder or under the Indenture or the other Operative Documents or now or hereafter existing at law or in equity or otherwise

(including, without limitation, under the UCC as in effect in any applicable jurisdiction) and, to the extent permitted by applicable law, may be exercised from time to time and as often and in such order as may be deemed expedient by the Security Agent, to the extent such right, power or remedy has been conferred upon or reserved to it. To the extent permitted by applicable law, the exercise by the Security Agent of any right, power or remedy shall not be construed as a waiver of the right of the Security Agent to exercise at the same time or thereafter any other right, power or remedy, nor as an election precluding exercise at the same time or thereafter of any alternative right, power or remedy.

Section 6.5 Discontinuance of Proceedings. In case the Security Agent shall have instituted any proceeding to enforce any right, power or remedy under this Spare Parts Security Agreement by foreclosure, entry of judgment or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Security Agent, then and in every such case the Company and the Security Agent shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Spare Parts Collateral, and all rights, remedies and powers of the Company or the Security Agent, as the case may be, shall continue as if no such proceedings had been instituted.

Section 6.6 Waiver of Past Defaults. So long as an Event of Default has occurred and is continuing, upon written instruction from the Controlling Party, the Security Agent shall waive any past Default hereunder and its consequences and upon any such waiver such Default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Spare Parts Security Agreement, the other Operative Documents, and the Support Documents, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.7 Security Agent Authorized to Execute Bills of Sale, Etc. To the extent permitted by applicable law, the Company irrevocably appoints, while an Event of Default has occurred and is continuing, the Security Agent the true and lawful attorney-in-fact of the Company (which appointment is coupled with an interest) in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of the Lien of this Spare Parts Security Agreement, whether pursuant to foreclosure or power 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. Nevertheless, if so requested by the Security Agent or any purchaser, the Company shall ratify and confirm any such sale, assignment, transfer or delivery, by executing and delivering to the Security Agent or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be reasonably designated in any such request.

ARTICLE VII

CASH COLLATERAL

Section 7.1 Maintaining the Cash Collateral. So long as any Obligation of the Company under the Indenture or other Operative Document shall remain unpaid, the Company will maintain all Cash Collateral only with one or more Eligible Institutions in one or more Eligible Accounts (as defined below) other than the Collection Account or any Liquidity Facility Cash Collateral Account.

Section 7.2 Investing of Cash Collateral. (a) The Security Agent agrees that, notwithstanding anything to the contrary in this Spare Parts Security Agreement or the Indenture, (i) any Investment Securities and any investment earnings thereon shall be credited to an Eligible Account for which either the Security Agent or another Eligible Institution is the "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC) and the Security Agent is the "entitlement holder" (as defined in Section 8-102(a)(7) of the NY UCC) of the "securities entitlement" (as defined in Section 8-102(a)(17) of the NY UCC) with respect to each "financial asset" (as defined in Section 8-102(a)(9) of the NY UCC) credited to such Eligible Account, (ii) all such amounts, Investment Securities and all other property acquired with cash credited to such Eligible Account will be credited to such Eligible Account, (iii) all items of property (whether cash, investment property, Investment Securities, other investments, securities, instruments or other property) credited to any Eligible Account will be treated as a "financial asset" under Article 8 of the NY UCC, (iv) the "securities intermediary's jurisdiction" (as defined in Section 8-110(e) of the NY UCC) with respect to such Eligible Account is the State of New York, and (v) all securities, instruments and other property in order or registered form and credited to an Eligible Account shall be payable to or to the order of, or registered in the name of, the applicable securities intermediary or shall be indorsed to such securities intermediary or in blank, and in no case whatsoever shall any financial asset credited to such Eligible Account be registered in the name of the Company, payable to or to the order of the Company or specially indorsed to the Company except to the extent the foregoing have been specially endorsed by the Company to such securities intermediary or in blank. The Security Agent agrees that it will hold (and will indicate clearly in its books and records that it holds) its "securities entitlement" to the "financial assets" credited to any Eligible Account in trust for the benefit of the Holders, the Indemnitees and the Trustee. The Company acknowledges that, by reason of the Security Agent being the "entitlement holder" in respect of such Eligible Account as provided above, the Security Agent shall have the sole right and discretion, subject only to the terms of this Security Agreement and the Indenture, to give all "entitlement orders" (as defined in Section 8-102(a)(8) of the NY UCC) with respect to such Eligible Account and any and all financial assets and other property credited thereto to the exclusion of the Company.

(b) From time to time the Security Agent will (a) invest, or direct the applicable Eligible Institution to invest, amounts received with respect to the applicable Cash Collateral in such Investment Securities as the Company may select and (b) invest or direct the applicable Eligible Institution to invest interest paid on the Investment Securities referred to in clause (a) above, and reinvest other proceeds of any such Investment Securities that may mature or be sold, in each case in such Investment Securities credited in the same manner. Interest and proceeds that are not invested or reinvested in Investment Securities as provided above shall be deposited and held as Spare Parts Collateral in the applicable Eligible Account.

(c) The Security Agent may sell or direct any Eligible Institution to sell any Investment Securities as the Company may direct and the proceeds of such a sale may be retained by the Security Agent as Spare Parts Collateral hereunder.

Section 7.3 Release of Cash Collateral. (a) Upon written request by the Company to the Security Agent after notice of redemption of the most senior Class of Notes then Outstanding has been given to Holders pursuant to Article IV of the Indenture, the Security Agent shall deliver to the Trustee for deposit in the Collection Account Cash Collateral then held by the Security Agent up to the amount required to pay amounts due with respect to the Notes to be redeemed on the applicable Redemption Date; provided that as a condition of such delivery of Cash Collateral, each of the Class A Collateral Ratio and Class B Collateral Ratio (in each case recalculated after giving effect to such redemption and application of Cash Collateral and, if applicable, other actions by the Company pursuant to Section 3.1(a) of the Collateral Maintenance Agreement, but otherwise using the information used to determine the Class A Collateral Ratio and the Class B Collateral Ratio set forth in the most recently delivered Appraisal Compliance Report) shall be less than or equal to the Maximum Class A Collateral Ratio or Maximum Class B Collateral Ratio, as applicable.

(b) If any Appraisal Compliance Report demonstrates that the Class A Collateral Ratio is less than the Maximum Class A Collateral Ratio and the Class B Collateral Ratio is less than the Maximum Class B Collateral Ratio, and the Security Agent holds any Cash Collateral, upon written request of the Company received by the Security Agent on or within five Business Days after the receipt by it of such Appraisal Compliance Report and provided that at such time no Event of Default shall have occurred and be continuing, the Security Agent shall pay to the Company an amount of the Cash Collateral such that the Class A Collateral Ratio would not be greater than the Maximum Class A Collateral Ratio and the Class B Collateral Ratio would not be greater than the Maximum Class B Collateral Ratio after giving effect to such payment (but otherwise using the information set forth in such Appraisal Compliance Report).

Section 7.4 Information to the Trustee. Upon request from the Trustee, the Security Agent shall provide the Trustee with such information concerning the Cash Collateral as the Trustee may request.

ARTICLE VIII

SECURITY AGENT

Section 8.1 Security Agent. USBT has been appointed pursuant to the Indenture as the Security Agent for the Trustee with respect to this Spare Parts Security Agreement. The Security Agent shall be obligated, and shall have the right, hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release of Spare Parts Collateral) solely in accordance with this Spare Parts Security Agreement and the Indenture. The Security Agent agrees to and shall have the benefit of all provisions of the Indenture and the other Operative Documents stated therein to be applicable to the Security Agent.

Section 8.2 Replacement of Security Agent. (a) If USBT or a successor Trustee under the Indenture resigns as Trustee under the Indenture or is otherwise no longer the Trustee under the Indenture, USBT or such successor Trustee, as the case may be, shall resign and be replaced as Security Agent hereunder by the institution acting as successor Trustee under the Indenture as promptly as practicable, in accordance with this Section 8.2.

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

(c) No resignation or removal of the Security Agent and no appointment of a successor Security Agent pursuant to this Section 8.2 shall become effective until the

acceptance of appointment by the successor Security Agent under this Section 8.2. If a successor Security Agent does not take office within 60 days after the retiring Security Agent resigns or is removed, the retiring Security Agent, the Company, the Class A Liquidity Provider, the Controlling Party or Holders of at least 10% in principal amount of any Class of Notes Outstanding may petition any court of competent jurisdiction for the appointment of a successor Security Agent.

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

(e) The Security 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 or the District of Columbia, and shall have a combined capital and surplus of at least $50,000,000 (or a combined capital and surplus in excess of $5,000,000 and the obligations of which, whether now in existence or hereinafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least $50,000,000), as set forth in its most recent, published annual report of condition. The Security Agent shall satisfy and comply with any applicable requirements of the TIA.

Section 8.3 Successor Security Agent by Merger, Etc. If the Security Agent consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another Person, the resulting, surviving, transferee, or successor Person shall be the successor of the Security Agent hereunder (provided that such Person shall be otherwise qualified and eligible under Article VIII hereof), without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 8.4 Appointment of Additional and Separate Security Agents. (a) Whenever (i) the Security Agent shall deem it necessary or desirable in order to conform to any law of any jurisdiction in which all or any part of the Spare Parts Collateral shall be situated or to make any claim or bring any suit with respect to or in connection with the Spare Parts Collateral, any Operative Document or any of the transactions contemplated by the Operative Documents, (ii) the Security Agent shall be advised by counsel satisfactory to it that it is necessary or prudent in the interests of the Holders (and the Security Agent shall so advise the Company), or (iii) the Security Agent shall have been requested to do so by the Controlling Party, then in any such case, the Security Agent and, upon the written request of the Security Agent, the Company, shall execute and deliver a supplemental security agreement 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 8.2(e) and approved by the Security Agent, either to act jointly with the Security Agent as additional trustee or trustees of all or any part of the Spare Parts Collateral or to act as separate trustee or trustees of all or any part of the Spare Parts Collateral, in each case with such rights, powers, duties and obligations consistent with this Spare Parts Security Agreement as may be provided in such supplemental security agreement or other instruments as the Security Agent or the Trustee may deem necessary or advisable, or (2) to clarify, add to or subtract from the rights, powers, duties and obligations theretofore granted any such additional or separate trustee, subject in each case to the remaining provisions of this Section 8.4. If no Event of Default has occurred and is continuing, no additional or supplemental security agent shall be appointed without the Company's consent. If the Company shall not have taken any action requested of it under this Section 8.4(a) that is required by its terms within 15 days of a written request from the Security Agent to do so, or if an Event of Default shall have occurred and be continuing, the Security Agent may act under the foregoing provisions of this Section 8.4(a) without the concurrence of the Company, and the Company hereby irrevocably appoints (which appointment is coupled with an interest) the Security Agent as its agent and attorney-in-fact to act for it under the foregoing provisions of this Section 8.4(a). The Security Agent may, in such capacity, execute, deliver and perform any such supplemental security agreement, or any such instrument, as may be required for the appointment of any such additional or separate security agent or for the clarification of, addition to or subtraction from the rights, powers, duties or obligations theretofore granted to any such additional or separate security agent, subject in each case to the remaining provisions of this Section 8.4. In case any additional or separate security agent appointed under this Section 8.4(a) shall become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional or separate security agent shall revert to the Security Agent until a successor additional or separate security agent is appointed as provided in this Section 8.4(a).

(b) No additional or separate security agent shall be entitled to exercise any of the rights, powers, duties and obligations conferred upon the Security Agent in respect of the custody, investment and payment of monies and all monies received by any such additional or separate security agent from or constituting part of the Spare Parts Collateral or otherwise payable under any Operative Documents to the Security Agent shall be promptly paid over by it to the Security Agent. All other rights, powers, duties and obligations conferred or imposed upon any additional or separate trustee shall be exercised or performed by the Security Agent and such additional or separate security agent jointly except to the extent that applicable law of any jurisdiction in which any particular act is to be performed renders the Security Agent incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations (including the holding of title to all or part of the Spare Parts Collateral in any such jurisdiction) shall be exercised and performed by such additional or separate security agent. No additional or separate security agent shall take any discretionary action except on the

instructions of the Security Agent or the Trustee. No security agent hereunder shall be personally liable by reason of any act or omission of any other security agent hereunder, except that the Security Agent shall be liable for the consequences of its lack of reasonable care in selecting, and the Security Agent's own actions in acting with, any additional or separate security agent. Each additional or separate security agent appointed pursuant to this Section 8.4 shall be subject to, and shall have the benefit of Article IV, Article V, Article VI, Article VIII and Article IX hereof insofar as they apply to the Security Agent. The powers of any additional or separate security agent appointed pursuant to this Section 8.4 shall not in any case exceed those of the Security Agent hereunder.

(c) If at any time the Security Agent shall deem it no longer necessary or desirable to continue the appointment of any additional or separate security agent or in the event that the Security Agent shall have been requested to do so in writing by the Controlling Party, the Security Agent and, upon the written request of the Security Agent, the Company, shall execute and deliver a supplemental security agreement and all other instruments and agreements necessary or proper to remove any additional or separate security agent. The Security Agent may act on behalf of the Company under this Section 8.4(c) when and to the extent it could so act under Section 8.4(a) hereof. The Company may remove an additional or separate security agent if:

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

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

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

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

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

ARTICLE IX

MISCELLANEOUS

Section 9.1 Termination. The Company agrees that this is a continuing agreement and shall remain in full force and effect until the discharge of obligations of the Company and the Trustee under the Indenture and the Notes pursuant to Article IX of the Indenture, at which time the Security Agent shall have no further interest in and to the Spare Parts Collateral and will promptly release all of the Security Agent's interest in and to the Spare Parts Collateral, including any cash and/or Investment Securities held in

accordance with the terms of this Spare Parts Security Agreement. The Security Agent shall acknowledge the termination of this Spare Parts Security Agreement and the release of the Spare Parts Collateral by executing and delivering to the Company such instruments to the foregoing effect as the Company shall reasonably request, at the sole cost and expense of the Company.

Section 9.2 Benefits of Security Agreement Restricted. Subject to the provisions of Section 9.9 hereof, nothing in this Spare Parts Security Agreement or the Notes, express or implied, shall give or be construed to give to any Person, other than the parties hereto, the Controlling Party, the Holders, the Trustee and, in the case of Sections 2.1, 4.2, 4.5, 5.1, 5.2, 9.1, 9.2, 9.6 and Articles III and VI, the Class A Liquidity Provider, any legal or equitable right, remedy or claim under or in respect of this Spare Parts Security Agreement or under any covenant, condition or provision herein contained, all such covenants, conditions and provisions, subject to Section 9.9 hereof, being for the sole benefit of the parties hereto, the Controlling Party, the Holders, the Trustee, and, in the case of Sections 2.1, 4.2, 4.5, 5.1, 5.2, 9.1, 9.2, 9.6 and Articles III and VI, the Class A Liquidity Provider.

Section 9.3 Certificates and Opinions of Counsel; Statements to be Contained Therein; Basis Therefor. Upon any application or Request by the Company to the Security Agent to take any action under any of the provisions of this Spare Parts Security Agreement, the Company shall furnish to the Security Agent an Officers' Certificate and an Opinion of Counsel in compliance with, but only if required by, Sections 12.4 and/or 12.5 of the Indenture.

Section 9.4 Appraiser's Certificate. Unless otherwise specifically provided, an Independent Appraiser's Certificate shall be sufficient evidence of the Appraised Value and Fair Market Value to the Company of any property under this Spare Parts Security Agreement.

Section 9.5 Notices; Waiver. (a) Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Spare Parts Security Agreement to be made upon, given or furnished to, or filed with

(i) the Company shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Company at American Airlines, Inc., 4333 Amon Carter Boulevard, Fort Worth, Texas 76155, Attention: Treasurer, or such other then-current address furnished in writing to the Security Agent by the Company, or

(ii) the Security Agent shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Security Agent at the Corporate Trust Office, or such other then-current address furnished in writing to

the Company by the Security Agent.

(b) Any such delivery shall be deemed made on the date of receipt by the addressee of such delivery or of refusal by such addressee to accept delivery.

Section 9.6 Amendments, Etc. This Spare Parts Security Agreement may be amended or supplemented, and compliance with any obligation in this Spare Parts Security Agreement may be waived:

(a) as provided in Article X of the Indenture; and

(b) by written agreement of the Company and the Security Agent, without the consent of the Trustee, the Controlling Party, any Liquidity Provider or any Holder, for any of the following purposes: (i) to convey, transfer, assign, mortgage or pledge any property to or with the Security Agent; (ii) to correct or amplify the description of any property at any time subject to the Lien of this Spare Parts Security Agreement or better to assure, convey and confirm unto the Security Agent any property subject or required to be subject to the Lien of this Spare Parts Security Agreement; (iii) to add any location as a Designated Location; (iv) to add to the covenants of the Company for the benefit of the Security Agent, the Trustee, the Liquidity Providers or the Holders, or to surrender any rights or power herein conferred upon the Company; (v) to cure any ambiguity, defect, mistake, or inconsistency; or (vi) to accomplish any of the matters described in Section 10.1 of the Indenture.

If, in the opinion of the institution acting as Security Agent hereunder, any document required to be executed by it pursuant to the terms of Section 9.6 hereof affects any right, duty, immunity or indemnity with respect to such institution under this Spare Parts Security Agreement, such institution may in its discretion decline to execute such document.

Section 9.7 No Waiver. With respect to each party hereto, no failure on the part of such party to exercise, and no delay in exercising any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. To the extent permitted by applicable law, failure by the Security Agent at any time or times hereafter to require strict performance by the Company or any other Person with any of the provisions, warranties, terms or conditions contained herein shall not waive, affect or diminish any right of the Security Agent at any time or times hereafter to demand strict performance thereof, and such right shall not be deemed to have been modified or waived by any course of conduct or knowledge of the Security Agent or any agent, officer or employee of the Security Agent.

Section 9.8 Conflict with Trust Indenture Act of 1939. It is intended that this Spare Parts Security Agreement will become subject to the TIA. If any provision hereof limits, qualifies or conflicts with a provision of the TIA that is required by the TIA to be a part of and govern this Spare Parts Security Agreement, then the provision of the TIA shall control. If any provision of this Spare Parts Security Agreement modifies or excludes any provision of the TIA that may be so modified or excluded, the provision of the TIA shall be deemed to apply to this Spare Parts Security Agreement as so modified, or to be excluded, as the case may be, whether or not such provision of this Spare Parts Security Agreement expressly refers to such provision of the TIA.

Section 9.9 Successors and Assigns. This Spare Parts Security Agreement and all obligations of the Company hereunder shall be binding upon the successors and permitted assigns of the Company, and shall, together with the rights and remedies of the Security Agent hereunder, inure to the benefit of the Security Agent and the Trustee, and their respective successors and permitted assigns. This Spare Parts Security Agreement and all obligations of the Security Agent and the Trustee hereunder shall be binding upon the successors and permitted assigns of the Security Agent and the Trustee, respectively, and shall, together with the rights and remedies of the Company hereunder, inure to the benefit of the Company, and its successors and permitted assigns. To the extent permitted by applicable law, the interest of the Company under this Spare Parts Security Agreement is not assignable, and any attempt to assign all or any portion of this Spare Parts Security Agreement by the Company shall be null and void except for an assignment in connection with a merger, consolidation or conveyance or transfer of all or substantially all the Company's assets permitted under the Indenture.

Section 9.10 GOVERNING LAW. THIS SPARE PARTS SECURITY AGREEMENT IS BEING DELIVERED IN THE STATE OF NEW YORK. THIS SPARE PARTS SECURITY 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 9.11 Effect of Headings. The Article and Section headings and the Table of Contents contained in this Spare Parts Security Agreement have been inserted for convenience of reference only, and are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Spare Parts Security Agreement.

Section 9.12 Counterpart Originals. This Spare Parts Security Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

Section 9.13 Severability. To the extent permitted by applicable law, the provisions of this Spare Parts Security Agreement are severable, and if any clause or provision shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect in that jurisdiction only such clause or provision, or part thereof, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Spare Parts Security Agreement in any jurisdiction.

Section 9.14 Survival Provisions. To the extent permitted by applicable law, notwithstanding any right of the Security Agent or any of the Holders to investigate the affairs of the Company, and notwithstanding any knowledge of facts determined or determinable by any of them pursuant to such investigation or right of investigation, all representations and warranties of the Company contained herein shall survive the execution and delivery of this Spare Parts Security Agreement.

Section 9.15 Bankruptcy. It is the intention of the parties that the Security Agent shall be entitled to the benefits of Section 1110 with respect to the right to take possession of the Pledged Spare Parts and to enforce any of its other rights or remedies as provided herein, in the Collateral Maintenance Agreement and in the other Operative Documents with respect to the Pledged Spare Parts in the event of a case under Chapter 11 of the Bankruptcy Code in which the Company is a debtor, in each case on behalf of the Trustee, and in any instance where more than one construction is possible of the terms and conditions hereof or any other pertinent Operative Document, each such party agrees, to the extent permitted by applicable law, that a construction which would preserve such benefits shall control over any construction which would not preserve such benefits.

Section 9.16 No Legal Title to Spare Parts Collateral in Noteholders. No Noteholder shall have legal title to any part of the Spare Parts Collateral. No transfer, by operation of law or otherwise, of any Note or other right, title and interest of any Noteholder in and to the Spare Parts Collateral or hereunder shall operate to terminate this Spare Parts Security Agreement 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 Spare Parts Collateral.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Spare Parts Security Agreement to be duly executed and delivered all as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Beverly K. Goulet

Name: Beverly K. Goulet
Title: Vice President, Corporate Development & Treasurer

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Security Agent

By: /s/ Alison D. B. Nadeau

Name: Alison D. B. Nadeau
Title Vice President

DESIGNATED LOCATIONS

#	LONG NAME	ADDRESS
1	AMERICAN AIRLINES, INC.	INTERNATIONAL AIRPORT 2200 SUNPORT BLVD SE ALBUQUERQUE, NM 87106
2	AMERICAN AIRLINES, INC.	ATTN SUPPLY SVCS SHOP ACM MAINTENANCE AND ENGR CENTER 3800 NO MINGO ROAD TULSA, OK 74116
3	AMERICAN AIRLINES, INC.	MTCE WAREHOUSE - STORES RECEIVING BLDG 11 MD 8250 2000 EAGLE PARKWAY FT WORTH, TX 76177
4	AMERICAN AIRLINES, INC.	ATTN: GARY LIBBY AUTO LC STORES RECEIVING BLDG 2 9200 NW 112TH STREET KANSAS CITY, MO 65153
5	AMERICAN AIRLINES, INC.	ACCESSARY LOAD CENTER STORES RECEIVING GROUND OPPS CTR 9200 NW 112TH STREET KANSAS CITY, MO 65153
6	AMERICAN AIRLINES, INC.	ATTN: STORES RECEIVING/ GREG NELSON RAMP LEVEL GATE T14 HARTSFIELD INTL AIRPORT ATLANTA, GA 30320
7	AMERICAN AIRLINES, INC.	ATTN: STORES DEPT. 3600 PRESIDENTIAL BLVD RMP LVL GATE 19 AUSTIN BERGSTROM INTL. AIRPORT AUSTIN , TX 78719
8	AMERICAN AIRLINES, INC.	STORES RECEIVING DEPARTMENT BRADLEY INTL AIRPORT STORES RECEIVING WINDSOR LOCKS, CT 06096

#	LONG NAME	ADDRESS
9	AMERICAN AIRLINES, INC.	JOHNSON CONTROLS 5900 AIRPORT HIGHWAY DOCK 42 BIRMINGHAM, AL 35212
10	AMERICAN AIRLINES, INC.	ATTN: STORES RECEIVING DEPARTMENT 931 AIRPORT SERVICE ROAD NASHVILLE, TN 37214
11	AMERICAN AIRLINES, INC.	STORES RECEIVING 100 AIRPORT ROAD LOGAN INTL AIRPORT EAST BOSTON, MA 02128
12	AMERICAN AIRLINES, INC.	SUPPLY RECEIVING 2627 NORTH HOLLYWOOD WAY BURBANK, CA 91505
13	AMERICAN AIRLINES, INC.	STORES RECEIVING DEPT. RAMP LEVEL GATE C7 ROLL UP DOOR BALTIMORE/WASHINGTON INTL. AIRPORT BALTIMORE, MD 21240
14	AMERICAN AIRLINES, INC.	MAINTENANCE AND ENGINEERING CENTER 3800 NORTH MINGO RD. TULSA, OK 74116
15	AMERICAN AIRLINES, INC.	ATTN: T SANCHEZ 6030 CARGO RD HOPKINS INTERNATIONAL AIRPORT CLEVELAND, OH 44135
16	AMERICAN AIRLINES, INC.	ATTN JIM PERKINS 6501 OLD DOWD ROAD CHARLOTTE, NC 28208
17	AMERICAN AIRLINES, INC.	PORT COLUMBUS INTRNTL AIRPORT 4600 INTRNTL GATEWAY COLUMBUS, OH 43219
18	AMERICAN AIRLINES, INC.	MAINTENANCE ENGINEERING ATTN SUPPLY SERVICES HGR 1 & 2 3800 N MINGO ROAD TULSA, OK 74116
19	AMERICAN AIRLINES, INC.	7770 EAST DRENNAN ROAD COLORADO SPRINGS MUNICIPAL ARPRT COLORADO SPRINGS, CO 80916

#	LONG NAME	ADDRESS
20	AMERICAN AIRLINES, INC.	CENTRAL TOOL ROOM STORES RECEIVING GROUND OPPS CTR 9200 NW 112TH STREET KANSAS CITY, MO 65153
21	AMERICAN AIRLINES, INC.	2015 W. NATIONAL RD. VANDALIA, OH 45377
22	AMERICAN AIRLINES, INC.	STORES RECEIVING DEPT. HANGER 3 REAGAN WASHINGTON NATIONAL AIRPORT WASHINGTON, DC 20001
23	AMERICAN AIRLINES, INC.	ATTN: AIRCRAFT SUPPLY DENVER INTERNATIONAL AIRPORT 9116 PENA BOULEVARD DENVER, CO 80249
24	AMERICAN AIRLINES, INC.	STORES DEPT. HANGAR 1 - RECEIVING DEPT. WEST 21ST STREET DALLAS-FORT WORTH AIRPORT, TX 75261-9047
25	AMERICAN AIRLINES, INC.	DES MOINES MUNICIPAL AIRPORT DES MOINES, IA 50321
26	AMERICAN AIRLINES, INC.	ATTN STORES RECEIVING BUILDING 610 METROPOLITAN AIRPORT DETROIT, MI 48242
27	AMERICAN AIRLINES, INC.	EAGLE COUNTY AIRPORT TERMINAL 0215 ELDON WILSON ROAD AIRCRAFT PARTS EAGLE, CO 81631
28	AMERICAN AIRLINES, INC.	HANGER/EHGJJ 2000 EAGLE PARKWAY FORT WORTH, TX 76177
29	AMERICAN AIRLINES, INC.	C/O ELP INTL AIRPORT INTL AIRPORT EL PASO, TX 79925
30	AMERICAN AIRLINES, INC.	GUARD POST E NEWARK INTERNATIONAL AIRPORT TERMINAL A NEWARK, NJ 07114

#	LONG NAME	ADDRESS
31	AMERICAN AIRLINES, INC.	5175 EAST CLINTON WAY FRESNO, CA 93727
32	AMERICAN AIRLINES, INC.	200 TERMINAL DRIVE FORT LAUDERDALE INTERNATIONAL AIRPORT FORT LAUDERDALE, FL 33315
33	AMERICAN AIRLINES, INC.	4200 BUCKINGHAM FT. WORTH, TX 76155
34	AMERICAN AIRLINES, INC.	FLIGHT ACADEMY 4601 HIGHWAY 360 FT. WORTH, TX 76155
35	AMERICAN AIRLINES, INC.	SPECTRUM JET CENTER COUNTY ROAD 51A HAYDEN, CO 81639
36	AMERICAN AIRLINES, INC.	A/C MAINTENANCE 300 ROGERS BLVD. GATE 17 HONOLULU, HI 96820
37	AMERICAN AIRLINES, INC.	WILLIAM T. HOBBY AIRPORT 7800 AIRPORT BOULEVARD HOUSTON, TX 77061
38	AMERICAN AIRLINES, INC.	WESTCHESTER COUNTY AIRPORT WHITE PLAINS, NY 10604
39	AMERICAN AIRLINES, INC.	AMERICAN AIRLINES, INC. 1000 GLENN HEARN BLVD. HUNTSVILLE INTERNATIONAL AIRPORT HUNTSVILLE, AL 35824
40	AMERICAN AIRLINES, INC.	ATTN: STORES RECEIVING DEPT. MIDFIELD TERMINAL RAMP LEVEL D21 DULLES INTL AIRPORT DULLES, VA 20166
41	AMERICAN AIRLINES, INC.	ATTN: STORES RECEIVING 2800 N. TERMINAL RD. BUSH INTERCONTINENTAL AIRPORT HOUSTON, TX 77032
42	AMERICAN AIRLINES, INC.	C/O AMERICAN EAGLE AIRLINES, INC. ATTN: BEN HARVILLE 2299 AIRPORT ROAD WICHITA, KS 67209

#	LONG NAME	ADDRESS
43	AMERICAN AIRLINES, INC.	ATTN.STORES RECEIVING INDIANAPOLIS INTL AIRPORT INDIANAPOLIS, IN 46241
44	AMERICAN AIRLINES, INC.	JACKSON HOLE AIRPORT HIGHWAY 89 JACKSON HOLE, WY 83001
45	AMERICAN AIRLINES, INC.	JACKSONVILLE INTERNATIONAL AIRPORT 2400 YANKEE CLIPPER DRIVE SUITE 102 JACKSONVILLE, FL 32218
46	AMERICAN AIRLINES, INC.	ATTN STORES RECEIVING HANGAR 10 RECEIVING DOCK JOHN F KENNEDY INTL AIRPORT JAMAICA, NY 11430
47	AMERICAN AIRLINES, INC.	77 BEIRUT CIRCLE KANSAS CITY INTERNATION AIRPORT ATTN: SUPPLY RCVNG 816-801-5733 KANSAS CITY, MO 64153-2003
48	AMERICAN AIRLINES, INC.	C/O ALOHA AIRLINES (808)329-9199 73-342 KUPIPI STREET KONA INT'L AIRPORT KAILUA, HI 96740
49	AMERICAN AIRLINES, INC.	727 WRIGHT BROS. LN. SUITE 101 LAS VEGAS, NV 89111
50	AMERICAN AIRLINES, INC.	ATTN STORES RECEIVING LOS ANGELES INTL AIRPORT 7000 WORLD WAY WEST LOS ANGELES, CA 90045
51	AMERICAN AIRLINES, INC.	SUPERVISOR STORES SUPPLY HANGAR 5 RECEIVING DOCK LAGUARDIA AIRPORT STATION FLUSHING, NY 11371
52	AMERICAN AIRLINES, INC.	TICKET COUNTER (562)938-8573 4100 DONALD DOUGLAS BLVD LONG BEACH AIRPORT LONG BEACH, CA 90808

#	LONG NAME	ADDRESS
53	AMERICAN AIRLINES, INC.	ATTN SUPPLY SVCS HGR 3/4 MAINTENANCE AND ENGR CENTER 3834 NORTH MINGO ROAD TULSA, OK 74116-5003
54	AMERICAN AIRLINES, INC.	LIHUE AIRPORT C/O ALOHA AIRLINES, AIRCRAFT MAINTENANCE 3901 MOKULELE LOOP, UNIT 42 LIHUE, HI 96766-9797
55	AMERICAN AIRLINES, INC.	MAIN STORES RECEIVING GROUND OPERATIONS CENTER 9200 NW 112TH STREET KANSAS CITY, MO 64153-2003
56	AMERICAN AIRLINES, INC.	STORES/MAINTENANCE ORLANDO INT L AIRPORT 8819 BEAR ROAD ORLANDO, FL 32827
57	AMERICAN AIRLINES, INC.	C/O CONTINENTAL AIRLINES AIRFREIGHT MIDWAY AIRPORT 5240 W 63RD STREET CHICAGO, IL 60638
58	AMERICAN AIRLINES, INC.	STORES DEPT. MEMPHIS INT'L AIRPORT TERMINAL C TICKET COUNTER 2491 WINCHESTER RD. SUITE 305 MEMPHIS, TN 38141
59	AMERICAN AIRLINES, INC.	MCALLEN INTERNATIONAL AIRPORT 2500 SOUTH BICENTENNIAL BLVD SUITE 103 MCALLEN, TX 78503
60	AMERICAN AIRLINES, INC.	ATTN: SUPPLY RECEIVING MIA INTERNATIONAL AIRPORT BUILDING 3095 N.W. 22ND ST. MIAMI, FL 33122
61	AMERICAN AIRLINES, INC.	STORES RECEIVING GROUND OPPS CTR MKC LOAD CENTER 9200 NW 112TH STREET KANSAS CITY, MO 64153
62	AMERICAN AIRLINES, INC.	ATTN. STORES RECEIVING 7550 22ND AVE. SOUTH SUITE 132 MINNEAPOLIS, MN 55450

#	LONG NAME	ADDRESS
63	AMERICAN AIRLINES, INC.	NEW ORLEANS INTERNATIONAL AIRPORT 900 AIRLINE HIGHWAY NEW ORLEANS, LA 70141
64	AMERICAN AIRLINES, INC.	ATTN: GENERAL MANAGER 2100 AIRPORT ROAD MONTROSE, CO 81401
65	AMERICAN AIRLINES INC.	NARROW BODY LOAD CENTER STORES RECEIVING GROUND OPPS CTR 9200 NW 112TH STREET KANSAS CITY, MO 64153-2003
66	AMERICAN AIRLINES, INC.	SPEC200 S/T=W S (510)577-4723 STORES RECEIVING DEPT. 1 AIRPORT DRIVE OAKLAND INTERNATIONAL AIRPORT OAKLAND, CA 94621
67	AMERICAN AIRLINES, INC.	KAHULUI AIRPORT AIRCRAFT MAINTENANCE KAHULUI, MAUI, HI 96732
68	AMERICAN AIRLINES, INC.	ATTN: STORES SUPPLY WILL ROGERS WORLD AIRPORT 7100 TERMINAL DRIVE, BOX 597 OKLAHOMA CITY, OK 73159
69	AMERICAN AIRLINES, INC.	4501 ABBOTT DRIVE, STE 1750 EPPLEY AIRFIELD OMAHA, NE 68110
70	AMERICAN AIRLINES, INC.	AA TERMINAL BLDG. INTERNATIONAL AIRPORT ONTARIO, CA 91761
71	AMERICAN AIRLINES, INC.	ATTN STORES RECEIVING TOUHY AND MT. PROSPECT ROADS O'HARE INTERNATIONAL AIRPORT CHICAGO, IL 60666
72	AMERICAN AIRLINES, INC.	C/O AA TICKET COUNTER NORFOLK INTERNATIONAL AIRPORT NORFOLK, VA 23518
73	AMERICAN AIRLINES, INC.	ATTN. GENERAL MANAGER PALM BEACH INT'L AIRPORT WEST PALM BEACH, FL 33406

#	LONG NAME	ADDRESS
74	AMERICAN AIRLINES, INC.	AMERICAN AIRLINES AIR CARGO 7790 NORTH EAST AIRPORT WAY 503-249-4450 PORTLAND, OR 97218
75	AMERICAN AIRLINES, INC.	ATTN: SUPPLY RECEIVING DEPT. WEST PAC BLDG C2 DOOR 7 INTERNATIONAL AIRPORT PHILADELPHIA, PA 19153
76	AMERICAN AIRLINES, INC.	ATTN STORES RECEIVING 3400 SKY HARBOR BLVD PHOENIX, AZ 85034
77	AMERICAN AIRLINES, INC.	ATTN STORES RECEIVING GREATER PITTSBURG INTL AIRPORT PITTSBURGH, PA 15231
78	AMERICAN AIRLINES, INC.	PHONE 778-3647 MUNICIPAL AIRPORT PALM SPRINGS, CA 92262
79	AMERICAN AIRLINES, INC.	THEODORE F GREEN AIRPORT 2000 POST ROAD WARWICK, RI 02886
80	AMERICAN AIRLINES, INC.	ATTN: STORES RECEIVING DEPT RAMP LEVEL GATE C19, MD 9915 RDU INTERNATIONAL AIRPORT MORRISVILLE, NC 27560
81	AMERICAN AIRLINES, INC.	STORES BUILDING 1 ATTN: REI SUPPORT CENTER 9200 NW 112TH STREET KANSAS CITY, MO 64153-2003
82	AMERICAN AIRLINES, INC.	AIR CARGO BUILDING FEDERAL ROAD RICHMOND, VA 23231
83	AMERICAN AIRLINES, INC.	RNO HANGAR / STORES RECEIVING 365 SOUTH ROCK BLVD RENO, NV 89502
84	AMERICAN AIRLINES, INC.	ROCHESTER INTERNATIONAL AIRPORT ROCHESTER, MN 55902
85	AMERICAN AIRLINES, INC.	SOUTHWEST FLORIDA INTERNATIONAL AIRPORT 1600 CHAMBERLIN PARKWAY 8664 FORT MYERS, FL 33913

#	LONG NAME	ADDRESS
86	AMERICAN AIRLINES, INC.	ATTN. STORES DEPARTMENT 2330 STILLWATER ROAD SAN DIEGO, CA 92101
87	AMERICAN AIRLINES, INC.	ATTN STORES RECEIVING INTERNATIONAL AIRPORT 10000 JOHN SAUNDERS ROAD SAN ANTONIO, TX 78216
88	AMERICAN AIRLINES, INC.	4650 TERMINAL DRIVE CARGO BAY 15, STANDIFORD FIELD LOUISVILLE, KY 40209
89	AMERICAN AIRLINES, INC.	2345 SO. 156 TH ST. C/O AMERICAN AIRFREIGHT SEATTLE/TACOMA INTL AIRPORT SEATTLE, WA 98158
90	AMERICAN AIRLINES, INC.	ATTN SHIPPING & RECEIVING COAST GUARD RD / SUPERBAY HANGAR SFO INTERNATIONAL AIRPORT SAN FRANCISCO, CA 94128
91	AMERICAN AIRLINES, INC.	ATTN BAE 146 RETENTION INTERNATIONAL AIRPORT SAN FRANCISCO, CA 94128
92	AMERICAN AIRLINES, INC.	ATTN: SUPPLY SERVICES HGR #6 3806 NORTH MINGO ROAD TULSA, OK 74116
93	AMERICAN AIRLINES, INC.	STORES REC. RAMP LVL GATE 11 TERM A SAN JOSE INTERNATIONAL AIRPORT SAN JOSE, CA 95110
94	AMERICAN AIRLINES, INC.	ATTN: STORES RECEIVING 776 N. TERMINAL DR. SALT LAKE INTL AIRPORT SALT LAKE CITY, UT 84122
95	AMERICAN AIRLINES, INC.	METROPOLITAN AIRPORT 6928 AIRPORT BLVD. SACRAMENTO, CA 95837
96	AMERICAN AIRLINES, INC.	3000 AIRWAY AVE COSTA MESA, CA 92626

#	LONG NAME	ADDRESS
97	AMERICAN AIRLINES, INC.	SQU SURPLUS SALES PROCESSING CENTER 6929 EAST READING PLACE FAX: 918-834-9287 TULSA, OK 74115
98	AMERICAN AIRLINES, INC.	ATTN: STORES RECEIVING MAINT FACILITY LAMBERT , ST. LOUIS INT'L AIRPORT 10900 LAMBERT INT'L BLVD. BRIDGETON, MO 63044
99	AMERICAN AIRLINES, INC.	ATTN SUPPLY SERVICES RECEIVING OPERATIONS-TERMINAL BLDG. INTERNATIONAL AIRPORT TULSA, OK 74151
100	AMERICAN AIRLINES, INC.	STORES RECEIVING ATTN FRANKIE ALEXANDER AIRSIDE F SERVICE ROAD TAMPA INT'L AIRPORT GATE 78 TAMPA, FL 33607
101	AMERICAN AIRLINES, INC.	ATTN STORES RECEIVING TULJ NEW WAREHOUSE 3800 NO. MINGO ROAD TULSA, OK 74116-5020
102	AMERICAN AIRLINES, INC.	TUCSON INTERNATIONAL AIRPORT STORES RECEIVING DOCK TUCSON, AZ 85706
103	AMERICAN AIRLINES, INC.	WIDE BODY LOAD CENTER STORES RECEIVING GROUND OPPS CTR 9200 NW 112TH STREET KANSAS CITY, MO 64153-2003
104	AMERICAN AIRLINES, INC.	2000 EAGLE PARKWAY FT. WORTH, TX 76177
105	AMERICAN AIRLINES, INC.	ATTN: SUPPLY SERVICES HGR#5 3805 N. MINGO ROAD TULSA, OK 74116
106	AMERICAN AIRLINES, INC.	NWARKANSAS REGIONAL AIRPORT 1 AIRPORT BLVD. BENTONVILLE, AR 72712

DEFINITIONS APPENDIX

SECTION 1.Defined Terms.

"Acceleration" means, with respect to the amounts payable in respect of the Notes issued under the Indenture, such amounts becoming immediately due and payable pursuant to Section 7.2 of the Indenture. "Accelerate", "Accelerated" and "Accelerating" have meanings correlative to the foregoing.

"Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "Control" when used with respect to any 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.

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

"Agent Members" is defined in Section 2.5(a) of the Indenture.

"Aircraft" means any contrivance invented, used, or designed to navigate, or fly in, the air.

"Aircraft Model" is defined in Section 3.3(b) of the Collateral Maintenance Agreement.

"American Bankruptcy Event" means the occurrence and continuation of an Event of Default under Section 7.1(g), (h) or (i) of the Indenture.

"American Class C Notes" means any Original Class C Notes or New Class C Notes that are sold to an American Entity.

"American Entity" means AMR Corporation, a Delaware corporation, the Company, and any Affiliate of AMR Corporation.

"Annual Appraisal Report Date" means, with respect to 2004 and each year thereafter, October 1, in each case subject to Sections 2.5, 2.6, and 2.8 of the Collateral Maintenance Agreement.

"Annual Methodology" means, in determining an opinion as to the Fair Market Value of the Pledged Spare Parts, taking the following actions: (i) reviewing the Parts Inventory Report prepared as of the applicable Parts Inventory Report Date; (ii) reviewing the Independent Appraiser's internal value database for values applicable to Qualified Spare Parts included in the Pledged Spare Parts; (iii) developing a representative sampling of a reasonable number of the different Qualified Spare Parts included in Pledged Spare Parts for which a market check will be conducted; (iv) checking other sources, such as manufacturers, other airlines, U.S. government procurement data and airline parts pooling price lists, for current market prices of the sample parts referred to in clause (iii); (v) establishing a ratio of Serviceable Parts to Unserviceable Parts as of the applicable Parts Inventory Report Date based upon information provided by the Company and the Independent Appraiser's limited physical review of the Pledged Spare Parts referred to in the following clause (vi); (vi) visiting at least two locations selected by the Independent Appraiser where the Pledged Spare Parts are kept by the Company (none of which was visited for purposes of the last appraisal based upon the Annual Methodology, unless it would be impossible to comply with the immediately following proviso without visiting one or more of the locations visited for purposes of such last appraisal), provided that at least one such location shall be one of the top three locations at which the Company keeps the largest number of Pledged Spare Parts, to conduct a limited physical inspection of the Pledged Spare Parts; (vii) conducting a review of the inventory reporting system applicable to the Pledged Spare Parts the scope of which shall be reasonably determined by the Independent Appraiser in its professional judgment, including checking information reported in such system against information determined through physical inspection pursuant to the preceding clause (vi); and (viii) reviewing a sampling of the Spare Parts Documents.

"Annual Methodology Request" is defined in Section 2.5(a) of the Collateral Maintenance Agreement.

"Annual Parts Inventory Report" means any Parts Inventory Report dated as of a date falling within the time period set forth in clause (iii) of the definition of "Parts Inventory Report Period", subject to Section 2.5(b)(ii) of the Collateral Maintenance Agreement.

"Appliance" means an instrument, equipment, apparatus, a part, an appurtenance, or an accessory used, capable of being used, or intended to be used, in operating or controlling Aircraft in flight, including a parachute, communication equipment, and another mechanism installed in or attached to Aircraft during flight, and not a part of an Aircraft, Engine, or Propeller.

"Applicable Period" means, with respect to any Nonappraisal Compliance Report Date, the period commencing on the immediately preceding Nonappraisal Compliance Report Date (or in the case of the first Nonappraisal Compliance Report Date following the Closing Date, commencing on the Closing Date) through the date immediately preceding but not including such Nonappraisal Compliance Report Date.

"Applied Downgrade Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Applied Non-Extension Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Appraisal Compliance Report" means, as of any date, a report providing information relating to the calculation of each Collateral Ratio, which report shall be substantially in the form of Appendix II to the Collateral Maintenance Agreement.

"Appraisal Report Date" means (a) any Annual Appraisal Report Date and (b) any Quarterly Appraisal Report Date.

"Appraised Value" means, (i) with respect to any Pledged Spare Parts or Cash Collateral, the Fair Market Value of such Pledged Spare Parts or Cash Collateral as most recently determined pursuant to (x) the report attached as Appendix II to the Offering Memo or (y) Article II of the Collateral Maintenance Agreement, and (ii) with respect to Other Collateral, the Fair Market Value of such Other Collateral determined in accordance with the applicable Collateral Agreement, as contemplated by Section 3.1(c) of the Collateral Maintenance Agreement.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq.

"Base Rate", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Business Day" means any day that is other than a Saturday, a Sunday, or (a) a day on which commercial banks are required or authorized to close in (i) Fort Worth, Texas, (ii) New York, New York, or (iii) the city and state in which the Trustee maintains its Corporate Trust Office or receives and disburses funds, or (b) solely with respect to draws under any Liquidity Facility, a day which is not a "Business Day" as defined in such Liquidity Facility.

"Cash Collateral" means cash and/or Investment Securities: (a) deposited or to be deposited with the Collateral Agent or an Eligible Institution (i) by the Company or (ii) consisting of the proceeds of the Collateral pursuant to the Collateral Agreements, and (b) subject to the Lien of any Collateral Agreement. For the avoidance of doubt, a drawing on any Liquidity Facility or any Liquidity Facility Cash Collateral Account will not be deemed to be "Cash Collateral" for purposes of any Collateral Agreement.

"Citibank" has the meaning assigned to such term in the first paragraph of the Indenture.

"Citizen of the United States" is defined in 49 U.S.C. Section 40102(a)(15).

"Claims" is defined in Section 6.1 of the Indenture.

"Class" means any class of Notes, including the Class A Notes, the Class B Notes and, if issued, the Class C Notes.

"Class A Collateral Ratio" means a percentage determined by dividing (i) the aggregate principal amount of all Class A Notes Outstanding minus the Fair Market Value of the Cash Collateral held by the Collateral Agent by (ii) the Fair Market Value of all Pledged Spare Parts, as set forth in the most recent Independent Appraiser's Certificate delivered by the Company pursuant to Article II of the Collateral Maintenance Agreement, plus the Fair Market Value of Other Collateral, if any, excluding any Cash Collateral, as provided in Section 3.1(c) of the Collateral Maintenance Agreement.

"Class A Debt Rate" means a rate per annum equal to 7.25%, provided that, solely in the event no Registration Event (as defined in the Class A Registration Rights Agreement) occurs on or prior to the 270th day after the Closing Date, the Class A Debt Rate for the Initial Class A Notes shall be increased by 0.50% per annum, 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 such Registration Event occurs, provided further, that, if to permit additional Holders of Offered Securities (as defined in the Class A Registration Rights Agreement) (who have notified the Company in writing of their 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 (as defined in the Class A Registration Rights Agreement) required to be effective pursuant to Section 2(b) of the Class A Registration Rights Agreement ceases to be effective at any time during the period specified by Section 2(b) of the Class A Registration Rights Agreement for more than 60 days, whether or not consecutive, during any 12-month period, the Class A Debt Rate for the Initial Class A Notes shall be increased by 0.50% per annum from and including 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.

"Class A Final Legal Maturity Date" means February 5, 2011.

"Class A Final Scheduled Payment Date" means February 5, 2009.

"Class A Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the Issuance Date, between the Trustee and the initial Class A Liquidity Provider, and, from and after the replacement of such Revolving Credit 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 Liquidity Facility Cash Collateral Account" means an Eligible Deposit Account in the name of the Trustee maintained at an Eligible Institution, which shall be the Trustee if it shall so qualify, into which all amounts drawn under the Class A Liquidity Facility pursuant to Section 3.6(c), 3.6(d) or 3.6(i) of the Indenture shall be deposited.

"Class A Liquidity Provider" means, initially, Citibank, N.A., or, upon the issuance of a Replacement Liquidity Facility to replace the Class A Liquidity Facility pursuant to Section 3.6(e) of the Indenture, the Replacement Liquidity Provider issuing such Replacement Liquidity Facility.

"Class A Liquidity Provider Provisions" is defined in Section 4.1 of the Collateral Maintenance Agreement.

"Class A Noteholder" means any Holder of one or more Class A Notes.

"Class A Notes" means the Initial Class A Notes and the Exchange Class A Notes.

"Class A Registration Rights Agreement" means the Registration Rights Agreement, dated as of February 6, 2004, by and between the Company and the Initial Purchasers.

"Class B Collateral Ratio" means a percentage determined by dividing (i) the aggregate principal amount of all Class A Notes and Class B Notes Outstanding minus the Fair Market Value of the Cash Collateral held by the Collateral Agent by (ii) the Fair Market Value of all Pledged Spare Parts, as set forth in the most recent Independent Appraiser's Certificate delivered by the Company pursuant to Article II of the Collateral Maintenance Agreement, plus the Fair Market Value of Other Collateral, if any, excluding any Cash Collateral, as provided in Section 3.1(c) of the Collateral Maintenance Agreement.

"Class B Debt Rate" means a rate per annum equal to 9.00%.

"Class B Final Legal Maturity Date" means February 5, 2009.

"Class B Final Scheduled Payment Date" means February 5, 2009.

"Class B Liquidity Facility", if any, means a revolving credit agreement (or agreements) in substantially the form of the Class A Liquidity Facility, including reinstatement provisions, or in such other form (which may include a letter of credit, surety bond, financial insurance policy or guaranty) between the Trustee and the Class B

Liquidity Provider, in each case in accordance with the applicable provisions of Exhibit D to the Indenture, 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 Facility Cash Collateral Account", if any, means an Eligible Deposit Account in the name of the Trustee maintained at an Eligible Institution, which shall be the Trustee if it shall so qualify, into which all amounts drawn under the Class B Liquidity Facility pursuant to Section 3.6(c), 3.6(d) or 3.6(i) of the Indenture shall be deposited.

"Class B Liquidity Provider", if any, means the Person issuing the initial Class B Liquidity Facility or, upon the issuance of a Replacement Liquidity Facility to replace the Class B Liquidity Facility pursuant to Section 3.6(e) of the Indenture, the Replacement Liquidity Provider issuing such Replacement Liquidity Facility.

"Class B Noteholder" means any Holder of one or more Class B Notes.

"Class B Notes" means the Initial Class B Notes and the Exchange Class B Notes.

"Class C Noteholder" means any Holder of one or more Class C Notes, if and when issued.

"Class C Notes" means (a) the Original Class C Notes, (b) following a Refunding of the American Class C Notes that are Original Class C Notes, the New Class C Notes or (c) following a Refunding of the American Class C Notes that are New Class C Notes, the Second New Class C Notes.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearstream" means Clearstream Banking societe anonyme, Luxembourg.

"Closing Date" means February 6, 2004.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means the Spare Parts Collateral and all other collateral in which the Collateral Agent has a security interest pursuant to the Collateral Agreements.

"Collateral Agent" means the Security Agent and each other Person acting as agent on behalf of the Holders under any other Collateral Agreement.

"Collateral Agreement" means each of the Spare Parts Security Agreement and any agreement under which a security interest has been granted in any Other Collateral pursuant to Section 3.1(a)(i) of the Collateral Maintenance Agreement.

"Collateral Maintenance Agreement" means the Collateral Maintenance Agreement, dated as of the Issuance Date, between the Company and the Security Agent, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with its terms.

"Collateral Ratio" means the Class A Collateral Ratio or the Class B Collateral Ratio, as applicable.

"Collection Account" means the Eligible Deposit Account established by the Trustee pursuant Section 8.13(a) of the Indenture which the Trustee shall make deposits in and withdrawals from in accordance with the Indenture.

"Company" means the party named as such in the Indenture until a successor replaces it pursuant to the Indenture and thereafter means the successor.

"Compliance Report Date" means, with respect to any Appraisal Compliance Report, the date by which the Independent Appraiser's Certificate related to such Appraisal Compliance Report is to be furnished by the Company under Article II of the Collateral Maintenance Agreement.

"Consent Period" is defined in Section 3.6(d) of the Indenture.

"Controlling Party" means the Person entitled to act as such pursuant to the terms of Section 3.9 of the Indenture.

"Corporate Trust Office" when used with respect to the Trustee or the Security Agent, as the case may be, means the office of such Person at which at any particular time its corporate trust business is administered and which, at the Closing Date, is located at U.S. Bank Trust National Association, One Federal Street, 3rd Floor, EX-FED-MA, Boston, Massachusetts 02110, Attention: Corporate Trust Department.

"Debt Balance" means 110% of the principal amount of the Outstanding Notes.

"Debt Rate" means (i) with respect to the Class A Notes and the Original Class B Notes, the Class A Debt Rate or Class B Debt Rate, as applicable, (ii) with respect to any New Class B Notes, the rate per annum specified as such in an Indenture Refunding Amendment applicable to such Class, subject to any adjustments as provided therein, and (iii) with respect to any Class C Notes, the rate per annum specified in an amendment to the Indenture at the time of issuance of such Class C Notes, subject to any adjustments as provided therein.

"Default" means any event which is, or after notice or passage of time, or both, would be, an Event of Default.

"Definitions Appendix" means the Definitions Appendix attached as Appendix I to each of the Indenture, the Spare Parts Security Agreement, and the Collateral Maintenance Agreement, and constituting a part of each such Operative Document, respectively.

"Definitive Exchange Note" is defined in Section 2.1(e) of the Indenture.

"Definitive Initial Note" is defined in Section 2.1(e) of the Indenture.

"Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Designated Locations" means the locations in the U.S. owned or leased by the Company and designated from time to time by the Company at which the Pledged Spare Parts may be stored, located, maintained by or on behalf of the Company, which initially

shall be the locations set forth on Schedule 1 to the Spare Parts Security Agreement and shall include the additional locations included by the Company in Supplemental Security Agreements filed for recording in accordance with the provisions of the Federal Aviation Act.

"Designated Representatives" is defined in Section 3.8(b) of the Indenture.

"Direction" is defined in Section 12.15 of the Indenture.

"Distribution Date" means (i) each Scheduled Payment Date (and, if a Payment required to be paid to the Trustee for distribution on such Scheduled Payment Date has not been so paid by 12:30 p.m., New York time, in whole or in part, on such Scheduled Payment Date, the next Business Day on which the Trustee receives some or all of such Payment by 12:30 p.m., New York time) and (ii) each day established for payment by the Trustee pursuant to Section 7.11 of the Indenture.

"Dollar" and "$" mean the lawful currency of the United States.

"Downgrade Drawing" is defined in Section 3.6(c) of the Indenture.

"Downgraded Facility" is defined in Section 3.6(c) of the Indenture.

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

"DTC" means The Depository Trust Company, its nominees and their respective successors.

"Eligible Account" means an account established by and with an Eligible Institution at the request of the Security Agent, which institution agrees, for all purposes of the NY UCC including Article 8 thereof, that (a) such account shall be a "securities account" (as defined in Section 8-501 of the NY UCC), (b) such institution is a "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC), (c) all property (other than cash) credited to such account shall be treated as a "financial asset" (as defined in Section 8-102(9) of the NY UCC), (d) the Security Agent shall be the "entitlement holder" (as defined in Section 8-102(7) of the NY UCC) in respect of such

account, (e) it will comply with all entitlement orders issued by the Security Agent to the exclusion of the Company, (f) it will waive or subordinate in favor of the Security Agent all claims (including without limitation, claims by way of security interest, lien or right of set-off or right of recoupment), and (g) the "securities intermediary jurisdiction" (under Section 8-110(e) of the NY UCC) shall be the State of New York.

"Eligible 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 of America or any one of the states thereof or the District of Columbia (or any U.S. 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 senior unsecured long-term corporate rating from Fitch of at least A- or its equivalent, a long-term unsecured debt rating from Moody's of at least A3 or its equivalent or a long-term issuer credit rating from Standard & Poor's of at least A- or its equivalent. 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 Security Agent or the Trustee, or (b) a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any U.S. branch of a foreign bank), which has a senior unsecured long-term corporate rating from Fitch of at least A- or its equivalent, a long-term unsecured debt rating from Moody's of at least A3 or its equivalent or a long-term issuer credit rating from Standard & Poor's of at least A- or its equivalent.

"Eligible Investments" means (a) investments in obligations of, or guaranteed by, the U.S. Government having maturities no later than 90 days following the date of such investment, (b) investments in open market commercial paper of any corporation incorporated under the laws of the United States or any state thereof rated by Fitch at least F-1 or its equivalent, by Moody's at least P-1 or its equivalent or by Standard & Poor's at least A-1 or its equivalent having maturities no later than 90 days following the date of such investment or (c) investments in negotiable certificates of deposit, time deposits, banker's acceptances, commercial paper or other direct obligations of, or obligations guaranteed by, commercial banks organized under the laws of the United States or of any political subdivision thereof (or any U.S. branch of a foreign bank) with a senior unsecured short-term corporate rating by Fitch of at least F-1, a short-term unsecured debt rating by Moody's of at least P-1 or a short-term issuer credit rating by Standard & Poor's of at least A-1, having maturities no later than 90 days following the

date of such investment; provided, however, that (x) all Eligible Investments that are bank obligations shall be denominated in U.S. dollars; and (y) the aggregate amount of Eligible Investments at any one time that are bank obligations issued by any one bank shall not be in excess of 5% of such bank's capital surplus; provided further that any investment of the types described in clauses (a), (b) and (c) above may be made through a repurchase agreement in commercially reasonable form with a bank or other financial institution qualifying as an Eligible Institution so long as such investment is held by a third party custodian also qualifying as an Eligible Institution. Notwithstanding the foregoing, no investment of the types described in clause (b) above which is issued or guaranteed by the Company or any of its Affiliates, and no investment in the obligations of any one bank in excess of $10,000,000, shall be an Eligible Investment unless a Ratings Confirmation shall have been received with respect to the making of such investment.

"Engine" means an engine used, or intended to be used, to propel an Aircraft, including a part, appurtenance, and accessory of the Engine, except a Propeller.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"Event of Default" is defined in Section 7.1 of the Indenture.

"Event of Loss" means (i) the loss of any of the Pledged Spare Parts or of the use thereof due to destruction, damage beyond repair or rendition of any of the Pledged Spare Parts permanently unfit for normal use for any reason whatsoever (other than the use of Pledged Spare Parts in the Company's operations); (ii) any damage to any of the Pledged Spare Parts which results in the receipt of insurance proceeds with respect to such Pledged Spare Parts on the basis of an actual or constructive total loss; or (iii) the loss of possession of any of the Pledged Spare Parts by the Company for 90 consecutive days as a result of the theft or disappearance of such Pledged Spare Parts.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Exchange 7.25% Class A Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Exchange Class A Notes" means the Class A Notes substantially in the form of Exhibit A-1 to the Indenture issued in exchange for, or replacement of, the Initial Class A Notes pursuant to the Class A Registration Rights Agreement and authenticated pursuant to the Indenture.

"Exchange 9.00% Class B Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Exchange Class B Notes" means the Class B Notes substantially in the form of Exhibit A-2 to the Indenture issued in exchange for, or in replacement of, the New Class B Notes pursuant to a registration rights agreement entered into with respect to the Initial Class B Notes and authenticated pursuant to the Indenture.

"Exchange Notes" means the Exchange Class A Notes, if any, and the Exchange Class B Notes, if any.

"Exchange Offer" means, (i) with respect to the Class A Notes, the exchange offer which may be made pursuant to the Class A Registration Rights Agreement to exchange Initial Class A Notes for Exchange Class A Notes, and (ii) with respect to New Class B Notes, the exchange offer which may be made pursuant to a registration rights agreement with respect to such Notes to exchange such Notes for Exchange Class B Notes.

"Exchange Offer Registration Statement" means, (i) with respect to the Class A Notes, the registration statement that, pursuant to the Class A Registration Rights Agreement, is filed by the Company with the SEC with respect to the exchange of Initial Class A Notes for Exchange Class A Notes, and (ii) with respect to New Class B Notes, the registration statement that, pursuant to a registration rights agreement with respect to such Notes, is filed by the Company with the SEC with respect to the exchange such Notes for Exchange Class B Notes.

"Excluded Parts" means Spare Parts and Appliances (a) not located at a Designated Location, or (b) subject to a Loan to any Person.

"Expendable" means a Spare Part or Appliance that, once used, cannot be reused and, if not serviceable, generally cannot be overhauled or repaired.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Filed Documents" means the Spare Parts Security Agreement and, to the extent required by the FAA to be filed with the FAA, any other Collateral Agreements.

"Fair Market Value", (i) with respect to any Pledged Spare Part or Cash Collateral, means its fair market value, subject to Sections 2.7 and 4.2 of the Collateral Maintenance Agreement, determined on the basis of a hypothetical sale negotiated in an arm's length free market transaction between a willing and able seller and a willing and able buyer, neither of whom is under undue pressure to complete the transaction, under then current market conditions, provided that cash shall be valued at its Dollar amount, and, (ii) with respect to Other Collateral, has the meaning specified in the applicable Collateral Agreement, as contemplated by Section 3.1(c) of the Collateral Maintenance Agreement.

"Federal Aviation Act" means Title 49 of the United States Code, "Transportation", as amended from time to time, or any similar legislation of the United States enacted in substitution or replacement thereof.

"Fee Letters" means, with respect to each Liquidity Facility, the Fee Letter between such Liquidity Provider and the Trustee with respect to the related Liquidity Facility and any fee letter entered into by the Trustee and any Replacement Liquidity Provider in respect of any Replacement Liquidity Facility.

"Final Advance" with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Final Drawing" is defined in Section 3.6(i) of the Indenture.

"Final Legal Maturity Date" means, as the context requires: the Class A Final Legal Maturity Date or the Class B Final Legal Maturity Date.

"Final Scheduled Payment Date" means, as the context requires: the Class A Final Scheduled Payment Date or the Class B Final Scheduled Payment Date.

"Financing Statements" means, collectively, UCC-1 financing statements covering the Collateral, by the Company, as debtor, showing the Security Agent as secured party, for filing in Delaware, and each other jurisdiction that, in the opinion of the Security Agent, is necessary to perfect its Lien on the Collateral.

"Fitch" means Fitch Ratings, Inc.

"Fleet Reduction" is defined in Section 3.3(a) of the Collateral Maintenance Agreement.

"GAAP" means generally accepted accounting principles in the United States as in effect on the Closing Date and consistent with the accounting principles applied in the preparation of the Company's financial statements filed with the SEC in connection with the most recent annual report of the Company on Form 10-K.

"Global Exchange Class A Note" is defined in Section 2.1(f) of the Indenture.

"Global Exchange Class B Note" is defined in Section 2.1(f) of the Indenture.

"Global Exchange Notes" is defined in Section 2.1(f) of the Indenture.

"Global Initial Notes" is defined in Section 2.1(d) of the Indenture.

"Global Notes" is defined in Section 2.1(f) of the Indenture.

"Government Entity" means (a) any federal, state or similar government, and any body, board, department, commission, court, tribunal, authority, agency or other instrumentality of any such government or otherwise exercising any executive, legislative, judicial, administrative or regulatory functions of such government or (b) any other government entity having jurisdiction over any matter contemplated by the Operative Documents or the Support Documents, or relating to the observance or

performance of the obligations of any of the parties to the Operative Documents or the Support Documents.

"Holder", "holder", or "Noteholder" means, with respect to a Note, the Person in whose name the Note is registered on the Registrar's books.

"Indemnitee" is defined in Section 6.2 of the Indenture.

"Indenture" means the Indenture, dated as of February 5, 2004, among the Company, the Trustee and the Class A Liquidity Provider under which the Notes are issued, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including by an Indenture Refunding Amendment or a supplemental indenture.

"Indenture Refunding Amendment" means an amendment to the Indenture entered into for purposes of effecting a Refunding.

"Independent Appraiser" means Simat, Helliesen & Eichner, Inc. or any other Person (i) engaged in a business which includes appraising Aircraft and assets related to the operation and maintenance of Aircraft from time to time and (ii) who does not have any material financial interest in the Company and is not connected with the Company or any of its Affiliates as an officer, director, employee, promoter, underwriter, partner or Person performing similar functions.

"Independent Appraiser's Certificate" means an appraisal report prepared and signed by an Independent Appraiser, addressed to the Security Agent and the Company and attached as Appendix II to the Offering Memo or delivered thereafter pursuant to Article II of the Collateral Maintenance Agreement.

"Initial 7.25% Class A Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Initial Class A Notes" mean the securities issued and authenticated pursuant to the Indenture and substantially in the form of Exhibit A-1 thereto, other than the Exchange Class A Notes.

"Initial 9.00% Class B Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Initial Class B Notes" means (a) the Original Class B Notes, or (b) following a Refunding of the Original Class B Notes, the New Class B Notes, in each case other than Exchange Class B Notes.

"Initial Notes" means the Initial Class A Notes and the Initial Class B Notes.

"Initial Purchasers" means Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated.

"Inspecting Parties" is defined in Section 3.7 of the Collateral Maintenance Agreement.

"Institutional Accredited Investor" means, subject to Section 2.1(i) of the Indenture, an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

"Interest Drawing" is defined in Section 3.6(a) of the Indenture.

"Interest Payment Date" means February 5 and August 5 of each year so long as any Note is Outstanding (commencing August 5, 2004).

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

"Investment Security" means each of (a) direct obligations of the United States and agencies thereof; (b) obligations fully guaranteed by the United States; (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000 and having a rating of A, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 (g) or (h) 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 any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency shall rate such obligations at such time, by any nationally recognized rating organization in the United States); (m) mortgage backed securities guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or rated AAA, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 Trustee; (n) asset-backed securities rated A, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 Trustee; and (o) such other investments approved in writing by the Trustee; provided that the instruments described in the foregoing clauses shall have a maturity no

later than the earliest date when such investments may be required for distribution. Any of the investments described herein may be made through or with, as applicable, a bank acting as Trustee or any of its affiliates.

"Issuance Date" means, with respect to the Class A Notes and Original Class B Notes, the Closing Date, and with respect to the New Class B Notes, the Original Class C Notes, if issued, and the New Class C Notes, if issued, the date of initial issuance of the Notes of such Class.

"Lien" means any mortgage, pledge, lease, security interest, encumbrance, lien or charge of any kind affecting title to or any interest in property.

"Life Limited Part" means a Spare Part or Appliance that (i) has a finite operating life that is defined by hours, cycles or calendar limit and (ii) cannot be overhauled or repaired when it reaches its life limit.

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

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

"Liquidity Facility" means, at any time, the Class A Liquidity Facility or the Class B Liquidity Facility, as applicable.

"Liquidity Facility Cash Collateral Account" means the Class A Liquidity Facility Cash Collateral Account or the Class B Liquidity Facility Cash Collateral Account, as applicable.

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

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

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

"Liquidity Obligations" means all principal, interest, fees and other amounts owing to the Liquidity Provider under any Liquidity Facility or the applicable Fee Letter.

"Liquidity Provider" means the Class A Liquidity Provider or the Class B Liquidity Provider, as applicable.

"Liquidity Provider Election Date" is defined in Section 3.9(c) of the Indenture.

"Loans" means all Pledged Spare Parts subject to leases or loans to any Person.

"Make-Whole Amount" means (a) with respect to any Class A Note or Original Class B Note, the amount (as determined by an investment bank of national standing selected by the Company), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Note computed by discounting each such payment on a semi-annual 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 Note plus accrued but unpaid interest thereon to the date of redemption; (b) with respect to any New Class B Note, the amount computed in the manner set forth in an Indenture Refunding Amendment applicable to such Class; and (c) with respect to any Class C Note, the amount computed in the manner set forth in an amendment to the Indenture at the time of issuance of the Class C Notes. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the time of determination, the interest rate (expressed as a semi-annual 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 semi-annual 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 latest H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Note to be redeemed, the date that follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Note. "Remaining Weighted Average Life" of an Note, at the redemption date of such 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 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 Note.

"Maximum Available Commitment" with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Maximum Class A Collateral Ratio" means 54.0%.

"Maximum Class B Collateral Ratio" means 70.0%.

"Maximum Commitment" means, with respect to any Liquidity Facility, the Maximum Commitment (as defined in such Liquidity Facility).

"Minimum Sale Price" means, with respect to any Pledged Spare Part or Other Collateral, at any time, the lesser of (a) 75% of the Fair Market Value of such Pledged Spare Parts or Other Collateral, and (b) the aggregate principal amount of the Notes Outstanding (disregarding for this purpose the Notes of any Class if all of the Notes of such Class are held or beneficially owned by American Entities), plus accrued and unpaid interest thereon.

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

"Moves" means all Pledged Spare Parts that become Excluded Parts by operation of one or more transactions contemplated by Section 4.2(a)(iii) of the Spare Parts Security Agreement or by operation of a transaction contemplated by a similar provision of any other Collateral Agreement. For the avoidance of doubt, "Moves" shall not include any Pledged Spare Part: (a) that becomes an Excluded Part by operation of one or more of the actions contemplated by clause (i) or (ii) of Section 4.2(a) of the Spare Parts Security Agreement or Section 3.6(b) of the Collateral Maintenance Agreement; or (b) transferred under, or subject to an agreement or arrangement contemplated by, clause (i) or (ii) of Section 3.6(a) of the Collateral Maintenance Agreement.

"New Appraisal Report Date" is defined in Section 2.8 of the Collateral Maintenance Agreement.

"New Appraiser" means an Independent Appraiser that has not previously provided to the Company a signed Independent Appraiser's Certificate which the Company has delivered to the Trustee pursuant to the Collateral Maintenance Agreement or in connection with the Offering Memo.

"New Class" is defined in Exhibit D to the Indenture.

"New Class B Notes" means Notes that are issued as new Class B Notes in connection with a Refunding of the Original Class B Notes, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"New Class C Notes" means Notes (other than any Second New Class C Notes) that are issued as new Class C Notes in connection with a Refunding of the Original Class C Notes, if issued, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"Nonappraisal Compliance Report" means a report providing information relating to compliance by the Company with Section 3.2 of the Collateral Maintenance Agreement, which shall be substantially in the form of Appendix III to the Collateral Maintenance Agreement.

"Nonappraisal Compliance Report Date" means January 1, April 1, July 1, and October 1 of each year, commencing with April 1, 2004.

"Non-Controlling Party" means, at any time, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders (if any) and each Liquidity Provider, excluding whichever is the Controlling Party at such time.

"Non-Designated Spare Part" means a Qualified Spare Part owned by the Company that: (a) is not incorporated in, installed on, attached or appurtenant to, or being used in, an Aircraft, Engine, Spare Part or Appliance; (b) if such Qualified Spare Part was previously incorporated in, installed on, attached or appurtenant to, or used in an Aircraft, Engine, Spare Part, or Appliance, does not remain owned by a lessor or conditional seller of, or subject to a Lien applicable to, such Aircraft, Engine, Spare Part, or Appliance; (c) for the avoidance of doubt, is not leased to, loaned to, or held on consignment by, the Company; and (d) is not subject to a Loan to any Person.

"Non-Extended Facility" is defined in Section 3.6(d) of the Indenture.

"Non-Extension Drawing" is defined in Section 3.6(d) of the Indenture.

"Non-Performing" means, with respect to any Note, a Payment Default existing thereunder (without giving effect to any Acceleration); provided, that in the event of a bankruptcy proceeding in which the Company is a debtor under the Bankruptcy Code: (a) any Payment Default occurring before the date of the order of relief in such proceeding will not be taken into account during the Section 1110 Period; (b) any Payment Default occurring after the date of the order of relief in such proceeding shall not be taken into consideration if (i) on or before the expiry of the Section 1110 Period the Company shall have entered into an agreement of the kind described in Section 1110(a)(2)(A) of the Bankruptcy Code with respect such Note, and (ii) 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 (c) any Payment Default occurring after the Section 1110 Period will not be taken into consideration if (i) on or before the expiry of the Section 1110 Period the Company shall have entered into an agreement of the kind described in Section 1110(a)(2)(A) of the Bankruptcy Code with respect such Note, and (ii) such Payment Default is cured before the end of the applicable grace period, if any, set forth in the Indenture.

"Non-Pledged Spare Part" means a Non-Designated Spare Part stored, located or maintained by or on behalf of the Company at a Section 3.9 Location.

"Non-U.S. Person" means any Person other than a "U.S. person", as defined in Regulation S.

"Noteholder" means any Holder of one or more Notes.

"Notes" means the Class A Notes, the Class B Notes, and, if any are issued, the Class C Notes.

"NY UCC" is defined in Section 1.1 of the Spare Parts Security Agreement.

"Obligations" is defined in Section 2.1 of the Spare Parts Security Agreement.

"Offering Memo" means the Offering Memorandum, dated February 5, 2004, of the Company relating to the offering of the Notes, as such Offering Memorandum may be amended or supplemented.

"Officer" means the Chairman of the Board, the President, any Vice President of any grade, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary or the Controller of the Company.

"Officers' Certificate" means a certificate signed by an Officer, satisfying the requirements of Sections 12.4 and 12.5 of the Indenture.

"Operative Documents" means the Indenture, the Collateral Agreements, the Collateral Maintenance Agreement, and the Notes.

"Opinion of Counsel" means a written opinion from the General Counsel of the Company, legal counsel to the Company or another legal counsel who is reasonably acceptable to the Trustee, which Opinion of Counsel shall comply with Sections 12.4 and 12.5 of the Indenture. The counsel may be an employee of the Company. The acceptance by the Trustee (without written objection to the Company during the 15 Business Days following receipt) of, or its action on, an opinion of counsel not

specifically referred to above shall be sufficient evidence that such counsel is acceptable to the Trustee.

"Original Class B Notes" means the securities issued and authenticated on the Closing Date pursuant to the Indenture and substantially in the form of Exhibit A-2 thereto.

"Original Class C Notes" means the securities, if any, issued and authenticated pursuant to Section 10.1 of the Indenture in the original principal amount and maturities and bearing interest as specified in an amendment to the Indenture at the time of issuance.

"Original Number of Aircraft" means: (a) initially, (i) with respect to Boeing model 737-800 Aircraft, 77, and (ii) with respect to Boeing model 777-200 Aircraft, 45; and (b) following any redemption or cancellation of Notes required by any Fleet Reduction of an Aircraft Model pursuant to Section 3.3 of the Collateral Maintenance Agreement, the Original Number of Aircraft with respect to such Aircraft Model shall be the Reduced Number of Aircraft with respect to such Fleet Reduction.

"Other Collateral" is defined in Section 3.1(a)(i) of the Collateral Maintenance Agreement.

"Outstanding" or "outstanding", when used with respect to Notes or a Note, means all Notes theretofore authenticated and delivered under the Indenture, except:

(a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Notes, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee in trust for the Holders of such Notes, provided that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Notes for which payment has been deposited with the Trustee or any Paying Agent in trust pursuant to Article IX of the Indenture (except to the extent provided therein); and

(d) Notes which have been paid, or for which other Notes shall have been authenticated and delivered in lieu thereof or in substitution therefor pursuant to the terms of Section 2.12 of the Indenture.

A Note does not cease to be Outstanding because the Company or one of its Affiliates holds the Note; provided, however, that in determining whether the Holders of the requisite aggregate principal amount of Notes Outstanding have given or concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture or any other Operative Document, Section 2.13 of the Indenture shall be applicable.

"Overdue Scheduled Payment" means any Payment of accrued interest on any Notes which is not in fact received by the Trustee (whether from the Company, a Liquidity Provider or otherwise) on or within five days after the Scheduled Payment Date relating thereto.

"Parts Inventory Report" means, as of any date, a report consisting of: (a) a list identifying the Pledged Spare Parts by Company part number and brief description, stating the quantity of each such part included in the Pledged Spare Parts as of such specified date, and indicating, for each Company part number, the percentages of such Pledged Spare Parts that are Serviceable Parts and Unserviceable Parts; (b) a list of the Designated Locations setting forth, for each such location as of such specified date, the percentage of the aggregate System Value of all Pledged Spare Parts that is represented by the aggregate System Value of the Pledged Spare Parts located at that Designated Location; (c) a list identifying the Non-Pledged Spare Parts by Company part number and brief description, stating the quantity of each such part included in the Non-Pledged Spare Parts as of such specified date, and indicating, for each Company part number the percentages of such Non-Pledged Spare Parts that are Serviceable Parts and Unserviceable Parts; and (d) a list of the Section 3.9 Locations as of such date, setting forth for each such Section 3.9 Location as of such specified date, the percentage of the aggregate System Value of all Non-Pledged Spare Parts that is represented by the aggregate System Value of the Non-Pledged Spare Parts located at that Section 3.9 Location. Some or all of the information in a Parts Inventory Report may be in the form of a CD-ROM.

"Parts Inventory Report Date" is defined in Section 2.1 of the Collateral Maintenance Agreement.

"Parts Inventory Report Period" means, for 2004 and each year thereafter: (i) February 19 through and including March 1; (ii) May 22 through and including June 1; (iii) August 22 through and including September 1; and (iv) November 21 through and including December 1.

"Paying Agent" is defined in Section 2.8 of the Indenture.

"Payment" means (i) any payment of principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to the Notes from the Company, (ii) any payment of interest on a Class of Notes with funds drawn under the applicable Liquidity Facility or from the applicable Liquidity Facility Cash Collateral Account or (iii) any payment received or amount realized by the Trustee from the exercise of remedies after the occurrence of an Event of Default.

"Payment Default" means a Default referred to in Section 7.1(a)(i) of the Indenture.

"Payment Due Rate" means, for any Class of Notes, (a) the applicable Debt Rate plus 1% or, if less, (b) the maximum rate permitted by applicable law.

"Permanent Regulation S Global Class A Note" is defined in Section 2.1(d) of the Indenture.

"Permanent Regulation S Global Class B Note" is defined in Section 2.1(d) of the Indenture.

"Permanent Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Permitted Lien" means (a) the rights of any Person existing pursuant to any Operative Document or any Support Document; (b) Liens attributable to the Trustee or any Collateral Agent (both in its capacity as Trustee or Collateral Agent and in its individual capacity); (c) the rights of others under agreements or arrangements to the extent expressly permitted by the terms of Section 3.6 of the Collateral Maintenance Agreement; (d) Liens for Taxes of the Company (and its U.S. federal tax law consolidated group), either not yet due or payable or being contested in good faith by appropriate proceedings, so long as such Liens and such proceedings do not involve any

material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement; (e) materialmen's, mechanics', workers', repairers', warehousemans', 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) for amounts the payment of which is either not yet delinquent for more than 60 days or is being contested in good faith by appropriate proceedings, so long as such Liens and such proceedings do not involve any material risk of the sale, forfeiture, or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement; (f) Liens arising out of any judgment or award against the Company, so long as such judgment shall, within 60 days after the entry thereof, have been discharged, vacated or reversed, or with respect to which there shall have been secured a stay of execution pending appeal or other judicial review and such judgment or award shall have been discharged, vacated or reversed within 60 days after the expiration of such stay, so long as during any such 60 day period, such Liens or such judicial proceedings do not involve any material risk of the sale, forfeiture, or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement; (g) purchase money security interest Liens held by a vendor of the Company for goods purchased from such vendor by the Company, in each case arising in the ordinary course of business and for which the Company pays such vendor within 60 days of such purchase; provided that in each case that such Liens do not involve any material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement and that the aggregate System Value of Pledged Spare Parts subject to such Liens at any time does not exceed $5,000,000; (h) any other Lien with respect to which the Company shall have provided a bond, cash collateral or other security adequate in the reasonable opinion of the Security Agent; and (i) salvage or similar right of insurers under insurance policies maintained by the Company.

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

"Pledged Expendable Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Pledged Non-Expendable Spare Parts" is defined in clause (1) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Pledged Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Prepaid Class" is defined in Exhibit D to the Indenture.

"Propeller" includes a part, appurtenance, and accessory of a propeller.

"Provider Incumbency Certificate" is defined in Section 3.8(b) of the Indenture.

"Provider Representatives" is defined in Section 3.8(b) of the Indenture.

"Purchase Agreement" means the Purchase Agreement, dated February 2, 2004, by and between the Initial Purchasers and the Company.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Expendable Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Qualified Non-Expendable Spare Parts" is defined in clause (1) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Qualified Spare Parts" is defined in clause (2) of the first paragraph in Section 2.1 of the Spare Parts Security Agreement.

"Quarterly Appraisal Report Date" means, with respect to a Parts Inventory Report Period ending on: (i) March 1, the immediately following April 1; (ii) June 1, the immediately following July 1; and (iii) December 1, the immediately following January 1; in each case, subject to Sections 2.5, 2.6, and 2.8 of the Collateral Maintenance Agreement.

"Quarterly Methodology" means, in determining an opinion as the Fair Market Value of the Pledged Spare Parts, taking the following actions: (i) reviewing the Parts Inventory Report prepared as of the applicable Parts Inventory Report Date;

(ii) reviewing the Independent Appraiser's internal value database for values applicable to Qualified Spare Parts included in the Pledged Spare Parts; and (iii) establishing a ratio of Serviceable Parts to Unserviceable Parts as of the applicable Parts Inventory Report Date based upon information provided by the Company.

"Quarterly Parts Inventory Report" means any Parts Inventory Report dated as of a date falling within a time period set forth in clause (i), (ii) or (iv) of the definition of "Parts Inventory Report Period"; in each case, subject to Section 2.5(b)(ii) of the Collateral Maintenance Agreement.

"Rating Agencies" means, collectively, at any time, and with respect to a Class of Notes, each of up to three nationally recognized rating agencies that shall have been requested by the Company to rate such Class of Notes and which shall then be rating such Class of Notes. The initial Rating Agencies with respect to the Class A Notes and the Class B Notes will be Moody's, Fitch, and Standard & Poor's.

"Ratings Confirmation" means, with respect to any action proposed to be taken, a written confirmation from each of the Rating Agencies with respect to the applicable Class of Notes that such action would not result in (i) a reduction of the rating for such Class of Notes below the then current rating for such Class of Notes or (ii) a withdrawal of the rating of such Class of Notes.

"Record Date" means the 15th day preceding any Interest Payment Date, whether or not a Business Day.

"Redemption Date", when used with respect to any Note to be redeemed, means the date fixed for such redemption by or pursuant to the Indenture and such Note.

"Redemption Percentage", with respect to any Aircraft Model, means, as of any date of determination, the percentage determined by multiplying (a) the fraction with (i) a numerator equal to the Original Number of Aircraft for such Aircraft Model minus the Reduced Number of Aircraft for such Aircraft Model, and (ii) a denominator equal to the Original Number of Aircraft for such Aircraft Model by (b) the fraction with (i) a numerator equal to the aggregate Fair Market Value of the Pledged Spare Parts (as set forth in the Independent Appraiser's Certificate most recently delivered prior to such date of determination) that are appropriate for installation on, or use in, only such Aircraft Model, or the Engines or Spare Parts or Appliances utilized only on such Aircraft Model,

and (ii) a denominator equal to the aggregate Fair Market Value of the Pledged Spare Parts for all models of Aircraft (as set forth in such Independent Appraiser's Certificate).

"Reduced Number of Aircraft" means in the case of an Aircraft Model as to which the Company's in-service fleet of such Aircraft Model is below the then applicable Specified Minimum for such Aircraft Model during each day of a period of any 60 consecutive days as provided in Section 3.3 of the Collateral Maintenance Agreement, the number of Aircraft of such Aircraft Model remaining in the Company's in-service fleet as of the last day of such 60-day period.

"Refunding" means a refunding of the Class B Notes or, if issued, the Class C Notes in accordance with Exhibit D of the Indenture.

"Register" has the meaning provided in Section 2.8 of the Indenture.

"Registrar" has the meaning provided in Section 2.8 of the Indenture.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Regulation S Restricted Period Legend" is defined in Section 2.2 of the Indenture.

"Relevant Appraisal Report Date" is defined in Section 2.5(b) of the Collateral Maintenance Agreement.

"Relevant Appraiser's Certificate" is defined in Section 2.5(b) of the Collateral Maintenance Agreement.

"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 or forms (which may include a letter of credit, surety bond, insurance policy or guaranty) as shall permit the Rating Agencies to issue a Ratings Confirmation with respect to each Class of Notes (before downgrading of such ratings, if any, as a result of the downgrading of the applicable Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the applicable Liquidity Provider or any such guarantee becoming invalid or unenforceable), in a face amount (or in an aggregate face amount) equal to the Required Amount and issued by a Person (or Persons) (or, if applicable, by a Person (or Persons) with a guarantor (or guarantors)) having a debt rating issued by each Rating Agency that is equal to or higher than the applicable Threshold Rating or with such other ratings and qualifications as shall permit each Rating Agency to issue a Ratings Confirmation with respect to each Class of Notes (before downgrading of such ratings, if any, as a result of the downgrading of the Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the Liquidity Provider or any such guarantee becoming invalid or unenforceable). Without limitation of the form that a Replacement Liquidity Facility otherwise may have pursuant to the preceding sentence, a Replacement Liquidity Facility for the Class A Notes or the Class B Notes may have a stated expiration date earlier than 15 days after the Final Legal Maturity Date so long as such Replacement Liquidity Facility provides for a Non-Extension Drawing as contemplated by Section 3.6(d) of the Indenture.

"Replacement Liquidity Provider" means a Person who issues a Replacement Liquidity Facility.

"Request" means a written request for the action therein specified signed on behalf of the Company by any Officer and delivered to the Trustee. Each Request shall be accompanied by an Officers' Certificate if and to the extent required by Section 12.4 of the Indenture.

"Required Amount" means, with respect to the Liquidity Facility or the Liquidity Facility Cash Collateral Account for any Class of Notes, for any day, the sum of the applicable aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate applicable to the related Class of Notes on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on such Class of Notes on each of the four consecutive semi-annual Interest Payment Dates immediately following such day or, if such day is an Interest Payment Date, on such day and the succeeding three semi-annual Interest Payment Dates, in each case calculated on the basis of the outstanding principal amount of such Class of Notes on such date and without regard to expected future payments of principal on such Class of Notes.

"Required Class A Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class A Notes then Outstanding.

"Required Class B Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class B Notes then Outstanding.

"Required Class C Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class C Notes, if issued, then Outstanding.

"Required Reports" means, with respect to any Appraisal Report Date, the Independent Appraiser's Certificate, Appraisal Compliance Report, and Parts Inventory Report relating thereto.

"Responsible Officer" means (i) with respect to the Trustee, any officer in the corporate trust administration department of the Trustee or any other officer customarily performing functions similar to those performed by the Persons who at the time shall be such officers or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with a particular subject and (ii) with respect to a Liquidity Provider, any authorized officer of such Liquidity Provider.

"Restricted Definitive Class A Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Definitive Class B Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Global Class A Note" is defined in Section 2.1(c) of the Indenture.

"Restricted Global Class B Note" is defined in Section 2.1(c) of the Indenture.

"Restricted Global Notes" means the Restricted Global Class A Notes and the Restricted Global Class B Notes.

"Restricted Legend" is defined in Section 2.2 of the Indenture.

"Restricted Notes" is defined in Section 2.2 of the Indenture.

"Restricted Period" is defined in Section 2.1(d) of the Indenture.

"Rotable" means a Spare Part or Appliance (i) that wears over time and can be repeatedly and economically restored to a serviceable condition over a period approximating the life of the flight equipment to which it relates or (ii) that can be economically restored to a serviceable condition but has a life less than the related flight equipment and can be overhauled or repaired only a limited number of times.

"Rule 144A" means Rule 144A under the Securities Act.

"Sales" means all Pledged Spare Parts sold, transferred, or otherwise disposed of, excluding any Pledged Spare Part: (a) sold, transferred or otherwise disposed of in a transaction pursuant to Section 4.2(a) of the Spare Parts Security Agreement or pursuant to a similar provision of any other Collateral Agreement; or (b) deemed sold pursuant to the proviso of Section 3.6(a) of the Collateral Maintenance Agreement but as to which the Company has reacquired title.

"Scheduled Payment Date" means (i) with respect to any payment of interest, the Interest Payment Date applicable thereto, (ii) with respect to any payment of defaulted interest, the payment date established pursuant to Section 2.16 of the Indenture, (iii) with respect to amounts due on the redemption of any Note, the Redemption Date applicable thereto, and (iv) with respect to the final maturity of the Notes, the Final Scheduled Payment Date.

"SEC" means the Securities and Exchange Commission and any government agency succeeding to its functions.

"Second New Class C Notes" means Notes that are issued as new Class C Notes in connection with a Refunding of any New Class C Notes that are American Class C Notes, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"Section 3.9 Location" means, at any time, any location in the United States owned or leased by the Company where the Company holds Non-Designated Spare Parts (other than any such location with Non-Designated Spare Parts that have an immaterial aggregate System Value) that is not a Designated Location, but which, by operation of Section 3.9 of the Collateral Maintenance Agreement and Section 4.2(b) of the Spare Parts Security Agreement, is expected to become a Designated Location.

"Section 1110" means Section 1110 of the Bankruptcy Code.

"Section 1110 Period" means the continuous period of 60 days specified in Section 1110(a)(2)(A) of the Bankruptcy Code (or such longer period, if any (not to exceed an additional 75 days), agreed to under Section 1110(b) of the Bankruptcy Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Security Agent" means the Trustee acting in the capacity of security agent on behalf of the Holders under the Spare Parts Security Agreement and under the Collateral Maintenance Agreement until a successor replaces it, or is substituted for it, in accordance with the provisions of the Spare Parts Security Agreement or the Collateral Maintenance Agreement, as the case may be, and thereafter means such successor.

"Security Agreement" means the Spare Parts Security Agreement.

"Serviceable Parts" means Pledged Spare Parts or Non-Pledged Spare Parts, as the context requires, in condition satisfactory for incorporation in, installation on, attachment or appurtenance to or use in an Aircraft, Engine, Spare Part or Appliance.

"Shelf Registration Statement" means the shelf registration statement which may be required with respect to any Class of Notes to be filed by the Company with the SEC pursuant to a registration rights agreement, other than an Exchange Offer Registration Statement.

"Spare Part" means an accessory, appurtenance, or part of an Aircraft (except an Engine or Propeller), Engine (except a Propeller), Propeller, or Appliance, that is to be installed at a later time in an Aircraft, Engine, Propeller or Appliance.

"Spare Parts Collateral" is defined in Section 2.1 of the Spare Parts Security Agreement.

"Spare Parts Documents" is defined in clause (7) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Spare Parts Security Agreement" means the Spare Parts Security Agreement, dated as of the Issuance Date, between the Company and the Security Agent, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with its terms.

"Special Default" means a Payment Default or an American Bankruptcy Event.

"Special Record Date" is defined in Section 2.10 of the Indenture.

"Specified Minimum" is defined in Section 3.3(b) of the Collateral Maintenance Agreement.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Stated Expiration Date" is defined in Section 3.6(d) of the Indenture.

"Stated Interest Rate" means, with respect to any Class of Notes, the Debt Rate for such Class of Notes.

"Subordinated Note Provisions" is defined in Section 4.1 of the Collateral Maintenance Agreement.

"Successor Company" is defined in Section 5.4(a)(i) of the Indenture.

"Supplemental Security Agreement" means a supplement to the Spare Parts Security Agreement substantially in the form of Exhibit A to the Spare Parts Security Agreement.

"Support Documents" means the Liquidity Facilities and the Fee Letters.

"System Value" means, with respect to any Qualified Spare Part as of any date, the system average unit price of such Qualified Spare Part as of such date as set forth in the Company's equipment inventory tracking system.

"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.

"Temporary Regulation S Global Class A Note" is defined in Section 2.1(d) of the Indenture.

"Temporary Regulation S Global Class B Note" is defined in Section 2.1(d) of the Indenture.

"Temporary Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Termination Notice", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Threshold Amount" means $2,000,000.

"Threshold Rating" means a senior unsecured short-term corporate rating of F-1 by Fitch (if the applicable Person is then rated by Fitch), a short-term unsecured debt rating of P-1 by Moody's and a short-term issuer credit rating of A-1 by Standard & Poor's; and in the case of any Person who does not have a senior unsecured short-term corporate rating by Fitch, a short-term unsecured debt rating from Moody's or a short-term issuer credit rating from Standard & Poor's, then in lieu of such rating from such Rating Agencies, a senior unsecured long-term corporate rating of A in the case of Fitch

(if such Person is then rated by Fitch), a long-term unsecured debt rating of A2 in the case of Moody's and a long-term issuer credit rating of A in the case of Standard & Poor's.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbbb) as in effect on the date of the Indenture; provided, however, that in the event the TIA is amended after such date, "TIA" means, to the extent required by any such amendment, the TIA as so amended.

"Trust Accounts" is defined in Section 8.13(a) of the Indenture.

"Trust Officer" means any Responsible Officer of the Trustee.

"Trustee" means the party named as such in the Indenture until a successor replaces it in accordance with the provisions of the Indenture and thereafter means the successor Trustee and if, at any time, there is more than one Trustee, "Trustee" as used with respect to the Notes of any Class shall mean the Trustee with respect to the Notes of that Class.

"Trustee Incumbency Certificate" is defined in Section 3.8(a) of the Indenture.

"Trustee Representatives" is defined in Section 3.8(a) of the Indenture.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"Unapplied Provider Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Unpaid Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Unserviceable Parts" means Pledged Spare Parts or Non-Pledged Spare Parts, as the context requires, that have been either removed from service (i) because they did not

work correctly or (ii) because upon inspection and testing, they were found not to meet certain prescribed standards.

"U.S." or "United States" means the United States of America.

"U.S. Air Carrier" means any United States air carrier that is a Citizen of the United States holding an air carrier operating certificate issued pursuant to chapter 447 of title 49 of the United States Code for aircraft capable of carrying 10 or more individuals or 6000 pounds or more of cargo, or that otherwise is certificated or registered to the extent required to fall within the purview of Section 1110.

"U.S. Government" means the federal government of the United States, or any instrumentality or agency thereof the obligations of which are guaranteed by the full faith and credit of the federal government of the United States.

"U.S. Government Obligations" means securities that are direct obligations of the U.S. Government 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.

"USBT" is defined in the first paragraph of the Indenture.

"Warranty Rights" means the rights of the Company under any warranty or indemnity, express or implied, regarding title, materials, workmanship, design and patent infringement, or related matters in respect of the Pledged Spare Parts, in each case to the extent that: (a) such rights relate to the Pledged Spare Parts (and not to other Spare Parts, Appliances or any other properties or assets), (b) such rights are assignable at no additional expense to the Company, and (c) that such assignment does not require the consent of any Person and does not violate any contract or agreement binding upon the Company relating to such rights.

"Written Notice" means, from the Trustee or any Liquidity Provider, a written instrument executed by the Designated Representative of such Person.

SECTION 2.Rules of Construction. Unless the context otherwise requires, the following rules of construction shall apply for all purposes of the Operative Documents (including this appendix) and of such agreements as may incorporate this appendix by reference.

(a) In each Operative Document, unless otherwise expressly provided, a reference to:

(i) each of the Company, the Trustee, the Collateral Agent, the Security Agent 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 the 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 Closing Date, 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", an "Exhibit", an "Annex", an "Appendix" or a "Schedule" in any Operative Document, or in any annex thereto, is a reference to a Section of, or an exhibit, an annex, an appendix or a schedule to, such Operative Document or such annex, respectively.

(b) Each exhibit, annex, appendix and schedule to each Operative Document is incorporated in, and shall be deemed to be a part of, such Operative Document.

(c) Unless otherwise defined or specified in any Operative Document, all accounting terms therein shall be construed and all accounting determinations thereunder shall be made in accordance with GAAP.

(d) 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.

EXHIBIT A

FORM OF SUPPLEMENTAL SECURITY AGREEMENT
(To Add Designated Locations)

SUPPLEMENTAL SECURITY AGREEMENT NO. _____

SUPPLEMENTAL SECURITY AGREEMENT NO. _____, dated as of _____ of AMERICAN AIRLINES, INC., a Delaware corporation (together with its successors and assigns, the "Company").

WHEREAS, the Company, which is a certificated air carrier under Section 44705 of title 49 of the U.S. Code, and U.S. Bank Trust National Association, as Security Agent (the "Security Agent"), have heretofore executed and delivered a Spare Parts Security Agreement, dated as of February 5, 2004 (the "Security Agreement"), and terms defined in the Security Agreement and used herein have such defined meanings unless otherwise defined herein;

WHEREAS, the Security Agreement grants a Lien on, among other things, certain Pledged Spare Parts to secure (subject to the provisions of the Security Agreement) the payment of the Notes and the other Obligations;

WHEREAS, the Company has previously designated the locations at which the Pledged Spare Parts may be maintained by or on behalf of the Company in the Security Agreement [and in Supplemental Security Agreement No. __];

WHEREAS, the Security Agreement [and Supplemental Security Agreement] [No.1] [Nos. __ and __] has [have] been duly recorded with the Federal Aviation Administration at Oklahoma City, Oklahoma, pursuant to the Federal Aviation Act on the following date as a document or conveyance bearing the following number:

DATE OF RECORDING | DOCUMENT OR CONVEYANCE NO.

Security Agreement......

WHEREAS, the Company, as provided in the Security Agreement, is hereby executing and delivering to the Security Agent this Supplemental Security Agreement for the purposes of adding locations at which the Pledged Spare Parts may be maintained by or on behalf of the Company; and

WHEREAS, all things necessary to make this Supplemental Security Agreement the valid, binding and legal obligation of the Company, including all proper corporate action on the part of the Company, have been done and performed and have happened;

NOW, THEREFORE, THIS SUPPLEMENTAL SECURITY AGREEMENT NO. _____WITNESSETH, that the locations listed on Schedule 1 hereto shall be Designated Locations for purposes of the Security Agreement at which Pledged Spare Parts may be maintained by or on behalf of the Company.

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

THIS SUPPLEMENTAL SECURITY AGREEMENT IS DELIVERED IN THE STATE OF NEW YORK. THIS SUPPLEMENTAL SECURITY 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.

IN WITNESS WHEREOF, this Supplemental Security Agreement No. ____ has been duly executed and delivered all as of the date first above written.

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

DESIGNATED LOCATIONS

Spare Parts Security Agreement

SUPPLEMENTAL SECURITY AGREEMENT NO. 1

SUPPLEMENTAL SECURITY AGREEMENT NO. 1, dated as of August 19, 2004 of AMERICAN AIRLINES, INC., a Delaware corporation (together with its successors and assigns, the "Company").

WHEREAS, the Company, which is a certificated air carrier under Section 44705 of title 49 of the U.S. Code, and U.S. Bank Trust National Association, as Security Agent (the "Security Agent"), have heretofore executed and delivered a Spare Parts Security Agreement, dated as of February 5, 2004 (the "Security Agreement"), and terms defined in the Security Agreement and used herein have such defined meanings unless otherwise defined herein;

WHEREAS, the Security Agreement grants a Lien on, among other things, certain Pledged Spare Parts to secure (subject to the provisions of the Security Agreement) the payment of the Notes and the other Obligations;

WHEREAS, the Company has previously designated the locations at which the Pledged Spare Parts may be maintained by or on behalf of the Company in the Security Agreement;

WHEREAS, the Security Agreement has been duly recorded with the Federal Aviation Administration at Oklahoma City, Oklahoma, pursuant to the Federal Aviation Act on the following date as a document or conveyance bearing the following number:

DOCUMENT OR CONVEYANCE	DATE OF RECORDING	NO.
Security Agreement.....	February 13, 2004	Y007347

WHEREAS, the Company, as provided in the Security Agreement, is hereby executing and delivering to the Security Agent this Supplemental Security Agreement for the purposes of adding locations at which the Pledged Spare Parts may be maintained by or on behalf of the Company; and

WHEREAS, all things necessary to make this Supplemental Security Agreement the valid, binding and legal obligation of the Company, including all proper corporate action on the part of the Company, have been done and performed and have happened;

NOW, THEREFORE, THIS SUPPLEMENTAL SECURITY AGREEMENT NO. 1 WITNESSETH, that the locations listed on Schedule 1 hereto shall be Designated Locations for purposes of the Security Agreement at which Pledged Spare Parts may be maintained by or on behalf of the Company. Further, the Company hereby confirms its grant of a Lien to the Security Agent on the Pledged Spare Parts being maintained at the locations listed on Schedule 1 hereto.

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

THIS SUPPLEMENTAL SECURITY AGREEMENT IS DELIVERED IN THE STATE OF NEW YORK. THIS SUPPLEMENTAL SECURITY 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.

IN WITNESS WHEREOF, this Supplemental Security Agreement No. 1 has been duly executed and delivered all as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Michael P. Thomas

Name: Michael P. Thomas
Title: Managing Director
Corporate Finance & Banking

SCHEDULE 1

DESIGNATED LOCATIONS

#	LONG NAME	ADDRESS -
107	AMERICAN AIRLINES, INC. SEAT SHOP - ESR C/O STORES RECEIVING	9216 NW 112TH STREET KANSAS CITY, MO 64153
108	AMERICAN AIRLINES, INC. ATTN: SEAT SHOP 271-5 TUTJJ	MAINTENANCE & ENGINEERING CENTER 3807 N. MINGO ROAD TULSA, OK 74116
109	AMERICAN AIRLINES, INC. ATTN: FEDEX A300 LINE TULSA	MAINTENANCE BASE 3800 N. MINGO ROAD TULSA, OK 74116-5020
110	AMERICAN AIRLINES, INC. WIDE BODY LOAD CENTER TOOLING STORES RECEIVING	GROUND OPPS CTR 9200 NW 112TH STREET KANSAS CITY, MO 64153-2003

EXHIBIT 4.4

EXECUTION COPY

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COLLATERAL MAINTENANCE AGREEMENT

between

AMERICAN AIRLINES, INC.

and

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Security Agent

Dated as of February 5, 2004

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COLLATERAL MAINTENANCE AGREEMENT

COLLATERAL MAINTENANCE AGREEMENT, dated as of February 5, 2004, between (i) AMERICAN AIRLINES, INC., a Delaware corporation (the "Company"), and (ii) U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, as agent (the "Security Agent") for U.S. Bank Trust National Association, in its capacity as trustee (the "Trustee") under the Indenture, dated as of the date hereof, among the Company, the Trustee and Citibank, N.A., as Class A Liquidity Provider (the "Class A Liquidity Provider").

R E C I T A L S

WHEREAS, the Company, the Trustee, and the Class A Liquidity Provider have entered into the Indenture providing for the issuance of certain Notes;

WHEREAS, in order to secure the payment of the principal amount of and interest on the Notes and all other Obligations of the Company under the Indenture, the Notes and the other Operative Documents, the Company has granted a security interest in the Spare Parts Collateral pursuant to the Spare Parts Security Agreement; and

WHEREAS, the Company and the Security Agent wish to set forth herein certain additional agreements with respect to the Spare Parts Collateral.

NOW, THEREFORE, in consideration of the premises and other benefits to the Company, the receipt and sufficiency of which are hereby acknowledged, the Company and the Security Agent agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. Capitalized terms used above or hereinafter and not otherwise defined herein shall have the meanings ascribed to such terms in Section 1 of the Definitions Appendix attached hereto as Appendix I, which shall be part of this Agreement as if fully set forth in this place.

Section 1.2 Rules of Construction. The rules of construction for this Agreement are set forth in Section 2 of the Definitions Appendix.

ARTICLE II

REPORTS REGARDING THE COLLATERAL

Section 2.1 Parts Inventory Report. So long as the Notes are Outstanding, with respect to each Parts Inventory Report Period, the Company shall prepare a Parts Inventory Report, dated as of a date (the "Parts Inventory Report Date") within such Parts Inventory Report Period, and shall deliver such Parts Inventory Report to the Independent Appraiser no later than the fifth Business Day following such Parts Inventory Report Date.

Section 2.2 Annual Appraisal.

(a) Subject to Section 2.5 hereof, so long as the Notes are Outstanding, with respect to each Annual Parts Inventory Report, by the fifth Business Day following the applicable Annual Appraisal Report Date, the Company shall furnish to the Trustee, the Security Agent, the Class A Liquidity Provider, and each Rating Agency an Independent Appraiser's Certificate signed by an Independent Appraiser and dated as of such Annual Appraisal Report Date.

(b) Each such Independent Appraiser's Certificate shall state, in the opinion of such Independent Appraiser, based upon the applicable Annual Parts Inventory Report and upon use of the Annual Methodology, the following:

(i) the Fair Market Value of the Pledged Spare Parts as of the applicable Parts Inventory Report Date; and

(ii) the Fair Market Value of the Serviceable Parts and the Unserviceable Parts included in the Pledged Spare Parts as of the applicable Parts Inventory Report Date.

(c) Each such annual Independent Appraiser's Certificate shall be accompanied by (i) a copy of the Annual Parts Inventory Report upon which such Independent Appraiser's Certificate was based, and (ii) an Appraisal Compliance Report determined as of the applicable Parts Inventory Report Date and dated as of the applicable Compliance Report Date. The Appraisal Compliance Report provided with such Independent Appraiser's Certificate shall set forth the calculation of the Class A Collateral Ratio and the Class B Collateral Ratio, in each case based on (A) the Fair Market Value of the Pledged Spare Parts set forth in such Independent Appraiser's Certificate and (B) the Fair Market Value of Cash Collateral held by the Collateral Agent, the principal amount of the Class A Notes Outstanding, and the principal amount of the Class B Notes Outstanding, each as of the applicable Annual Appraisal Report Date, and,

if applicable, the Fair Market Value of the Other Collateral with respect to such Annual Appraisal Report Date.

Section 2.3 Quarterly Appraisal.

(a) Subject to Section 2.5 hereof, so long as the Notes are Outstanding, with respect to each Quarterly Parts Inventory Report, by the fifth Business Day following the applicable Quarterly Appraisal Report Date, the Company shall furnish to the Trustee, the Security Agent, the Class A Liquidity Provider, and each Rating Agency an Independent Appraiser's Certificate signed by an Independent Appraiser and dated as of such Quarterly Appraisal Report Date.

(b) Each such quarterly Independent Appraiser's Certificate shall state, in the opinion of such Independent Appraiser, based upon the applicable Quarterly Parts Inventory Report and upon use of the Quarterly Methodology, the following:

(i) the Fair Market Value of the Pledged Spare Parts as of the applicable Parts Inventory Report Date; and

(ii) the Fair Market Value of the Serviceable Parts and the Unserviceable Parts included in the Pledged Spare Parts as of the applicable Parts Inventory Report Date.

(c) Each such quarterly Independent Appraiser's Certificate shall be accompanied by (i) a copy of the Quarterly Parts Inventory Report upon which such Independent Appraiser's Certificate was based, and (ii) an Appraisal Compliance Report determined as of the applicable Parts Inventory Report Date and dated as of the applicable Compliance Report Date. The Appraisal Compliance Report provided with such quarterly Independent Appraiser's Certificate shall set forth the calculation of the Class A Collateral Ratio and the Class B Collateral Ratio, based on (A) the Fair Market Value of the Pledged Spare Parts set forth in such Independent Appraiser's Certificate and (B) the Fair Market Value of Cash Collateral held by the Collateral Agent, the principal amount of the Class A Notes Outstanding, and the principal amount of the Class B Notes Outstanding, each as of the applicable Quarterly Appraisal Report Date, and, if applicable, the Fair Market Value of the Other Collateral with respect to such Quarterly Appraisal Report Date.

Section 2.4 Nonappraisal Compliance Reports. So long as the Notes are Outstanding, within ten Business Days after each Nonappraisal Compliance Report Date, the Company shall furnish the Trustee, the Security Agent, the Class A Liquidity Provider, and each Rating Agency with a Nonappraisal Compliance Report dated as of such Nonappraisal Compliance Report Date.

Section 2.5 Annual Methodology Requests.

(a) If (i) the Company defaults in any of its obligations with respect to indebtedness for borrowed money of the Company in an outstanding principal amount greater than $50,000,000 which results in the acceleration of the Company's obligation to pay such indebtedness in full prior to its stated final maturity date, at any time prior to the payment of such indebtedness or the reversal of such acceleration, or (ii) an Event of Default occurs, at any time while such Event of Default is continuing, the Security Agent shall make a request by written notice to the Company that the next Independent Appraiser's Certificate scheduled to be delivered by the Company following such request be based upon the Annual Methodology. Subject to Section 2.6(a) hereof, following the Company's compliance with such request in accordance with this Section 2.5, if an American Bankruptcy Event shall have occurred and is continuing and the Company has not entered into an agreement of the kind described in Section 1110(a)(2)(A) of the Bankruptcy Code with respect to the Operative Documents, the Security Agent may make one or more additional requests that the Independent Appraiser's Certificate required to be delivered under this Collateral Maintenance Agreement following such additional request be based on the Annual Methodology (each request under this Section 2.5(a) to base an Independent Appraiser's Certificate on the Annual Methodology, an "Annual Methodology Request").

(b) With respect to any such Annual Methodology Request:

(i) If the next Independent Appraiser's Certificate scheduled to be delivered following such Annual Methodology Request (the "Relevant Appraiser's Certificate") was to be based upon the Annual Methodology pursuant to Section 2.2 hereof (without consideration of this Section 2.5), such Relevant Appraiser's Certificate shall be prepared based upon the Annual Methodology and delivered in accordance with Section 2.2(a) hereof.

(ii) If the Relevant Appraiser's Certificate was to be based upon the Quarterly Methodology pursuant to Section 2.3 hereof (without consideration of this Section 2.5), then:

(A) if such Annual Methodology Request is received by the Company 30 days or more before the date that is the applicable Quarterly Appraisal Report Date for such Relevant Appraiser's Certificate (such date, the "Relevant Appraisal Report Date"), then (1) such Relevant Appraiser's Certificate shall be prepared based upon the Annual Methodology, (2) such Relevant Appraiser's Certificate shall be dated as of such Relevant Appraisal Report Date, and the Appraisal Report Date relating to such Relevant Appraiser's Certificate shall be such Relevant Appraisal Report Date, and (3) such Relevant Appraisal Certificate shall be delivered by the Company to the Trustee, the Security Agent,

the Class A Liquidity Provider, and each Rating Agency by the fifth Business Day following such Relevant Appraisal Report Date; and

(B) if such Annual Methodology Request is received by the Company less than the 30 days before the Relevant Appraisal Report Date, then (1) such Relevant Appraiser's Certificate shall be prepared based upon the Annual Methodology, (2) such Relevant Appraiser's Certificate shall be dated as of a date that is no more than 30 days following the Company's receipt of such Annual Methodology Request, and the Appraisal Report Date relating to such Relevant Appraiser's Certificate shall be such date, and (3) the dates and time periods for compliance by the Company with its obligations under Article II and Section 3.1 hereof relating to, or resulting from or determined by reference to, such Relevant Appraiser's Certificate shall be deemed to be adjusted mutatis mutandis, without further act, to reflect the changes described in clause (2) of this Section 2.5(b)(ii)(B);

and in each case described in (A) and (B) of this Section 2.5(b)(ii), with respect to any subsequent Independent Appraiser's Certificates required to be delivered under this Collateral Maintenance Agreement following such Relevant Appraiser's Certificate, the definitions of "Annual Appraisal Report Date", "Annual Parts Inventory Report", "Quarterly Appraisal Report Date", and "Quarterly Parts Inventory Report" shall be deemed to be adjusted mutatis mutandis, without further act, such that subsequent Independent Appraiser's Certificates dated as of the yearly anniversaries of such Relevant Appraisal Report Date will thereafter be based upon the Annual Methodology and the Independent Appraiser's Certificates dated as of other Appraisal Report Dates will thereafter be based upon the Quarterly Methodology (unless and until such definitions are adjusted thereafter by operation of this Section 2.5(b)(ii) or Section 2.8(c)(iv) hereof).

Section 2.6 Limited Exceptions to Reporting Requirements. Notwithstanding any other provision herein or in any other Operative Document to the contrary:

(a) The Company shall not be obligated to deliver pursuant to Article II hereof an Independent Appraiser's Certificate based upon the Annual Methodology more than two times in any nine-month period.

(b) If the Company has provided a Parts Inventory Report to the Independent Appraiser in accordance with Section 2.1 hereof, but the Independent Appraiser fails to provide the related Independent Appraiser's Certificate to the Company by the applicable Appraisal Report Date, then (i) the Company shall make all reasonable efforts to cause the Independent Appraiser to deliver such Independent Appraiser's Certificate to the Company, (ii) such Independent Appraiser's Certificate shall be dated as of the date that such Independent

Appraiser's Certificate is delivered to the Company, and the Appraisal Report Date with respect to such Independent Appraiser's Certificate shall be such date of delivery, and (iii) the dates and time periods for compliance by the Company with its obligations under Article II and Section 3.1 hereof relating to, or resulting from or determined by reference to, such Independent Appraiser's Certificate shall be deemed to be adjusted mutatis mutandis, without further act, to reflect the changes described in clause (ii) of this Section 2.6(b); provided that, if such failure by the Independent Appraiser to provide such Independent Appraiser's Certificate continues for more than 30 days following the applicable Appraisal Report Date (without consideration of clause (ii) of this Section 2.6(b)), then the Company (x) shall have no obligations under Article II and Section 3.1 hereof relating to, or that would have otherwise resulted from or been determined by reference to, such Independent Appraiser's Certificate and (y) shall make all reasonable efforts to replace such Independent Appraiser pursuant to Section 2.8(a) hereof. For the avoidance of doubt, nothing in this Section 2.6(b) shall be construed to prevent the occurrence of an Event of Default set forth in Section 7.1(c) of the Indenture, if the circumstances expressly described therein shall occur and be continuing.

Section 2.7 Information from the Security Agent. The Fair Market Value of any Investment Securities included in the Cash Collateral for purposes of this Collateral Maintenance Agreement shall be determined by the Security Agent in accordance with customary financial market practices. The Security Agent shall inform the Company of the principal amount of the Class A Notes Outstanding, the principal amount of the Class B Notes Outstanding, and the amount of cash and the Fair Market Value of any Investment Securities included in the Cash Collateral, in each case as of any date promptly after the Company's request for such information.

Section 2.8 Independent Appraiser.

(a) The Company may, at any time and acting in good faith, designate another nationally recognized Independent Appraiser to perform the next required appraisal under Article II hereof, by written notice given to the Security Agent (with a copy to each Rating Agency); provided that the Company shall have obtained the prior consent of the Class A Liquidity Provider to such new Independent Appraiser, such consent not to be unreasonably withheld or delayed.

(b) If an Event of Default has occurred and is continuing, and the Security Agent has a reasonable basis for concluding that the performance of the Independent Appraiser that executed the most recent Independent Appraiser's Certificate delivered pursuant to Article II hereof was not satisfactory, then the Security Agent (acting at the direction of the Controlling Party) may designate another nationally recognized Independent Appraiser to perform the next required appraisal under Article II hereof, by

written notice given to the Company and each Liquidity Provider (with a copy to the Trustee and each Rating Agency) within 45 days after the date of such most recent Independent Appraiser's Certificate.

(c) Notwithstanding any other provision of any Operative Document to the contrary, if an Independent Appraiser's Certificate to be delivered pursuant to this Collateral Maintenance Agreement is to be prepared and signed by a New Appraiser, then (i) the Appraisal Report Date with respect to such Independent Appraiser's Certificate shall be a date (the "New Appraisal Report Date") no later than the 30th day following the date on which such Appraisal Report Date would otherwise fall, and such Independent Appraiser's Certificate shall be dated as of such New Appraisal Report Date, (ii) such Independent Appraiser's Certificate shall be based upon the Annual Methodology, (iii) the dates and time periods for compliance by the Company with its obligations under Article II and Section 3.1 hereof relating to, or resulting from or determined by reference to, such Independent Appraiser's Certificate shall be deemed to be adjusted mutatis mutandis, without further act, to reflect the changes described in clause (i) of this Section 2.8(c); provided that in the case of a New Appraiser designated by the Company pursuant to Section 2.8(a) hereof, the dates and time periods for the Company's compliance with its obligations under Section 3.1 hereof shall not be so adjusted, and (iv) if the Appraisal Report Date with respect to such Independent Appraiser's Certificate (without consideration of clause (i) above) is not an Annual Appraisal Report Date, with respect to any subsequent Independent Appraiser's Certificates to be delivered under this Collateral Maintenance Agreement following such Independent Appraiser's Certificate delivered by such New Appraiser, the definitions of "Annual Appraisal Report Date", "Annual Parts Inventory Report", "Quarterly Appraisal Report Date", and "Quarterly Parts Inventory Report" shall be deemed to be adjusted mutatis mutandis, without further act, such that subsequent Independent Appraiser's Certificates dated as of the yearly anniversaries of such Appraisal Report Date (without consideration of clause (i) above) will thereafter be based upon the Annual Methodology and the Independent Appraiser's Certificates dated as of other Appraisal Report Dates will thereafter be based upon the Quarterly Methodology (unless and until such definitions are adjusted thereafter by operation of Section 2.5(b)(ii) hereof or this Section 2.8(c)(iv)).

ARTICLE III

COLLATERAL REQUIREMENTS

Section 3.1 Maintenance of Collateral Ratios.

(a) If the Class A Collateral Ratio, as determined pursuant to an Appraisal Compliance Report, is greater than the Maximum Class A Collateral Ratio, or if the Class B Collateral Ratio, as determined pursuant to an Appraisal Compliance Report, is greater

than the Maximum Class B Collateral Ratio: the Company shall within 50 days (or, if such 50th day is not a Business Day, the next Business Day following such 50th day) after the applicable Compliance Report Date:

(i) grant a security interest to a Collateral Agent in property other than Qualified Spare Parts ("Other Collateral") to secure the Obligations for the benefit of the Holders and the Indemnitees pursuant to terms of Section 3.1(c) hereof;

(ii) provide additional cash and/or Investment Securities to the Security Agent under the Spare Parts Security Agreement, provided that the aggregate amount of such cash and/or Investment Securities so provided by the Company pursuant to this Section 3.1(a)(ii) and any earnings thereon that may be applied to the calculation of the Collateral Ratios as of any applicable date of determination shall not exceed $50,000,000;

(iii) deliver Notes to the Trustee for cancellation;

(iv) redeem some or all of the Notes pursuant to Article IV of the Indenture; or

(v) any combination of the foregoing;

such that the Class A Collateral Ratio and the Class B Collateral Ratio, as recalculated giving effect to such action taken pursuant to this Section 3.1(a) and, in the case of clause (i) of this Section 3.1(a), using the Fair Market Value of any such Other Collateral determined pursuant to Section 3.1(c) and, in the case of clause (ii) of this Section 3.1(a), using the Fair Market Value of such cash and/or Investment Securities and any earnings thereon (but otherwise using the information used to determine the Class A Collateral Ratio and the Class B Collateral Ratio as set forth in such Appraisal Compliance Report), would not be greater than the Maximum Class A Collateral Ratio or the Maximum Class B Collateral Ratio, respectively; provided that, for the avoidance of doubt, nothing set forth in this Section 3.1(a) or elsewhere in the Operative Documents shall be deemed to prevent the Company from granting at any time a security interest to a Collateral Agent in property other than Qualified Spare Parts in order to secure the Obligations for the benefit of the Holders and the Indemnitees, it being agreed that such property shall not constitute "Other Collateral" for purposes hereof unless and until it satisfies the requirements of Section 3.1(c) hereof.

(b) Notwithstanding anything to the contrary in any Operative Document, the provisions in the Operative Documents relating to the Class B Collateral Ratio and the Maximum Class B Collateral Ratio and Section 3.3(a)(ii) hereof will have no force and effect so long as all the Class B Notes are then held by an American Entity.

(c) In order for the Company to provide Other Collateral pursuant to Section 3.1(a)(i) hereof, (i) the Company and a Collateral Agent shall enter into a Collateral Agreement that, among other matters, sets forth a definition of "Fair Market Value" with respect to such Other Collateral and a methodology for determining the Fair Market Value of such Other Collateral, which methodology may be comparable to valuation methodologies used in other financings of similar types of property as such Other Collateral, and (ii) the Company shall have obtained a Ratings Confirmation with respect to each Class of Notes then currently rated with respect to the provision of such Other Collateral pursuant to the terms of such Collateral Agreement.

(d) Any redemption of Notes pursuant to Section 3.1(a)(iv) hereof elected by the Company shall be made as follows:

(i) If the Class A Collateral Ratio exceeds the Maximum Class A Collateral Ratio but the Class B Collateral Ratio is less than or equal to the Maximum Class B Collateral Ratio, then the Company will redeem Class A Notes such that the Class A Collateral Ratio recalculated pursuant to Section 3.1(a) hereof after giving effect to such redemption of Class A Notes and other actions taken pursuant to Section 3.1(a) hereof (other than any redemption of Class B Notes) would be equal to the Maximum Class A Collateral Ratio (or less than the Maximum Class A Collateral Ratio to the extent necessary to comply with the minimum denomination requirements for redemptions in Section 4.1(a) of the Indenture).

(ii) If the Class B Collateral Ratio exceeds the Maximum Class B Collateral Ratio but the Class A Collateral Ratio is less than or equal to the Maximum Class A Collateral Ratio, then the Company will redeem Class B Notes such that the Class B Collateral Ratio recalculated pursuant to Section 3.1(a) hereof after giving effect to such redemption of Class B Notes and other actions taken pursuant to Section 3.1(a) hereof (other than any redemption of Class A Notes) would be equal to the Maximum Class B Collateral Ratio (or less than the Maximum Class B Collateral Ratio to the extent necessary to comply with the minimum denomination requirements for redemptions in Section 4.1(a) of the Indenture).

(iii) If the Class A Collateral Ratio exceeds the Maximum Class A Collateral Ratio and the Class B Collateral Ratio exceeds the Maximum Class B Collateral Ratio, then the Company (A) first will redeem Class A Notes such that the Class A Collateral Ratio recalculated pursuant to Section 3.1(a) hereof after giving effect to such redemption of Class A Notes and other actions taken pursuant to Section 3.1(a) hereof (other than any redemption of Class B Notes) would be equal to the Maximum Class A Collateral Ratio (or less than the Maximum Class A Collateral Ratio to the extent necessary to comply with the

minimum denomination requirements for redemptions in Section 4.1(a) of the Indenture), and (B) if the Class B Collateral Ratio recalculated pursuant to Section 3.1(a) hereof after giving effect to such redemption of Class A Notes and other actions taken pursuant to Section 3.1(a) hereof still would exceed the Maximum Class B Collateral Ratio, the Company will redeem Class B Notes such that the Class B Collateral Ratio recalculated pursuant to Section 3.1(a) hereof after giving effect to such redemption of Class B Notes and other actions taken pursuant to Section 3.1(a) hereof (including the redemption of Class A Notes described in clause (A)) would be equal to the Maximum Class B Collateral Ratio (or less than the Maximum Class B Collateral Ratio to the extent necessary to comply with the minimum denomination requirements for redemptions in Section 4.1(a) of the Indenture).

Section 3.2 Certain Limitations Regarding the Pledged Spare Parts.

(a) As of any date during each Applicable Period:

(i) the aggregate System Value of Sales during such Applicable Period through such date shall not exceed 4% of the aggregate System Value of the Pledged Spare Parts as of such date, and the aggregate System Value of Sales during the calendar year through such date shall not exceed 8% of the aggregate System Value of the Pledged Spare Parts as of such date;

(ii) the aggregate System Value of Loans outstanding as of such date shall not exceed 2% of the aggregate System Value of the Pledged Spare Parts as of such date; and

(iii) the aggregate System Value of Moves during such Applicable Period through such date, net of the aggregate System Value of Qualified Spare Parts transferred during such Applicable Period through such date by or on behalf of the Company to Designated Locations from locations that were not Designated Locations, shall not exceed 4% of the aggregate System Value of the Pledged Spare Parts as of such date.

(b) For the avoidance of doubt, no given transaction with respect to Pledged Spare Parts shall constitute, or shall be factored into the calculation of, as of any given date, more than one of the following: Sales, Loans and Moves.

(c) Without the consent of the Required Class B Holders, this Section 3.2 may only be amended or supplemented, or compliance herewith waived, as long as after giving effect to a transaction permitted as a result of such amendment, supplement, or waiver, the Class B Collateral Ratio (as recalculated giving effect to such transaction but otherwise using the information used to determine the Class B Collateral Ratio as most

recently determined pursuant to Article II hereof), would be less than or equal to the Maximum Class B Collateral Ratio.

Section 3.3 Fleet Reduction.

(a) If the total number of Aircraft of any Aircraft Model (as defined below) in the Company's in-service fleet is below the then applicable Specified Minimum (as defined below) for such Aircraft Model (other than due to restrictions on operating such Aircraft imposed by the FAA or any other instrumentality or agency of the United States) during each day in a period of any 60 consecutive days (such event, a "Fleet Reduction"), then within 90 days after the last day in such 60-day period, the Company shall:

(i) redeem Class A Notes pursuant to Article IV of the Indenture or deliver Class A Notes to the Trustee for cancellation, or a combination of the foregoing, in an aggregate principal amount equal to the product of (i) the Redemption Percentage multiplied by (ii) the aggregate principal amount of the Class A Notes Outstanding (or greater than such product to the extent necessary to comply with the minimum denomination requirements for redemptions in Section 4.1(a) of the Indenture); and

(ii) redeem Class B Notes pursuant to Article IV of the Indenture or deliver Class B Notes to the Trustee for cancellation, or a combination of the foregoing, in an aggregate principal amount equal to the product of (i) the Redemption Percentage multiplied by (ii) the aggregate principal amount of the Class B Notes Outstanding (or greater than such product to the extent necessary to comply with the minimum denomination requirements for redemptions in Section 4.1(a) of the Indenture).

(b) For purposes of this Section 3.3, "Aircraft Model" shall mean each of the models or groups of models of Aircraft set forth below and the initial "Specified Minimum" for any Aircraft Model shall mean the number of Aircraft set forth opposite such Aircraft Model below:

	Aircraft Model	Initial Specified Minimum
1.	Boeing 737-800 Aircraft	50 Aircraft
2.	Boeing 777-200 Aircraft	30 Aircraft

Following any redemption or cancellation of Notes required by any Fleet Reduction of an Aircraft Model pursuant to this Section 3.3, the Specified Minimum with respect to such Aircraft Model shall be the greater of (i) the Reduced Number of Aircraft that resulted in such Fleet Reduction minus 5 Aircraft of such Aircraft Model and (ii) zero Aircraft.

Section 3.4 Liens. The Company will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Spare Parts Collateral, title to any of the foregoing or any interest of the Company therein, except Permitted Liens. The Company shall promptly, at its own expense, take such action as may be necessary to duly discharge (by bonding or otherwise) any such Lien, other than a Permitted Lien, arising at any time.

Section 3.5 Maintenance. The Company:

(a) shall maintain, or cause to be maintained, at all times the Pledged Spare Parts in accordance with all applicable laws issued by the FAA or any other Governmental Entity having jurisdiction over the Company or any such Pledged Spare Parts, including by making any modifications, alterations, replacements and additions necessary therefor;

(b) shall maintain, or cause to be maintained, all records, logs and other materials required by the FAA or under the Federal Aviation Act to be maintained in respect of the Pledged Spare Parts and shall not modify its record retention procedures in respect of the Pledged Spare Parts if such modification would materially diminish the value of the Pledged Spare Parts, taken as a whole; and

(c) shall maintain, or cause to be maintained, the Pledged Spare Parts in good working order and condition and shall perform all maintenance thereon necessary for that purpose, excluding (i) Pledged Spare Parts that have become worn out, unfit for use, not reasonably or economically repairable, or obsolete (operationally, economically, or otherwise), (ii) Pledged Spare Parts that are not required for the Company's normal operations, and (iii) Expendables that have been consumed or used in the Company's operations.

Section 3.6 Possession.

(a) Without the prior written consent of the Security Agent (as directed by the Controlling Party), the Company will not sell, lease, transfer or relinquish possession of any Pledged Spare Part to any Person other than by the grant of the security interest to the Security Agent pursuant to the Spare Parts Security Agreement, except as permitted by the provisions of Section 3.2 of this Collateral Maintenance Agreement and this Section 3.6 and Sections 4.2 and 4.3 of the Spare Parts Security Agreement and except that the Company shall have the right, in the ordinary course of business, (i) to transfer possession of any Pledged Spare Part to the manufacturer thereof or any other Person for testing, service, overhaul, repairs, maintenance, refurbishing, alterations or modifications or to any Person for the purpose of transport to any of the foregoing or (ii) to subject any Pledged Spare Part to a pooling, exchange, interchange, borrowing, or maintenance servicing agreement or arrangement customary in the airline industry and entered into in

the ordinary course of business; provided, however, that if the Company's title to any such Pledged Spare Part shall be divested under any such agreement or arrangement, such divestiture shall be deemed to be a Sale with respect to such Pledged Spare Part subject to the provisions of Section 3.2 hereof; provided, further that, for the avoidance of doubt, if any Qualified Spare Part as a result of a transaction referred to in clause (i) or (ii) above is not located at a Designated Location at any time, such Qualified Spare Part shall be an Excluded Part as of such time.

(b) Subject to Section 3.2(a)(ii) hereof, the Company may enter into a lease with respect to any Pledged Spare Part with any Person.

Section 3.7 Inspection.

(a) At all reasonable times, but upon at least 15 Business Days' prior written notice to the Company, (i) the Security Agent and (ii) the Class A Liquidity Provider (or their respective authorized representatives (which, for the avoidance of doubt, may include the Independent Appraiser)) (collectively, the "Inspecting Parties") may (not more than once every 12 months for each of the Security Agent and the Class A Liquidity Provider (for the avoidance of doubt, not counting inspections by the Independent Appraiser for purposes of preparing an Independent Appraiser's Certificate based upon the Annual Methodology pursuant to Section 2.2, Section 2.5 or Section 2.8(c) hereof) unless an Event of Default has occurred and is continuing, in which case such inspection right shall not be so limited) inspect the Pledged Spare Parts (including the Spare Parts Documents and the inventory reporting system applicable to the Pledged Spare Parts).

(b) Any inspection of the Pledged Spare Parts hereunder shall be limited to a visual inspection and shall not include the disassembling, or opening of any components, of any Pledged Spare Part, and no such inspection shall interfere with the use, or maintenance of the Pledged Spare Parts, by, or the business of, the Company or any other Person.

(c) With respect to such rights of inspection, the Inspecting Parties shall not have any duty or liability to make, or any duty or liability by reason of not making, any such visit, inspection or survey.

(d) Each Inspecting Party shall: (i) bear its own expenses, and the Company shall not be required to undertake or incur any additional liabilities in connection with any such inspection, provided that the Company shall reimburse an Inspecting Party for its reasonable out-of-pocket expenses in connection with any such inspection during the continuance of an Event of Default, and (ii) be fully insured at no cost to the Company in a manner satisfactory to the Company with respect to any risk incurred in connection with any such inspection or shall provide to the Company a written release satisfactory to the Company in respect of such risks.

(e) Each such inspection shall be: (i) subject to the safety, security and workplace rules applicable at the locations where such inspection is conducted and any applicable governmental rules or regulations; and (ii) at the sole risk (including any risk of personal injury or death) of the Inspecting Party.

(f) The Company agrees to provide to each Inspecting Party all necessary access to the Collateral in order to permit such Inspecting Party to inspect the Collateral in accordance with, and to the extent provided in, the provisions of this Section 3.7

Section 3.8 The Company's Obligation to Insure. With respect to the Pledged Spare Parts: (a) the Company shall comply with, or cause to be complied with, each of the provisions of Appendix IV, which provisions are hereby incorporated by this reference as if set forth in full herein; and (b) nothing in this Section 3.8 shall limit or prohibit (i) the Company from maintaining the policies of insurance required under Appendix IV hereof with higher limits than those specified in Appendix IV hereof, or (ii) the Trustee, the Security Agent or any Liquidity Provider from obtaining insurance for its own account (and any proceeds payable under such separate insurance shall be payable as provided in the policy relating thereto), provided, however, that no insurance may be obtained or maintained that would limit or otherwise adversely affect the coverage of any insurance required to be obtained or maintained by the Company pursuant to this Section 3.8 and Appendix IV hereof.

Section 3.9 Designated Locations. If any Parts Inventory Report delivered pursuant to Section 2.1 hereof identifies any Section 3.9 Location, then within 30 days after the date of such Parts Inventory Report, the Company shall add such location as a Designated Location using the procedure set forth in Section 4.2(b) of the Spare Parts Security Agreement.

Section 3.10 Access. With respect to the preparation by the Independent Appraiser of an Independent Appraiser's Certificate to be based upon the Annual Methodology pursuant to Section 2.2, Section 2.5 or Section 2.8(c) hereof, so long as the Independent Appraiser provides the Company with reasonable advance notice, the Company shall provide the Independent Appraiser with sufficient access to its Designated Locations, inventory reporting system and Spare Parts Documents for the Independent Appraiser to perform the actions described in clauses (vi), (vii) and (viii) of the definition of "Annual Methodology".

Section 3.11 Reports. The Security Agent will furnish to the Class A Liquidity Provider, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Security Agent hereunder and under the Spare Parts Security Agreement to the extent the same shall not have been otherwise directly distributed to such Class A Liquidity Provider pursuant to any other Operative Document, except for such communications

from the Noteholders to the Security Agent that are not expressly contemplated by the terms hereof or of the Spare Parts Security Agreement.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Benefits of Agreement Restricted. Subject to the provisions of Section 4.6 hereof, nothing in this Collateral Maintenance Agreement or the other Operative Documents, express or implied, shall give or be construed to give to any Person, other than the parties hereto, the Trustee and the Class A Noteholders, any legal or equitable right, remedy or claim under or in respect of this Collateral Maintenance Agreement or under any covenant, condition or provision herein contained, all such covenants, conditions and provisions, subject to Section 4.6 hereof, being for the sole benefit of the parties hereto, the Trustee and the Class A Noteholders; provided that the Class A Liquidity Provider is an intended third-party beneficiary of each provision of this Collateral Maintenance Agreement that expressly grants it a right to receive certain documents (but only to the extent of such right), Section 2.2, Section 2.3, Section 2.8(a), Section 3.1(a) (to the extent that such Section relates to the actions to be taken if the Class A Collateral Ratio is greater than the Maximum Class A Collateral Ratio), Section 3.4, Section 3.5, Section 3.6, Section 3.7, Section 3.8, Section 3.9, Section 3.11, this Section 4.1, the proviso to Section 4.4(c) hereof and Appendix IV hereof and the definitions of "Additional Insured" (to the extent that the Class A Liquidity Provider is included as an Additional Insured), "Annual Methodology", "Class A Collateral Ratio", "Fair Market Value" and "Quarterly Methodology" (collectively, the "Class A Liquidity Provider Provisions"); and provided, further, that the Class B Noteholders are intended third-party beneficiaries of the following provisions of this Collateral Maintenance Agreement (collectively, the "Subordinated Note Provisions"): (i) the requirement that appraisals of the Collateral be obtained for purposes of determining the Maximum Class B Collateral Ratio under Sections 2.2 and 2.3 hereof; (ii) the requirement that the Maximum Class B Collateral Ratio be complied with in connection with such appraisals; (iii) Section 3.2(c) hereof; and (iv) Section 3.3(a)(ii) hereof (it being understood that all of the other provisions of this Collateral Maintenance Agreement not expressly included within clauses (i), (ii), (iii) and (iv) of this proviso are not Subordinated Note Provisions). Upon payment in full of the Class A Notes, if any Class B Notes are then Outstanding, Sections 3.4, 3.5, 3.6, 3.7, 3.8 and 3.9 hereof and Appendix IV hereof, as then in effect, shall at such time also become Subordinated Note Provisions.

Section 4.2 Appraiser's Certificate. Unless otherwise specifically provided, an Independent Appraiser's Certificate shall be sufficient evidence of the Appraised Value and Fair Market Value of any property under this Collateral Maintenance Agreement.

Section 4.3 Notices; Waiver.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Collateral Maintenance Agreement to be made upon, given or furnished to, or filed with:

(i) the Company shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Company at American Airlines, Inc., 4333 Amon Carter Boulevard, Fort Worth, Texas 76155, Attention: Treasurer, or such other than current address furnished in writing by the Company to the Trustee and the Security Agent; and

(ii) the Trustee or Security Agent shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Security Agent at the Corporate Trust Office, or such other then-current address furnished in writing by the Trustee or the Security Agent to the Company.

(b) Any such delivery shall be deemed made on the date of receipt by the addressee of such delivery or of refusal by such addressee to accept delivery.

Section 4.4 Amendments, Etc. This Collateral Maintenance Agreement may be amended or supplemented, and compliance with any obligation in this Collateral Maintenance Agreement may be waived by written agreement of:

(a) the Company and the Security Agent, without notice to or the consent of the Trustee, the Controlling Party, any Liquidity Provider or any Noteholder, for any of the following purposes: (i) to correct or amplify the description of any property at any time subject to the Lien of any Collateral Agreement or better to assure, convey and confirm unto the applicable Collateral Agent any property subject or required to be subject to the Lien of any Collateral Agreement; (ii) to add to the covenants of the Company for the benefit of the Security Agent, the Trustee, the Liquidity Providers or the Holders, or to surrender any rights or power herein conferred upon the Company; (iii) to cure any ambiguity, defect, mistake, or inconsistency; or (iv) to accomplish any of the matters described in Section 10.1 of the Indenture;

(b) the Company and the Security Agent, with the consent of the Required Class B Holders (and without notice to or the consent of the Controlling Party, any Liquidity Provider, any other Collateral Agent, or any other Noteholder) for the purpose of amending, supplementing, or waiving compliance with any of the Subordinated Note Provisions, except for any such amendment, supplement, or waiver that would have a material adverse effect on the Class A Noteholders in which event the consent of the Controlling Party to such amendment, supplement, or waiver shall also be required (it being agreed that each of (i) an increase of less than 15% in the Maximum Class B

Collateral Ratio and (ii) any waiver of the Company's obligations (x) with respect to the Maximum Class B Collateral Ratio (so long as, in the case of this clause (x), the Class B Collateral Ratio does not exceed the Maximum Class B Collateral Ratio by more than 15%) or (y) under Section 3.3(a)(ii) hereof shall be deemed not to have a material adverse effect on the Class A Noteholders); or

(c) the Company and the Security Agent (as directed by the Controlling Party) without notice to or the consent of any Liquidity Provider, any other Collateral Agent, or any other Noteholder, for any other purpose, provided that the Class A Liquidity Provider Provisions may not be amended, supplemented, or waived without the written consent of the Class A Liquidity Provider.

Section 4.5 No Waiver. With respect to each party hereto: no failure on the part of such party to exercise, and no delay in exercising any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. To the extent permitted by applicable law, failure by the Security Agent at any time or times hereafter to require strict performance by the Company with any of the provisions, warranties, terms or conditions contained herein shall not waive, affect or diminish any right of the Security Agent at any time or times hereafter to demand strict performance thereof, and such right shall not be deemed to have been modified or waived by any course of conduct or knowledge of the Security Agent or any agent, officer or employee of the Security Agent.

Section 4.6 Successors and Assigns. This Collateral Maintenance Agreement and all obligations of the Company hereunder shall be binding upon the successors and permitted assigns of the Company, and shall, together with the rights and remedies of the Security Agent hereunder, inure to the benefit of the Security Agent and its successors and permitted assigns. This Collateral Maintenance Agreement and all obligations of the Security Agent hereunder shall be binding upon the successors and permitted assigns of the Security Agent, and shall, together with the rights and remedies of the Company hereunder, inure to the benefit of the Company and its successors and permitted assigns. To the extent permitted by applicable law, the interest of the Company under this Collateral Maintenance Agreement is not assignable and any attempt to assign all or any portion of this Collateral Maintenance Agreement by the Company shall be null and void, except for an assignment in connection with a merger, consolidation or conveyance, transfer or lease of all or substantially all the Company's assets permitted under the Indenture.

Section 4.7 GOVERNING LAW. THIS COLLATERAL MAINTENANCE AGREEMENT IS BEING DELIVERED IN THE STATE OF NEW YORK. THIS COLLATERAL MAINTENANCE 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 4.8 Effect of Headings. The Article and Section headings and the Table of Contents contained in this Collateral Maintenance Agreement have been inserted for convenience of reference only, and are and shall be without substantive meaning or content of any kind whatsoever and are not a part of this Collateral Maintenance Agreement.

Section 4.9 Counterpart Originals. This Collateral Maintenance Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Collateral Maintenance Agreement by telecopier shall be effective as delivery of an original executed counterpart of this Collateral Maintenance Agreement.

Section 4.10 Severability. To the extent permitted by applicable law, the provisions of this Collateral Maintenance Agreement are severable, and if any clause or provision shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect in that jurisdiction only such clause or provision, or part thereof, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Collateral Maintenance Agreement in any jurisdiction.

Section 4.11 Security Agent. USBT has been appointed pursuant to the Indenture as Security Agent for the Trustee with respect to this Collateral Maintenance Agreement. The Security Agent shall be obligated, and shall have the right, hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action solely in accordance with this Collateral Maintenance Agreement and the Indenture. The Security Agent agrees to and shall have the benefit of all provisions of the Indenture and the other Operative Documents stated therein to be applicable to the Security Agent.

Section 4.12 Replacement of Security Agent.

(a) If USBT or a successor Trustee under the Indenture resigns as Trustee under the Indenture or is otherwise no longer the Trustee under the Indenture, USBT shall resign and be replaced as Security Agent hereunder by the institution acting as the successor Trustee under the Indenture as promptly as practicable in accordance with this Section 4.12.

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

(c) No resignation or removal of the Security Agent and no appointment of a successor Security Agent pursuant to this Section 4.12 shall become effective until the acceptance of appointment by the successor Security Agent under this Section 4.12. If a successor Security Agent does not take office within 60 days after the retiring Security Agent resigns or is removed, the retiring Security Agent, the Company, the Class A Liquidity Provider, the Controlling Party or Holders of at least 10% in principal amount of any Class of Notes Outstanding may petition any court of competent jurisdiction for the appointment of a successor Security Agent.

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

(e) The Security 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 or the District of Columbia, and shall have a combined capital and surplus of at least $50,000,000 (or a combined capital and surplus in excess of $5,000,000 and the obligations of which, whether now in existence or hereinafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States or any state or territory thereof or the District of Columbia and having a combined capital and surplus of at least $50,000,000), as set forth in its most recent, published annual report of condition.

Section 4.13 Successor Security Agent by Merger, Etc. If the Security Agent consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another Person, the resulting, surviving, transferee,

or successor Person shall be the successor of the Security Agent hereunder (provided that such Person shall be otherwise qualified and eligible under Section 4.12 hereof), without the execution or filing of any paper or any further act on the part of any of the parties hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Collateral Maintenance Agreement to be duly executed and delivered all as of the date first above written.

AMERICAN AIRLINES, INC.

By: /s/ Michael P. Thomas

Name: Michael P. Thomas
Title: Managing Director,
Corporate Finance & Banking

U.S. BANK TRUST NATIONAL
ASSOCIATION, as Security Agent

By: /s/ Alison D. B. Nadeau

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

DEFINITIONS APPENDIX

SECTION 1. Defined Terms.

"Acceleration" means, with respect to the amounts payable in respect of the Notes issued under the Indenture, such amounts becoming immediately due and payable pursuant to Section 7.2 of the Indenture. "Accelerate", "Accelerated" and "Accelerating" have meanings correlative to the foregoing.

"Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "Control" when used with respect to any 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.

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

"Agent Members" is defined in Section 2.5(a) of the Indenture.

"Aircraft" means any contrivance invented, used, or designed to navigate, or fly in, the air.

"Aircraft Model" is defined in Section 3.3(b) of the Collateral Maintenance Agreement.

"American Bankruptcy Event" means the occurrence and continuation of an Event of Default under Section 7.1(g), (h) or (i) of the Indenture.

"American Class C Notes" means any Original Class C Notes or New Class C Notes that are sold to an American Entity.

"American Entity" means AMR Corporation, a Delaware corporation, the Company, and any Affiliate of AMR Corporation.

"Annual Appraisal Report Date" means, with respect to 2004 and each year thereafter, October 1, in each case subject to Sections 2.5, 2.6, and 2.8 of the Collateral Maintenance Agreement.

"Annual Methodology" means, in determining an opinion as to the Fair Market Value of the Pledged Spare Parts, taking the following actions: (i) reviewing the Parts Inventory Report prepared as of the applicable Parts Inventory Report Date; (ii) reviewing the Independent Appraiser's internal value database for values applicable to Qualified Spare Parts included in the Pledged Spare Parts; (iii) developing a representative sampling of a reasonable number of the different Qualified Spare Parts included in Pledged Spare Parts for which a market check will be conducted; (iv) checking other sources, such as manufacturers, other airlines, U.S. government procurement data and airline parts pooling price lists, for current market prices of the sample parts referred to in clause (iii); (v) establishing a ratio of Serviceable Parts to Unserviceable Parts as of the applicable Parts Inventory Report Date based upon information provided by the Company and the Independent Appraiser's limited physical review of the Pledged Spare Parts referred to in the following clause (vi); (vi) visiting at least two locations selected by the Independent Appraiser where the Pledged Spare Parts are kept by the Company (none of which was visited for purposes of the last appraisal based upon the Annual Methodology, unless it would be impossible to comply with the immediately following proviso without visiting one or more of the locations visited for purposes of such last appraisal), provided that at least one such location shall be one of the top three locations at which the Company keeps the largest number of Pledged Spare Parts, to conduct a limited physical inspection of the Pledged Spare Parts; (vii) conducting a review of the inventory reporting system applicable to the Pledged Spare Parts the scope of which shall be reasonably determined by the Independent Appraiser in its professional judgment, including checking information reported in such system against information determined through physical inspection pursuant to the preceding clause (vi); and (viii) reviewing a sampling of the Spare Parts Documents.

"Annual Methodology Request" is defined in Section 2.5(a) of the Collateral Maintenance Agreement.

"Annual Parts Inventory Report" means any Parts Inventory Report dated as of a date falling within the time period set forth in clause (iii) of the definition of "Parts Inventory Report Period", subject to Section 2.5(b)(ii) of the Collateral Maintenance Agreement.

"Appliance" means an instrument, equipment, apparatus, a part, an appurtenance, or an accessory used, capable of being used, or intended to be used, in operating or controlling Aircraft in flight, including a parachute, communication equipment, and another mechanism installed in or attached to Aircraft during flight, and not a part of an Aircraft, Engine, or Propeller.

"Applicable Period" means, with respect to any Nonappraisal Compliance Report Date, the period commencing on the immediately preceding Nonappraisal Compliance Report Date (or in the case of the first Nonappraisal Compliance Report Date following the Closing Date, commencing on the Closing Date) through the date immediately preceding but not including such Nonappraisal Compliance Report Date.

"Applied Downgrade Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Applied Non-Extension Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Appraisal Compliance Report" means, as of any date, a report providing information relating to the calculation of each Collateral Ratio, which report shall be substantially in the form of Appendix II to the Collateral Maintenance Agreement.

"Appraisal Report Date" means (a) any Annual Appraisal Report Date and (b) any Quarterly Appraisal Report Date.

"Appraised Value" means, (i) with respect to any Pledged Spare Parts or Cash Collateral, the Fair Market Value of such Pledged Spare Parts or Cash Collateral as most recently determined pursuant to (x) the report attached as Appendix II to the Offering Memo or (y) Article II of the Collateral Maintenance Agreement, and (ii) with respect to Other Collateral, the Fair Market Value of such Other Collateral determined in accordance with the applicable Collateral Agreement, as contemplated by Section 3.1(c) of the Collateral Maintenance Agreement.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq.

"Base Rate", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Business Day" means any day that is other than a Saturday, a Sunday, or (a) a day on which commercial banks are required or authorized to close in (i) Fort Worth, Texas, (ii) New York, New York, or (iii) the city and state in which the Trustee maintains its Corporate Trust Office or receives and disburses funds, or (b) solely with respect to draws under any Liquidity Facility, a day which is not a "Business Day" as defined in such Liquidity Facility.

"Cash Collateral" means cash and/or Investment Securities: (a) deposited or to be deposited with the Collateral Agent or an Eligible Institution (i) by the Company or (ii) consisting of the proceeds of the Collateral pursuant to the Collateral Agreements, and (b) subject to the Lien of any Collateral Agreement. For the avoidance of doubt, a

drawing on any Liquidity Facility or any Liquidity Facility Cash Collateral Account will not be deemed to be "Cash Collateral" for purposes of any Collateral Agreement.

"Citibank" has the meaning assigned to such term in the first paragraph of the Indenture.

"Citizen of the United States" is defined in 49 U.S.C. Section 40102(a)(15).

"Claims" is defined in Section 6.1 of the Indenture.

"Class" means any class of Notes, including the Class A Notes, the Class B Notes and, if issued, the Class C Notes.

"Class A Collateral Ratio" means a percentage determined by dividing (i) the aggregate principal amount of all Class A Notes Outstanding minus the Fair Market Value of the Cash Collateral held by the Collateral Agent by (ii) the Fair Market Value of all Pledged Spare Parts, as set forth in the most recent Independent Appraiser's Certificate delivered by the Company pursuant to Article II of the Collateral Maintenance Agreement, plus the Fair Market Value of Other Collateral, if any, excluding any Cash Collateral, as provided in Section 3.1(c) of the Collateral Maintenance Agreement.

"Class A Debt Rate" means a rate per annum equal to 7.25%, provided that, solely in the event no Registration Event (as defined in the Class A Registration Rights Agreement) occurs on or prior to the 270th day after the Closing Date, the Class A Debt Rate for the Initial Class A Notes shall be increased by 0.50% per annum, 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 such Registration Event occurs, provided further, that, if to permit additional Holders of Offered Securities (as defined in the Class A Registration Rights Agreement) (who have notified the Company in writing of their 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 (as defined in the Class A Registration Rights Agreement) required to be effective pursuant to Section 2(b) of the Class A Registration Rights Agreement ceases to be effective at any time during the period specified by Section 2(b) of the Class A Registration Rights Agreement for more than 60 days, whether or not consecutive, during any 12-month period, the Class A Debt Rate for the Initial Class A Notes shall be increased by 0.50% per annum from and including 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.

"Class A Final Legal Maturity Date" means February 5, 2011.

"Class A Final Scheduled Payment Date" means February 5, 2009.

"Class A Liquidity Facility" means, initially, the Revolving Credit Agreement, dated as of the Issuance Date, between the Trustee and the initial Class A Liquidity Provider, and, from and after the replacement of such Revolving Credit 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 Liquidity Facility Cash Collateral Account" means an Eligible Deposit Account in the name of the Trustee maintained at an Eligible Institution, which shall be the Trustee if it shall so qualify, into which all amounts drawn under the Class A Liquidity Facility pursuant to Section 3.6(c), 3.6(d) or 3.6(i) of the Indenture shall be deposited.

"Class A Liquidity Provider" means, initially, Citibank, N.A., or, upon the issuance of a Replacement Liquidity Facility to replace the Class A Liquidity Facility pursuant to Section 3.6(e) of the Indenture, the Replacement Liquidity Provider issuing such Replacement Liquidity Facility.

"Class A Liquidity Provider Provisions" is defined in Section 4.1 of the Collateral Maintenance Agreement.

"Class A Noteholder" means any Holder of one or more Class A Notes.

"Class A Notes" means the Initial Class A Notes and the Exchange Class A Notes.

"Class A Registration Rights Agreement" means the Registration Rights Agreement, dated as of February 6, 2004, by and between the Company and the Initial Purchasers.

"Class B Collateral Ratio" means a percentage determined by dividing (i) the aggregate principal amount of all Class A Notes and Class B Notes Outstanding minus the Fair Market Value of the Cash Collateral held by the Collateral Agent by (ii) the Fair Market Value of all Pledged Spare Parts, as set forth in the most recent Independent Appraiser's Certificate delivered by the Company pursuant to Article II of the Collateral Maintenance Agreement, plus the Fair Market Value of Other Collateral, if any, excluding any Cash Collateral, as provided in Section 3.1(c) of the Collateral Maintenance Agreement.

"Class B Debt Rate" means a rate per annum equal to 9.00%.

"Class B Final Legal Maturity Date" means February 5, 2009.

"Class B Final Scheduled Payment Date" means February 5, 2009.

"Class B Liquidity Facility", if any, means a revolving credit agreement (or agreements) in substantially the form of the Class A Liquidity Facility, including reinstatement provisions, or in such other form (which may include a letter of credit, surety bond, financial insurance policy or guaranty) between the Trustee and the Class B Liquidity Provider, in each case in accordance with the applicable provisions of Exhibit D to the Indenture, 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 Facility Cash Collateral Account", if any, means an Eligible Deposit Account in the name of the Trustee maintained at an Eligible Institution, which shall be the Trustee if it shall so qualify, into which all amounts drawn under the Class B Liquidity Facility pursuant to Section 3.6(c), 3.6(d) or 3.6(i) of the Indenture shall be deposited.

"Class B Liquidity Provider", if any, means the Person issuing the initial Class B Liquidity Facility or, upon the issuance of a Replacement Liquidity Facility to replace the Class B Liquidity Facility pursuant to Section 3.6(e) of the Indenture, the Replacement Liquidity Provider issuing such Replacement Liquidity Facility.

"Class B Noteholder" means any Holder of one or more Class B Notes.

"Class B Notes" means the Initial Class B Notes and the Exchange Class B Notes.

"Class C Noteholder" means any Holder of one or more Class C Notes, if and when issued.

"Class C Notes" means (a) the Original Class C Notes, (b) following a Refunding of the American Class C Notes that are Original Class C Notes, the New Class C Notes or (c) following a Refunding of the American Class C Notes that are New Class C Notes, the Second New Class C Notes.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearstream" means Clearstream Banking societe anonyme, Luxembourg.

"Closing Date" means February 6, 2004.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means the Spare Parts Collateral and all other collateral in which the Collateral Agent has a security interest pursuant to the Collateral Agreements.

"Collateral Agent" means the Security Agent and each other Person acting as agent on behalf of the Holders under any other Collateral Agreement.

"Collateral Agreement" means each of the Spare Parts Security Agreement and any agreement under which a security interest has been granted in any Other Collateral pursuant to Section 3.1(a)(i) of the Collateral Maintenance Agreement.

"Collateral Maintenance Agreement" means the Collateral Maintenance Agreement, dated as of the Issuance Date, between the Company and the Security Agent, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with its terms.

"Collateral Ratio" means the Class A Collateral Ratio or the Class B Collateral Ratio, as applicable.

"Collection Account" means the Eligible Deposit Account established by the Trustee pursuant Section 8.13(a) of the Indenture which the Trustee shall make deposits in and withdrawals from in accordance with the Indenture.

"Company" means the party named as such in the Indenture until a successor replaces it pursuant to the Indenture and thereafter means the successor.

"Compliance Report Date" means, with respect to any Appraisal Compliance Report, the date by which the Independent Appraiser's Certificate related to such Appraisal Compliance Report is to be furnished by the Company under Article II of the Collateral Maintenance Agreement.

"Consent Period" is defined in Section 3.6(d) of the Indenture.

"Controlling Party" means the Person entitled to act as such pursuant to the terms of Section 3.9 of the Indenture.

"Corporate Trust Office" when used with respect to the Trustee or the Security Agent, as the case may be, means the office of such Person at which at any particular time its corporate trust business is administered and which, at the Closing Date, is located at U.S. Bank Trust National Association, One Federal Street, 3rd Floor, EX-FED-MA, Boston, Massachusetts 02110, Attention: Corporate Trust Department.

"Debt Balance" means 110% of the principal amount of the Outstanding Notes.

"Debt Rate" means (i) with respect to the Class A Notes and the Original Class B Notes, the Class A Debt Rate or Class B Debt Rate, as applicable, (ii) with respect to any New Class B Notes, the rate per annum specified as such in an Indenture Refunding Amendment applicable to such Class, subject to any adjustments as provided therein, and (iii) with respect to any Class C Notes, the rate per annum specified in an amendment to the Indenture at the time of issuance of such Class C Notes, subject to any adjustments as provided therein.

"Default" means any event which is, or after notice or passage of time, or both, would be, an Event of Default.

"Definitions Appendix" means the Definitions Appendix attached as Appendix I to each of the Indenture, the Spare Parts Security Agreement, and the Collateral Maintenance Agreement, and constituting a part of each such Operative Document, respectively.

"Definitive Exchange Note" is defined in Section 2.1(e) of the Indenture.

"Definitive Initial Note" is defined in Section 2.1(e) of the Indenture.

"Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Designated Locations" means the locations in the U.S. owned or leased by the Company and designated from time to time by the Company at which the Pledged Spare Parts may be stored, located, maintained by or on behalf of the Company, which initially shall be the locations set forth on Schedule 1 to the Spare Parts Security Agreement and shall include the additional locations included by the Company in Supplemental Security Agreements filed for recording in accordance with the provisions of the Federal Aviation Act.

"Designated Representatives" is defined in Section 3.8(b) of the Indenture.

"Direction" is defined in Section 12.15 of the Indenture.

"Distribution Date" means (i) each Scheduled Payment Date (and, if a Payment required to be paid to the Trustee for distribution on such Scheduled Payment Date has not been so paid by 12:30 p.m., New York time, in whole or in part, on such Scheduled Payment Date, the next Business Day on which the Trustee receives some or all of such Payment by 12:30 p.m., New York time) and (ii) each day established for payment by the Trustee pursuant to Section 7.11 of the Indenture.

"Dollar" and "$" mean the lawful currency of the United States.

"Downgrade Drawing" is defined in Section 3.6(c) of the Indenture.

"Downgraded Facility" is defined in Section 3.6(c) of the Indenture.

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

"DTC" means The Depository Trust Company, its nominees and their respective successors.

"Eligible Account" means an account established by and with an Eligible Institution at the request of the Security Agent, which institution agrees, for all purposes of the NY UCC including Article 8 thereof, that (a) such account shall be a "securities account" (as defined in Section 8-501 of the NY UCC), (b) such institution is a "securities intermediary" (as defined in Section 8-102(a)(14) of the NY UCC), (c) all property (other than cash) credited to such account shall be treated as a "financial asset" (as defined in Section 8-102(9) of the NY UCC), (d) the Security Agent shall be the "entitlement holder" (as defined in Section 8-102(7) of the NY UCC) in respect of such account, (e) it will comply with all entitlement orders issued by the Security Agent to the exclusion of the Company, (f) it will waive or subordinate in favor of the Security Agent all claims (including without limitation, claims by way of security interest, lien or right of set-off or right of recoupment), and (g) the "securities intermediary jurisdiction" (under Section 8-110(e) of the NY UCC) shall be the State of New York.

"Eligible 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 of America or any one of the states thereof or the District of Columbia (or any U.S. 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 senior unsecured long-term corporate rating from Fitch of at least A- or its equivalent, a long-term unsecured debt rating from Moody's of at least A3 or its equivalent or a long-term issuer credit rating from Standard & Poor's of at least A- or its equivalent. 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 Security Agent or the Trustee, or (b) a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any U.S. branch of a foreign bank), which has a senior unsecured long-term corporate rating from Fitch of at least A- or its equivalent, a long-term unsecured debt rating from Moody's of at least A3 or its equivalent or a long-term issuer credit rating from Standard & Poor's of at least A- or its equivalent.

"Eligible Investments" means (a) investments in obligations of, or guaranteed by, the U.S. Government having maturities no later than 90 days following the date of such investment, (b) investments in open market commercial paper of any corporation incorporated under the laws of the United States or any state thereof rated by Fitch at least F-1 or its equivalent, by Moody's at least P-1 or its equivalent or by Standard & Poor's at least A-1 or its equivalent having maturities no later than 90 days following the date of such investment or (c) investments in negotiable certificates of deposit, time deposits, banker's acceptances, commercial paper or other direct obligations of, or obligations guaranteed by, commercial banks organized under the laws of the United States or of any political subdivision thereof (or any U.S. branch of a foreign bank) with a senior unsecured short-term corporate rating by Fitch of at least F-1, a short-term unsecured debt rating by Moody's of at least P-1 or a short-term issuer credit rating by Standard & Poor's of at least A-1, having maturities no later than 90 days following the date of such investment; provided, however, that (x) all Eligible Investments that are bank obligations shall be denominated in U.S. dollars; and (y) the aggregate amount of Eligible Investments at any one time that are bank obligations issued by any one bank shall not be in excess of 5% of such bank's capital surplus; provided further that any investment of the types described in clauses (a), (b) and (c) above may be made through a repurchase agreement in commercially reasonable form with a bank or other financial institution qualifying as an Eligible Institution so long as such investment is held by a third party custodian also qualifying as an Eligible Institution. Notwithstanding the foregoing, no investment of the types described in clause (b) above which is issued or guaranteed by the Company or any of its Affiliates, and no investment in the obligations of any one bank in excess of $10,000,000, shall be an Eligible Investment unless a Ratings Confirmation shall have been received with respect to the making of such investment.

"Engine" means an engine used, or intended to be used, to propel an Aircraft, including a part, appurtenance, and accessory of the Engine, except a Propeller.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"Event of Default" is defined in Section 7.1 of the Indenture.

"Event of Loss" means (i) the loss of any of the Pledged Spare Parts or of the use thereof due to destruction, damage beyond repair or rendition of any of the Pledged Spare Parts permanently unfit for normal use for any reason whatsoever (other than the use of Pledged Spare Parts in the Company's operations); (ii) any damage to any of the Pledged Spare Parts which results in the receipt of insurance proceeds with respect to such

Pledged Spare Parts on the basis of an actual or constructive total loss; or (iii) the loss of possession of any of the Pledged Spare Parts by the Company for 90 consecutive days as a result of the theft or disappearance of such Pledged Spare Parts.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Exchange 7.25% Class A Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Exchange Class A Notes" means the Class A Notes substantially in the form of Exhibit A-1 to the Indenture issued in exchange for, or replacement of, the Initial Class A Notes pursuant to the Class A Registration Rights Agreement and authenticated pursuant to the Indenture.

"Exchange 9.00% Class B Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Exchange Class B Notes" means the Class B Notes substantially in the form of Exhibit A-2 to the Indenture issued in exchange for, or in replacement of, the New Class B Notes pursuant to a registration rights agreement entered into with respect to the Initial Class B Notes and authenticated pursuant to the Indenture.

"Exchange Notes" means the Exchange Class A Notes, if any, and the Exchange Class B Notes, if any.

"Exchange Offer" means, (i) with respect to the Class A Notes, the exchange offer which may be made pursuant to the Class A Registration Rights Agreement to exchange Initial Class A Notes for Exchange Class A Notes, and (ii) with respect to New Class B Notes, the exchange offer which may be made pursuant to a registration rights agreement with respect to such Notes to exchange such Notes for Exchange Class B Notes.

"Exchange Offer Registration Statement" means, (i) with respect to the Class A Notes, the registration statement that, pursuant to the Class A Registration Rights Agreement, is filed by the Company with the SEC with respect to the exchange of Initial Class A Notes for Exchange Class A Notes, and (ii) with respect to New Class B Notes, the registration statement that, pursuant to a registration rights agreement with respect to such Notes, is filed by the Company with the SEC with respect to the exchange such Notes for Exchange Class B Notes.

"Excluded Parts" means Spare Parts and Appliances (a) not located at a Designated Location, or (b) subject to a Loan to any Person.

"Expendable" means a Spare Part or Appliance that, once used, cannot be reused and, if not serviceable, generally cannot be overhauled or repaired.

"FAA" means the United States Federal Aviation Administration and any agency or instrumentality of the United States government succeeding to its functions.

"FAA Filed Documents" means the Spare Parts Security Agreement and, to the extent required by the FAA to be filed with the FAA, any other Collateral Agreements.

"Fair Market Value", (i) with respect to any Pledged Spare Part or Cash Collateral, means its fair market value, subject to Sections 2.7 and 4.2 of the Collateral Maintenance Agreement, determined on the basis of a hypothetical sale negotiated in an arm's length free market transaction between a willing and able seller and a willing and able buyer, neither of whom is under undue pressure to complete the transaction, under then current market conditions, provided that cash shall be valued at its Dollar amount, and, (ii) with respect to Other Collateral, has the meaning specified in the applicable Collateral Agreement, as contemplated by Section 3.1(c) of the Collateral Maintenance Agreement.

"Federal Aviation Act" means Title 49 of the United States Code, "Transportation", as amended from time to time, or any similar legislation of the United States enacted in substitution or replacement thereof.

"Fee Letters" means, with respect to each Liquidity Facility, the Fee Letter between such Liquidity Provider and the Trustee with respect to the related Liquidity Facility and any fee letter entered into by the Trustee and any Replacement Liquidity Provider in respect of any Replacement Liquidity Facility.

"Final Advance" with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Final Drawing" is defined in Section 3.6(i) of the Indenture.

"Final Legal Maturity Date" means, as the context requires: the Class A Final Legal Maturity Date or the Class B Final Legal Maturity Date.

"Final Scheduled Payment Date" means, as the context requires: the Class A Final Scheduled Payment Date or the Class B Final Scheduled Payment Date.

"Financing Statements" means, collectively, UCC-1 financing statements covering the Collateral, by the Company, as debtor, showing the Security Agent as secured party, for filing in Delaware, and each other jurisdiction that, in the opinion of the Security Agent, is necessary to perfect its Lien on the Collateral.

"Fitch" means Fitch Ratings, Inc.

"Fleet Reduction" is defined in Section 3.3(a) of the Collateral Maintenance Agreement.

"GAAP" means generally accepted accounting principles in the United States as in effect on the Closing Date and consistent with the accounting principles applied in the preparation of the Company's financial statements filed with the SEC in connection with the most recent annual report of the Company on Form 10-K.

"Global Exchange Class A Note" is defined in Section 2.1(f) of the Indenture.

"Global Exchange Class B Note" is defined in Section 2.1(f) of the Indenture.

"Global Exchange Notes" is defined in Section 2.1(f) of the Indenture.

"Global Initial Notes" is defined in Section 2.1(d) of the Indenture.

"Global Notes" is defined in Section 2.1(f) of the Indenture.

"Government Entity" means (a) any federal, state or similar government, and any body, board, department, commission, court, tribunal, authority, agency or other instrumentality of any such government or otherwise exercising any executive, legislative, judicial, administrative or regulatory functions of such government or (b) any other government entity having jurisdiction over any matter contemplated by the Operative Documents or the Support Documents, or relating to the observance or performance of the obligations of any of the parties to the Operative Documents or the Support Documents.

"Holder", "holder", or "Noteholder" means, with respect to a Note, the Person in whose name the Note is registered on the Registrar's books.

"Indemnitee" is defined in Section 6.2 of the Indenture.

"Indenture" means the Indenture, dated as of February 5, 2004, among the Company, the Trustee and the Class A Liquidity Provider under which the Notes are issued, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, including by an Indenture Refunding Amendment or a supplemental indenture.

"Indenture Refunding Amendment" means an amendment to the Indenture entered into for purposes of effecting a Refunding.

"Independent Appraiser" means Simat, Helliesen & Eichner, Inc. or any other Person (i) engaged in a business which includes appraising Aircraft and assets related to the operation and maintenance of Aircraft from time to time and (ii) who does not have any material financial interest in the Company and is not connected with the Company or any of its Affiliates as an officer, director, employee, promoter, underwriter, partner or Person performing similar functions.

"Independent Appraiser's Certificate" means an appraisal report prepared and signed by an Independent Appraiser, addressed to the Security Agent and the Company and attached as Appendix II to the Offering Memo or delivered thereafter pursuant to Article II of the Collateral Maintenance Agreement.

"Initial 7.25% Class A Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Initial Class A Notes" mean the securities issued and authenticated pursuant to the Indenture and substantially in the form of Exhibit A-1 thereto, other than the Exchange Class A Notes.

"Initial 9.00% Class B Secured Notes due 2009" is defined in Section 2.1(a) of the Indenture.

"Initial Class B Notes" means (a) the Original Class B Notes, or (b) following a Refunding of the Original Class B Notes, the New Class B Notes, in each case other than Exchange Class B Notes.

"Initial Notes" means the Initial Class A Notes and the Initial Class B Notes.

"Initial Purchasers" means Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated.

"Inspecting Parties" is defined in Section 3.7 of the Collateral Maintenance Agreement.

"Institutional Accredited Investor" means, subject to Section 2.1(i) of the Indenture, an institutional investor that is an "accredited investor" within the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

"Interest Drawing" is defined in Section 3.6(a) of the Indenture.

"Interest Payment Date" means February 5 and August 5 of each year so long as any Note is Outstanding (commencing August 5, 2004).

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

"Investment Security" means each of (a) direct obligations of the United States and agencies thereof; (b) obligations fully guaranteed by the United States; (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000 and having a rating of A, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 (g) or (h) 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 any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 any Rating Agency (or, if no Rating Agency 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 any

Rating Agency (or, if no Rating Agency shall rate such obligations at such time, by any nationally recognized rating organization in the United States); (m) mortgage backed securities guaranteed by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association or rated AAA, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 Trustee; (n) asset-backed securities rated A, its equivalent or better by any Rating Agency (or, if no Rating Agency 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 Trustee; and (o) such other investments approved in writing by the Trustee; provided that the instruments described in the foregoing clauses shall have a maturity no later than the earliest date when such investments may be required for distribution. Any of the investments described herein may be made through or with, as applicable, a bank acting as Trustee or any of its affiliates.

"Issuance Date" means, with respect to the Class A Notes and Original Class B Notes, the Closing Date, and with respect to the New Class B Notes, the Original Class C Notes, if issued, and the New Class C Notes, if issued, the date of initial issuance of the Notes of such Class.

"Lien" means any mortgage, pledge, lease, security interest, encumbrance, lien or charge of any kind affecting title to or any interest in property.

"Life Limited Part" means a Spare Part or Appliance that (i) has a finite operating life that is defined by hours, cycles or calendar limit and (ii) cannot be overhauled or repaired when it reaches its life limit.

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

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

"Liquidity Facility" means, at any time, the Class A Liquidity Facility or the Class B Liquidity Facility, as applicable.

"Liquidity Facility Cash Collateral Account" means the Class A Liquidity Facility Cash Collateral Account or the Class B Liquidity Facility Cash Collateral Account, as applicable.

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

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

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

"Liquidity Obligations" means all principal, interest, fees and other amounts owing to the Liquidity Provider under any Liquidity Facility or the applicable Fee Letter.

"Liquidity Provider" means the Class A Liquidity Provider or the Class B Liquidity Provider, as applicable.

"Liquidity Provider Election Date" is defined in Section 3.9(c) of the Indenture.

"Loans" means all Pledged Spare Parts subject to leases or loans to any Person.

"Make-Whole Amount" means (a) with respect to any Class A Note or Original Class B Note, the amount (as determined by an investment bank of national standing selected by the Company), if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Note computed by discounting each such payment on a semi-annual 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 Note plus accrued but unpaid interest thereon to the date of redemption; (b) with respect to any New Class B Note, the amount computed in the manner set forth in an Indenture Refunding Amendment applicable to such Class; and (c) with respect to any Class C Note, the amount computed in the manner set forth in an amendment to the Indenture at the time of issuance of the Class C Notes. For purposes of determining the Make-Whole Amount, "Treasury Yield" means, at the time of determination, the interest rate (expressed as a semi-annual 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 semi-annual 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 latest H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. "Average Life Date" means, for each Note to be redeemed, the date that follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Note. "Remaining Weighted Average Life" of an Note, at the redemption date of such 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 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 Note.

"Maximum Available Commitment" with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Maximum Class A Collateral Ratio" means 54.0%.

"Maximum Class B Collateral Ratio" means 70.0%.

"Maximum Commitment" means, with respect to any Liquidity Facility, the Maximum Commitment (as defined in such Liquidity Facility).

"Minimum Sale Price" means, with respect to any Pledged Spare Part or Other Collateral, at any time, the lesser of (a) 75% of the Fair Market Value of such Pledged Spare Parts or Other Collateral, and (b) the aggregate principal amount of the Notes Outstanding (disregarding for this purpose the Notes of any Class if all of the Notes of such Class are held or beneficially owned by American Entities), plus accrued and unpaid interest thereon.

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

"Moves" means all Pledged Spare Parts that become Excluded Parts by operation of one or more transactions contemplated by Section 4.2(a)(iii) of the Spare Parts Security Agreement or by operation of a transaction contemplated by a similar provision

of any other Collateral Agreement. For the avoidance of doubt, "Moves" shall not include any Pledged Spare Part: (a) that becomes an Excluded Part by operation of one or more of the actions contemplated by clause (i) or (ii) of Section 4.2(a) of the Spare Parts Security Agreement or Section 3.6(b) of the Collateral Maintenance Agreement; or (b) transferred under, or subject to an agreement or arrangement contemplated by, clause (i) or (ii) of Section 3.6(a) of the Collateral Maintenance Agreement.

"New Appraisal Report Date" is defined in Section 2.8 of the Collateral Maintenance Agreement.

"New Appraiser" means an Independent Appraiser that has not previously provided to the Company a signed Independent Appraiser's Certificate which the Company has delivered to the Trustee pursuant to the Collateral Maintenance Agreement or in connection with the Offering Memo.

"New Class" is defined in Exhibit D to the Indenture.

"New Class B Notes" means Notes that are issued as new Class B Notes in connection with a Refunding of the Original Class B Notes, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"New Class C Notes" means Notes (other than any Second New Class C Notes) that are issued as new Class C Notes in connection with a Refunding of the Original Class C Notes, if issued, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"Nonappraisal Compliance Report" means a report providing information relating to compliance by the Company with Section 3.2 of the Collateral Maintenance Agreement, which shall be substantially in the form of Appendix III to the Collateral Maintenance Agreement.

"Nonappraisal Compliance Report Date" means January 1, April 1, July 1, and October 1 of each year, commencing with April 1, 2004.

"Non-Controlling Party" means, at any time, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders (if any) and each Liquidity Provider, excluding whichever is the Controlling Party at such time.

"Non-Designated Spare Part" means a Qualified Spare Part owned by the Company that: (a) is not incorporated in, installed on, attached or appurtenant to, or being used in, an Aircraft, Engine, Spare Part or Appliance; (b) if such Qualified Spare Part was previously incorporated in, installed on, attached or appurtenant to, or used in an Aircraft, Engine, Spare Part, or Appliance, does not remain owned by a lessor or

conditional seller of, or subject to a Lien applicable to, such Aircraft, Engine, Spare Part, or Appliance; (c) for the avoidance of doubt, is not leased to, loaned to, or held on consignment by, the Company; and (d) is not subject to a Loan to any Person.

"Non-Extended Facility" is defined in Section 3.6(d) of the Indenture.

"Non-Extension Drawing" is defined in Section 3.6(d) of the Indenture.

"Non-Performing" means, with respect to any Note, a Payment Default existing thereunder (without giving effect to any Acceleration); provided, that in the event of a bankruptcy proceeding in which the Company is a debtor under the Bankruptcy Code: (a) any Payment Default occurring before the date of the order of relief in such proceeding will not be taken into account during the Section 1110 Period; (b) any Payment Default occurring after the date of the order of relief in such proceeding shall not be taken into consideration if (i) on or before the expiry of the Section 1110 Period the Company shall have entered into an agreement of the kind described in Section 1110(a)(2)(A) of the Bankruptcy Code with respect such Note, and (ii) 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 (c) any Payment Default occurring after the Section 1110 Period will not be taken into consideration if (i) on or before the expiry of the Section 1110 Period the Company shall have entered into an agreement of the kind described in Section 1110(a)(2)(A) of the Bankruptcy Code with respect such Note, and (ii) such Payment Default is cured before the end of the applicable grace period, if any, set forth in the Indenture.

"Non-Pledged Spare Part" means a Non-Designated Spare Part stored, located or maintained by or on behalf of the Company at a Section 3.9 Location.

"Non-U.S. Person" means any Person other than a "U.S. person", as defined in Regulation S.

"Noteholder" means any Holder of one or more Notes.

"Notes" means the Class A Notes, the Class B Notes, and, if any are issued, the Class C Notes.

"NY UCC" is defined in Section 1.1 of the Spare Parts Security Agreement.

"Obligations" is defined in Section 2.1 of the Spare Parts Security Agreement.

"Offering Memo" means the Offering Memorandum, dated February 5, 2004, of the Company relating to the offering of the Notes, as such Offering Memorandum may be amended or supplemented.

"Officer" means the Chairman of the Board, the President, any Vice President of any grade, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary or the Controller of the Company.

"Officers' Certificate" means a certificate signed by an Officer, satisfying the requirements of Sections 12.4 and 12.5 of the Indenture.

"Operative Documents" means the Indenture, the Collateral Agreements, the Collateral Maintenance Agreement, and the Notes.

"Opinion of Counsel" means a written opinion from the General Counsel of the Company, legal counsel to the Company or another legal counsel who is reasonably acceptable to the Trustee, which Opinion of Counsel shall comply with Sections 12.4 and 12.5 of the Indenture. The counsel may be an employee of the Company. The acceptance by the Trustee (without written objection to the Company during the 15 Business Days following receipt) of, or its action on, an opinion of counsel not specifically referred to above shall be sufficient evidence that such counsel is acceptable to the Trustee.

"Original Class B Notes" means the securities issued and authenticated on the Closing Date pursuant to the Indenture and substantially in the form of Exhibit A-2 thereto.

"Original Class C Notes" means the securities, if any, issued and authenticated pursuant to Section 10.1 of the Indenture in the original principal amount and maturities and bearing interest as specified in an amendment to the Indenture at the time of issuance.

"Original Number of Aircraft" means: (a) initially, (i) with respect to Boeing model 737-800 Aircraft, 77, and (ii) with respect to Boeing model 777-200 Aircraft, 45; and (b) following any redemption or cancellation of Notes required by any Fleet Reduction of an Aircraft Model pursuant to Section 3.3 of the Collateral Maintenance Agreement, the Original Number of Aircraft with respect to such Aircraft Model shall be the Reduced Number of Aircraft with respect to such Fleet Reduction.

"Other Collateral" is defined in Section 3.1(a)(i) of the Collateral Maintenance Agreement.

"Outstanding" or "outstanding", when used with respect to Notes or a Note, means all Notes theretofore authenticated and delivered under the Indenture, except:

(a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Notes, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee in trust for the Holders of such Notes, provided that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Notes for which payment has been deposited with the Trustee or any Paying Agent in trust pursuant to Article IX of the Indenture (except to the extent provided therein); and

(d) Notes which have been paid, or for which other Notes shall have been authenticated and delivered in lieu thereof or in substitution therefor pursuant to the terms of Section 2.12 of the Indenture.

A Note does not cease to be Outstanding because the Company or one of its Affiliates holds the Note; provided, however, that in determining whether the Holders of the requisite aggregate principal amount of Notes Outstanding have given or concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture or any other Operative Document, Section 2.13 of the Indenture shall be applicable.

"Overdue Scheduled Payment" means any Payment of accrued interest on any Notes which is not in fact received by the Trustee (whether from the Company, a Liquidity Provider or otherwise) on or within five days after the Scheduled Payment Date relating thereto.

"Parts Inventory Report" means, as of any date, a report consisting of: (a) a list identifying the Pledged Spare Parts by Company part number and brief description, stating the quantity of each such part included in the Pledged Spare Parts as of such specified date, and indicating, for each Company part number, the percentages of such Pledged Spare Parts that are Serviceable Parts and Unserviceable Parts; (b) a list of the Designated Locations setting forth, for each such location as of such specified date, the percentage of the aggregate System Value of all Pledged Spare Parts that is represented by the aggregate System Value of the Pledged Spare Parts located at that Designated Location; (c) a list identifying the Non-Pledged Spare Parts by Company part number and brief description, stating the quantity of each such part included in the Non-Pledged Spare Parts as of such specified date, and indicating, for each Company part number the percentages of such Non-Pledged Spare Parts that are Serviceable Parts and Unserviceable Parts; and (d) a list of the Section 3.9 Locations as of such date, setting forth for each such Section 3.9 Location as of such specified date, the percentage of the aggregate System Value of all Non-Pledged Spare Parts that is represented by the aggregate System Value of the Non-Pledged Spare Parts located at that Section 3.9

Location. Some or all of the information in a Parts Inventory Report may be in the form of a CD-ROM.

"Parts Inventory Report Date" is defined in Section 2.1 of the Collateral Maintenance Agreement.

"Parts Inventory Report Period" means, for 2004 and each year thereafter: (i) February 19 through and including March 1; (ii) May 22 through and including June 1; (iii) August 22 through and including September 1; and (iv) November 21 through and including December 1.

"Paying Agent" is defined in Section 2.8 of the Indenture.

"Payment" means (i) any payment of principal of, interest on, or Make-Whole Amount or other premium, if any, with respect to the Notes from the Company, (ii) any payment of interest on a Class of Notes with funds drawn under the applicable Liquidity Facility or from the applicable Liquidity Facility Cash Collateral Account or (iii) any payment received or amount realized by the Trustee from the exercise of remedies after the occurrence of an Event of Default.

"Payment Default" means a Default referred to in Section 7.1(a)(i) of the Indenture.

"Payment Due Rate" means, for any Class of Notes, (a) the applicable Debt Rate plus 1% or, if less, (b) the maximum rate permitted by applicable law.

"Permanent Regulation S Global Class A Note" is defined in Section 2.1(d) of the Indenture.

"Permanent Regulation S Global Class B Note" is defined in Section 2.1(d) of the Indenture.

"Permanent Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Permitted Lien" means (a) the rights of any Person existing pursuant to any Operative Document or any Support Document; (b) Liens attributable to the Trustee or any Collateral Agent (both in its capacity as Trustee or Collateral Agent and in its individual capacity); (c) the rights of others under agreements or arrangements to the extent expressly permitted by the terms of Section 3.6 of the Collateral Maintenance Agreement; (d) Liens for Taxes of the Company (and its U.S. federal tax law consolidated group), either not yet due or payable or being contested in good faith by appropriate proceedings, so long as such Liens and such proceedings do not involve any material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of any

Collateral Agent therein or impair the Lien of any Collateral Agreement; (e) materialmen's, mechanics', workers', repairers', warehousemans', 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) for amounts the payment of which is either not yet delinquent for more than 60 days or is being contested in good faith by appropriate proceedings, so long as such Liens and such proceedings do not involve any material risk of the sale, forfeiture, or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement; (f) Liens arising out of any judgment or award against the Company, so long as such judgment shall, within 60 days after the entry thereof, have been discharged, vacated or reversed, or with respect to which there shall have been secured a stay of execution pending appeal or other judicial review and such judgment or award shall have been discharged, vacated or reversed within 60 days after the expiration of such stay, so long as during any such 60 day period, such Liens or such judicial proceedings do not involve any material risk of the sale, forfeiture, or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement; (g) purchase money security interest Liens held by a vendor of the Company for goods purchased from such vendor by the Company, in each case arising in the ordinary course of business and for which the Company pays such vendor within 60 days of such purchase; provided that in each case that such Liens do not involve any material risk of the sale, forfeiture or loss of the Pledged Spare Parts or the interest of any Collateral Agent therein or impair the Lien of any Collateral Agreement and that the aggregate System Value of Pledged Spare Parts subject to such Liens at any time does not exceed $5,000,000; (h) any other Lien with respect to which the Company shall have provided a bond, cash collateral or other security adequate in the reasonable opinion of the Security Agent; and (i) salvage or similar right of insurers under insurance policies maintained by the Company.

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

"Pledged Expendable Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Pledged Non-Expendable Spare Parts" is defined in clause (1) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Pledged Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Prepaid Class" is defined in Exhibit D to the Indenture.

"Propeller" includes a part, appurtenance, and accessory of a propeller.

"Provider Incumbency Certificate" is defined in Section 3.8(b) of the Indenture.

"Provider Representatives" is defined in Section 3.8(b) of the Indenture.

"Purchase Agreement" means the Purchase Agreement, dated February 2, 2004, by and between the Initial Purchasers and the Company.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Expendable Spare Parts" is defined in clause (2) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Qualified Non-Expendable Spare Parts" is defined in clause (1) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Qualified Spare Parts" is defined in clause (2) of the first paragraph in Section 2.1 of the Spare Parts Security Agreement.

"Quarterly Appraisal Report Date" means, with respect to a Parts Inventory Report Period ending on: (i) March 1, the immediately following April 1; (ii) June 1, the immediately following July 1; and (iii) December 1, the immediately following January 1; in each case, subject to Sections 2.5, 2.6, and 2.8 of the Collateral Maintenance Agreement.

"Quarterly Methodology" means, in determining an opinion as the Fair Market Value of the Pledged Spare Parts, taking the following actions: (i) reviewing the Parts Inventory Report prepared as of the applicable Parts Inventory Report Date; (ii) reviewing the Independent Appraiser's internal value database for values applicable to Qualified Spare Parts included in the Pledged Spare Parts; and (iii) establishing a ratio of Serviceable Parts to Unserviceable Parts as of the applicable Parts Inventory Report Date based upon information provided by the Company.

"Quarterly Parts Inventory Report" means any Parts Inventory Report dated as of a date falling within a time period set forth in clause (i), (ii) or (iv) of the definition of "Parts Inventory Report Period"; in each case, subject to Section 2.5(b)(ii) of the Collateral Maintenance Agreement.

"Rating Agencies" means, collectively, at any time, and with respect to a Class of Notes, each of up to three nationally recognized rating agencies that shall have been requested by the Company to rate such Class of Notes and which shall then be rating such Class of Notes. The initial Rating Agencies with respect to the Class A Notes and the Class B Notes will be Moody's, Fitch, and Standard & Poor's.

"Ratings Confirmation" means, with respect to any action proposed to be taken, a written confirmation from each of the Rating Agencies with respect to the applicable Class of Notes that such action would not result in (i) a reduction of the rating for such Class of Notes below the then current rating for such Class of Notes or (ii) a withdrawal of the rating of such Class of Notes.

"Record Date" means the 15th day preceding any Interest Payment Date, whether or not a Business Day.

"Redemption Date", when used with respect to any Note to be redeemed, means the date fixed for such redemption by or pursuant to the Indenture and such Note.

"Redemption Percentage", with respect to any Aircraft Model, means, as of any date of determination, the percentage determined by multiplying (a) the fraction with (i) a numerator equal to the Original Number of Aircraft for such Aircraft Model minus the Reduced Number of Aircraft for such Aircraft Model, and (ii) a denominator equal to the Original Number of Aircraft for such Aircraft Model by (b) the fraction with (i) a numerator equal to the aggregate Fair Market Value of the Pledged Spare Parts (as set forth in the Independent Appraiser's Certificate most recently delivered prior to such date of determination) that are appropriate for installation on, or use in, only such Aircraft Model, or the Engines or Spare Parts or Appliances utilized only on such Aircraft Model, and (ii) a denominator equal to the aggregate Fair Market Value of the Pledged Spare Parts for all models of Aircraft (as set forth in such Independent Appraiser's Certificate).

"Reduced Number of Aircraft" means in the case of an Aircraft Model as to which the Company's in-service fleet of such Aircraft Model is below the then applicable Specified Minimum for such Aircraft Model during each day of a period of any 60 consecutive days as provided in Section 3.3 of the Collateral Maintenance Agreement, the number of Aircraft of such Aircraft Model remaining in the Company's in-service fleet as of the last day of such 60-day period.

"Refunding" means a refunding of the Class B Notes or, if issued, the Class C Notes in accordance with Exhibit D of the Indenture.

"Register" has the meaning provided in Section 2.8 of the Indenture.

"Registrar" has the meaning provided in Section 2.8 of the Indenture.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Regulation S Restricted Period Legend" is defined in Section 2.2 of the Indenture.

"Relevant Appraisal Report Date" is defined in Section 2.5(b) of the Collateral Maintenance Agreement.

"Relevant Appraiser's Certificate" is defined in Section 2.5(b) of the Collateral Maintenance Agreement.

"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 or forms (which may include a letter of credit, surety bond, insurance policy or guaranty) as shall permit the Rating Agencies to issue a Ratings Confirmation with respect to each Class of Notes (before downgrading of such ratings, if any, as a result of the downgrading of the applicable Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the applicable Liquidity Provider or any such guarantee becoming invalid or unenforceable), in a face amount (or in an aggregate face amount) equal to the Required Amount and issued by a Person (or Persons) (or, if applicable, by a Person (or Persons) with a guarantor (or guarantors)) having a debt rating issued by each Rating Agency that is equal to or higher than the applicable Threshold Rating or with such other ratings and qualifications as shall permit each Rating Agency to issue a Ratings Confirmation with respect to each Class of Notes (before downgrading of such ratings, if any, as a result of the downgrading of the Liquidity Provider or, if applicable, the downgrading of any guarantor of the obligations of the Liquidity Provider or any such guarantee becoming invalid or unenforceable). Without limitation of the form that a Replacement Liquidity Facility otherwise may have pursuant to the preceding sentence, a Replacement Liquidity Facility for the Class A Notes or the Class B Notes may have a stated expiration date earlier than 15 days after the Final Legal Maturity Date so long as such Replacement Liquidity Facility provides for a Non-Extension Drawing as contemplated by Section 3.6(d) of the Indenture.

"Replacement Liquidity Provider" means a Person who issues a Replacement Liquidity Facility.

"Request" means a written request for the action therein specified signed on behalf of the Company by any Officer and delivered to the Trustee. Each Request shall be accompanied by an Officers' Certificate if and to the extent required by Section 12.4 of the Indenture.

"Required Amount" means, with respect to the Liquidity Facility or the Liquidity Facility Cash Collateral Account for any Class of Notes, for any day, the sum of the applicable aggregate amount of interest, calculated at the rate per annum equal to the

Stated Interest Rate applicable to the related Class of Notes on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on such Class of Notes on each of the four consecutive semi-annual Interest Payment Dates immediately following such day or, if such day is an Interest Payment Date, on such day and the succeeding three semi-annual Interest Payment Dates, in each case calculated on the basis of the outstanding principal amount of such Class of Notes on such date and without regard to expected future payments of principal on such Class of Notes.

"Required Class A Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class A Notes then Outstanding.

"Required Class B Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class B Notes then Outstanding.

"Required Class C Holders" means from time to time the Holders of more than 50% in aggregate unpaid principal amount of the Class C Notes, if issued, then Outstanding.

"Required Reports" means, with respect to any Appraisal Report Date, the Independent Appraiser's Certificate, Appraisal Compliance Report, and Parts Inventory Report relating thereto.

"Responsible Officer" means (i) with respect to the Trustee, any officer in the corporate trust administration department of the Trustee or any other officer customarily performing functions similar to those performed by the Persons who at the time shall be such officers or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with a particular subject and (ii) with respect to a Liquidity Provider, any authorized officer of such Liquidity Provider.

"Restricted Definitive Class A Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Definitive Class B Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Definitive Notes" is defined in Section 2.1(e) of the Indenture.

"Restricted Global Class A Note" is defined in Section 2.1(c) of the Indenture.

"Restricted Global Class B Note" is defined in Section 2.1(c) of the Indenture.

"Restricted Global Notes" means the Restricted Global Class A Notes and the Restricted Global Class B Notes.

"Restricted Legend" is defined in Section 2.2 of the Indenture.

"Restricted Notes" is defined in Section 2.2 of the Indenture.

"Restricted Period" is defined in Section 2.1(d) of the Indenture.

"Rotable" means a Spare Part or Appliance (i) that wears over time and can be repeatedly and economically restored to a serviceable condition over a period approximating the life of the flight equipment to which it relates or (ii) that can be economically restored to a serviceable condition but has a life less than the related flight equipment and can be overhauled or repaired only a limited number of times.

"Rule 144A" means Rule 144A under the Securities Act.

"Sales" means all Pledged Spare Parts sold, transferred, or otherwise disposed of, excluding any Pledged Spare Part: (a) sold, transferred or otherwise disposed of in a transaction pursuant to Section 4.2(a) of the Spare Parts Security Agreement or pursuant to a similar provision of any other Collateral Agreement; or (b) deemed sold pursuant to the proviso of Section 3.6(a) of the Collateral Maintenance Agreement but as to which the Company has reacquired title.

"Scheduled Payment Date" means (i) with respect to any payment of interest, the Interest Payment Date applicable thereto, (ii) with respect to any payment of defaulted interest, the payment date established pursuant to Section 2.16 of the Indenture, (iii) with respect to amounts due on the redemption of any Note, the Redemption Date applicable thereto, and (iv) with respect to the final maturity of the Notes, the Final Scheduled Payment Date.

"SEC" means the Securities and Exchange Commission and any government agency succeeding to its functions.

"Second New Class C Notes" means Notes that are issued as new Class C Notes in connection with a Refunding of any New Class C Notes that are American Class C Notes, in the original principal amount and maturities and bearing interest as specified in the applicable Indenture Refunding Amendment.

"Section 3.9 Location" means, at any time, any location in the United States owned or leased by the Company where the Company holds Non-Designated Spare Parts (other than any such location with Non-Designated Spare Parts that have an immaterial aggregate System Value) that is not a Designated Location, but which, by operation of Section 3.9 of the Collateral Maintenance Agreement and Section 4.2(b) of the Spare Parts Security Agreement, is expected to become a Designated Location.

"Section 1110" means Section 1110 of the Bankruptcy Code.

"Section 1110 Period" means the continuous period of 60 days specified in Section 1110(a)(2)(A) of the Bankruptcy Code (or such longer period, if any (not to exceed an additional 75 days), agreed to under Section 1110(b) of the Bankruptcy Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Security Agent" means the Trustee acting in the capacity of security agent on behalf of the Holders under the Spare Parts Security Agreement and under the Collateral Maintenance Agreement until a successor replaces it, or is substituted for it, in accordance with the provisions of the Spare Parts Security Agreement or the Collateral Maintenance Agreement, as the case may be, and thereafter means such successor.

"Security Agreement" means the Spare Parts Security Agreement.

"Serviceable Parts" means Pledged Spare Parts or Non-Pledged Spare Parts, as the context requires, in condition satisfactory for incorporation in, installation on, attachment or appurtenance to or use in an Aircraft, Engine, Spare Part or Appliance.

"Shelf Registration Statement" means the shelf registration statement which may be required with respect to any Class of Notes to be filed by the Company with the SEC pursuant to a registration rights agreement, other than an Exchange Offer Registration Statement.

"Spare Part" means an accessory, appurtenance, or part of an Aircraft (except an Engine or Propeller), Engine (except a Propeller), Propeller, or Appliance, that is to be installed at a later time in an Aircraft, Engine, Propeller or Appliance.

"Spare Parts Collateral" is defined in Section 2.1 of the Spare Parts Security Agreement.

"Spare Parts Documents" is defined in clause (7) of the first paragraph of Section 2.1 of the Spare Parts Security Agreement.

"Spare Parts Security Agreement" means the Spare Parts Security Agreement, dated as of the Issuance Date, between the Company and the Security Agent, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with its terms.

"Special Default" means a Payment Default or an American Bankruptcy Event.

"Special Record Date" is defined in Section 2.10 of the Indenture.

"Specified Minimum" is defined in Section 3.3(b) of the Collateral Maintenance Agreement.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Stated Expiration Date" is defined in Section 3.6(d) of the Indenture.

"Stated Interest Rate" means, with respect to any Class of Notes, the Debt Rate for such Class of Notes.

"Subordinated Note Provisions" is defined in Section 4.1 of the Collateral Maintenance Agreement.

"Successor Company" is defined in Section 5.4(a)(i) of the Indenture.

"Supplemental Security Agreement" means a supplement to the Spare Parts Security Agreement substantially in the form of Exhibit A to the Spare Parts Security Agreement.

"Support Documents" means the Liquidity Facilities and the Fee Letters.

"System Value" means, with respect to any Qualified Spare Part as of any date, the system average unit price of such Qualified Spare Part as of such date as set forth in the Company's equipment inventory tracking system.

"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.

"Temporary Regulation S Global Class A Note" is defined in Section 2.1(d) of the Indenture.

"Temporary Regulation S Global Class B Note" is defined in Section 2.1(d) of the Indenture.

"Temporary Regulation S Global Notes" is defined in Section 2.1(d) of the Indenture.

"Termination Notice", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Threshold Amount" means $2,000,000.

"Threshold Rating" means a senior unsecured short-term corporate rating of F-1 by Fitch (if the applicable Person is then rated by Fitch), a short-term unsecured debt rating of P-1 by Moody's and a short-term issuer credit rating of A-1 by Standard & Poor's; and in the case of any Person who does not have a senior unsecured short-term corporate rating by Fitch, a short-term unsecured debt rating from Moody's or a short-term issuer credit rating from Standard & Poor's, then in lieu of such rating from such Rating Agencies, a senior unsecured long-term corporate rating of A in the case of Fitch (if such Person is then rated by Fitch), a long-term unsecured debt rating of A2 in the case of Moody's and a long-term issuer credit rating of A in the case of Standard & Poor's.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code Sections 77aaa-77bbbb) as in effect on the date of the Indenture; provided, however, that in the event the TIA is amended after such date, "TIA" means, to the extent required by any such amendment, the TIA as so amended.

"Trust Accounts" is defined in Section 8.13(a) of the Indenture.

"Trust Officer" means any Responsible Officer of the Trustee.

"Trustee" means the party named as such in the Indenture until a successor replaces it in accordance with the provisions of the Indenture and thereafter means the successor Trustee and if, at any time, there is more than one Trustee, "Trustee" as used with respect to the Notes of any Class shall mean the Trustee with respect to the Notes of that Class.

"Trustee Incumbency Certificate" is defined in Section 3.8(a) of the Indenture.

"Trustee Representatives" is defined in Section 3.8(a) of the Indenture.

"UCC" means the Uniform Commercial Code as in effect in any applicable jurisdiction.

"Unapplied Provider Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Unpaid Advance", with respect to any Liquidity Facility, has the meaning specified in such Liquidity Facility.

"Unserviceable Parts" means Pledged Spare Parts or Non-Pledged Spare Parts, as the context requires, that have been either removed from service (i) because they did not

work correctly or (ii) because upon inspection and testing, they were found not to meet certain prescribed standards.

"U.S." or "United States" means the United States of America.

"U.S. Air Carrier" means any United States air carrier that is a Citizen of the United States holding an air carrier operating certificate issued pursuant to chapter 447 of title 49 of the United States Code for aircraft capable of carrying 10 or more individuals or 6000 pounds or more of cargo, or that otherwise is certificated or registered to the extent required to fall within the purview of Section 1110.

"U.S. Government" means the federal government of the United States, or any instrumentality or agency thereof the obligations of which are guaranteed by the full faith and credit of the federal government of the United States.

"U.S. Government Obligations" means securities that are direct obligations of the U.S. Government 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.

"USBT" is defined in the first paragraph of the Indenture.

"Warranty Rights" means the rights of the Company under any warranty or indemnity, express or implied, regarding title, materials, workmanship, design and patent infringement, or related matters in respect of the Pledged Spare Parts, in each case to the extent that: (a) such rights relate to the Pledged Spare Parts (and not to other Spare Parts, Appliances or any other properties or assets), (b) such rights are assignable at no additional expense to the Company, and (c) that such assignment does not require the consent of any Person and does not violate any contract or agreement binding upon the Company relating to such rights.

"Written Notice" means, from the Trustee or any Liquidity Provider, a written instrument executed by the Designated Representative of such Person.

SECTION 2. Rules of Construction. Unless the context otherwise requires, the following rules of construction shall apply for all purposes of the Operative Documents (including this appendix) and of such agreements as may incorporate this appendix by reference.

(a) In each Operative Document, unless otherwise expressly provided, a reference to:

(i) each of the Company, the Trustee, the Collateral Agent, the Security Agent 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 the 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 Closing Date, 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", an "Exhibit", an "Annex", an "Appendix" or a "Schedule" in any Operative Document, or in any annex thereto, is a reference to a Section of, or an exhibit, an annex, an appendix or a schedule to, such Operative Document or such annex, respectively.

(b) Each exhibit, annex, appendix and schedule to each Operative Document is incorporated in, and shall be deemed to be a part of, such Operative Document.

(c) Unless otherwise defined or specified in any Operative Document, all accounting terms therein shall be construed and all accounting determinations thereunder shall be made in accordance with GAAP.

(d) 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.

[Address to the Security Agent]

APPRAISAL COMPLIANCE REPORT UNDER THE COLLATERAL MAINTENANCE AGREEMENT

Ladies and Gentlemen:

We refer to the Collateral Maintenance Agreement, dated as of February 5, 2004, between American Airlines, Inc. (the "Company") and U.S. Bank Trust National Association, as Security Agent (as amended, the "Agreement"). Terms defined in the Agreement and used herein have such respective defined meanings. The Company hereby certifies that:

1. This Compliance Report is accompanied by an Independent Appraiser's Certificate (the "Relevant Spare Parts Appraisal"), dated as of [_____]. The Parts Inventory Report Date for purposes of the Relevant Spare Parts Appraisal was [_____] (the "Relevant Parts Inventory Report Date") and the Appraisal Report Date for purposes of this Appraisal Compliance Report was [_____] (the "Relevant Appraisal Report Date").

2. The following sets forth the calculation of the Class A Collateral Ratio:

a.	The aggregate principal amount of all Class A Notes Outstanding as of the Relevant Appraisal Report Date	$[_____]
b.	The Fair Market Value of the Cash Collateral as of the Relevant Appraisal Report Date	$[_____]
c.	The Fair Market Value of the Pledged Spare Parts as of the Relevant Parts Inventory Report Date, as set forth in the accompanying Relevant Spare Parts Appraisal	$[_____]
[d.	The Fair Market Value of the Other Collateral with respect to the Relevant Appraisal Report Date, determined as set forth in the applicable Collateral Agreement	$[_____]]

The Class A Collateral Ratio ((a - b) / (c [+d])) [_____]%

3. The following sets forth the calculation of the Class B Collateral Ratio:

a. The aggregate principal amount of all Class A Notes and Class B Notes Outstanding as of the Relevant Appraisal Report Date $[_____]

b. The Fair Market Value of the Cash Collateral as of the Relevant Appraisal Report Date $[_____]

c. The Fair Market Value of the Pledged Spare Parts as of the Relevant Parts Inventory Report Date, as set forth in the accompanying Relevant Spare Parts Appraisal $[_____]

[d. The Fair Market Value of the Other Collateral with respect to the Relevant Appraisal Report Date determined as set forth in the applicable Collateral Agreement $[_____]]

The Class B Collateral Ratio ((a - b) / c [+ d]) [_____]%

4. All Spare Parts and Appliances listed in the Parts Inventory Report as "Pledged Spare Parts" as of the Relevant Parts Inventory Report Date constituted Pledged Spare Parts as defined in Section 2.1 of the Spare Parts Security Agreement.

5. Attached hereto as Exhibit 1 is a report that correctly sets forth the following information as of the Relevant Parts Inventory Report Date with respect to each Pledged Spare Part model among the 500 Pledged Spare Part models with the highest aggregate System Value:

(i) Manufacturer's part number(s);

(ii) the Company's part tracking number;

(iii) part description;

(iv) related aircraft model(s);

(v) quantity on hand; and

(vi) the aggregate System Value.

Dated: [_____]

Very truly yours,

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

[Address to the Security Agent]

NONAPPRAISAL COMPLIANCE REPORT UNDER THE COLLATERAL MAINTENANCE AGREEMENT

Ladies and Gentlemen:

We refer to the Collateral Maintenance Agreement, dated as of February 5, 2004, between American Airlines, Inc. (the "Company") and U.S. Bank Trust National Association, as Security Agent (the "Agreement"). Terms defined in the Agreement and used herein have such respective defined meanings. This Nonappraisal Compliance Report is dated as of [January] [April] [July] [October] 1 and covers the Applicable Period from [ ] to [ ] (the "End Date"). The Company hereby certifies that:

1. As of any date during such Applicable Period:

(i) the aggregate System Value of Sales during such Applicable Period through such date did not exceed 4% of the aggregate System Value of the Pledged Spare Parts as of such date, and the aggregate System Value of Sales during the calendar year through such date did not exceed 8% of the aggregate System Value of the Pledged Spare Parts as of such date; and

(ii) the aggregate System Value of Moves during such Applicable Period through such date, net of the aggregate System Value of Qualified Spare Parts transferred during such Applicable Period through such date by or on behalf of the Company to Designated Locations from locations that were not Designated Locations, did not exceed 4% of the aggregate System Value of the Pledged Spare Parts as of such date.

2. The aggregate System Value of Loans outstanding as of any date during such Applicable Period did not exceed 2% of the aggregate System Value of the Pledged Spare Parts as of such date.

3. The total number of Aircraft of the Aircraft Models described below in the Company's in-service fleet as of the End Date was as follows:

Aircraft Model	Number of Aircraft
Boeing Model 737-800	
Boeing Model 777-200	

4. All transactions contemplated by Section 4.2(a) of the Spare Parts Security Agreement undertaken by the Company during such Applicable Period were in the ordinary course of the Company's business.

Very truly yours,

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

INSURANCE

(a) Liability Insurance. Subject to the rights of the Company to establish and maintain self-insurance with respect to public liability and property damage liability insurance for spare parts (including the Pledged Spare Parts) in the manner and to the extent specified in the next sentence, the Company will carry, or cause to be carried, at its expense, 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 Pledged Spare Parts: (A) in amounts that are not less than the liability insurance applicable to similar spare parts on which the Company carries insurance, provided that such liability insurance shall not be less than the amount certified in the insurance certificate delivered 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. The Company may from time to time self-insure, by way of deductible, self-insured retention, premium adjustment or franchise or otherwise (including insuring for a maximum amount that is less than the amount set forth above), the risks required to be insured against pursuant to the preceding sentence, but in no case shall such self-insurance exceed for any 12-month policy year 1% of the average aggregate insurable value (for the preceding policy year) of all 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 to such higher level; provided, that 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 Pledged Spare Parts, 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 deductibles (per annum or other period) or other insurance deductibles imposed by the liability insurers. Any policies of insurance carried in accordance with this paragraph (a) and any policies taken out in substitution or replacement for any of such policies shall (A) name the Security Agent, the Trustee and the Liquidity Providers as their Interests (as defined below in this paragraph (a)) may appear, as additional insureds (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 (including misrepresentation and non-disclosure) of the Company or any other Person (including, without limitation, use of the Pledged Spare Parts for illegal purposes) and shall insure the Additional Insureds' Interests as they appear, regardless of any breach or violation of any representation, 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 certificate delivered on the Closing Date to the Security Agent, or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to any 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 Pledged Spare Parts 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 paragraph (a) and in paragraph (b) with respect to any Person means the interests of such Person in the transactions contemplated by the Operative Documents.

(b) Insurance Against Loss or Damage to Pledged Spare Parts. Subject to the rights of the Company to establish and maintain self-insurance with respect to loss or damage to spare parts (including the Pledged Spare Parts) in the manner and to the extent specified in the next sentence, the Company shall maintain, or cause to be maintained, in effect with insurers of recognized responsibility, at the Company's expense, insurance covering the Pledged Spare Parts against all risks of physical loss or damage, subject to customary policy exclusions. Such insurance (including the permitted self-insurance) shall at all times while the Pledged Spare Parts are subject to the Spare Parts Security Agreement be for an amount not less than 110% of the principal amount of the Outstanding Notes from time to time. The Company may from time to time self-insure, by way of deductible, self-insured retention, premium adjustment or franchise or otherwise (including insuring for a maximum amount that is less than the amount set forth above), the risks required to be insured against pursuant to the preceding sentence, but in no case shall such self-insurance exceed an amount consistent with normal industry practice; provided, that 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 Pledged Spare Parts, 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 deductibles (per annum or other period) or other insurance deductibles imposed by the property insurers. Any policies carried in accordance with this paragraph (b) and

any policies taken out in substitution or replacement for any such policies shall (A) provide that any insurance proceeds up to the Debt Balance payable for any loss or damage constituting an Event of Loss with respect to any Pledged Spare Parts involving proceeds in excess of the Threshold Amount shall be paid to the Security Agent as long as the Spare Parts Security Agreement shall not have been discharged, and that all other amounts shall be payable to the Company, unless the insurer shall have received notice that a Special Default or Event of Default exists, in which case all insurance proceeds for any loss or damage to any Pledged Spare Parts up to the Debt Balance shall be payable to the Security Agent, (B) provide that such insurance shall not be canceled for any reason other than nonpayment of premium without giving the Additional Insureds written notice 60 days prior to the effective date of such cancellation, and shall not be canceled for nonpayment of premium without giving the Additional Insureds written notice 10 days prior to the effective date of such cancellation, (C) provide that the insurer shall waive rights of 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, (D) 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 Pledged Spare Parts, and (E) provide that none of the Additional Insureds shall be liable for any insurance premium.

(c) Application of Insurance Proceeds. Any insurance proceeds shall be applied as set forth in Article V of the Security Agreement.

(d) Certificates, Etc. On or before the Closing Date and annually upon renewal of the Company's insurance coverage, the Company will furnish to the Security Agent, the Trustee and each Liquidity Provider a certificate of insurance of the independent insurance brokers appointed by the Company (which brokers may be in the regular employ of the Company) as to the insurance then carried and maintained on the Pledged Spare Parts and stating the opinion of such brokers that such insurance complies with the terms hereof; provided that all information contained in such certificate shall be held confidential by the Security Agent, the Trustee and each Liquidity Provider and shall not be furnished or disclosed to anyone other than each other and 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. The Company will cause such firm to advise the Security Agent in writing of any act or omission on the part of the Company of which such firm has knowledge that might invalidate or render unenforceable, in whole or in part, any insurance on the Pledged Spare Parts. The Company will also cause such firm to advise the Security Agent in writing as promptly as practicable after such firm acquires knowledge that an interruption of any insurance carried and maintained on the Pledged Spare Parts pursuant to this Appendix IV will occur.

(e) Salvage Rights; Other. All salvage rights to the Pledged Spare Parts shall remain with the Company's insurers at all times, and any insurance policies of the Security Agent insuring the Pledged Spare Parts shall provide for a release to the Company of any and all salvage rights in and to the Pledged Spare Parts.

(f) Right to Pay Premiums. None of the Security Agent and the other Additional Insureds shall have any obligation to pay any premium, commission, assessment or call due on any such insurance (including reinsurance). Notwithstanding the foregoing, in the event of cancellation of any insurance due to the nonpayment of premiums, the Security Agent shall have the option, in its sole discretion, to pay any such premium in respect of the Pledged Spare Parts that is due in respect of the coverage pursuant to the Collateral Maintenance Agreement and to maintain such coverage, as the Security Agent may require, until the scheduled expiry date of such insurance and, in such event, the Company shall, upon demand, reimburse the Security Agent for amounts so paid by it.

EXHIBIT 4.5

EXECUTION COPY

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REVOLVING CREDIT AGREEMENT

Dated as of February 5, 2004

between

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee
under the Indenture,

as Borrower

and

CITIBANK, N.A.,

as Liquidity Provider

==========

RELATING TO
AMERICAN AIRLINES, INC.
7.25% CLASS A SECURED NOTES DUE 2009

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT dated as of February 5, 2004, is made by and between U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Trustee (such term and other capitalized terms used herein without definition being defined as provided in Article I) under the Indenture (in such capacity, together with its successors in such capacity, the "Borrower"), and CITIBANK, N.A., a national banking association (the "Liquidity Provider").

WITNESSETH:

WHEREAS, pursuant to the Indenture, American is issuing the Class A Notes; and

WHEREAS, the Borrower, in order to support the timely payment of a portion of the interest on the Class A Notes in accordance with their terms, for and on behalf of the Noteholders, 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:

"Additional Costs" has the meaning specified in Section 3.01.

"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.

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

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

"Applicable Margin" means (i) with respect to any Unpaid Advance or Applied Provider Advance, 2.50% per annum, and (ii) with respect to any Unapplied Provider Advance, the rate per annum specified in the Fee Letter applicable to this Agreement.

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

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

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

"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 Liquidity Provider from three Federal funds brokers of recognized standing selected by it plus one-quarter of one percent (0.25%) per annum.

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

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

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

"Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York, Dallas, Texas, or, so long as any Class A Note is outstanding, the city and state in which the Trustee or the Borrower 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.

"Cash Collateral Account" means the Liquidity Facility Cash Collateral Account.

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

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

"Excluded Taxes" means (i) Taxes imposed on, based on or measured by the income of, or franchise Taxes imposed on, the Liquidity Provider or its Lending Office by the jurisdiction where such Liquidity Provider's principal office or such Lending Office is located or any other taxing jurisdiction in which such Tax is imposed as a result of the Liquidity Provider being, or having been, organized in, or conducting, or having conducted, any activities unrelated to the transactions contemplated by the Operative Agreements in, such jurisdiction, (ii) any Taxes resulting from any change (other than a change pursuant to Section 3.11 hereof) in the Lending Office without the prior written consent of American and (iii) withholding taxes, whether or not indemnified under Section 3.03.

"Excluded Withholding Taxes" means (i) in the case of the original Liquidity Provider, any withholding Tax imposed by the United States pursuant to applicable law in effect on the date hereof, (ii) in the case of any successor Liquidity Provider, any withholding Tax imposed by the United States except (a) if such Liquidity Provider is, on the date it acquires its interest herein, a "resident" of an Applicable Treaty jurisdiction entitled to claim the benefits of an Applicable Treaty in respect of amounts payable hereunder, any such withholding Tax to the extent imposed as a result of a change in applicable law after the date such Liquidity Provider acquired its interest herein and (b) in the case of any successor Liquidity Provider, to the extent the amount of such withholding Tax imposed on such successor Liquidity Provider pursuant to applicable

law in effect on the date it acquires its interest herein does not exceed the amount of such withholding Tax that, in the absence of the transfer to such Liquidity Provider, would have been a Non-Excluded Tax imposed on payments to the predecessor Liquidity Provider pursuant to applicable law in effect on such date, (iii) any Tax imposed or increased as a result of the Liquidity Provider failing to deliver to the Borrower any certificate or document (which certificate or document in the good faith judgment of the Liquidity Provider it is legally entitled to provide) which is reasonably requested by the Borrower to establish that payments under this Agreement are exempt from (or entitled to a reduced rate of) withholding Tax, (iv) any Tax imposed by a jurisdiction as a result of the Liquidity Provider being, or having been, organized in, or maintaining, or having maintained, its principal office or Lending Office in, or conducting, or having conducted, any activities unrelated to the transactions contemplated by the Operative Agreements in, such jurisdiction, and (v) any Tax resulting from any change (other than a change pursuant to Section 3.11 hereof) in the Lending Office without the prior written consent of American. For purposes of this definition, "Applicable Treaty" means an income tax treaty between the United States and any of Australia, Austria, Canada, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Sweden, Switzerland or the United Kingdom.

"Expenses" means liabilities, obligations, damages, settlements, penalties, claims, actions, suits, costs, expenses, and disbursements (including, without limitation, reasonable fees and disbursements of legal counsel and costs of investigation), 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 February 2, 2005, initially, or any date to which the Expiry Date is extended pursuant to Section 2.10, or, if any such day is not a Business Day, the preceding Business Day.

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

"Indenture" means the Indenture dated as of the date hereof among American, the Liquidity Provider and the Trustee, 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 date such Advance was made (such date, for the avoidance of doubt, being the first date such Advance was made as a "Base Rate Advance" pursuant to

Section 3.07(b) or (B) the date of the withdrawal of funds from the Cash Collateral Account for the purpose of paying interest on the Class A Notes as contemplated by Section 2.06(a) hereof and, in either case, ending on the next Interest Payment Date (or, if such Interest Payment Date is not a Business Day, the next succeeding Business Day); and

(ii) each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the next Interest Payment Date (or, if such Interest Payment Date is not a Business Day, the next succeeding Business Day);

provided, however, that if (x) the Final Advance shall have been made pursuant to Section 2.02(d), or (y) other outstanding Advances shall have been converted into the Final Advance pursuant to Section 6.01, then the Interest Periods shall be successive periods of one month beginning on (1) the third Business Day following the date such Final Advance is made (in the case of clause (x) above) or (2) the Interest Payment Date following such conversion (in the case of clause (y) above), each such one-month period to be subject to the "following business day" methodology set forth in clauses (i) and (ii) above.

"Lending Office" means the lending office of the Liquidity Provider presently located at New York, New York, 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 another lending office outside the United States of America except in accordance with Section 3.11 hereof.

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

"LIBOR Rate" means, with respect to any Interest Period,

(i) 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 dollar deposits with a maturity comparable to such Interest Period, or

(ii) if the rate calculated pursuant to clause (i) above is not available, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates per annum at which deposits in dollars are offered for the relevant Interest Period by three banks of recognized standing selected by the Liquidity Provider in the London interbank market 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 in an

amount approximately equal to the principal amount of the LIBOR Advance to which such Interest Period is to apply and for a period comparable to such Interest Period.

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

"Liquidity Indemnitee" means (i) the Liquidity Provider, (ii) the directors, officers, employees and agents of the Liquidity Provider, and (iii) the successors and permitted assigns of the persons described in clauses (i) and (ii).

"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 (a) initially $27,970,835 as the same may be reduced from time to time in accordance with Section 2.04(a) and, (b) at all times after the date after which there can be no increase in the interest rate of Class A Notes pursuant to the terms of the Registration Rights Agreement (the "Step-Up Termination Date"), means $26,166,265, as the same may be reduced from time to time in accordance with Section 2.04(a), provided, however, that clause (b) shall not apply during any period in which the interest rate of the Class A Notes has increased pursuant to the terms of the Registration Rights Agreement.

"Non-Excluded Tax" has the meaning specified in Section 3.03.

"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 Trustee" has the meaning specified in Section 3.08.

"Offering Memorandum" means the Offering Memorandum dated February 5, 2004 relating to the Class A Notes, as such Offering Memorandum may be amended or supplemented.

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

"Permitted Transferee" means any Person that:

(a) is not a commercial air carrier, American or any affiliate of American; and

(b) is any one of:

(1) a commercial banking institution organized under the laws of the United States or any state thereof or the District of Columbia;

(2) a commercial banking institution that (x) is organized under the laws of France, Germany, The Netherlands, Switzerland, or the United Kingdom, (y) is entitled on the date it acquires any Participation to a complete exemption from United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under an income tax treaty, as in effect on such date, between the United States and such jurisdiction of its organization and (z) is engaged in the active conduct of a banking business in such jurisdiction of its organization, holds its Participation in connection with such banking business in such jurisdiction and is regulated as a commercial banking institution by the appropriate regulatory authorities in such jurisdiction; or

(3) a commercial banking institution that (x) is organized under the laws of Canada, France, Germany, Ireland, Japan, Luxembourg, The Netherlands, Sweden, Switzerland or the United Kingdom and (y) is entitled on the date it acquires any Participation to a complete exemption from withholding of United States federal income taxes for all income derived by it from the transactions contemplated by the Operative Agreements under laws as in effect on such date by reason of such income being effectively connected with the conduct of a trade or business within the United States.

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

"Regulatory Change" has the meaning specified in Section 3.01.

"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 Notes, computed on the basis of a 360-day year comprised of twelve 30-day months, that would be payable on the Class A Notes on each of the four successive semiannual Interest Payment Dates immediately following such day or, if such day is an Interest Payment Date, on such day and the succeeding three semiannual Interest Payment Dates,

in each case calculated on the basis of the principal amount of the Class A Notes on such day and without regard to expected future payments of principal on the Class A Notes.

"Termination Date" means the earliest to occur of the following: (i) the Expiry Date; (ii) the date on which the Borrower delivers to the Liquidity Provider a certificate, signed by a Responsible Officer of the Borrower, certifying that (x) all of the Class A Notes have been paid in full (or provision has been made for such payment in accordance with the Indenture) or cancelled, (y) the Indenture has been terminated with respect to all of the Class A Notes issued thereunder as contemplated by Section 9.1 of the Indenture or (z) the Class A Notes 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 3.6(e) of the Indenture; (iv) the fifth Business Day following the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01 hereof; (v) the date on which no Advance is, or may (including by reason of reinstatement as herein provided) become, available for a Borrowing hereunder; and (vi) the date on which 100% of the principal amount of the Class A Notes are owned by American Entities.

"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) Terms Defined in the Indenture. For the purposes of this Agreement, the following terms shall have the respective meanings specified in the Indenture:

"Acceleration," "American Bankruptcy Event," "American Entity," "Class A Notes," "Class B Notes," "Class C Notes," "Closing Date," "Controlling Party," "Corporate Trust Office," "Distribution Date," "Dollars," "Downgraded Facility," "Fee Letter," "Final Legal Maturity Date," "Initial Purchasers," "Interest Payment Date," "Investment Earnings," "Liquidity Facility Cash Collateral Account," "Liquidity Obligations," "Non-Extended Facility," "Non-Performing," "Noteholders," "Operative Documents," "Payment," "Person," "Purchase Agreement," "Rating Agencies," "Ratings Confirmation," "Registration Rights Agreement," "Replacement Liquidity Facility," "Responsible Officer," "Spare Parts Collateral," "Stated Interest Rate," "Taxes," "Threshold Rating," "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 the 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 attached hereto, 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 shall be used solely for the payment when due of interest with respect to the Class A Notes at the Stated Interest Rate therefor in accordance with Section 3.6(a) and 3.6(b) of the Indenture. Each Interest Advance made hereunder shall automatically reduce the Maximum Available Commitment and the amount available to be borrowed hereunder by subsequent Advances by the amount of such Interest Advance (subject to reinstatement as provided in the next sentence). Subject to the provisions of Section 3.6(g) of the Indenture, upon repayment to the Liquidity Provider of all or any 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 the Class A Notes are Non-Performing and a Liquidity Event of Default shall have occurred and be continuing or (y) a Final Advance has been made.

(b) A Non-Extension Advance shall be made by the Liquidity Provider in a single Borrowing if this Agreement is not extended in accordance with Section 3.6(d) of the Indenture (unless a Replacement Liquidity Facility to replace this Agreement shall have been delivered to the Borrower as contemplated by such Section 3.6(d) within the time period specified in such Section 3.6(d)) upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex II attached hereto, 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 Cash Collateral Account in accordance with such Section 3.6(d) and Section 3.6(f) of the Indenture.

(c) If this Liquidity Facility becomes a Downgraded Facility, a Downgrade Advance shall be made in a single Borrowing as provided for in Section 3.6(c) of the Indenture (unless a Replacement Liquidity Facility to replace this Agreement shall have been previously delivered to the Borrower in accordance with Section 3.6(c) of the Indenture within the time period specified in such Section 3.6(c)), upon delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex III attached hereto, 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 Cash Collateral Account in accordance with Sections 3.6(c) and 3.6(f) of the Indenture.

(d) A Final Advance shall be made by the Liquidity Provider in a single Borrowing, upon the receipt by the Borrower of a Termination Notice from the Liquidity Provider pursuant to Section 6.01 hereof, by delivery to the Liquidity Provider of a written and completed Notice of Borrowing in substantially the form of Annex IV attached hereto, 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 Cash Collateral Account in accordance with Sections 3.6(f) and 3.6(i) of the Indenture.

(e) Each Borrowing shall be made by a 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. 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 on a day that is not a Business Day or 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 in 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 Noteholder). If the Liquidity Provider makes an Advance requested pursuant to a Notice of Borrowing before 1:00 p.m. (New York City time) on the second Business Day after the date of payment specified in Section 2.02(e), the Liquidity Provider shall have fully discharged its obligations hereunder with respect to such Advance and an event of default shall not have occurred hereunder. Following the making of any Advance pursuant to Section 2.02(b), 2.02(c) or 2.02(d) hereof to fund the Cash Collateral Account, the Liquidity Provider shall have no interest in or rights to the Cash Collateral Account, the funds constituting such Advance or any other amounts from time to time on deposit in the Cash Collateral Account; provided that the foregoing shall not affect or impair the obligations of the Trustee to make the distributions contemplated by Section 3.6(e) or 3.6(f) of the Indenture; 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 Cash Collateral Account to the extent provided in Section 8.13(b) of the Indenture. 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. Subject to Sections 2.07 and 2.09 hereof, the Borrower agrees to pay to the Liquidity Provider the fees set forth in the Fee Letter.

Section 2.04. Reductions or Termination of the Maximum Commitment.

(a) Automatic Reduction. Promptly following each date on which the Required Amount is reduced as a result of a payment of the principal amount of the Class A Notes or otherwise, the Maximum Commitment shall automatically be reduced to an amount equal to such reduced Required Amount (as calculated by the Borrower); provided that, at any time prior to the Step-Up Termination Date, the Required Amount shall be calculated for purposes of this Section 2.04(a) assuming the application of the additional margin of 0.50% for the corresponding Class A Notes under the definition of Class A Debt Rate (whether or not such additional margin shall otherwise apply). The Borrower shall give notice of any such automatic reduction of the Maximum Commitment to the Liquidity Provider and American within two Business Days thereof. The failure by the Borrower to furnish any such notice shall not affect any such automatic reduction of the Maximum Commitment.

(b) Termination. Upon the making of any Provider Advance 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 and, in the case of a Final Advance or the occurrence of a Termination Date pursuant to clause (ii), (iii), (iv) or (vi) of the definition thereof, all amounts outstanding hereunder shall become due and payable to the Liquidity Provider.

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 on each date on which the Liquidity Provider shall make an Interest Advance or the Final Advance, an amount equal to (a) 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 hereof; 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 Agreement shall become a Downgraded Facility or Non-Extended Facility at any time when unreimbursed Interest Advances have reduced the Maximum Available Commitment to zero, then such Interest Advances shall cease to constitute Unpaid Advances and shall be deemed to have been changed into an Applied Downgrade Advance or an Applied Non-Extension Advance, as the case may be, for all purposes of this Agreement (including, without limitation, for the purpose of determining when such Interest Advance is required to be repaid to the 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.

Section 2.06. Repayments of Provider Advances.

(a) Amounts advanced hereunder in respect of a Provider Advance shall be deposited in the Cash Collateral Account and invested and withdrawn from the Cash Collateral Account as set forth in Sections 3.6(c), 3.6(d), 3.6(e) and 3.6(f) of the Indenture. Subject to Sections 2.07 and 2.09 hereof, the Borrower agrees to pay to the Liquidity Provider, on each Interest Payment Date, commencing on the first Interest Payment 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 hereof; provided, however, that amounts in respect of a Provider Advance withdrawn from the Cash Collateral Account for the purpose of paying interest with respect to the Class A Notes in accordance with Section 3.6(f) of the Indenture (the amount of any such

withdrawal being (y) in the case of a Downgrade Advance, an "Applied Downgrade Advance" and (z) in the case of a Non-Extension Advance, an "Applied Non-Extension Advance" and, together with an Applied Downgrade Advance, an "Applied Provider Advance") shall thereafter (subject to Section 2.06(b)) be treated as an Interest Advance under this Agreement for all purposes hereunder, including for purposes of determining the Applicable Liquidity Rate for interest payable thereon and the dates on which such interest is payable; provided further, however, that if, following the making of a Provider Advance, the Liquidity Provider delivers a Termination Notice to the Borrower pursuant to Section 6.01 hereof, 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 Cash Collateral Account on account of a reduction in the Required Amount, the Borrower shall repay, to the extent of such withdrawal, 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 hereof.

(b) At any time when an Applied Provider Advance (or any portion thereof) is outstanding, upon the deposit in the Cash Collateral Account of any amount pursuant to clause "fourth" of Section 3.2 of the Indenture (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 3.6(e) of the Indenture, subject to Sections 2.07 and 2.09 hereof, the Borrower shall pay all Liquidity Obligations then owing to the Liquidity Provider, which payment shall be made first from amounts remaining on deposit in the Cash Collateral Account after giving effect to any Applied Provider Advance on the date of such replacement, and thereafter from any available source, including, without limitation, a drawing under the Replacement Liquidity Facility.

Section 2.07. Payments to the Liquidity Provider Under the Indenture. In order to provide for payment or repayment to the Liquidity Provider of any amounts hereunder, the Indenture provides that amounts available and referred to in Article III of the Indenture, to the extent payable to the Liquidity Provider pursuant to the terms of the Indenture (including, without limitation, Section 3.6(f) of the Indenture), shall be paid to the Liquidity Provider in accordance with the terms thereof. Amounts so paid to the

Liquidity Provider shall be applied by the Liquidity Provider to Liquidity Obligations then due and payable in accordance with the Indenture, 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. The Borrower is acting for and on behalf of the Class A Noteholders hereunder. Notwithstanding anything to the contrary set forth herein, all payments to be made by the Borrower under this Agreement (including, without limitation, under Articles II and III and Sections 7.05 and 7.07 hereof) shall be made only from the amounts that constitute Payments within the meaning of clause (i) or clause (iii) of the definition of "Payment" or any other amounts available for distribution under the Indenture, including payments by American under Section 3.10 and Article VI of the Indenture, 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 Indenture. The Liquidity Provider agrees that it will look solely to such amounts in respect of payments to be made by the Borrower hereunder to the extent available for distribution to it as provided in the Indenture 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 or the Indenture. Amounts on deposit in the 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 3.6(f) of the Indenture.

Section 2.10. Extension of the Expiry Date; Non-Extension Advance. If the then effective Expiry Date is prior to the date that is 15 days after the Final Legal Maturity Date, then, no earlier than the 60th day and no later than the 40th day prior to the then effective Expiry Date, the Borrower shall request in writing that the Liquidity Provider extend the Expiry Date to the earlier of (i) the date that is 15 days after the Final Legal Maturity Date and (ii) the date that is the day immediately preceding the 364th day occurring after the last day of the Consent Period (as hereinafter defined). Whether or not the Liquidity Provider has received such a request from the Borrower, the Liquidity Provider may by notice (the "Consent Notice") to the Borrower during the period commencing on the date that is 60 days prior to the then effective Expiry Date and ending on the date that is 25 days prior to such Expiry Date (such period, the "Consent Period") advise the Borrower whether, in its sole discretion, it agrees to so extend the Expiry Date;

provided, however, that such extension shall not be effective with respect to the Liquidity Provider if, by notice (the "Withdrawal Notice") to the Borrower prior to the end of the Consent Period, the Liquidity Provider revokes its Consent Notice. If the Liquidity Provider advises the Borrower in the Consent Notice that such Expiry Date shall not be so extended or gives a Withdrawal Notice to the Borrower prior to the end of the Consent Period, or fails to irrevocably and unconditionally advise the Borrower on or before the end of the Consent Period that such Expiry Date shall be so extended (and, in each case, if the Liquidity Provider shall not have been replaced in accordance with Section 3.6(e) of the Indenture), such Expiry Date shall not be extended and the Borrower shall be entitled on the date on which the Consent Period ends (or as soon as possible thereafter but prior to the then-effective Expiry Date) to request a Non-Extension Advance in accordance with Section 2.02(b) hereof and Section 3.6(d) of the Indenture.

Subject to the proviso in the next succeeding sentence, the Liquidity Provider shall have the right at any time in its sole discretion and without the consent of the Borrower to extend the then effective Expiry Date to a date that is on or before the date that is 15 days after the Final Legal Maturity Date for the Class A Notes by giving not less than five nor more than ten days' prior written notice of such extension to the Borrower, the Trustee and American (which notice shall specify the effective date of such extension (the "Extension Effective Date")). On the Extension Effective Date, the then effective Expiry Date shall be so extended without any further act; provided, however, that the Liquidity Provider shall meet the Threshold Rating on the Extension Effective Date.

ARTICLE III

OBLIGATIONS OF THE BORROWER

Section 3.01. Increased Costs. Subject to Sections 2.07 and 2.09 hereof, the Borrower shall pay to the Liquidity Provider from time to time such amounts as may be necessary to compensate the Liquidity Provider for any increased costs incurred by the Liquidity Provider which are attributable to its making or maintaining any LIBOR Advances hereunder or its obligation to make any such Advances hereunder, or any reduction in any amount receivable by the Liquidity Provider under this Agreement or the Indenture in respect of any such Advances or such obligation (such increases in costs and reductions in amounts receivable being herein called "Additional Costs"), resulting from any change after the date of this Agreement in U.S. federal, state, municipal, or foreign laws or regulations (including Regulation D of the Board of Governors of the Federal Reserve System), or the adoption or making after the date of this Agreement of any interpretations, directives, or requirements applying to a class of banks including the Liquidity Provider under any U.S. federal, state, municipal, or any foreign laws or

regulations (whether or not having the force of law) by any court, central bank or monetary authority charged with the interpretation or administration thereof (a "Regulatory Change"), which: (1) changes the basis of taxation of any amounts payable to the Liquidity Provider under this Agreement in respect of any such Advances (other than with respect to Excluded Taxes); or (2) imposes or modifies any reserve, special deposit, compulsory loan or similar requirements relating to any extensions of credit or other assets of, or any deposits with other liabilities of, the Liquidity Provider (including any such Advances or any deposits referred to in the definition of LIBOR Rate or related definitions); provided, that the Borrower shall only be obligated to pay amounts with respect to any Additional Costs accruing from the date 120 days prior to the date of delivery of the notice specified in the next paragraph.

The Liquidity Provider will notify the Borrower of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation pursuant to this Section 3.01 as promptly as practicable after it obtains knowledge thereof and determines to request such compensation, which notice shall describe in reasonable detail the calculation of the amounts owed under this Section. Determinations by the Liquidity Provider for purposes of this Section 3.01 of the effect of any Regulatory Change on its costs of making or maintaining Advances or on amounts receivable by it in respect of Advances, and of the additional amounts required to compensate the Liquidity Provider in respect of any Additional Costs, shall be prima facie evidence of the amount owed under this Section.

Section 3.02. Capital Adequacy. If (1) the adoption, after the date hereof, of any applicable governmental law, rule or regulation regarding capital adequacy, (2) any change, after the date hereof, in the interpretation or administration of any such law, rule or regulation by any central bank or other governmental authority charged with the interpretation or administration thereof or (3) compliance by the Liquidity Provider or any corporation controlling the Liquidity Provider with any applicable guideline or request of general applicability, issued after the date hereof, by any central bank or other governmental authority (whether or not having the force of law) that constitutes a change of the nature described in clause (2), has the effect of requiring an increase in the amount of capital required to be maintained by the Liquidity Provider or any corporation controlling the Liquidity Provider, and such increase is based upon the Liquidity Provider's obligations hereunder and other similar obligations, subject to Sections 2.07 and 2.09 hereof, the Borrower shall pay to the Liquidity Provider from time to time such additional amount or amounts as are necessary to compensate the Liquidity Provider for such portion of such increase as shall be reasonably allocable to the Liquidity Provider's obligations to the Borrower hereunder; provided, that the Borrower shall only be obligated to pay amounts with respect to any such costs accruing from the date 120 days prior to the date of delivery of the notice specified in the next paragraph.

The Liquidity Provider will notify the Borrower of any event occurring after the date of this Agreement that will entitle the Liquidity Provider to compensation pursuant to this Section 3.02 as promptly as practicable after it obtains knowledge thereof and determines to request such compensation, which notice shall describe in reasonable detail the calculation of the amounts owed under this Section. Determinations by the Liquidity Provider for purposes of this Section 3.02 of the effect of any increase in the amount of capital required to be maintained by the Liquidity Provider and of the amount allocable to the Liquidity Provider's obligations to the Borrower hereunder shall be prima facie evidence of the amounts owed under this Section.

Section 3.03. Payments Free of Deductions.

(a) All payments made by the Borrower under this Agreement shall be made without reduction or withholding for or on account of any present or future Taxes of any nature whatsoever now or hereafter imposed, levied, collected, withheld or assessed, other than Excluded Withholding Taxes (such non-excluded Taxes being referred to herein, collectively, as "Non-Excluded Taxes" and, individually, as a "Non-Excluded Tax"). If any Taxes are required to be withheld from any amounts payable to the Liquidity Provider under this Agreement, (i) the Borrower shall within the time prescribed therefor by applicable law pay to the appropriate governmental or taxing authority the full amount of any such Taxes (including any additional Tax required to be deducted or withheld 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) in the case of Non-Excluded Taxes, the amounts so payable to the Liquidity Provider shall be increased to the extent necessary to yield to the Liquidity Provider (after deduction or withholding for or on account of all Non-Excluded Taxes) interest or any other such amounts payable under this Agreement at the rates or in the amounts specified in this Agreement. If the Liquidity Provider is not organized under the laws of the United States or any State thereof, to the extent it is eligible to do so, the Liquidity Provider agrees to provide to the Borrower, prior to the first date any amount is payable to it hereunder, two executed original copies of Internal Revenue Service Form W-8BEN or W-8ECI, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that the Liquidity Provider is exempt from or entitled to a reduced rate of United States withholding tax on payments pursuant to this Agreement. In addition, the Liquidity Provider will provide, from time to time upon the reasonable request of the Borrower, such additional forms or documentation as may be necessary to establish an available exemption from (or an entitlement to a reduced rate of) withholding Tax on payments hereunder. Within 30 days after the date of each payment hereunder, the Borrower shall furnish to the Liquidity Provider the original or certified copy of (or other documentary evidence of) the payment of the Non-Excluded Taxes applicable to such payment.

(b) All 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 that are imposed by a jurisdiction in which the Liquidity Provider is organized, has its Lending Office or maintains its principal place of business. If any such Taxes are required to be withheld or deducted from any Advances, 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) shall be sufficient to yield to the Borrower the full amount that would have been received by it had no such withholding or deduction been required. Within 30 days after the date of each payment hereunder, the Liquidity Provider shall furnish to the Borrower the original or a certified copy of (or other documentary evidence of) the payment of the Taxes applicable to such payment.

(c) If any exemption from, or reduction in the rate of, any Taxes required to be deducted or withheld from amounts payable by the Liquidity Provider hereunder is reasonably available to the Borrower to establish that payments under this Agreement are exempt from (or entitled to a reduced rate of) tax, the Borrower shall deliver to the Liquidity Provider such form or forms and such other evidence of the eligibility of the Borrower for such exemption or reduction 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, any such Taxes. The Borrower shall, for federal income tax purposes and for all purposes hereunder, treat such payments as Interest Advances, and, as such, will treat such payments as loans made by the Liquidity Provider to the Borrower, 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 account of Citibank, N.A. at Citibank, N.A., 399 Park Avenue, New York, NY 10043, ABA #021000089, Account #4063-2387, Reference: American Airlines 7.25% Class A Secured Notes due 2009, Attention: Carolyn Figueroa; or to such other account as the Liquidity Provider may from time to time direct the Borrower.

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 Cash Collateral Account to pay interest on the Class A Notes) 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 Cash Collateral Account is fully replenished in respect of such Advance) and (ii) any other amount due hereunder (to the extent permitted by applicable law, whether fees, commissions, expenses or other amounts or installments of interest on Advances or any such other amount) that is not paid when due (whether at stated maturity, by acceleration or otherwise) from and including the due date thereof to but excluding the date such amount is paid in full, in each such case, at a fluctuating interest rate per annum for each day equal to the Applicable Liquidity Rate (as defined below) for such Advance or such other amount, as the case may be, as in effect for such day, but in no event at a rate per annum greater than the maximum rate permitted by applicable law; provided, however, that, if at any time the otherwise applicable interest rate as set forth in this Section 3.07 shall exceed the maximum rate permitted by applicable law, then, to the maximum extent permitted by applicable law, any subsequent reduction in such interest rate will not reduce the rate of interest payable pursuant to this Section 3.07 below the maximum rate permitted by applicable law until the total amount of interest accrued equals the absolute amount of interest that would have accrued (without additional interest thereon) if such otherwise applicable interest rate as set forth in this Section 3.07 had at all relevant times been in effect.

(b) Each Advance (including, without limitation, each outstanding Unapplied Provider 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 such Advance is made to (but excluding) the third Business Day following the date such Advance is made. Thereafter, such Advance shall be a LIBOR Advance.

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

(d) Each Base Rate Advance shall bear interest for the period for which such Base Rate Advance is outstanding at a rate per annum equal to the Base Rate plus the Applicable Margin for such Base Rate Advance, payable in arrears on the last day of the Interest Period applicable to the LIBOR Advance into which such Base Rate Advance is converted and, in the event of the payment of principal of such Base Rate 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).

(e) To the extent permitted by applicable law, each amount not paid when due hereunder (whether fees, commissions, expenses or other amounts, installments of interest on Advances but excluding Advances) shall bear interest at a rate per annum equal to the Base Rate plus 4.50% until paid.

(f) 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. From time to time and subject to the successor Borrower's meeting the eligibility requirements set forth in Section 8.10 of the Indenture applicable to the Trustee, upon the effective date and time specified in a written and completed Notice of Replacement Trustee in substantially the form of Annex VI attached hereto (a "Notice of Replacement Trustee") 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. Subject to Sections 2.07 and 2.09 hereof, 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 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 (or its Lending Office) 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 (or its Lending Office) 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.

Section 3.11. Mitigation. If a condition arises or an event occurs which would, or would upon the giving of notice, result in the payment of any additional costs or amounts pursuant to Section 3.01, 3.02 or 3.03 or require the conversion of any Advance pursuant to Section 3.10, the Liquidity Provider, promptly upon becoming aware of the same, shall notify the Borrower and shall take such steps as may be reasonable to it to mitigate the effects of such condition or event, including the designation of a different Lending Office or furnishing of the proper certificates under any applicable tax laws, tax treaties and conventions to the extent that such certificates are legally available to the Liquidity Provider; provided, that, the Liquidity Provider shall be under no obligation to take any step that, in its good-faith opinion would (i) result in its incurring any additional costs in performing its obligations hereunder unless the Borrower has agreed to reimburse it therefor or (ii) be otherwise disadvantageous to the Liquidity Provider in a significant respect in the reasonable judgment of the Liquidity Provider.

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 Indenture 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 Indenture);

(iv) A fully executed copy of the Fee Letter;

(v) A copy of the Offering Memorandum and specimen copies of the Class A Notes;

(vi) An executed copy of each document, instrument, certificate and opinion delivered on or before the Closing Date pursuant to the Indenture 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);

(vii) Evidence that there shall have been made and shall be in full force and effect, all filings, recordings and/or registrations, and there shall have been given or taken any notice or other similar action as may be reasonably necessary or, to the extent reasonably requested by the Liquidity Provider, reasonably advisable, in order to establish, perfect, protect and preserve the right, title and interest, remedies, powers, privileges, liens and security interests of, or for the benefit of, the Trustee and the Liquidity Provider created by the Operative Agreements executed and delivered on or prior to the Closing Date; and

(viii) Such other documents, instruments, opinions and approvals pertaining to the transactions contemplated hereby or by the other Operative Agreements as the Liquidity Provider shall have reasonably requested.

(b) The following statement shall be true on and as of the Effective Date: no event shall have occurred and be continuing, or would result from the entering into of this Agreement or the making of any Advance that constitutes a Liquidity Event of Default.

(c) The Liquidity Provider shall have received payment in full of all 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 applicable to this Agreement.

(d) All conditions precedent to the issuance of the Class A Notes under the Indenture shall have been satisfied or waived, and all conditions precedent to the purchase of the Class A Notes by the Initial Purchasers under the Purchase Agreement shall have been satisfied (unless any of such conditions precedent under the Purchase Agreement shall have been waived by the Initial Purchasers).

(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, on or 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 and has been completed as may be required by the relevant form of the Notice of Borrowing for the type of Advance requested.

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 This and Other Agreements. Punctually pay or cause to be paid all amounts payable by it under this Agreement and the other Operative Documents and observe and perform in all material respects the conditions, covenants and requirements applicable to it contained in this Agreement and the other Operative Documents.

(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 Documents 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 Documents. Furnish to the Liquidity Provider with reasonable promptness, such Operative Documents 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 provisions of Sections 8.8 and 8.9 of the Indenture, 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.

Section 5.03. Covenants Regarding Certain Notices. Promptly following any time that (x) the Class A Notes have been paid in full (or provision has been made for such payment in accordance with the Indenture), (y) the Indenture has been terminated with respect to all of the Class A Notes issued thereunder as contemplated by Section 9.1 of the Indenture, or (z) the Class A Notes are otherwise no longer entitled to the benefits of this Agreement, the Borrower shall deliver to the Liquidity Provider the certificate referred to in clause (ii) of the definition of Termination Date. Promptly following any time that a Replacement Liquidity Facility has been substituted for this Agreement pursuant to Section 3.6(e) of the Indenture, the Borrower shall deliver to the Liquidity Provider the certificate referred to in clause (iii) of the definition of Termination Date.

ARTICLE VI

LIQUIDITY EVENTS OF DEFAULT

Section 6.01. Liquidity Events of Default. If both (x) the Class A Notes are Non-Performing and (y) any Liquidity Event of Default shall have occurred and be continuing, the Liquidity Provider may, in its discretion, deliver to the Borrower a Termination Notice, the effect of which shall be to cause (i) the obligation of the Liquidity Provider to make Advances hereunder 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 3.6(i) of the Indenture, (iii) all other outstanding Advances to be automatically converted into Final Advances for all purposes hereunder, including, without limitation, for purposes of determining the

Applicable Liquidity Rate for interest payable thereon and (iv) subject to Sections 2.07 and 2.09 hereof, all Advances (including, without limitation, any Provider Advance and Applied Provider Advance), 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 without its prior written consent; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 7.02. Notices, etc. 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 registered or certified mail, courier service, or facsimile or any other customary means of communication, and any such notice shall be effective when delivered (or, if mailed, three Business Days after deposit, postage prepaid, in the first class United States mail and, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that the transmission was received):

Borrower: U.S. BANK TRUST NATIONAL ASSOCIATION
One Federal Street, 3rd Floor
EX-FED-MA
Boston, MA 02110
Attention: Corporate Trust Department
Telephone: (860) 224-1844
Telecopy: (860) 244-1881

Liquidity Provider: CITIBANK, N.A.
2 Penns Way, Suite 200
New Castle, DE 19720
Reference: American Airlines 7.25% Class A Secured Notes due 2009

Attention: Carolyn Figueroa
Telephone: (302) 894-6089
Telecopy: (212) 994-0847

with a copy to:

CITIBANK, N.A. Global Aviation
388 Greenwich Street
23rd Floor
New York, NY 10013
Attention: Gaylord Holmes
Telephone: (212) 816-5138
Telecopy: (212) 816-5705

with a copy of any Notice of Borrowing to:

CITIBANK, N.A. Global Aviation
388 Greenwich Street
23rd Floor
New York, NY 10013
Attention: Gaylord Holmes
Telephone: (212) 816-5138
Telecopy: (212) 816-5705

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 Documents or to better assure and confirm unto the Liquidity Provider its rights, powers and remedies hereunder and under the other Operative Documents.

Section 7.05. Indemnification; Survival of Certain Provisions. The Liquidity Provider shall be indemnified hereunder to the extent and in the manner described in Article VI of the Indenture. In addition, the Borrower agrees to indemnify, protect, defend and hold harmless each Liquidity Indemnitee from and against and shall pay on demand, all Expenses of any kind or nature whatsoever (other than any Expenses of the nature described in Section 3.01, 3.02 or 7.07 hereof or in the Fee Letter (regardless of whether indemnified against pursuant to said Sections or in such Fee Letter)), that may be imposed on, incurred by or asserted against any 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 Indenture or any other Operative Document; provided, however, that the Borrower shall not be required to indemnify, protect, defend and hold harmless any Liquidity Indemnitee in respect of any Expense of such Liquidity Indemnitee to the extent such Expense is (i) attributable to the gross negligence or willful misconduct of such Liquidity Indemnitee or any other Liquidity Indemnitee (as actually and finally determined by a final, non-appealable judgment of a court of competent jurisdiction); (ii) ordinary and usual operating overhead expense (excluding, without limitation, costs and expenses of any outside counsel, consultant or agent); (iii) attributable to the failure by the Liquidity Provider to perform or observe any agreement, covenant or condition on its part to be performed or observed in this Agreement, the Indenture or any other Operative Document to which it is a party, or (iv) a Tax. The indemnities contained in Article VI of the Indenture and the provisions of Sections 3.01, 3.02, 3.03, 3.09, 7.05 and 7.07 hereof 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, directors or Affiliates 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 relating to this Agreement or the Indenture, 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 which 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 Indenture or any other Operative Document to which it is a party in a material respect, 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 strictly complying with the terms and conditions hereof, in the case of either clause (A) or (B), as actually and finally determined by a final, non-appealable judgment of a court of competent jurisdiction. In no event, however, shall the Liquidity Provider be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings).

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

Section 7.07. Costs, Expenses and Taxes. The Borrower agrees promptly to pay, or cause to be paid (A) on the Effective Date and on such later date or dates on which the Liquidity Provider shall make demand, all reasonable out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of outside counsel for the Liquidity Provider) of the Liquidity Provider in connection with the preparation, negotiation, execution, delivery, filing and recording of this Agreement, any other Operative Document and any other documents which may be delivered in connection with this Agreement and (B) on demand, all reasonable costs and expenses (including reasonable counsel fees and expenses) of the Liquidity Provider in connection with (i) the enforcement of this Agreement or any other Operative Document, (ii) any Liquidity Event of Default or any collection, bankruptcy, insolvency and other enforcement proceedings in connection therewith, (iii) the modification or amendment of, or supplement to, this Agreement or any other Operative Document or such other documents which may be delivered in connection herewith or therewith (whether or not the same shall become effective) or any waiver or consent thereunder (whether or not the same shall become effective) or (iv) any action or proceeding relating to any order, injunction, or other process or decree restraining or seeking to restrain the Liquidity Provider from paying any amount under this Agreement, the Indenture or any other Operative Document or otherwise affecting the application of funds in the Cash Collateral Account. 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 hold the Liquidity Provider harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.

Section 7.08. Binding Effect; Participations.

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

(b) The Liquidity Provider agrees that it will not grant any participation (including, without limitation, a "risk participation") (any such participation, a "Participation") in or to all or a portion of its rights and obligations hereunder or under the other Operative Agreements, unless all of the following conditions are satisfied: (i) such Participation is to a Permitted Transferee, (ii) such Participation is made in accordance with all applicable laws, including, without limitation, the Securities Act of 1933, as amended, the Trust Indenture Act of 1939, as amended, and any other applicable laws relating to the transfer of similar interests and (iii) such Participation shall not be made under circumstances that require registration under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended. Notwithstanding any such Participation, the Liquidity Provider agrees that (1) the Liquidity Provider's obligations under the Operative Agreements shall remain unchanged, and such participant shall have no rights or benefits as against American or the Borrower or under any Operative Agreement, (2) the Liquidity Provider shall remain solely responsible to the other parties to the Operative Agreements for the performance of such obligations, (3) the Liquidity Provider shall remain the maker of any Advances, and the other parties to the Operative Agreements shall continue to deal solely and directly with the Liquidity Provider in connection with the Advances and the Liquidity Provider's rights and obligations under the Operative Agreements, (4) the Liquidity Provider shall be solely responsible for any withholding Taxes or any filing or reporting requirements relating to such Participation and shall hold the Borrower and American and their respective successors, permitted assigns, affiliates, agents and servants harmless against the same and (5) neither American nor the Borrower shall be required to pay to the Liquidity Provider any amount under Section 3.01, Section 3.02 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, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

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

Section 7.11. Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Immunity.

(a) Each of the parties hereto, to the extent it may do so under applicable law, for purposes hereof hereby (i) irrevocably submits itself to the non-exclusive jurisdiction of the courts of the State of New York sitting in the City of New York and to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto or thereto, or their successors or permitted assigns and (ii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that

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

(b) THE BORROWER AND THE 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.

Section 7.12. Execution in 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, the Indenture and the other Operative Agreements to which the Liquidity Provider is a party 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.

U.S. BANK TRUST NATIONAL
ASSOCIATION,
not in its individual capacity
but solely as Trustee,
as Borrower

By: /s/ Alison D. B. Nadeau

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

CITIBANK, N.A.,
as Liquidity Provider

By: /s/ Gaylord C. Holmes

Name: Gaylord C. Holmes
Title: Vice President

INTEREST ADVANCE NOTICE OF BORROWING

The undersigned, a duly authorized signatory of the undersigned borrower (the "Borrower"), hereby certifies to Citibank, N.A. (the "Liquidity Provider"), with reference to the Revolving Credit Agreement dated as of February 5, 2004, 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 Trustee under the Indenture.

(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 Notes which is payable on _____, ____ (the "Interest Payment Date") in accordance with the terms and provisions of the Indenture and the Class A Notes, which Advance is requested to be made on _____, ____. The Interest Advance should be remitted to [name of bank/wire instructions/ABA number] in favor of account number [__], reference [__].

(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 Notes on the Interest Payment Date, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A Notes, the Class B Notes or the Class C Notes, or interest on the Class B Notes or Class C Notes, (iii) was computed in accordance with the provisions of the Class A Notes and the Indenture (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 3.6(b) of the Indenture, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

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

corresponding reductions in the amounts available to be borrowed pursuant to a subsequent Advance.

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

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity but solely
as Trustee, 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 borrower (the "Borrower"), hereby certifies to Citibank, N.A. (the "Liquidity Provider"), with reference to the Revolving Credit Agreement dated as of February 5, 2004, 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 Trustee under the Indenture.

(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 Cash Collateral Account in accordance with Section 3.6(d) of the Indenture, which Advance is requested to be made on _____, ____. The Non-Extension Advance should be remitted to [name of bank/wire instructions/ABA number] in favor of account number [__], reference [__].

(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 Cash Collateral Account in accordance with Sections 3.6(d) and 3.6(f) of the Indenture, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class A Notes, the Class B Notes or the Class C Notes, or interest on the Class B Notes or the Class C Notes, (iii) was computed in accordance with the provisions of the Class A Notes and the Indenture (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 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.6(d) and 3.6(f) of the Indenture, (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 _____, ____.

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity but solely
as Trustee, 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 borrower (the "Borrower"), hereby certifies to Citibank, N.A. (the "Liquidity Provider"), with reference to the Revolving Credit Agreement dated as of February 5, 2004, 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 Trustee under the Indenture.

(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 Cash Collateral Account in accordance with Section 3.6(c) of the Indenture by reason of the Liquidity Facility's becoming a Downgraded Facility, which Downgrade Advance is requested to be made on _____, ____. The Downgrade Advance should be remitted to [name of bank/wire instructions/ABA number] in favor of account number [__], reference [__].

(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 Cash Collateral Account in accordance with Sections 3.6(c) and 3.6(f) of the Indenture, (ii) does not include any amount with respect to the payment of the principal of, or premium on, the Class A Notes, the Class B Notes or the Class C Notes, or interest on the Class B Notes or the Class C Notes, (iii) was computed in accordance with the provisions of the Class A Notes and the Indenture (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 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.6(c) and 3.6(f) of the Indenture, (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 _____, _____.

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity but solely
as Trustee, 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 Citibank, N.A. (the "Liquidity Provider"), with reference to the Revolving Credit Agreement dated as of February 5, 2004, 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 Trustee under the Indenture.

(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 Cash Collateral Account in accordance with Section 3.6(i) of the Indenture 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 [name of bank/wire instructions/ABA number] in favor of account number [__], reference [__].

(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 Cash Collateral Account in accordance with Sections 3.6(f) and 3.6(i) of the Indenture, (ii) does not include any amount with respect to the payment of principal of, or premium on, the Class A Notes, the Class B Notes or the Class C Notes, or interest on the Class B Notes or the Class C Notes, (iii) was computed in accordance with the provisions of the Class A Notes and the Indenture (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 Cash Collateral Account and apply the same in accordance with the terms of Sections 3.6(f) and 3.6(i) of the Indenture, (b) no portion of such amount shall be applied by the Borrower for any other purpose and (c) no portion of such amount until so applied shall be commingled with other funds held by the Borrower.

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

Borrower shall not be entitled to request any further Advances under the Liquidity Agreement.

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

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity but solely
as Trustee, as Borrower

By: _____
Name:
Title:

SCHEDULE I TO FINAL ADVANCE NOTICE OF BORROWING

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

Annex V to
Revolving Credit Agreement

NOTICE OF TERMINATION

[Date]

U.S. Bank Trust National Association,
as Trustee, as Borrower
One Federal Street, 3rd Floor
EX-FED-MA
Boston, MA 02110

Attention: Corporate Trust Department

Revolving Credit Agreement, dated as of February 5, 2004, between U.S. Bank Trust National Association, as Trustee and as Borrower, and Citibank, N.A., as Liquidity Provider (the "Liquidity Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings attributed thereto in the Liquidity Agreement)

Ladies and Gentlemen:

You are hereby notified that, pursuant to Section 6.01 of the Liquidity Agreement, because both (x) the Class A Notes are Non-Performing and (y) a Liquidity Event of Default has occurred and is continuing, we are giving this notice to you in order to cause (i) our obligations to make Advances (as defined therein) under such Liquidity Agreement to terminate at the close of business on the fifth Business Day after the date on which you receive this notice and (ii) you to request a Final Advance under the Liquidity Agreement pursuant to Section 2.02(d) thereof and Section 3.6(i) of the Indenture (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,

CITIBANK, N.A.,
as Liquidity Provider

By: _____
Name:
Title:

Annex VI to
Revolving Credit Agreement

NOTICE OF REPLACEMENT TRUSTEE

[Date]
Attention:

Revolving Credit Agreement, dated as of February 5, 2004, between U.S. Bank Trust National Association, as Trustee and as Borrower, and Citibank, N.A., as Liquidity Provider (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 Trustee under the Indenture referred to in the first paragraph of the Liquidity Agreement, pursuant to the terms of Section 8.8 or 8.9 of the Indenture.

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]

U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity but solely
as Trustee, as Borrower

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 4.6

EXECUTION COPY

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made and entered into as of February 5, 2004, among AMERICAN AIRLINES, INC., a Delaware corporation (the "Company"), and Citigroup Global Markets Inc. ("Citigroup") and Morgan Stanley & Co. Incorporated ("Morgan Stanley" and, collectively, the "Initial Purchasers").

This Agreement is made pursuant to the Purchase Agreement dated February 2, 2004, among the Company and the Initial Purchasers (the "Purchase Agreement"), which provides for the sale to the Initial Purchasers of (i) $180,457,000 aggregate principal amount of 7.25% Class A Secured Notes due 2009 (the "Offered Securities"). In order to induce the Initial Purchasers to enter into the Purchase Agreement, the Company has agreed to provide to the Initial Purchasers 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 Purchase Agreement. The Offered Securities will be issued pursuant to an Indenture among the Company, the Liquidity Provider (as defined in the Purchase Agreement) and the Trustee (as defined below) to be dated February 5, 2004 (the "Indenture").

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.

"Business Day" shall mean any day that is other than a Saturday, a Sunday, or a day on which commercial banks are required or authorized to close in Fort Worth, Texas or New York, New York.

"Citigroup" shall have the meaning set forth in the preamble.

"Closing Time" shall mean the Closing Time as defined in the Purchase Agreement.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"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 Securities for Registrable Securities 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.

"Exchange Securities" shall mean securities issued under the Indenture of equal outstanding principal amount as, and containing terms identical to, the Offered Securities (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Offered Securities 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 Offered Securities in exchange for such Offered Securities pursuant to the Exchange Offer.

"Holder" shall mean each Initial Purchaser, for so long as it owns any Offered Securities, and each of its successors, assigns and direct and indirect transferees who become registered owners of Offered Securities; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Holder" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"Initial Purchasers" shall have the meaning set forth in the preamble.

"Majority Holders" shall mean, together, the Holders of a majority in aggregate principal amount of the Registrable Securities then outstanding; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or any of its affiliates (as such term is defined in Rule 405 under the 1933 Act) (other than the Initial Purchasers or subsequent holders of Registrable Securities if such subsequent holders are deemed to be such affiliates solely by reason of their holding of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount.

"Offered Securities" shall have the meaning set forth in the second 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.

"Purchase 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 Securities 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 Securities" shall mean the Offered Securities; provided, however, that the Offered Securities shall cease to be Registrable Securities upon the earliest to occur of (i) the consummation of the Exchange Offer, (ii) a Registration Statement with respect to such Offered Securities having been declared effective under the 1933 Act and such Offered Securities having been disposed of pursuant to such Registration Statement, (iii) such Offered Securities having 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 Offered Securities having ceased to be outstanding.

"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 Securities or Registrable Securities), (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 an Initial Purchaser), (v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws, (vi) the fees and disbursements of the Trustee and its 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 Initial Purchasers) 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 Securities by a Holder.

"Registration Statement" shall mean any registration statement of the Company that covers any of the Exchange Securities or Registrable Securities 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 that covers all of the Registrable Securities (but no other securities unless approved by the Holders whose Registrable Securities 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(l) of this Agreement.

"Trustee" shall mean U.S. Bank Trust National Association, as trustee under the Indenture and shall also include its 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 Securities 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 all of the Registrable Securities for Exchange Securities, (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 Trustee 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 Securities 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 Security 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 Security exchanged pursuant to the Exchange Offer will be required to surrender such Registrable Security, together with the enclosed letters of transmittal, to the institution and at the address 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 specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange, and a statement that such Holder is withdrawing his election to have such Registrable Securities exchanged.

As soon as practicable after the last Exchange Date, the Company shall or shall cause the Trustee to:

(i) accept for exchange Registrable Securities or portions thereof tendered and not validly withdrawn pursuant to the Exchange Offer; and

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company, and issue, and cause the Trustee to promptly authenticate and mail to each Holder, Exchange Securities equal in principal amount to the principal amount of the Registrable Securities surrendered by such 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 Initial Purchasers of the names and addresses of the Holders to whom the Exchange Offer is made, and the Initial Purchasers shall have the right, subject to applicable law, to contact such Holders and otherwise facilitate the tender of Registrable Securities 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

Securities 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 Securities or the Exchange Securities 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, nor a broker-dealer tendering Offered Securities 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 Securities 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 Securities. 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 Securities held by the Initial Purchasers 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 Securities (other than such Registrable Securities of the Initial Purchasers 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 Initial Purchasers a Registration Statement must be filed and a Prospectus must be delivered by the Initial Purchasers in connection with any primary offering or sale of Registrable Securities, 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 Securities (in the case of clause (i) above) or by the Initial Purchasers (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 (ii) 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 Securities 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 Securities held by the Initial Purchasers 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 Securities or such shorter period that will terminate when all of the Registrable Securities 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 Securities 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 Securities 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 Securities 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 Securities 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 Securities 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 Securities (who have notified the Company in writing of their 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 Securities 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 Initial Purchasers 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 Initial Purchasers 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 Initial Purchaser 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 Securities 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 Securities or Exchange Securities;

(c) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, to counsel for the Initial Purchasers, to counsel for the Holders and to each Underwriter of an Underwritten Offering of Registrable Securities, 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 Securities; 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 Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities 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 Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Securities 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 Securities 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 Securities, counsel for the Holders and counsel for the Initial Purchasers 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 Securities 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 Securities 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 Securities, 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 Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) 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 Securities;

(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 Securities, 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 Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers 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 Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement;

(l) cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended (the "TIA") in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, cooperate with the Trustee and the Holders to effect such changes to the Indentures as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and execute, and use its best efforts to cause the Trustee 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 Indenture 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 by an Initial Purchaser), make available for inspection by a representative of the Holders of the Registrable Securities, 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 Securities or Registrable Securities, 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 Securities 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 Securities being sold) in order to expedite or facilitate the disposition of such Registrable Securities 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 Securities 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 Securities being sold and such Underwriters and their respective counsel) addressed to each selling Holder and Underwriter of Registrable Securities, 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 Securities, 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 Securities 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 Securities to furnish to the Company such information regarding the Holder and the proposed distribution by such Holder of such Registrable Securities as the Company may from time to time reasonably request in writing. The Company may exclude from such registration the Registrable Securities 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 Securities 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 Securities current at the time of receipt of such notice. If the Company shall give any such notice to suspend the disposition of Registrable Securities 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 Securities covered by a Shelf Registration Statement who desire to do so may sell such Registrable Securities 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 Securities 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 Securities for its own account in the Exchange Offer in exchange for Offered Securities 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 Securities. No Participating Broker-Dealers other than the Initial Purchasers 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 Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities 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 Securities 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 Initial Purchasers 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 Securities 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 Initial Purchasers or with the reasonable request in writing to the Company by one or more broker-dealers who certify to the Initial Purchasers 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 Citigroup 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 Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers, each Holder and each Person, if any, who controls any Initial Purchaser 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 Initial Purchaser or any Holder, from and against all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by the Initial Purchaser, 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 Securities or Registrable Securities 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 Initial Purchasers or any Holder furnished to the Company in writing through Citigroup, 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 Securities 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 Securities 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 Initial Purchasers 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 Initial Purchaser 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 Initial Purchasers 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 Initial Purchasers and all Persons, if any, who control any Initial Purchaser 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 Initial Purchasers and Persons who control the Initial Purchasers, such firm shall be designated in writing by Citigroup. 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 principal amount of Registrable Securities 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 Securities 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 Initial Purchasers, any Holder or any person controlling any Initial Purchaser 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 Securities and (iv) any sale of Registrable Securities 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 limits the rights granted to the Holders of Registrable Securities 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 limited by 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 Securities 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 Securities 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 Initial Purchasers, the address set forth in the Purchase Agreement, and (ii) if to the Company, initially at the Company's address set forth in the Purchase 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 Indenture.

(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 Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities, 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 Initial Purchasers (in their capacity as Initial Purchasers) 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 Securities. 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 Offered Securities 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, to the extent permitted by applicable law, 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) Trustee. The Trustee shall take such action as may be reasonably requested by the Company in connection with the Company satisfying its obligations arising under this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

AMERICAN AIRLINES, INC.

By: /s/ Michael P. Thomas

Name: Michael P. Thomas
Title: Managing Director
Corporate Finance & Banking

Confirmed and accepted as of
the date first above written:

CITIGROUP GLOBAL MARKETS INC.

By: /s/ David Hobbs

Name: David Hobbs
Title: Vice President

MORGAN STANLEY & CO. INCORPORATED

By: /s/ Cecilia H. Park

Name: Cecilia H. Park
Title: Executive Director

Reg Rts Agreement

Exhibit 5.1

[LETTERHEAD OF AMERICAN AIRLINES, INC.]

August 27, 2004

American Airlines, Inc.
4333 Amon Carter Boulevard
Fort Worth, Texas 76155

Re: American Airlines, Inc.
Registration Statement on Form S-4
(filed August 27, 2004)

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 (filed August 27, 2004) on Form S-4 (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 7.25% Class A Secured Notes due 2009 (the "New Class A Notes") for 7.25% Class A Secured Notes due 2009 (the "Old Class A Notes") originally issued pursuant to applicable exemptions from registration under the Securities Act. The Old Class A Notes were issued in an aggregate principal amount of $180,457,000, and the New Class A Notes will be issued in an aggregate principal amount of $180,457,000, under the Indenture, dated as of February 5, 2004 (the "Indenture"), between the Company, U.S. Bank Trust National Association, as Trustee (the "Trustee"), and Citibank, N.A., as Class A Liquidity Provider. Capitalized terms used herein without definition have the meanings specified in the Indenture filed as an exhibit to the Registration Statement.

I or attorneys under my supervision have examined and relied upon the Registration Statement, the Indenture 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 Indenture 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 Class A Notes, when the execution, authentication and delivery of the New Class A Notes by the Trustee have been duly authorized by all necessary

corporate action of the Company and the Trustee, and the New Class A Notes have been duly executed, authenticated, issued and delivered by the Trustee in exchange for the Old Class A Notes as described in the Registration Statement and the Prospectus, the New Class A Notes will be validly issued and will constitute valid and binding obligations of the Company enforceable against the Company in accordance with their terms.

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/Gary F. Kennedy

Gary F. Kennedy
Senior Vice President and General Counsel

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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 of $180,457,000 7.25% Class A Secured Notes due 2009, and to the incorporation by reference therein of our reports dated February 16, 2004, 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, 2003, filed with the Securities and Exchange Commission.

/s/Ernst & Young LLP

Dallas, Texas
August 23, 2004

EXHIBIT 23.3

[SH&E LETTERHEAD]

American Airlines, Inc.
Mail Drop 5662
4333 Amon Carter Boulevard
Fort Worth, TX 76155
Attn: Mr. Michael P. Thomas
Managing Director, Corporate Finance & Banking

Re: American Airlines, Inc. ("American") Spare Parts Financing

Ladies and Gentleman:

We consent to the use of the report prepared by us with respect to the spare parts referred to in the Prospectus included in American's Registration Statement on Form S-4 relating to the exchange of 7.25% Class A Secured Notes due 2009 which have been registered under the Securities Act of 1933 for any and all outstanding 7.25% Class A Secured Notes due 2009, to the summary of such report in the Prospectus under the headings "Prospectus Summary - Collateral," "Risk Factors - Risk Factors Relating to the Notes and the Exchange Offer - Appraisals and Realizable Value of Collateral" and "Description of the Appraisal" and to references to our Firm under the headings "Prospectus Summary - - Collateral," "Risk Factors - Risk Factors Relating to the Notes and the Exchange Offer - Appraisals and Realizable Value of Collateral" and "Appraiser".

Simat, Helliesen & Eichner, Inc.

/s/ CLIVE G. MEDLAND

Clive G. Medland
Senior Vice President

EXHIBIT 24.1

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ Gerard J. Arpey

Gerard J. Arpey

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 19th day of August, 2004.

/s/ John W. Bachmann

John W. Bachmann

Witness:

/s/ Charles D. MarLett
- ---
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 Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ James Beer

James Beer

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ David L. Boren

David L. Boren

Witness:

/s/ Charles D. MarLett
- ---
Charles D. MarLett

POWER OF ATTORNEY

The undersigned, Lead Director of American Airlines, Inc., a Delaware corporation (the "Corporation"), does hereby constitute and appoint James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 19th day of August, 2004.

/s/ Edward A. Brennan

Edward A. Brennan

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ Armando M. Codina

Armando M. Codina

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 20th day of August, 2004.

/s/ Earl G. Graves

Earl G. Graves

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ Ann McLaughlin Korologos

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ Michael A. Miles

Michael A. Miles

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 23rd day of August, 2004.

/s/ Philip J. Purcell

Philip J. Purcell

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ Joe M. Rodgers

Joe M. Rodgers

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ Judith Rodin

Judith Rodin

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 James Beer, Gary F. Kennedy 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 7.25% Class A Secured Notes due 2009 (the "Securities"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for any and all of the $180,457,000 of outstanding 7.25% Class A Secured Notes due 2009; 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 25th day of August, 2004.

/s/ Roger T. Staubach

Roger T. Staubach

Witness:

/s/ Charles D. MarLett
- ---
Charles D. MarLett

EXHIBIT 25.1

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)___

U.S. BANK TRUST NATIONAL ASSOCIATION
(Exact name of Trustee as specified in its charter)

41-1973763
I.R.S. Employer Identification No.

300 EAST DELAWARE AVENUE, 8TH FLOOR WILMINGTON, DELAWARE	19809
(Address of principal executive offices)	(Zip Code)

Alison D.B. Nadeau
U.S. Bank Trust National Association
One Federal Street
Boston, MA 02110
Telephone (617) 603-6553
(Name, address and telephone number of agent for service)

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

DELAWARE	13-1502798
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)
P.O. BOX 619616 DALLAS/FT. WORTH AIRPORT, TX	75261-9616
(Address of principal executive offices)	(Zip Code)

7.25% CLASS A SECURED NOTES DUE 2009

ITEM 1. GENERAL INFORMATION. Furnish the following information as to the Trustee.

a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency
Washington, D.C.

b) Whether it is authorized to exercise corporate trust powers.

Yes

ITEM 2. AFFILIATIONS WITH OBLIGOR. If the obligor is an affiliate of the Trustee, describe each such affiliation.

None

ITEMS 3-15 The Trustee is a Trustee under other Indentures under which securities issued by the obligor are outstanding. There is not and there has not been a default with respect to the securities outstanding under other such Indentures.

ITEM 16. LIST OF EXHIBITS: List below all exhibits filed as a part of this statement of eligibility and qualification.

1. A copy of the Articles of Association of the Trustee now in effect, incorporated herein by reference to Exhibit 1 of Form T-1, Document 6 of Registration No. 333-84320.

2. A copy of the certificate of authority of the Trustee to commence business, incorporated herein by reference to Exhibit 2 of Form T-1, Document 6 of Registration No. 333-84320.

3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers, incorporated herein by reference to Exhibit 3 of Form T-1, Document 6 of Registration No. 333-84320.

4. A copy of the existing bylaws of the Trustee, as now in effect, incorporated herein by reference to Exhibit 4 of Form T-1, Document 6 of Registration No. 333-113995.

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, incorporated herein by reference to Exhibit 6 of Form T-1, Document 6 of Registration No. 333-84320.

7. A copy of the Report of Condition of the Trustee as of June 30, 2004, published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York, State of New York on the 12th day of August, 2004.

U.S. BANK TRUST NATIONAL ASSOCIATION

By: /s/ Alison D.B. Nadeau

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

EXHIBIT 7

U.S. BANK TRUST NATIONAL ASSOCIATION
STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2004

($000'S)

6/30/2004 -
ASSETS Cash and Due From Depository Institutions
$ 385,910
Fixed Assets 449
Intangible Assets
111,204
Other Assets
29,457 ----
TOTAL ASSETS $
527,020
LIABILITIES
Other Liabilities
$ 15,052 --
TOTAL LIABILITIES
$ 15,052
EQUITY
Common and Preferred Stock $
1,000
Surplus
505,932
Undivided Profits
5,036 -----
TOTAL EQUITY
CAPITAL $
511,968
TOTAL LIABILITIES AND EQUITY
CAPITAL $
527,020

- ----------

To the best of the undersigned's determination, as of this date the above financial information is true and correct.

U.S. Bank Trust National Association

By: /s/ Alison D.B. Nadeau

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

Date: August 12, 2004

EXHIBIT 99.1

LETTER OF TRANSMITTAL
FOR
OFFER TO EXCHANGE
7.25% CLASS A SECURED NOTES DUE 2009,
WHICH HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933, AS AMENDED,
FOR ANY AND ALL OUTSTANDING
7.25% CLASS A SECURED NOTES DUE 2009,
OF
AMERICAN AIRLINES, INC.

PURSUANT TO THE PROSPECTUS, DATED _____, 2004

- ---
THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____, 2004, UNLESS THE EXCHANGE OFFER IS EXTENDED (THE "EXPIRATION DATE"). TENDERS OF OLD CLASS A NOTES MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M. ON THE EXPIRATION DATE.
- ---

To the Exchange Agent:
U.S. BANK TRUST NATIONAL ASSOCIATION

60 Livingston Avenue
Attention: Specialized Finance
EP-MN-WS-2N
St. Paul, Minnesota 55107

By Facsimile:
(651) 495-8158

Confirm by Telephone:
(800) 934-6802

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 CLASS A NOTES FOR THEIR OLD CLASS A NOTES PURSUANT TO THE EXCHANGE OFFER MUST VALIDLY TENDER (AND NOT WITHDRAW) THEIR OLD CLASS A NOTES TO THE EXCHANGE AGENT PRIOR TO THE EXPIRATION DATE.

By execution hereof, the undersigned acknowledges receipt of the prospectus, dated _____, 2004 (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") 7.25% Class A Secured Notes due 2009 (the "New Class A Notes"), 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 7.25% Class A Secured Notes due 2009 (the "Old Class A Notes"), upon the terms and subject to the conditions set forth in the Prospectus. For each Old Class A Note accepted for exchange, the Holder of such Old Class A Note will receive a New Class A Note of the same class having a face amount equal to that of the surrendered Old Class A Note.

This Letter of Transmittal is to be completed by Holders (as defined below) if: (i) certificates representing Old Class A Notes are to be physically delivered to the Exchange Agent herewith by Holders; (ii) tender of Old Class A Notes is to be made by book-entry transfer to the Exchange Agent's account at The Depository Trust Company (the "DTC") pursuant to the procedures set forth in the Prospectus under "The Exchange Offer - Book-Entry Transfer" by any financial institution that is a participant in DTC and whose name appears on a security position listing as the owner of Old Class A Notes if an Agent's Message (as defined below)

is not delivered; or (iii) tender of Old Class A Notes is to be made according to the guaranteed delivery procedures set forth in the Prospectus under "The Exchange Offer - Guaranteed Delivery Procedures." Tenders by book-entry transfer may also be made by delivering an Agent's Message in lieu of this Letter of Transmittal. 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 participant tendering Old Class A Notes that are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal, and that the Company may enforce such agreement against such participant. DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

The term "Holder" with respect to the Exchange Offer means any person in whose name Old Class A Notes 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 Class A Notes are held of record by DTC and who desires to deliver such Old Class A Notes by book-entry transfer at DTC.

The undersigned has completed, executed and delivered this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the Exchange Offer.

All capitalized terms used but not defined herein shall have the meanings given to them in the Prospectus, unless the context otherwise indicates.

The instructions included with this Letter of Transmittal must be followed. Questions and requests for assistance or for additional copies of the Prospectus, this Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Exchange Agent. See Instruction 8 herein.

HOLDERS WHO WISH TO ACCEPT THE EXCHANGE OFFER AND TENDER THEIR OLD CLASS A NOTES MUST COMPLETE THIS LETTER OF TRANSMITTAL IN ITS ENTIRETY.

List below the Old Class A Notes to which this Letter of Transmittal relates. If the space provided below is inadequate, list the certificate numbers and principal amounts of Old Class A Notes on a separately signed schedule and affix the schedule to this Letter of Transmittal. Tenders of Old Class A Notes will be accepted only in principal amounts equal to $1,000 or integral multiples thereof.

DESCRIPTION OF OLD CLASS A NOTES

NOTES ORIGINAL AGGREGATE NUMBER(S)*	FACE AMOUNT TENDERED	NAME(S) AND ADDRESS(ES) OF HOLDER(S) (ATTACH SIGNED LIST IF (IF LESS THAN (PLEASE FILL IN IF BLANK) NECESSARY) ALL)** - -
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TOTAL ORIGINAL FACE AMOUNT OF OLD CLASS A NOTES TENDERED -	* Need not be completed by Holders tendering Old Class A Notes by book-entry transfer. ** Need not be completed by Holders who wish to tender with respect to all Old Class A Notes listed. See Instruction 2.

[ ] CHECK HERE AND COMPLETE THE FOLLOWING IF TENDERED OLD CLASS A NOTES 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 Class A Notes pursuant to the Exchange Offer and (i) certificates representing such Old Class A Notes are not immediately available, or (ii) this Letter of Transmittal, certificates representing such Old Class A Notes 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 Class A Notes 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 CLASS A NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY DELIVERED TO THE EXCHANGE AGENT:

Name(s) of Holder(s) of Old Class A Notes:

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 CLASS A NOTES 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 CLASS A NOTES RECEIVED FOR YOUR OWN ACCOUNT IN EXCHANGE FOR SUCH OLD CLASS A NOTES.

Name:

Address:

[ ] CHECK HERE IF TENDERED NOTES 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 face amount of Old Class A Notes indicated above. Subject to and effective upon the acceptance for exchange of the amount of Old Class A Notes 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 Class A Notes 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 Trustee under the Indenture for the Old Class A Notes and the New Class A Notes) with respect to the tendered Old Class A Notes with full power of substitution to (i) deliver certificates for such Old Class A Notes to the Company, or transfer ownership of such Old Class A Notes 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 Class A Notes for transfer on the books of the Registrar and receive all benefits and otherwise exercise all rights of beneficial ownership of such Old Class A Notes, 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 Class A Notes 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 an interpretation by the staff of the Securities and Exchange Commission set forth in several no-action letters issued to third parties, and subject to the immediately following sentence, that the New Class A Notes issued pursuant to the Exchange Offer in exchange for the Old Class A Notes may be offered for resale, resold or otherwise transferred by any holder thereof without further compliance with the registration and prospectus delivery provisions of the Securities Act. However, any purchaser of Old Class A Notes who is an "affiliate" of the Company or intends to participate in the Exchange Offer for the purpose of distributing the New Class A Notes (i) will not be able to rely on the interpretation by the staff of the Commission set forth in the above referenced no-action letters, (ii) will not be able to tender Old Class A Notes in the Exchange Offer and (iii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the Old Class A Notes, unless such sale or transfer is made pursuant to an exemption from such requirements.

If a broker-dealer would receive New Class A Notes for its own account in exchange for Old Class A Notes, where such Old Class A Notes 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 Class A Notes 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 Class A Notes and (iii) such holder is not an "affiliate," as defined under Rule 405 of the Securities Act, of the Company 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 Class A Notes. If the undersigned is a broker-dealer that will receive New Class A Notes for its own account in exchange for Old Class A Notes 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 Class A Notes; 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 Class A Notes tendered hereby.

For purposes of the Exchange Offer, the Company shall be deemed to have accepted validly tendered Old Class A Notes 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 Class A Notes are not accepted for exchange pursuant to the Exchange Offer for any reason, certificates for any such unaccepted Old Class A Notes 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 Class A Notes 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 Class A Notes 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 Class A Notes issued in exchange for the Old Class A Notes accepted for exchange, and return any Old Class A Notes not tendered or not exchanged, in the name of the undersigned (or, in the case of a book-entry delivery of Old Class A Notes by DTC, by credit to the account at DTC). Similarly, unless otherwise indicated under "Special Delivery Instructions," please send the certificates representing New Class A Notes issued in exchange for the Old Class A Notes accepted for exchange, and any certificates representing Old Class A Notes 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 Class A Notes issued in exchange for the Old Class A Notes accepted for exchange, and return any Old Class A Notes 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 Class A Notes from the name of the registered holder(s) thereof if the Company does not accept for exchange any of the Old Class A Notes so tendered.

PLEASE SIGN HERE
(TO BE COMPLETED BY ALL TENDERING HOLDERS OF
OLD CLASS A NOTES REGARDLESS OF WHETHER OLD CLASS A NOTES ARE BEING
PHYSICALLY DELIVERED HEREWITH)

This Letter of Transmittal must be signed by the Holder(s) of Old Class A Notes exactly as their name(s) appear(s) on certificates(s) for Old Class A Notes 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 Class A Notes, 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 Class A Notes, 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 Class A Notes in a face amount not tendered are to be issued in the name of, or the New Class A Notes 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 Class A Notes" within this Letter of Transmittal, or if Old Class A Notes 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 Class A Notes in a face amount not tendered or not accepted for purchase or the New Class A Notes 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 Class A Notes" 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 CLASS A NOTES; GUARANTEED DELIVERY PROCEDURES. The certificates for the tendered Old Class A Notes (or a confirmation of a book-entry transfer into the Exchange Agent's account at DTC of all Old Class A Notes 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 Class A Notes, 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 Class A Notes should be sent to the Company.

Holders who wish to tender their Old Class A Notes and (i) whose Old Class A Notes are not immediately available, or (ii) who cannot deliver their Old Class A Notes, 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, may tender their Old Class A Notes by following 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 Class A Notes, the certificate number or numbers of such Old Class A Notes and the face amount of Old Class A Notes 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 Class A Notes (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 Class A Notes 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 Class A Notes who wishes to tender his Old Class A Notes 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 Class A Notes 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 Class A Notes not properly tendered or any Old Class A Notes the Company's acceptance of which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the absolute right to waive any irregularities or conditions of tender as to particular Old Class A Notes. 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 Class A Notes 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 Class A Notes, nor shall any of them incur any liability for failure to give such notification. Tenders of Old Class A Notes will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Old Class A Notes 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 Class A Notes (or in the case of Old Class A Notes tendered by the book-entry transfer procedures, such Old Class A Notes 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 Class A Notes will be accepted in all denominations of $1,000 and integral multiples in excess thereof. If less than the entire face amount of any Old Class A Note is tendered, the tendering Holder should fill in the face amount tendered in the third column of the chart entitled "Description of Old Class A Notes." The entire face amount of Old Class A Notes delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire face amount of all Old Class A Notes is not tendered, Old Class A Notes for the face amount of Old Class A Notes not tendered and a certificate or certificates representing New Class A Notes issued in exchange for any Old Class A Notes 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 Class A Notes 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 Class A Notes tendered hereby, the signature must correspond with the name(s) as written on the face of the Old Class A Notes without alteration, enlargement or any change whatsoever.

If this Letter of Transmittal (or facsimile hereof) is signed by the registered Holder(s) of Old Class A Notes tendered and the certificate(s) for New Class A Notes issued in exchange therefor is to be issued (or any untendered face amount of Old Class A Notes is to be reissued) to the registered Holder, such Holder need not and should not endorse any tendered Old Class A Note, nor provide a separate bond power. In any other case, such Holder must either properly endorse the Old Class A Notes 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 Class A Notes listed, such Old Class A Notes must be endorsed or accompanied by appropriate bond powers signed as the name of the registered Holder(s) appears on the Old Class A Notes.

If this Letter of Transmittal (or facsimile hereof) or any Old Class A Notes 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 Class A Notes 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 Class A Notes 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 Class A Notes) 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 Class A Notes or substitute Old Class A Notes for face 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 Class A Notes 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 also must be indicated.

5. TRANSFER TAXES. The Company will pay all transfer taxes, if any, applicable to the exchange of Old Class A Notes pursuant to the Exchange Offer. If, however, certificates representing New Class A Notes or Old Class A Notes for 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 Class A Notes tendered hereby, or if tendered Old Class A Notes are registered in the

name of any person other than the person signing this Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Old Class A Notes pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered Holder or any other person) will be payable by the tendering Holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with this Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering Holder

Except as provided in this Instruction 5, it will not be necessary for transfer tax stamps to be affixed to the Old Class A Notes listed in this Letter of Transmittal.

6. WAIVER OF CONDITIONS. The Company reserves the absolute right to amend, waive or modify specified conditions in the Exchange Offer in the case of any Old Class A Notes tendered.

7. MUTILATED, LOST, STOLEN OR DESTROYED OLD CLASS A NOTES. Any tendering Holder whose Old Class A Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated herein for further instruction.

8. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions and requests for assistance and requests for additional copies of the Prospectus or this Letter of Transmittal my be directed to the Exchange Agent at the address specified in the Prospectus. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

9. WITHDRAWAL. Tenders may be withdrawn only pursuant to the limited withdrawal rights set forth in the Prospectus under the caption "The Exchange Offer -- Withdrawal of Tenders."

(DO NOT WRITE IN SPACE BELOW)

Note Surrendered Old Class A Notes Tendered	Old Class A Notes Accepted

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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 Class A Notes are accepted for exchange is required to provide the Exchange Agent (as payer) with such Holder's correct TIN (e.g., social security number or employer identification number) 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 Class A Notes acquired 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-8BEN, Form W-8ECI or Form W-8IMY signed under penalties of perjury, attesting to that Holder's exempt status. Form W-8BEN, Form W-8ECI 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 28% 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 Substitute Form W-9 below, certifying that the Holder is a U.S. person (including a U.S. resident alien), the TIN provided on Substitute Form W-9 is correct (or that such Holder is awaiting a TIN) and either (A) the Holder is exempt from backup withholding, or (B) 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 (C) 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 of the registered Holder of the Old Class A Notes. If the Old Class A Notes 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 PART 1 -- PLEASE PROVIDE YOUR TIN Social Security Number FORM W-9 IN THE BOX AT THE OR

RIGHT AND CERTIFY BY SIGNING AND Employer Identification Number DATING BELOW

DEPARTMENT OF THE TREASURY PART 2 -- Certification -- Under PART 3 -- IDENTIFICATION NUMBER (TIN) Penalties of Perjury, I certify that: (1) The number shown on this form Exempt from backup withholding [ ] is my correct Taxpayer Awaiting TIN [ ] PAYER'S REQUEST FOR Identification Number (or I am TAXPAYER IDENTIFICATION waiting for a number to be NUMBER (TIN) issued to me) and (2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, or (b) 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 (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. person (including a U.S. resident alien) 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). Name: ---------- ---------- ---------- Address: ---------- ---------- ---------- ----- ---------- ----------

-- (city, state and zip code) SIGNATURE

DATE ----------
---------- -----

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING CURRENTLY AT A RATE OF 28% OF ANY PAYMENTS MADE TO HOLDERS OF NEW CLASS A NOTES 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, 30 percent of all reportable payments made to me thereafter will be withheld until I provide a number.

Signature ---------- Date ----------

The Exchange Agent:
U.S. BANK TRUST NATIONAL ASSOCIATION

60 Livingston Avenue
Attention: Specialized Finance
EP-MN-WS-2N
St. Paul, Minnesota 55107

By Facsimile:
(651) 495-8158

Confirm by Telephone:
(800) 934-6802

EXHIBIT 99.2

NOTICE OF GUARANTEED DELIVERY
FOR
7.25% CLASS A SECURED NOTES DUE 2009
OF
AMERICAN AIRLINES, INC.

As set forth in the prospectus, dated _____, 2004 (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 7.25% Class A Secured Notes due 2009 (the "New Class A Notes") for any and all of its outstanding 7.25% Class A Secured Notes due 2009 (the "Old Class A Notes"), if (i) certificates representing such Old Class A Notes to be tendered for exchange are not immediately available, or (ii) certificates representing such Old Class A Notes, 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.

- ---
THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON _____, 2004, UNLESS THE EXCHANGE OFFER IS EXTENDED (THE "EXPIRATION DATE"). TENDERS OF OLD CLASS A NOTES MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M. ON THE EXPIRATION DATE.
- ---

The Exchange Agent:
U.S. BANK TRUST NATIONAL ASSOCIATION

60 Livingston Avenue
Attention: Specialized Finance
EP-MN-WS-2N
St. Paul, Minnesota 55107

By Facsimile:
(651) 495-8158

Confirm by Telephone:
(800) 934-6802

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 face amount of Old Class A Notes 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 Class A Notes will be accepted only in face amounts equal to $1,000 or integral multiples thereof. The undersigned understands that tenders of Old Class A Notes pursuant to the Exchange Offer may not be withdrawn after 5:00 p.m., New York time, on the Expiration Date. Tenders of Old Class A Notes also may be withdrawn if the Exchange Offer is terminated without any such Old Class A Notes 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:

- ----------

- ----------

- ----------

Original Face Amount of Old Class A Notes Tendered:

- ----------

Certificate No(s). Of Old Class A Notes (if available):

- ----------

- ----------

Date:
- ----------

Name(s) of Registered Holder(s):

Address:

Area Code and Telephone No.: _____
If Old Class A Notes will be delivered by book-entry transfer at The Depository Trust Company, insert Depository Account No.: _____

This Notice of Guaranteed Delivery must be signed by the registered holder(s) of Old Class A Notes exactly as its (their) name(s) appear(s) on the certificate(s) for Old Class A Notes or on a security position listing as the owner of Old Class A Notes, 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):

Capacity:

Address(es):

DO NOT SEND OLD CLASS A NOTES WITH THIS FORM. OLD CLASS A NOTES 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 Class A Notes on whose behalf this tender is being made "own(s)" the Old Class A Notes 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 Class A Notes 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 - Book-Entry Transfer" in the Prospectus) in lieu of the Letter of Transmittal, together with certificates representing the Old Class A Notes covered hereby in proper form for transfer (or confirmation of the book-entry transfer of such Old Class A Notes 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 Class A Notes 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:

AUTHORIZED SIGNATURE

Address:

Name:

Title:

Area Code and Telephone No.:

Date:

EXHIBIT 99.3

OFFER TO EXCHANGE
7.25% CLASS A SECURED NOTES DUE 2009,
WHICH HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933, AS AMENDED,
FOR ANY AND ALL OUTSTANDING
7.25% CLASS A SECURED NOTES DUE 2009,
OF
AMERICAN AIRLINES, INC.

_____, 2004

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 7.25% Class A Secured Notes due 2009 (the "New Class A Notes") for any and all of its outstanding 7.25% Class A Secured Notes due 2009 (the "Old Class A Notes"), upon the terms and subject to the conditions set forth in the accompanying prospectus, dated _____, 2004 (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 Class A Notes with the Prospectus. Holders may use it to effect valid tenders of Old Class A Notes. The Exchange Offer also provides a procedure for holders to tender the Old Class A Notes by means of guaranteed delivery.

Based on an interpretation by the staff of the Securities and Exchange Commission (the "Commission") set forth in several no-action letters issued to third parties, and subject to the immediately following sentence, we believe that New Class A Notes issued pursuant to the Exchange Offer in exchange for Old Class A Notes may be offered for resale, resold or otherwise transferred by holders thereof without further compliance with the registration and prospectus delivery provisions of the Securities Act of 1933, as amended (the "Securities Act"). However, any purchaser of Old Class A Notes who is an "affiliate" of ours or who intends to participate in the Exchange Offer for the purpose of distributing the New Class A Notes (i) will not be able to rely on the interpretation by the staff of the Commission set forth in the above referenced no-action letters, (ii) will not be able to tender Old Class A Notes in the Exchange Offer and (iii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the Old Class A Notes, unless such sale or transfer is made pursuant to an exemption from such requirements. Holders of Old Class A Notes wishing to accept the Exchange Offer must represent to the Company that such conditions have been met.

Each broker-dealer that receives New Class A Notes for its own account in exchange for Old Class A Notes 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 Class A Notes. 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 Class A Notes received in exchange for Old Class A Notes. 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 Class A Notes for, any Old Class A Notes not accepted for exchange prior to such termination.

THE COMPANY RESERVES THE ABSOLUTE RIGHT TO REJECT ANY AND ALL OLD CLASS A NOTES NOT PROPERLY TENDERED OR ANY OLD CLASS A NOTES 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 Class A Notes 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 Class A Notes 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 Class A Notes 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 Class A Notes 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 Class A Notes 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 Class A Notes 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 _____, 2004, unless extended by the Company (the "Expiration Date"). Old Class A Notes 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 Class A Notes 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 CLASS A NOTES BEING TENDERED.

To tender Old Class A Notes in the Exchange Offer, certificates for Old Class A Notes (or confirmation of a book-entry transfer into the Exchange Agent's account at The Depository Trust Company of Old Class A Notes 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 - Book-Entry Transfer" 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 Class A Notes pursuant to the Exchange Offer and (i) certificates representing such Old Class A Notes are not immediately available, or (ii) certificates evidencing such Old Class A Notes 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 Class A Notes 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 Class A Notes 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 (800) 934-6802.

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
7.25% CLASS A SECURED NOTES DUE 2009,
WHICH HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933, AS AMENDED,
FOR ANY AND ALL OUTSTANDING
7.25% CLASS A SECURED NOTES DUE 2009,
OF
AMERICAN AIRLINES, INC.

To Our Clients:

Enclosed for your consideration are the prospectus, dated _____, 2004 (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 7.25% Class A Secured Notes due 2009 (the "New Class A Notes") for any and all of its outstanding 7.25% Class A Secured Notes due 2009 (the "Old Class A Notes"), 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 Class A Notes held for your account. An exchange of the Old Class A Notes 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 CLASS A NOTES HELD BY US FOR YOUR ACCOUNT. The Prospectus and related Letter of Transmittal provide a procedure for holders to tender their Old Class A Notes by means of guaranteed delivery.

We request information as to whether you wish to exchange any or all of the Old Class A Notes 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 Class A Notes of the same class will be issued in exchange for Old Class A Notes at the rate of $1,000 face amount of New Class A Notes for each $1,000 face amount of Old Class A Notes. The New Class A Notes will make distributions from August 6, 2004. Holders of Old Class A Notes whose Old Class A Notes are accepted for exchange will be deemed to have waived the right to receive any payment of distributions on the Old Class A Notes accrued from August 6, 2004 to the date of issuance of the New Class A Notes. The form and terms of the New Class A Notes are identical in all material respects to the form and terms of the Old Class A Notes, except that the New Class A Notes 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 Class A Notes will be available only in book-entry form.

2. Based on an interpretation by the staff of the Securities and Exchange Commission (the "Commission") set forth in several no-action letters to third parties, and subject to the immediately following sentence, New Class A Notes issued pursuant to the Exchange Offer in exchange for Old Class A Notes may be offered for resale, resold or otherwise transferred by holders thereof without further compliance with the registration and prospectus delivery provisions of the Securities Act. However, any purchaser of Old Class A Notes who is an "affiliate" of the Company or who intends to participate in the Exchange Offer for the purpose of distributing the New Class A Notes (i) will not be able to rely on the interpretation by the staff of the Commission set forth in the above referenced no-action letters, (ii) will not be able to tender Old Class A Notes in the Exchange Offer and (iii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the Old Class A Notes, unless such sale or transfer is made pursuant to an exemption from such requirements. Holders of Old Class A Notes 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 AMOUNT OF OLD CLASS A NOTES 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 Class A Notes for, any Old Class A Notes not accepted for exchange prior to such termination.

5. The Exchange Offer will expire at 5:00 P.M., New York City time, on _____, 2004, unless extended by the Company (the "Expiration Date"). Tendered Old Class A Notes 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 Class A Notes have not previously been accepted for exchange pursuant to the Exchange Offer.

6. Any transfer taxes applicable to the exchange of the Old Class A Notes 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 Class A Notes, 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 Class A Notes, the entire amount of Old Class A Notes 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 CLASS A NOTES 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
7.25% CLASS A SECURED NOTES DUE 2009,
WHICH HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933, AS AMENDED,
FOR ANY AND ALL OUTSTANDING
7.25% CLASS A SECURED NOTES DUE 2009,
OF
AMERICAN AIRLINES, INC.

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 Class A Notes for New Class A Notes.

This will instruct you to tender the face amount of Old Class A Notes 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

SIGNATURE

SIGNATURE

Securities to be tendered:

Tender all of the securities

Face Amount*

Old Class A Notes

- ---
NAME(S) (PLEASE PRINT)

- ---
ADDRESS

- ---
ZIP CODE

- ---
AREA CODE AND TELEPHONE NUMBER

Dated:
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* Unless otherwise indicated, it will be assumed that all of the securities listed are to be tendered.