SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For fiscal year ended December 31, 2000.

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 1-8400.

AMR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	75-1825172
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4333 Amon Carter Blvd. Fort Worth, Texas	76155
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (817) 963-1234

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common stock, $1 par value per share	New York Stock Exchange
9.00% Debentures due 2016	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ].

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of the registrant as of March 16, 2001, was approximately $5,190,797,127. As of March 16, 2001, 153,619,329 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Form 10-K incorporates by reference certain information from the Proxy Statement for the Annual Meeting of Stockholders to be held May 16, 2001.

PART I

ITEM 1. BUSINESS

AMR Corporation (AMR or the Company) was incorporated in October 1982. AMR's operations fall almost entirely in the airline industry. AMR's principal subsidiary, American Airlines, Inc. (American), was founded in 1934. American is one of the largest scheduled passenger airlines in the world. At the end of 2000, American provided scheduled jet service to more than 169 destinations throughout North America, the Caribbean, Latin America, Europe and the Pacific. American is also one of the largest scheduled air freight carriers in the world, providing a full range of freight and mail services to shippers throughout its system.

In addition, AMR Eagle Holding Corporation (AMR Eagle), a wholly-owned subsidiary of AMR, owns two regional airlines which do business as "American Eagle" -- American Eagle Airlines, Inc. and Executive Airlines, Inc. Business Express, Inc. was merged into American Eagle Airlines, Inc. in December 2000. The American Eagle carriers provide connecting service from eight of American's high-traffic cities to smaller markets throughout the United States, Canada, the Bahamas and the Caribbean.

AMR Investment Services, Inc., a wholly-owned subsidiary of AMR, is responsible for the investment and oversight of AMR's defined benefit and defined contribution plans, as well as its fixed income investments. It serves as manager of the American AAdvantage Funds, a family of mutual funds with both institutional and retail shareholders, and provides customized fixed income portfolio management services. As of December 31, 2000, AMR Investment Services was responsible for management of approximately $22.9 billion in assets, including direct management of approximately $10.5 billion in short-term fixed income investments.

Effective after the close of business on March 15, 2000, AMR distributed 0.722652 shares of Sabre Holdings Corporation (Sabre) Class A Common Stock for each share of AMR stock owned by AMR's shareholders, thus distributing its entire ownership interest in Sabre. As such, Sabre has been treated as a discontinued operation in Item 6 - Selected Consolidated Financial Data, Item 7 - - Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8 - Consolidated Financial Statements. In addition, the discussion in the other Items of this Form 10-K relates primarily to American and AMR Eagle.

On January 10, 2001, the Company announced three transactions that are expected to substantially increase the scope of its existing network. First, the Company announced that it had agreed to purchase substantially all of the assets of Trans World Airlines, Inc. (TWA) for approximately $500 million in cash and to assume approximately $3.5 billion of TWA's obligations. The Company's agreement with TWA contemplated that TWA would file for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code and conduct an auction of its assets under the auspices of the Bankruptcy Court. During the auction, other credible offers would compete with the Company's offer. TWA filed for bankruptcy protection on January 10, 2001. In conjunction therewith, the Company also agreed to provide TWA with up to $200 million in debtor-in-possession financing to facilitate TWA's ability to maintain its operations until the completion of this transaction. The amount available under this facility was later increased to $330 million. As of March 19, 2001, approximately $289 million had been provided via the debtor-in-possession financing.

The auction of TWA's assets was commenced on March 5, 2001, and recessed to March 7, 2001. During the recess, the Company increased its cash bid to $625 million and agreed to leave in the TWA estate certain aircraft security deposits, advance rental payments and rental rebates that were estimated to bring approximately $117 million of value to TWA. The Company expects that the increase in the Company's bid will be more than offset, however, by the benefit to the Company of the reductions in rental rates the Company has negotiated with TWA's aircraft lessors. On March 7, 2001, TWA's board selected the Company's bid as the "highest and best" offer, and on March 12, 2001, the U.S. Bankruptcy Court, District of Delaware, entered an order approving the sale of TWA's assets to the Company. Consummation of the transaction is subject to several contingencies, including the waiver by TWA's unions of certain provisions of their collective bargaining agreements. The approval of the U.S. Department of Justice (DOJ) was obtained on March 16, 2001. Certain parties have filed appeals of the Bankruptcy Court's sale order, and have sought a stay of the transaction, pending the appeals. A provision of the Bankruptcy Code will permit the Company to close the transaction, despite pending appeals, unless a stay is granted. If a stay is granted, the Company would anticipate that the appeal process would be expedited. Upon the closing of the transaction, TWA will be integrated into American's operations with a continued hub operation in St. Louis.

Secondly, the Company announced that it has agreed to acquire from United Airlines, Inc. (United) certain key strategic assets (slots, gates and aircraft) of US Airways, Inc. (US Airways) upon the consummation of the previously announced merger between United and US Airways. In addition to the acquisition of these assets, American will lease a number of slots and gates from United so that American may operate half of the northeast Shuttle (New York/Washington DC/Boston). United will operate the other half of the Shuttle. For these assets, American will pay approximately $1.2 billion in cash to United and assume approximately $300 million in aircraft operating leases. The consummation of these transactions is contingent upon the closing of the proposed United/US Airways merger. Also, the acquisition of aircraft is generally dependent upon a certain number of US Airways' Boeing 757 cockpit crew members transferring to American's payroll.

Finally, American has agreed to acquire a 49 percent stake in, and to enter into an exclusive marketing agreement with, DC Air LLC (DC Air). American has agreed to pay $82 million in cash for its ownership stake. American will have a right of first refusal on the acquisition of the remaining 51 percent stake in DC Air. American will also lease to DC Air a certain number of Fokker 100 aircraft with necessary crews (known in the industry as a "wet lease"). These wet leased aircraft will be used by DC Air in its operations. DC Air is the first significant new entrant at Ronald Reagan Washington National Airport (DCA) in over a decade. DC Air will acquire the assets needed to begin its DCA operations from United/US Airways upon the consummation of the merger between the two carriers. American's investment in DC Air and the other arrangements described above are contingent upon the consummation of the merger between United and US Airways.

As a result of the above transactions, and for several other reasons, American and American Eagle have initiated an impairment review of certain fleet types in accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." This review could result in an impairment charge to be taken by the Company in 2001. The size of any resulting 2001 charge is not presently known, but may be significant.

COMPETITION

Most major air carriers have developed hub-and-spoke systems and schedule patterns in an effort to maximize the revenue potential of their service. American operates four hubs: Dallas/Fort Worth (DFW), Chicago O'Hare, Miami and San Juan, Puerto Rico. Delta Air Lines and United Airlines also have hub operations at DFW and Chicago O'Hare, respectively.

The American Eagle carriers increase the number of markets the Company serves by providing connections to American at American's hubs and certain other major airports. The American Eagle carriers serve smaller markets through Boston, DFW, Chicago, Miami, San Juan, Los Angeles and New York's LaGuardia and John F. Kennedy International Airports. American's competitors also own or have marketing agreements with regional carriers which provide similar services at their major hubs.

In addition to its extensive domestic service, the Company provides international service to the Caribbean, Canada, Latin America, Europe and the Pacific. The Company's operating revenues from foreign operations were approximately $5.8 billion in 2000, $5.2 billion in 1999 and $5.3 billion in 1998. Additional information about the Company's foreign operations is included in Note 13 to the consolidated financial statements.

The domestic airline industry is fiercely competitive. Currently, any carrier deemed fit by the U.S. Department of Transportation (DOT) is free to operate scheduled passenger service between any two points within the U.S. and its possessions. On most of its domestic non-stop routes, the Company faces competing service from at least one, and sometimes more than one, major domestic airline including: Alaska Airlines, America West Airlines, Continental Airlines, Delta Air Lines, Northwest Airlines, Southwest Airlines, TWA, United, US Airways and their affiliated regional carriers. Competition is even greater between cities that require a connection, where as many as nine airlines may compete via their respective hubs. The Company also competes with national, regional, all-cargo and charter carriers and, particularly on shorter segments, ground transportation. In addition, on all of its routes, pricing decisions are affected, in part, by competition from other airlines, some of which have cost structures significantly lower than American's and can therefore operate profitably at lower fare levels.

The majority of the tickets for travel on American and American Eagle are sold by travel agents. Domestic travel agents generally receive a base commission of five percent of the price of the tickets they sell. This amount is capped at a maximum of $50 for a domestic roundtrip itinerary and $100 for an international roundtrip itinerary. Airlines often pay additional commissions in connection with special revenue programs. Accordingly, airlines compete not only with respect to the price of the tickets sold but also with respect to the amount of commissions paid.

The growing use of electronic distribution systems provides the Company with an ever-increasing ability to lower its distribution costs. The Company continues to expand the capabilities of its Internet website - AA.com - and the use of electronic ticketing throughout the Company's network. In addition, the Company has entered into various agreements with several Internet travel providers, including Travelocity.com, Expedia, priceline.com and Hotwire. The base commission for sales through Internet travel providers is significantly lower than traditional travel agencies.

International air transportation is subject to extensive government regulation. In providing international air transportation, American competes with foreign investor-owned carriers, state-owned carriers and U.S. airlines that have been granted authority to provide scheduled passenger and cargo service between the U.S. and various overseas locations. American's operating authority in these markets is subject to aviation agreements between the U.S. and the respective countries, and in some cases, fares and schedules require the approval of the DOT and/or the relevant foreign governments. Because international air transportation is governed by bilateral or other agreements between the U.S. and the foreign country or countries involved, changes in U.S. or foreign government aviation policies could result in the alteration or termination of such agreements, diminish the value of such route authorities, or otherwise adversely affect American's international operations. Bilateral agreements between the U.S. and various foreign countries served by American are subject to frequent renegotiation. In addition, at most foreign airports, a carrier needs slots (landing and take-off authorizations) before the carrier can introduce new service or increase existing service. The availability of such slots is not assured and can therefore inhibit a carrier's efforts to compete in certain markets.

The major U.S. carriers have some advantage over foreign competitors in their ability to generate traffic from their extensive domestic route systems. In many cases, however, foreign governments, which own and subsidize some of American's foreign competitors, limit U.S. carriers' rights to carry passengers beyond designated gateway cities in foreign countries. To improve access to each other's markets, various U.S. and foreign carriers -- including American -- have established marketing relationships with other airlines. American currently has code-sharing programs with Aer Lingus, Air Pacific, Alaska Airlines, Asiana Airlines, China Eastern Airlines, EVA Air, Finnair, Gulf Air, Hawaiian Airlines, Iberia, Japan Airlines, LanChile, LOT Polish Airlines, Qantas Airways, Sabena, SNCF, Swissair, TACA Group, the TAM Group, TAP Air Portugal, Thalys and Turkish Airlines. American Eagle also has code-sharing programs with Continental Airlines, Northwest Airlines, TWA and Midwest Express, in addition to code-sharing with some of American's code-share partners. Certain of these relationships also include reciprocity between American and the other airlines' frequent flyer programs. In addition, the Company expects to implement or expand alliances with other international carriers, including British Airways, Cathay Pacific Airways,

China Eastern Airlines and Qantas New Zealand, pending regulatory approval. In the coming years, the Company expects to develop these programs further and to evaluate new alliances with other international carriers.

In February 1999, American, British Airways, Canadian Airlines International Limited (Canadian), Cathay Pacific Airways and Qantas Airways formed the global alliance ONEworld(TM). In September 1999, these five founding members were joined by Finnair and Iberia. Also, in June 2000, Aer Lingus and LanChile joined the ONEworld alliance. The ONEworld alliance links the networks of the member carriers to enhance customer service and smooth connections to the destinations served by the alliance, including linking the carriers' frequent flyer programs and access to the carriers' airport lounge facilities. Following the acquisition of Canadian by Air Canada, Canadian terminated its membership in ONEworld in June 2000.

The Company believes that it has several advantages relative to its competition. Its fleet is efficient and quiet, and is one of the youngest fleets in the U.S. airline industry. It has a comprehensive domestic and international route structure, anchored by efficient hubs, which permit it to take full advantage of whatever traffic growth occurs. The Company believes American's AAdvantage frequent flyer program, which is the largest program in the industry, its More Room Throughout Coach program and its superior service also give it a competitive advantage to its competition.

REGULATION

GENERAL The Airline Deregulation Act of 1978, as amended, eliminated most domestic economic regulation of passenger and freight transportation. However, the DOT and the Federal Aviation Administration (FAA) still exercise certain regulatory authority over air carriers. The DOT maintains jurisdiction over the approval of international codeshare agreements, international route authorities and certain consumer protection matters, such as advertising, denied boarding compensation and baggage liability.

The FAA regulates flying operations generally, including establishing personnel, aircraft and security standards. As part of that oversight, the FAA has implemented a number of requirements that American is incorporating into its maintenance program. These matters relate to, among other things, inspection and maintenance of aging aircraft, corrosion control, the installation of upgraded digital flight data recorders, enhanced ground proximity warning systems, cargo compartment smoke detection and fire suppression systems, McDonnell Douglas MD 80 metal-mylar insulation replacement, and required inspections of General Electric compressor spools. Based on its current implementation schedule, American expects to be in compliance with the applicable requirements within the required time periods.

The DOJ has jurisdiction over airline antitrust matters. The U.S. Postal Service has jurisdiction over certain aspects of the transportation of mail and related services. Labor relations in the air transportation industry are regulated under the Railway Labor Act, which vests in the National Mediation Board certain regulatory functions with respect to disputes between airlines and labor unions relating to union representation and collective bargaining agreements. To the extent American continues to increase its alliances with international carriers, American may be subject to certain regulations of foreign agencies.

In April 1998, the DOT issued proposed pricing and capacity rules that would severely limit major carriers' ability to compete with new entrant carriers. In January 2001, following a multi-year investigation and public docket concerning competition between major carriers and new entrant carriers, the DOT restated its concerns with competitive practices in the industry, but declined to issue specific competitive guidelines. In its statement of findings and conclusions, the DOT reiterated its view that it had both the authority and the obligation to prevent what it considers to be unfair competitive practices in the industry, and indicated its intent to pursue enforcement actions on a case-by-case basis. To the extent that future DOT enforcement actions either directly or indirectly impose restrictions upon American's ability to respond to competitors, American's business may be adversely impacted.

As described in Item 3. Legal Proceedings, the Antitrust Division of the DOJ and several purported classes of private parties are pursuing litigation alleging that American violated federal antitrust laws when competing with new carriers. Although the Company believes that the litigation is without merit, adverse court decisions could impose restrictions on American's ability to respond to competitors, and American's business may be adversely impacted.

AIRLINE FARES Airlines are permitted to establish their own domestic fares without governmental regulation, and the industry is characterized by substantial price competition. The DOT maintains authority over international fares, rates and charges. International fares and rates are also subject to the jurisdiction of the governments of the foreign countries which American serves. While air carriers are required to file and adhere to international fare and rate tariffs, substantial commissions, overrides and discounts to travel agents, brokers and wholesalers characterize many international markets.

Legislation (sometimes referred to as the "Passengers' Bill of Rights") has been discussed in various legislatures (including the Congress). This legislation could, if enacted, (i) place various limitations on airline fares and/or (ii) affect operating practices such as baggage handling and overbooking. Effective December 15, 1999, the Company, as well as other domestic airlines, implemented a Customer Service Plan to address a number of service goals, including, but not limited to (i) lowest fare availability, (ii) delays, cancellations, and diversion events, (iii) baggage delivery and liability, (iv) guaranteed fares, (v) ticket refunds, (vi) accommodation of customers with special needs, (vii) essential customer needs during extraordinary delays, (viii) flight oversales, (ix) Frequent Flyer Program - AAdvantage, (x) other travel policies, (xi) service with domestic code share partners, and (xii) handling of customer issues. In February 2001, the DOT Inspector General issued a report on the various carriers' performance of their Customer Service Plans. The report included a number of recommendations which could limit American's flexibility with respect to various operational practices. In February 2001, a bill proposing an "Airline Customer Service Improvement Act" was introduced in the United States Senate. In addition, other items of legislation have been introduced that would limit hub concentration, reallocate slots at certain airports and impose higher landing fees at certain hours. To the extent legislation is enacted that would inhibit American's flexibility with respect to fares, its revenue management system, its operations or other aspects of its customer service operations, American's financial results could be adversely affected.

Fare discounting by competitors has historically had a negative effect on the Company's financial results because the Company is generally required to match competitors' fares to maintain passenger traffic. During recent years, a number of new low-cost airlines have entered the domestic market and several major airlines, including American, implemented efforts to lower their cost structures. Further fare reductions, domestic and international, may occur in the future. If fare reductions are not offset by increases in passenger traffic, cost reductions or changes in the mix of traffic that improves yields, the Company's operating results will be negatively impacted.

AIRPORT ACCESS In 1968, the FAA issued a rule designating New York John F. Kennedy, New York LaGuardia, Washington Reagan, Chicago O'Hare and Newark airports as high-density traffic airports. Newark was subsequently removed from the high-density airport classification. The high-density rule (HDR) limits the number of Instrument Flight Rule (IFR) operations - take-offs and landings - permitted per hour and requires that a slot support each operation. In April 2000, legislation was signed to (i) eliminate slot restrictions at New York's John F. Kennedy and LaGuardia airports in 2007, (ii) shrink Chicago O'Hare's slot day from 0645 - 2114 hours to 1445 - 2014 hours starting July 2001, and (iii) eliminate Chicago O'Hare slots in July 2002. The Company does not expect the elimination of slot restrictions to have a material adverse impact on the Company's operations and its financial condition or result of operations.

Pursuant to the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (Air 21 Act), slot restrictions were lifted for service to/from LaGuardia and certain cities classified as small and non-hub airports (new service cities). This increase in service is to be operated by regional jets. As a consequence, the Company and other carriers increased their service at LaGuardia to the new service cities. In December 2000, the DOT held a lottery for LaGuardia slots for service to the new service cities in order to ease congestion at the airport. The congestion was a direct result of the growth of Air 21 Act slot operations. While the Company has scaled back its service to the new service cities to/from LaGuardia, it is not anticipated that this reduction will have a material impact on the Company's operations and its financial condition or result of operations.

At December 31, 2000, the net book value of the Company's slots at New York John F. Kennedy, New York LaGuardia and Chicago O'Hare airports was approximately $183 million. Currently, the FAA permits the purchasing, selling, leasing or transferring of slots except those slots designated as international, essential air service or Air 21 Act. Trading of any slot is permitted subject to certain parameters. Most foreign airports, including London Heathrow, a major European destination for American, also have slot allocations. Most foreign authorities do not permit the purchasing, selling or leasing of slots.

Although the Company is constrained by slots, it currently has sufficient slot authorizations to operate its existing flights and has generally been able to obtain slots to expand its operations and change its schedules. However, there is no assurance that the Company will be able to obtain slots for these purposes in the future because, among other factors, domestic slot allocations are subject to changes in government policies.

ENVIRONMENTAL MATTERS The Company is subject to various laws and government regulations concerning environmental matters and employee safety and health in the U.S. and other countries. U.S. federal laws that have a particular impact on the Company include the Airport Noise and Capacity Act of 1990 (ANCA), the Clean Air Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Safe Drinking Water Act, and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or the Superfund Act). The Company is also subject to the oversight of the Occupational Safety and Health Administration (OSHA) concerning employee safety and health matters. The U.S. Environmental Protection Agency (EPA), OSHA, and other federal agencies have been authorized to promulgate regulations that have an impact on the Company's operations. In addition to these federal activities, various states have been delegated certain authorities under the aforementioned federal statutes. Many state and local governments have adopted environmental and employee safety and health laws and regulations, some of which are similar to federal requirements. As a part of its continuing safety, health and environmental program, the Company anticipates that it will comply with such requirements without any material adverse effect on its business.

The ANCA recognizes the rights of airport operators with noise problems to implement local noise abatement programs so long as they do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. Authorities in several cities have promulgated aircraft noise reduction programs, including the imposition of nighttime curfews. The ANCA generally requires FAA approval of local noise restrictions on aircraft. While American has had sufficient scheduling flexibility to accommodate local noise restrictions imposed to date, American's operations could be adversely affected if locally-imposed regulations become more restrictive or widespread.

American has been identified by the EPA as a potentially responsible party (PRP) at the Operating Industries, Inc. Superfund Site in California. American has signed a partial consent decree with respect to this site and is one of several PRPs named. American has also been identified as a PRP at the Beede Waste Oil Superfund Site in New Hampshire. American has responded to a 104(e) Request for Information regarding interaction with several companies related to this site. At the Operating Industries, Inc. and the Beede Waste Oil sites, American's alleged waste disposal volumes are minor compared to the other PRPs at these sites. In 1998, the EPA named American a de minimis PRP at the Casmalia Waste Disposal Site in California.

American, along with most other tenants at the San Francisco International Airport (SFIA), has been ordered by the California Regional Water Quality Control Board to engage in various studies of potential environmental contamination at the airport and to undertake remedial measures, if necessary. SFIA is also seeking to recover its past costs related to the contamination from the tenants.

The Miami International Airport Authority is currently remediating various environmental conditions at the Miami International Airport (the Airport) and funding the remediation costs through landing fee revenues and other cost recovery methods. Future costs of the remediation effort may be borne by carriers operating at the Airport, including American, through increased landing fees and/or other charges since certain of the PRPs are no longer in business. The future increase in landing fees and/or other charges may be material but cannot be reasonably estimated due to various factors, including the unknown extent of the remedial actions that may be required, the proportion of the cost that will ultimately be recovered from the responsible parties, and uncertainties regarding the environmental agencies that will ultimately supervise the remedial activities and the nature of that supervision.

In 1999, American was ordered by the New York State Department of Environmental Conservation to conduct remediation of environmental contamination located at Terminals 8 and 9 at New York's John F. Kennedy International Airport. American is seeking to recover a portion of the related costs from previous users of the premises.

Also in 1999, the Company entered a plea agreement with the United States government with respect to a one count indictment relating to the storage of hazardous materials. As part of the plea agreement, the Company was placed on probation for three years and has adopted a comprehensive compliance program. To the extent the Company fails to abide by the terms of the probation or its compliance program, the Company's operations may be adversely impacted.

American and Executive Airlines, Inc., along with other tenants at the Luis Munoz Marin International Airport in San Juan, Puerto Rico, have been named as PRPs for environmental claims at the airport.

American Eagle Airlines, Inc. has been notified of its potential liability under New York law at an inactive hazardous waste site in Poughkeepsie, New York.

AMR does not expect these matters, individually or collectively, to have a material impact on its financial position, results of operations or liquidity.

LABOR

The airline business is labor intensive. Wages, salaries and benefits represented approximately 37 percent of AMR's consolidated operating expenses for the year ended December 31, 2000.

The majority of American's employees are represented by labor unions and covered by collective bargaining agreements. American's relations with such labor organizations are governed by the Railway Labor Act. Under this act, the collective bargaining agreements among American and these organizations do not expire but instead become amendable as of a stated date. If either party wishes to modify the terms of any such agreement, it must notify the other party in the manner described in the agreement. After receipt of such notice, the parties must meet for direct negotiations, and if no agreement is reached, either party may request the National Mediation Board (NMB) to appoint a federal mediator. If no agreement is reached in mediation, the NMB may declare at some time that an impasse exists, and if an impasse is declared, the NMB proffers binding arbitration to the parties. Either party may decline to submit to arbitration. If arbitration is rejected, a 30-day "cooling off" period commences. During that period, a Presidential Emergency Board (PEB) may be established, which examines the parties' positions and recommends a solution. The PEB process lasts for 30 days and is followed by a "cooling off" period of 30 days. At the end of a "cooling off" period, the labor organization may strike and the airline may resort to "self-help", including the imposition of any or all of its proposed amendments and the hiring of workers to replace strikers.

American's contract with the Association of Professional Flight Attendants (APFA) became amendable on November 1, 1998. The parties reached a tentative agreement in mid-1999 which the APFA membership did not ratify. Negotiations between American and the APFA continue with the assistance of a mediator appointed by the NMB. Those mediated negotiations will continue in April 2001. At the request of the NMB, the parties have agreed to a blackout of communications concerning the substance of the talks for the time being.

American's agreement with the Transport Workers Union (TWU) became amendable on March 1, 2001. American and the TWU have been negotiating changes to the agreement for several months. In response to the formal opening of negotiations between the parties on February 27, 2001, certain members of the TWU engaged in an illegal work action at New York's John F. Kennedy airport and, to a lesser extent, New York LaGuardia. This illegal work action adversely impacted American's operations. On March 1, 2001, American obtained a temporary restraining order against the illegal work action, and subsequently operations at those airports returned to normal. On March 13, 2001, the U.S. District Court, Southern District of New York, refused to issue a preliminary injunction against the TWU, but cautioned the parties that adherence to the law to avoid unlawful service interruptions was required.

In 1997, American reached an agreement with the members of the Allied Pilots Association (APA). The agreement becomes amendable August 31, 2001.

The Air Line Pilots Association (ALPA), which represents AMR Eagle pilots, reached agreement with AMR Eagle effective September 1, 1997, to have all of the pilots of the Eagle carriers covered by a single collective bargaining agreement. This agreement lasts until October 31, 2013. The parties have the right to seek limited changes in 2000, 2004, 2008 and 2012. If the parties are unable to agree on the limited changes, they also agreed that the issues would be resolved by interest arbitration, without the exercise of self-help (such as a strike). ALPA and AMR Eagle negotiated a tentative agreement in 2000, but that agreement failed in ratification. Thereafter, the parties participated in interest arbitration. They are awaiting the decisions of the arbitrators.

The Association of Flight Attendants (AFA), which represents the flight attendants of the Eagle carriers, reached agreement with AMR Eagle effective March 2, 1998, to have all flight attendants of the AMR Eagle carriers covered by a single contract. The agreement becomes amendable on September 2, 2002. However, the parties have agreed to commence negotiations over amendments to the agreement in March, 2001. The other union employees at the AMR Eagle carriers are covered by separate agreements with the TWU which were effective April 28, 1998, and are amendable April 28, 2003.

With respect to the series of transactions described on pages 1 and 2 involving TWA, United/US Airways and DC Air, certain aspects of those transactions are dependent upon the resolution of matters with the unions representing the affected employees. The transaction with TWA requires, among other things, that TWA's unions agree to waive certain provisions of their current collective bargaining agreements as a condition to American's purchase of the TWA assets. The DC Air transaction contemplates that American's flight attendants and pilots would crew the aircraft involved in the wet lease arrangement. The APA filed a grievance on March 13, 2001 seeking to arbitrate whether the DC Air transaction would violate certain provisions of the collective bargaining agreement between American and the APA. Finally, the union representing American's pilots will need to resolve seniority integration issues concerning US Airways pilots in conjunction with the aircraft asset transfer from United/US Airways to American.

FUEL

The Company's operations are significantly affected by the availability and price of jet fuel. The Company's fuel costs and consumption for the years 1998 through 2000 were:

Year	Gallons Consumed (in millions)	Total Cost (in millions)	Average Cost Per Gallon (in cents)	Average Cost Per Gallon, Excluding Fuel Taxes (in cents)	Percent of AMR's Operating Expenses
1998	2,922	$1,604	54.9	50.2	10.3
1999	3,084	1,696	55.0	50.4	10.2
2000	3,197	2,495	78.1	72.8	13.6

The impact of fuel price changes on the Company and its competitors is dependent upon various factors, including hedging strategies. The Company has a fuel hedging program in which it enters into fuel swap and option contracts to protect against increases in jet fuel prices, which has had the effect of dampening the Company's average cost per gallon. During 2000, the Company's fuel hedging program reduced the Company's fuel expense by approximately $545 million. To reduce the impact of potential continuing fuel price increases in 2001, the Company has hedged approximately 40 percent of its 2001 fuel requirements as of December 31, 2000. Based on projected fuel usage, the Company estimates that a 10 percent increase in the price per gallon of fuel would result in an increase to aircraft fuel expense of approximately $194 million in 2001, net of fuel hedge instruments outstanding at December 31, 2000. The above analysis excludes any impact of the proposed transactions discussed on pages 1 and 2. Due to the competitive nature of the airline industry, in the event of continuing increases in the price of jet fuel, there can be no assurance that the Company will be able to pass on increased fuel prices to its customers by increasing its fares. Likewise, any potential benefit of lower fuel prices may be offset by increased fare competition and lower revenues for all air carriers.

While the Company does not anticipate a significant reduction in fuel availability, dependency on foreign imports of crude oil and the possibility of changes in government policy on jet fuel production, transportation and marketing make it impossible to predict the future availability of jet fuel. If there were major reductions in the availability of jet fuel, the Company's business would be adversely affected.

Additional information regarding the Company's fuel program is included in the Outlook for 2001, Item 7(A) - Quantitative and Qualitative Disclosures about Market Risk, and in Note 6 to the consolidated financial statements.

FREQUENT FLYER PROGRAM

American established the AAdvantage frequent flyer program (AAdvantage) to develop passenger loyalty by offering awards to travelers for their continued patronage. AAdvantage members earn mileage credits for flights on American, American Eagle and certain other participating airlines, or by utilizing services of other program participants, including hotels, car rental companies and bank credit card issuers. American sells mileage credits and related services to the other companies participating in the program. American reserves the right to change the AAdvantage program rules, regulations, travel awards and special offers at any time without notice. American may initiate changes impacting, for example, participant affiliations, rules for earning mileage credit, mileage levels and awards, blackout dates and limited seating for travel awards, and the features of special offers. American reserves the right to end the AAdvantage program with six months' notice.

Mileage credits can be redeemed for free, discounted or upgraded travel on American, American Eagle or participating airlines, or for other travel industry awards. Once a member accrues sufficient mileage for an award, the member may request an award certificate from American. Award certificates may be redeemed up to one year after issuance. Most travel awards are subject to blackout dates and capacity controlled seating. In 1999, certain changes were made to the AAdvantage program so that miles do not expire, provided a customer has any type of qualifying activity at least once every 36 months.

American accounts for its frequent flyer obligation on an accrual basis using the incremental cost method. American's frequent flyer liability is accrued each time a member accumulates sufficient mileage in his or her account to claim the lowest level of free travel award (25,000 miles) and such award is expected to be used for free travel. American includes fuel, food, and reservations/ticketing costs, but not a contribution to overhead or profit, in the calculation of incremental cost. The cost for fuel is estimated based on total fuel consumption tracked by various categories of markets, with an amount allocated to each passenger. Food costs are tracked by market category, with an amount allocated to each passenger. Reservation/ticketing costs are based on the total number of passengers, including those traveling on free awards, divided into American's total expense for these costs. American defers the portion of revenues received from companies participating in the AAdvantage program related to the sale of mileage credits and recognizes such revenues over a period approximating the period during which the mileage credits are used. The remaining portion of the revenue is recognized upon receipt as the related services have been provided.

At December 31, 2000 and 1999, American estimated that approximately 6.5 million and 5.4 million free travel awards, respectively, were expected to be redeemed for free travel on American. In making the estimate of free travel awards, American has excluded mileage in inactive accounts, mileage related to accounts that have not yet reached the lowest level of free travel award, and mileage in active accounts that have reached the lowest level of free travel award but which are not expected to ever be redeemed for free travel on American. The liability for the program mileage that has reached the lowest level of free travel award and is expected to be redeemed for free travel on American or other participating airlines and deferred revenues for mileage credits sold to others participating in the program was $976 million and $827 million, representing 14.0 percent and 14.1 percent of AMR's total current liabilities, at December 31, 2000 and 1999, respectively.

The estimated number of free travel awards used for travel on American was 2.8 million in 2000, 2.7 million in 1999 and 2.3 million in 1998, representing 9.2 percent of total revenue passenger miles in 2000, 9.3 percent in 1999 and 8.8 percent in 1998. American believes displacement of revenue passengers is minimal given American's load factors, its ability to manage frequent flyer seat inventory, and the relatively low ratio of free award usage to revenue passenger miles.

OTHER MATTERS

SEASONALITY AND OTHER FACTORS The Company's results of operations for any interim period are not necessarily indicative of those for the entire year, since the air transportation business is subject to seasonal fluctuations. Higher demand for air travel has traditionally resulted in more favorable operating results for the second and third quarters of the year than for the first and fourth quarters.

The results of operations in the air transportation business have also significantly fluctuated in the past in response to general economic conditions. In addition, fare initiatives, fluctuations in fuel prices, labor actions and other factors could impact this seasonal pattern. Unaudited quarterly financial data for the two-year period ended December 31, 2000 is included in Note 14 to the consolidated financial statements.

No material part of the business of AMR and its subsidiaries is dependent upon a single customer or very few customers. Consequently, the loss of the Company's largest few customers would not have a materially adverse effect upon AMR.

INSURANCE The Company carries insurance for public liability, passenger liability, property damage and all-risk coverage for damage to its aircraft, in amounts which, in the opinion of management, are adequate.

OTHER GOVERNMENT MATTERS In time of war or during an unlimited national emergency or civil defense emergency, American and other major air carriers may be required to provide airlift services to the Military Airlift Command under the Civil Reserve Air Fleet program.

ITEM 2. PROPERTIES

FLIGHT EQUIPMENT

Owned and leased aircraft operated by American and AMR Eagle at December 31, 2000, included:

Equipment Type	Current Seating Capacity(1)	Owned	Capital Leased	Operating Leased	Total	Weighted Average Age (Years)
AMERICAN AIRCRAFT						
Airbus A300-600R	192/250/251	10	--	25	35	11
Boeing 727-200	138	55	5	--	60	24
Boeing 737-800(2)	134	51	--	--	51	1
Boeing 757-200	176	58	13	31	102	8
Boeing 767-200	165	8	--	--	8	18
Boeing 767-200 Extended Range	158	9	13	--	22	14
Boeing 767-300 Extended Range	190/207/228	32	7	10	49	8
Boeing 777-200 Extended Range	230/237/252/254	27	--	--	27	1
Fokker 100	56/87	66	5	4	75	8
McDonnell Douglas MD-11	238	7	--	--	7	8
McDonnell Douglas MD-80	112/125/127/129	128	22	126	276	13
McDonnell Douglas MD-90	135	-	--	5	5	4
Total		451	65	201	717	11
AMR EAGLE AIRCRAFT						
ATR 42	46	20	--	11	31	10
Embraer 135	37	33	--	--	33	1
Embraer 145	50	50	--	--	50	2
Super ATR	64/66	40	--	3	43	6
Saab 340	34	22	57	--	79	9
Saab 340B Plus	34	-	--	25	25	5
Total		165	57	39	261	6

(1) American's current seating capacity includes the effect of aircraft reconfigured under the Company's More Room Throughout Coach program.

(2) The Boeing 727-200 fleet will be removed from service by the end of 2003.

For information concerning the estimated useful lives and residual values for owned aircraft, lease terms for leased aircraft and amortization relating to aircraft under capital leases, see Notes 1 and 4 to the consolidated financial statements.

The Company has agreed to sell its McDonnell Douglas MD-11 aircraft to FedEx Corporation (FedEx). The remaining seven MD-11 aircraft will be removed from service by December 31, 2001 and delivered to FedEx in 2001 and 2002.

Lease expirations for the leased aircraft included in the preceding table as of December 31, 2000, were:

Equipment Type	2001	2002	2003	2004	2005	2006 and Thereafter
AMERICAN AIRCRAFT						
Airbus A300-600R	--	--	--	--	--	25
Boeing 727-200	--	2	3	--	--	--
Boeing 757-200	2	2	--	3	--	37
Boeing 767-200 Extended Range	--	--	--	--	--	13
Boeing 767-300 Extended Range	--	1	--	--	4	12
Fokker 100	2	3	--	--	--	4
McDonnell Douglas MD-80	11	13	5	2	14	103
McDonnell Douglas MD-90	5	--	--	--	--	--
	20	21	8	5	18	194
AMR EAGLE AIRCRAFT						
ATR 42	8	--	3	--	--	--
Super ATR	3	--	--	--	--	--
Saab 340	--	--	--	--	21	36
Saab 340B Plus	--	--	--	--	--	25
	11	--	3	--	21	61

Substantially all of the Company's aircraft leases include an option to purchase the aircraft or to extend the lease term, or both, with the purchase price or renewal rental to be based essentially on the market value of the aircraft at the end of the term of the lease or at a predetermined fixed amount.

GROUND PROPERTIES

American leases, or has built as leasehold improvements on leased property, most of its airport and terminal facilities; certain corporate office, maintenance and training facilities in Fort Worth, Texas; its principal overhaul and maintenance base at Tulsa International Airport, Tulsa, Oklahoma; its regional reservation offices; and local ticket and administration offices throughout the system. American has entered into agreements with the Tulsa Municipal Airport Trust; the Alliance Airport Authority, Fort Worth, Texas; and the Dallas/Fort Worth, Chicago O'Hare, Raleigh/Durham, Nashville, San Juan, New York, and Los Angeles airport authorities to provide funds for constructing, improving and modifying facilities and acquiring equipment which are or will be leased to American. American also utilizes public airports for its flight operations under lease or use arrangements with the municipalities or governmental agencies owning or controlling them and leases certain other ground equipment for use at its facilities. During 1999, the Company began construction of an approximate $1.3 billion terminal facility at New York's John F. Kennedy International Airport, which the Company expects to fund primarily through future tax-exempt financing.

For information concerning the estimated lives and residual values for owned ground properties, lease terms and amortization relating to ground properties under capital leases, and acquisitions of ground properties, see Notes 1, 3 and 4 to the consolidated financial statements.

ITEM 3. LEGAL PROCEEDINGS

In connection with its frequent flyer program, American was sued in several purported class action cases currently pending in the Circuit Court of Cook County, Illinois. In Wolens et al. v. American Airlines, Inc. and Tucker v. American Airlines, Inc. (hereafter, "Wolens"), plaintiffs seek money damages and attorneys' fees claiming that a change made to American's AAdvantage program in May 1988, which limited the number of seats available to participants traveling on certain awards, breached American's agreement with its AAdvantage members. (Although the Wolens complaint originally asserted several state law claims, only the plaintiffs' breach of contract claim remains after the U.S. Supreme Court ruled that the Airline Deregulation Act preempted the other claims). In Gutterman et al. v. American Airlines, Inc. (hereafter, "Gutterman"), plaintiffs also seek money damages and attorneys' fees claiming that the February 1995 increase in the award mileage required to claim a certain AAdvantage travel award breached the agreement between American and its AAdvantage members. On June 23, 1998, the court certified the Gutterman case as a class action.

In February 2000, American and the Wolens and Gutterman plaintiffs reached a settlement of both lawsuits. Pursuant to the agreement, American and the plaintiffs agreed to ask the court to consolidate the Wolens and Gutterman lawsuits for purposes of settlement. Further, American and the Wolens plaintiffs agreed to ask the court to certify a Wolens class of AAdvantage members who had at least 35,000 unredeemed AAdvantage miles as of December 31, 1988. In addition, American and the Gutterman plaintiffs agreed to ask the court to decertify the existing Gutterman class and to certify a new Gutterman class of AAdvantage members who as of December 31, 1993 (a) had redeemed 25,000 or 50,000 AAdvantage miles for certain AAdvantage awards and/or (b) had between 4,700 and 24,999 unredeemed miles in his or her account that were earned in 1992 or 1993. Depending upon certain factors, Wolens and Gutterman class members will be entitled to receive certificates entitling them to mileage off certain AAdvantage awards or dollars off certain American fares.

As part of the settlement, American agreed to pay the Wolens and Gutterman plaintiffs' attorneys fees and the cost of administering the settlement, which amounts were accrued as of December 31, 1999. In consideration for the relief provided in the settlement agreement, Wolens and Gutterman class members will release American from all claims arising from any changes that American has made to the AAdvantage program and reaffirming American's right to make changes to the AAdvantage program in the future. On May 2, 2000, the court preliminarily approved the settlement and authorized sending notice of the settlement to class members. On September 28, 2000 and February 23, 2001, the court heard arguments and took evidence concerning the fairness of the settlement and the request for fees by the plaintiffs' attorneys. The court has not yet finally approved the settlement agreement or the plaintiffs' fee request.

On July 26, 1999, a class action lawsuit was filed, and in November 1999 an amended complaint was filed, against AMR Corporation, American Airlines, Inc., AMR Eagle Holding Corporation, Airlines Reporting Corporation, and the Sabre Group Holdings, Inc. in the United States District Court for the Central District of California, Western Division (Westways World Travel, Inc. v. AMR Corp., et al.). The lawsuit alleges that requiring travel agencies to pay debit memos to American for violations of American's fare rules (by customers of the agencies) (1) breaches the Agent Reporting Agreement between American and American Eagle and plaintiffs, (2) constitutes unjust enrichment, and (3) violates the Racketeer Influenced and Corrupt Organizations Act of 1970 (RICO). The as yet uncertified class includes all travel agencies who have been or will be required to pay monies to American for debit memos for fare rules violations from July 26, 1995 to the present. Plaintiffs seek to enjoin American from enforcing the pricing rules in question and to recover the amounts paid for debit memos, plus treble damages, attorneys' fees, and costs. Defendants' motion to dismiss all claims is pending. American intends to vigorously defend the lawsuit. Although the Company believes that the litigation is without merit, adverse court decisions could impose restrictions on American's ability to respond to competitors, and American's business may be adversely impacted.

On May 13, 1999, the United States (through the Antitrust Division of the Department of Justice) sued AMR Corporation, American Airlines, Inc., and AMR Eagle Holding Corporation in federal court in Wichita, Kansas. The lawsuit alleges that American unlawfully monopolized or attempted to monopolize airline passenger service to and from Dallas/Fort Worth International Airport (DFW) by increasing service when new competitors began flying to DFW, and by matching these new competitors' fares. The Department of Justice seeks to enjoin American from engaging in the alleged improper conduct and to impose restraints on American to remedy the alleged effects of its past conduct. The case has been set for trial on May 22, 2001. American intends to defend the lawsuit vigorously.

Between May 14, 1999 and June 7, 1999, seven class action lawsuits were filed against AMR Corporation, American Airlines, Inc., and AMR Eagle Holding Corporation in the United States District Court in Wichita, Kansas seeking treble damages under federal and state antitrust laws, as well as injunctive relief and attorneys' fees. (King v. AMR Corp., et al.; Smith v. AMR Corp., et al.; Team Electric v. AMR Corp., et al.; Warren v. AMR Corp., et al.; Whittier v. AMR Corp., et al.; Wright v. AMR Corp., et al.; and Youngdahl v. AMR Corp., et al.). Collectively, these lawsuits allege that American unlawfully monopolized or attempted to monopolize airline passenger service to and from DFW by increasing service when new competitors began flying to DFW, and by matching these new competitors' fares. Two of the suits (Smith and Wright) also allege that American unlawfully monopolized or attempted to monopolize airline passenger service to and from DFW by offering discounted fares to corporate purchasers, by offering a frequent flyer program, by imposing certain conditions on the use and availability of certain fares, and by offering override commissions to travel agents. The suits propose to certify several classes of consumers, the broadest of which is all persons who purchased tickets for air travel on American into or out of DFW since 1995 to the present. On November 10, 1999, the District Court stayed all of these actions pending developments in the case brought by the Department of Justice. As a result, to date no class has been certified. American intends to defend these lawsuits vigorously.

On March 1, 2000, American was served with a federal grand jury subpoena calling for American to produce documents relating to de-icing operations at DFW since 1992. American has produced documents to the grand jury, but is not able at this time to determine either the full scope of the grand jury's investigation or American's role in the investigation. American intends to cooperate fully with the government's investigation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the Company's security holders during the last quarter of its fiscal year ended December 31, 2000.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following information relates to the executive officers of AMR as of December 31, 2000.

Donald J. Carty	Mr. Carty was elected Chairman, President and Chief Executive Office of AMR and American in May 1998. He has been President of American since March 1995. Prior to that, he served as Executive Vice President of AMR from October 1989 to March 1995. Except for two years service as President and CEO of Canadian Pacific Air between March 1985 and March 1987, he has been with the Company in various finance and planning positions since 1978. Age 54.
Robert W. Baker	Mr. Baker was elected Vice Chairman of AMR and American in January 2000. He served as Executive Vice President - Operations of American from 1989 to January 2000 and a Senior Vice President of American from 1985 to September 1989. Prior to that, he served in various management positions at American since 1968. Age 56.
Gerard J. Arpey	Mr. Arpey was elected Executive Vice President - Operations of American in January 2000. He is also an Executive Vice President of AMR. Mr. Arpey served as Chief Financial Officer of AMR from 1995 through 2000 and Senior Vice President of American from 1992 to January 2000. Prior to that, he served in various management positions at American since 1982. Age 42.
Daniel P. Garton	Mr. Garton was elected Executive Vice President - Customer Service of American in January 2000. He is also an Executive Vice President of AMR. He served as Senior Vice President - Customer Service of American from 1998 to January 2000. Prior to that, he served as President of AMR Eagle from 1995 to 1998. Except for two years service as Senior Vice President and CFO of Continental Airlines between 1993 and 1995, he has been with the Company in various management positions since 1984. Age 43.
Michael W. Gunn	Mr. Gunn was elected Executive Vice President - Marketing and Planning of American in January 2000. He is also an Executive Vice President of AMR. He served as Senior Vice President - Marketing from 1985 to January 2000. Prior to that, he has served in various management positions at American since 1970. Age 55.
Thomas W. Horton	Mr. Horton was elected Senior Vice President and Chief Financial Officer of AMR and American in January 2000. Prior to that, he served as a Vice President of American from 1994 to January 2000 and has served in various management positions of American since 1985. Age 39.
Anne H. McNamara	Ms. McNamara was elected Senior Vice President and General Counsel in 1988. She served as Vice President - Personnel Resources of American during 1988. She was elected Corporate Secretary of AMR in 1982 and of American in 1979 and held those positions through 1987. Prior to that, she served as an attorney since 1976. Age 53.
Charles D. MarLett	Mr. MarLett was elected Corporate Secretary in January 1988. He joined American as an attorney in June 1984. Age 46.

EXECUTIVE OFFICERS OF THE REGISTRANT (CONTINUED)

There are no family relationships among the executive officers of the Company named on the preceding page.

There have been no events under any bankruptcy act, no criminal proceedings, and no judgments or injunctions material to the evaluation of the ability and integrity of any director or executive officer during the past five years.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded on the New York Stock Exchange (symbol AMR). The approximate number of record holders of the Company's common stock at March 16, 2001 was 13,250.

The range of closing market prices for AMR's common stock on the New York Stock Exchange was:

	2000		1999	
	High	Low	High	Low
QUARTER ENDED				
March 31	$67 3/8	$30	$71 7/16	$53 3/16
June 30	37 7/8	26 7/16	74 5/16	60 9/16
September 30	34 11/16	26 1/8	72 3/4	52 13/16
December 31	39 3/16	27 15/16	68 1/2	53 9/16

Effective after the close of business on March 15, 2000, AMR distributed 0.722652 shares of Sabre Class A common stock for each share of AMR stock owned by AMR's shareholders. As a result of the dividend, AMR's stock price was adjusted from $60 9/16 to $25 9/16 by the New York Stock Exchange after the market close on March 15, 2000 to exclude the value of Sabre. The pre-March 15, 2000 stock prices in the above table have not been adjusted to give effect to this distribution.

No cash dividends on common stock were declared for any period during 2000 or 1999. Payment of dividends is subject to the restrictions described in Note 5 to the consolidated financial statements.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

(in millions, except per share amounts)

	2000	1999	1998(2)	1997(2)	1996(2)
Total operating revenues	$19,703	$17,730	$17,516	$16,957	$16,249
Operating income	1,381	1,156	1,988	1,595	1,477
Income from continuing operations before extraordinary loss	779	656	1,114	809	901
Net earnings	813	985	1,314	985	1,016
Earnings per common share from continuing operations before extraordinary loss:(1)					
Basic	5.20	4.30	6.60	4.54	5.23
Diluted	4.81	4.17	6.38	4.43	4.88
Net earnings per common share:(1)					
Basic	5.43	6.46	7.78	5.52	5.90
Diluted	5.03	6.26	7.52	5.39	5.59
Total assets	26,213	24,374	21,455	20,287	20,004
Long-term debt, less current maturities	4,151	4,078	2,436	2,248	2,737
Obligations under capital leases, less current obligations	1,323	1,611	1,764	1,629	1,790
Obligation for postretirement benefits	1,706	1,669	1,598	1,527	1,483

(1) The earnings per share amounts reflect the stock split on June 9, 1998.

(2) Restated to reflect discontinued operations.

No dividends were declared on common shares during any of the periods above.

Information on the comparability of results is included in Management's Discussion and Analysis and the notes to the consolidated financial statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

AMR Corporation (AMR or the Company) was incorporated in October 1982. AMR's principal subsidiary, American Airlines, Inc. (American), was founded in 1934. AMR's operations fall almost entirely in the airline industry.

RESULTS OF OPERATIONS

AMR's net earnings in 2000 were $813 million, or $5.43 per common share ($5.03 diluted). AMR's income from continuing operations before extraordinary loss in 2000 was $779 million, or $5.20 per common share ($4.81 diluted). The results for 2000 include the following special items: (i) a gain of $57 million ($36 million after tax) from the sale of the Company's warrants to purchase 5.5 million shares of priceline.com Incorporated (priceline) common stock, (ii) a gain of approximately $41 million ($26 million after tax) from the recovery of start-up expenses from the Canadian Airlines International Limited (Canadian) services agreement, and (iii) a charge of $56 million ($35 million after tax) for the Company's employee home computer program.

AMR's net earnings in 1999 were $985 million, or $6.46 per common share ($6.26 diluted). AMR's income from continuing operations in 1999 was $656 million, or $4.30 per common share ($4.17 diluted). A labor disagreement that disrupted operations during the first quarter of 1999 negatively impacted the Company's 1999 results by an estimated $225 million ($140 million after tax). The results for 1999 also include the following: (i) American's December 1998 acquisition of Reno Air, Inc. (Reno) and AMR Eagle's March 1999 acquisition of Business Express, Inc. (Business Express), (ii) a gain of $83 million ($64 million after tax) on the sale of AMR Services, AMR Combs and TeleService Resources, which is included in discontinued operations, (iii) a gain of approximately $213 million ($118 million after taxes and minority interest) resulting from the sale of a portion of the Company's holding in Equant N.V. (Equant), of which approximately $75 million ($47 million after tax) is included in income from continuing operations, (iv) a gain of $40 million ($25 million after tax) from the Company's sale of its investment in the cumulative mandatorily redeemable convertible preferred stock of Canadian and a $67 million tax benefit resulting from the tax loss on the Company's investment in Canadian, and (v) a charge of approximately $37 million ($25 million after tax) relating to the provision for certain litigation items.

REVENUES

2000 COMPARED TO 1999 The Company's revenues increased approximately $2.0 billion, or 11.1 percent, versus 1999. American's passenger revenues increased by 11.4 percent, or $1.7 billion. American's yield (the average amount one passenger pays to fly one mile) of 14.05 cents increased by 7.1 percent compared to 1999. For the year, domestic yields increased 7.5 percent while European, Latin American and Pacific yields increased 9.9 percent, 4.2 percent and 3.8 percent, respectively. The increase in revenues was due primarily to a strong U.S. economy, which led to strong demand for air travel both domestically and internationally, a favorable pricing climate, the impact of a domestic fuel surcharge implemented in January 2000 and increased in September 2000, a labor disruption at one of the Company's competitors which positively impacted the Company's revenues by approximately $80 to $100 million, and a schedule disruption which negatively impacted the Company's operations in 1999.

American's domestic traffic increased 2.7 percent to 78.5 billion revenue passenger miles (RPMs), while domestic capacity, as measured by available seat miles (ASMs), decreased 1.6 percent. The decrease in domestic capacity was due primarily to the Company's More Room Throughout Coach program. (The Company's More Room Throughout Coach program reconfigures American's entire fleet to increase the seat pitch from the present industry standard of 31 and 32 inches to a predominant seat pitch of 34 and 35 inches.) International traffic grew 6.8 percent to 38.1 billion RPMs on capacity growth of 3.1 percent. The increase in international traffic was led by a 12.2 percent increase in the Pacific on capacity growth of 2.5 percent, an 8.5 percent increase in Europe on capacity growth of 6.7 percent, and a 4.1 percent increase in Latin America on capacity growth of 0.4 percent. In 2000, American derived approximately 70 percent of its passenger revenues from domestic operations and approximately 30 percent from international operations.

AMR Eagle's passenger revenues increased $158 million, or 12.2 percent. AMR Eagle's traffic increased to 3.7 billion RPMs, up 10.7 percent, while capacity increased to 6.3 billion ASMs, or 10.9 percent. The increase in revenues was due primarily to growth in AMR Eagle capacity aided by a strong U.S. economy, which led to strong demand for air travel, and a favorable pricing environment.

Cargo revenues increased 12.1 percent, or $78 million, due primarily to a fuel surcharge implemented in February 2000 and increased in October 2000 and the increase in cargo capacity from the addition of 16 Boeing 777-200ER aircraft in 2000.

1999 COMPARED TO 1998 The Company's revenues increased $214 million, or 1.2 percent, versus 1998. American's passenger revenues increased by 0.1 percent, or $12 million. American's yield of 13.12 cents decreased by 2.7 percent compared to 1998. For the year, domestic yields decreased 1.1 percent, while European, Pacific and Latin American yields decreased 7.2 percent, 6.0 percent and 4.5 percent, respectively. The decrease in domestic yield was due primarily to increased capacity, the labor disagreement during the first quarter of 1999, and the impact of international yield decreases on domestic yields. The decrease in international yields was due primarily to weak economies in certain parts of the world, large industry capacity additions and increased fare sale activity.

American's domestic traffic increased 2.1 percent to 76.4 billion RPMs, while domestic capacity increased 4.1 percent. The increase in domestic traffic was due primarily to the addition of Reno. International traffic grew 4.6 percent to 35.7 billion RPMs on a capacity increase of 3.1 percent. The increase in international traffic was led by a 44.2 percent increase in the Pacific on capacity growth of 44.1 percent and a 5.7 percent increase in Europe on capacity growth of 7.3 percent, partially offset by a 1.9 percent decrease in Latin America on a capacity decrease of 5.1 percent. In 1999, American derived approximately 70 percent of its passenger revenues from domestic operations and approximately 30 percent from international operations.

AMR Eagle's passenger revenues increased $173 million, or 15.4 percent. AMR Eagle's traffic increased to 3.4 billion RPMs, up 20.9 percent, while capacity increased to 5.6 billion ASMs, or 26.1 percent, due primarily to the addition of Business Express in March 1999.

OPERATING EXPENSES

2000 COMPARED TO 1999 The Company's operating expenses increased 10.5 percent, or approximately $1.7 billion. American's cost per ASM increased by 10.5 percent to 10.38 cents, partially driven by a reduction in ASMs due to the Company's More Room Throughout Coach program. Adjusting for this program, American's cost per ASM grew approximately 7.2 percent. Wages, salaries and benefits increased $663 million, or 10.8 percent, primarily due to an increase in the average number of equivalent employees and contractual wage rate and seniority increases that are built into the Company's labor contracts, an increase of approximately $93 million in the provision for profit-sharing, and a charge of approximately $56 million for the Company's employee home computer program. Aircraft fuel expense increased $799 million, or 47.1 percent, due to an increase of 42.0 percent in the Company's average price per gallon and a 3.7 percent increase in the Company's fuel consumption. The increase in fuel expense is net of gains of approximately $545 million recognized during 2000 related to the Company's fuel hedging program. Depreciation and amortization expense increased $110 million, or 10.1 percent, due primarily to the addition of new aircraft, many of which replaced older aircraft. Maintenance, materials and repairs expense increased $92 million, or 9.2 percent, due primarily to an increase in airframe and engine maintenance volumes at the Company's maintenance bases and an approximate $17 million one-time credit the Company received in 1999. Commissions to agents decreased 10.8 percent, or $125 million, despite an 11.4 percent increase in passenger revenues, due primarily to commission structure changes implemented in October 1999 and January 2000, and a decrease in the percentage of commissionable transactions.

1999 COMPARED TO 1998 The Company's operating expenses increased 6.7 percent, or approximately $1 billion. American's cost per ASM increased by 1.5 percent to 9.39 cents. Wages, salaries and benefits increased $327 million, or 5.6 percent, primarily due to an increase in the average number of equivalent employees and contractual wage rate and seniority increases that are built into the Company's labor contracts, partially offset by a decrease in the provision for profit-sharing. Aircraft fuel expense increased $92 million, or 5.7 percent, due to a 5.5 percent increase in the Company's fuel consumption and a 0.2 percent increase in the Company's average price per gallon. The increase in fuel expense is net of gains of approximately $111 million recognized during 1999 related to the Company's fuel hedging program. Depreciation and amortization expense increased $52 million, or 5.0 percent, due primarily to the addition of new aircraft, partially offset by the change in depreciable lives and residual values for certain types of aircraft in 1999 (see Note 1 to the consolidated financial statements). Maintenance, materials and repairs expense increased 7.3 percent, or $68 million, due primarily to the addition of Reno and Business Express aircraft during 1999. Commissions to agents decreased 5.2 percent, or $64 million, despite a 1.2 percent increase in passenger revenues, due to the benefit from the changes in the international commission structure in late 1998 and the base commission structure in October 1999, and a decrease in the percentage of commissionable transactions. Other rentals and landing fees increased 12.3 percent, or $103 million, due primarily to higher facilities rent and landing fees across American's system and the addition of Reno and Business Express. Food service increased $65 million, or 9.6 percent, due primarily to rate increases and the addition of Reno. Aircraft rentals increased $61 million, up 10.7 percent, primarily due to the addition of Reno and Business Express aircraft. Other operating expenses increased $342 million, or 12.0 percent, due primarily to increases in outsourced services, travel and incidental costs and booking fees.

OTHER INCOME (EXPENSE)

Other income (expense) consists of interest income and expense, interest capitalized and miscellaneous - net.

2000 COMPARED TO 1999 Interest income increased $59 million, or 62.1 percent, due primarily to higher investment balances. Interest expense increased $74 million, or 18.8 percent, resulting primarily from financing new aircraft deliveries. Interest capitalized increased 28.0 percent, or $33 million, due to an increase in purchase deposits for flight equipment. Miscellaneous - net increased $38 million due primarily to a $57 million gain on the sale of the Company's warrants to purchase 5.5 million shares of priceline common stock in the second quarter of 2000 and a gain of approximately $41 million from the recovery of start-up expenses from the Canadian services agreement. During 1999, the Company recorded a gain of approximately $75 million from the sale of a portion of American's interest in Equant and a gain of approximately $40 million related to the sale of the Company's investment in the preferred stock of Canadian. These gains were partially offset by the provision for the settlement of litigation items and the write-down of certain investments held by the Company during 1999.

1999 COMPARED TO 1998 Interest income decreased $38 million, or 28.6 percent, due primarily to lower investment balances throughout most of 1999. Interest expense increased $21 million, or 5.6 percent, resulting primarily from an increase in long-term debt. Interest capitalized increased 13.5 percent, or $14 million, due to an increase in purchase deposits for flight equipment throughout most of 1999. Miscellaneous - net increased $50 million due primarily to the sale of a portion of American's interest in Equant in 1999, which resulted in an approximate $75 million gain, and a gain of approximately $40 million from the sale of the Company's investment in the preferred stock of Canadian. These gains were partially offset by the provision for the settlement of litigation items and the write-down of certain investments held by the Company during 1999.

OPERATING STATISTICS

The following table provides statistical information for American and AMR Eagle for the years ended December 31, 2000, 1999 and 1998.

	Year Ended December 31,		
	2000	1999	1998
AMERICAN AIRLINES			
Revenue passenger miles (millions)	116,594	112,067	108,955
Available seat miles (millions)	161,030	161,211	155,297
Cargo ton miles (millions)	2,280	2,068	1,974
Passenger load factor	72.4%	69.5%	70.2%
Breakeven load factor	65.9%	63.8%	59.9%
Passenger revenue yield per passenger mile (cents)	14.05	13.12	13.49
Passenger revenue per available seat mile (cents)	10.17	9.12	9.46
Cargo revenue yield per ton mile (cents)	31.31	30.70	32.85
Operating expenses per available seat mile (cents)	10.38	9.39	9.25
Operating aircraft at year-end	717	697	648
AMR EAGLE			
Revenue passenger miles (millions)	3,731	3,371	2,788
Available seat miles (millions)	6,256	5,640	4,471
Passenger load factor	59.6%	59.8%	62.4%
Operating aircraft at year-end	261	268	209

LIQUIDITY AND CAPITAL RESOURCES

Operating activities provided net cash of $3.1 billion in 2000, $2.3 billion in 1999 and $2.8 billion in 1998. The $878 million increase from 1999 to 2000 resulted primarily from a decrease in working capital.

Capital expenditures in 2000 totaled $3.7 billion, compared to $3.5 billion in 1999 and $2.3 billion in 1998, and included aircraft acquisitions of approximately $3.1 billion. In 2000, American took delivery of 27 Boeing 737-800s and 16 Boeing 777-200ERs. AMR Eagle took delivery of 24 Embraer 135 aircraft and five Embraer 145 aircraft. These expenditures, as well as the expansion of certain airport facilities, were funded primarily with internally generated cash and the $559 million cash dividend from Sabre Holdings Corporation, except for (i) 11 Boeing aircraft which were financed through secured mortgage agreements, and (ii) the Embraer aircraft acquisitions which were funded through secured debt agreements.

At December 31, 2000, the Company had commitments to acquire the following aircraft: 66 Boeing 737-800s, 23 Boeing 757-200s, 20 Boeing 777-200ERs, 146 Embraer regional jets and 25 Bombardier CRJ-700s. Deliveries of all aircraft extend through 2006. Future payments for all aircraft, including the estimated amounts for price escalation, will approximate $2.7 billion in 2001, $1.6 billion in 2002, $900 million in 2003 and an aggregate of approximately $1.3 billion in 2004 through 2006. In addition to these commitments for aircraft, the Company expects to spend approximately $1.0 billion in 2001 for modifications to aircraft, renovations of - and additions to - - airport and off-airport facilities, and the acquisition of various other equipment and assets, of which approximately $855 million has been authorized by the Company's Board of Directors. The Company expects to fund its 2001 capital expenditures from the Company's existing cash and short-term investments, internally generated cash or new financing depending upon market conditions and the Company's evolving view of its long-term needs.

On January 10, 2001, the Company announced three transactions that are expected to substantially increase the scope of its existing network. First, the Company announced that it had agreed to purchase substantially all of the assets of Trans World Airlines, Inc. (TWA) for approximately $500 million in cash and to assume approximately $3.5 billion of TWA's obligations. The Company's agreement with TWA contemplated that TWA would file for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code and conduct an auction of its assets under the auspices of the Bankruptcy Court. During the auction, other credible offers would compete with the Company's offer. TWA filed for bankruptcy protection on January 10, 2001. In conjunction therewith, the Company also agreed to provide TWA with up to $200 million in debtor-in-possession financing to facilitate TWA's ability to maintain its operations until the completion of this transaction. The amount available under this facility was later increased to $330 million. As of March 19, 2001, approximately $289 million had been provided via the debtor-in-possession financing.

The auction of TWA's assets was commenced on March 5, 2001, and recessed to March 7, 2001. During the recess, the Company increased its cash bid to $625 million and agreed to leave in the TWA estate certain aircraft security deposits, advance rental payments and rental rebates that were estimated to bring approximately $117 million of value to TWA. The Company expects that the increase in the Company's bid will be more than offset, however, by the benefit to the Company of the reductions in rental rates the Company has negotiated with TWA's aircraft lessors. On March 7, 2001, TWA's board selected the Company's bid as the "highest and best" offer, and on March 12, 2001, the U.S. Bankruptcy Court, District of Delaware, entered an order approving the sale of TWA's assets to the Company. Consummation of the transaction is subject to several contingencies, including the waiver by TWA's unions of certain provisions of their collective bargaining agreements. The approval of the U.S. Department of Justice was obtained on March 16, 2001. Certain parties have filed appeals of the Bankruptcy Court's sale order, and have sought a stay of the transaction, pending the appeals. A provision of the Bankruptcy Code will permit the Company to close the transaction, despite pending appeals, unless a stay is granted. If a stay is granted, the Company would anticipate that the appeal process would be expedited. Upon the closing of the transaction, TWA will be integrated into American's operations with a continued hub operation in St. Louis. The Company expects to fund the acquisition of TWA's assets with its existing cash or short-term investments, internally generated cash or new financing depending on market conditions and the Company's evolving view of its long-term needs.

Secondly, the Company announced that it has agreed to acquire from United Airlines, Inc. (United) certain key strategic assets (slots, gates and aircraft) of US Airways, Inc. (US Airways) upon the consummation of the previously announced merger between United and US Airways. In addition to the acquisition of these assets, American will lease a number of slots and gates from United so that American may operate half of the northeast Shuttle (New York/Washington DC/Boston). United will operate the other half of the Shuttle. For these assets, American will pay approximately $1.2 billion in cash to United and assume approximately $300 million in aircraft operating leases. The consummation of these transactions is contingent upon the closing of the proposed United/US Airways merger. Also, the acquisition of aircraft is generally dependent upon a certain number of US Airways' Boeing 757 cockpit crew members transferring to American's payroll.

Finally, American has agreed to acquire a 49 percent stake in, and to enter into an exclusive marketing agreement with, DC Air LLC (DC Air). American has agreed to pay $82 million in cash for its ownership stake. American will have a right of first refusal on the acquisition of the remaining 51 percent stake in DC Air. American will also lease to DC Air a certain number of Fokker 100 aircraft with necessary crews (known in the industry as a "wet lease"). These wet leased aircraft will be used by DC Air in its operations. DC Air is the first significant new entrant at Ronald Reagan Washington National Airport (DCA) in over a decade. DC Air will acquire the assets needed to begin its DCA operations from United/US Airways upon the consummation of the merger between the two carriers. American's investment in DC Air and the other arrangements described above are contingent upon the consummation of the merger between United and US Airways.

American has $1.0 billion in credit facility agreements that expire December 15, 2005, subject to certain conditions. At American's option, interest on these agreements can be calculated on one of several different bases. For most borrowings, American would anticipate choosing a floating rate based upon the London Interbank Offered Rate (LIBOR). At December 31, 2000, no borrowings were outstanding under these agreements.

AMR (principally American Airlines) historically operates with a working capital deficit as do most other airline companies. The existence of such a deficit has not in the past impaired the Company's ability to meet its obligations as they become due and is not expected to do so in the future.

OTHER INFORMATION

ENVIRONMENTAL MATTERS Subsidiaries of AMR have been notified of potential liability with regard to several environmental cleanup sites and certain airport locations. At sites where remedial litigation has commenced, potential liability is joint and several. AMR's alleged volumetric contributions at these sites are minimal compared to others. AMR does not expect these matters, individually or collectively, to have a material impact on its results of operations, financial position or liquidity. Additional information is included in Note 3 to the consolidated financial statements.

NEW ACCOUNTING PRONOUNCEMENT Financial Accounting Standards Board Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended (SFAS 133), was adopted by the Company on January 1, 2001. SFAS 133 requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The adoption of SFAS 133 did not have a material impact on the Company's net earnings. However, the Company recorded a transition adjustment of approximately $100 million in accumulated other comprehensive income in the first quarter of 2001.

OUTLOOK FOR 2001

The Company is cautious in its outlook for 2001. On the revenue front, the primary concern is a slowing U.S. economy. American's strong revenue performance the past several years was marked by a growing U.S. economy coupled with a modest increase in industry capacity. Our revenue performance in 2001 will be dictated by how well the industry manages that relationship going forward.

Absent the TWA, United/US Airways and DC Air transactions, American's capacity in 2001 is expected to grow about three percent, slightly less than the industry average. AMR Eagle's capacity will grow about 11 percent, reflecting the delivery of 31 new regional jets (RJs). Should the demand for air travel slow more quickly than expected, both carriers have the flexibility to further accelerate the retirement of certain older aircraft to keep the Company's capacity growth in line with general economic conditions.

With the transactions, if approved, the Company expects to strengthen its position in several key domestic markets. The TWA transaction will provide American with a hub operation in St. Louis which will serve to strengthen the Company's position as an east/west carrier. In addition, these proposed transactions will allow the Company to gain additional slots and real estate at New York's Kennedy and LaGuardia airports, Washington Reagan, Boston and other major airports across the domestic system. At the same time, the Company will continue to improve the regional airline feed to American by strengthening AMR Eagle with the replacement of turboprop aircraft with RJs and the expansion of connecting service at Chicago O'Hare, DFW and key East Coast cities. The Company has reached agreements with three regional carriers feeding TWA in St. Louis. These agreements will provide for continued feed traffic from St. Louis should the TWA transaction be approved.

On the international front, the Company will continue to pursue its relationship with Swissair/Sabena, and its bilateral agreement with EVA of Taiwan -- coupled with the Company's existing Asian carrier alliances -- will allow the Company to strengthen its presence in several Asian markets. The Company is also working to make the ONEworld alliance pay off in more significant ways, in part by strengthening its relationship with British Airways.

Pressure to reduce costs will continue, although the volatility of fuel prices makes any prediction of overall costs very difficult. Excluding fuel expense and the impact of the Company's More Room Throughout Coach program, the Company anticipates an increase in unit cost of one to two percent driven primarily by higher labor and aircraft ownership costs. On the labor front, the Company has or will have all three of its union contracts open for negotiation in 2001. The expected result is upward pressure on labor rates. Aircraft depreciation and maintenance, materials and repairs expense will also be up, reflecting 2000 and 2001 aircraft deliveries. Other expense lines will see volume-driven increases and inflationary pressures. Partially offsetting these expected increases, the Company anticipates future reductions in distribution costs due to reduced commission expense and increased penetration rates for electronic tickets. And although oil prices are largely expected to decrease in 2001 as compared to 2000 levels, the resulting benefit will be offset by lower fuel hedging gains in 2001 from the Company's fuel hedging program.

Lastly, as a result of the proposed TWA, United/US Airways and DC Air transactions, and for several other reasons, American and American Eagle have initiated an impairment review of certain fleet types in accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." This review could result in an impairment charge to be taken by the Company in 2001. The size of any resulting 2001 charge is not presently known, but may be significant.

FORWARD-LOOKING INFORMATION

The preceding discussions under Business, Properties, Legal Proceedings and Management's Discussion and Analysis of Financial Condition and Results of Operations contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations or beliefs concerning future events. When used in this document and in documents incorporated herein by reference, the words "expects," "plans," "anticipates," and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, without limitation, expectations as to results of operations and financial condition, including changes in capacity, revenues and costs, expectations as to future financing needs, overall economic projections and the Company's plans and objectives for future operations, including its ability to successfully integrate into its operations assets the Company may acquire in its previously announced transactions with TWA, United/US Airways and DC Air, and plans to develop future code-sharing programs and to evaluate new alliances. All forward-looking statements in this report are based upon information available to the Company on the date of this report. The Company undertakes 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 other possible factors not listed, could cause the Company's actual results to differ materially from those expressed in forward-looking statements:

UNCERTAINTY OF FUTURE COLLECTIVE BARGAINING AGREEMENTS AND EVENTS The Company's operations could be adversely affected by failure of the Company to reach agreement with any labor union representing the Company's employees or by an agreement with a labor union representing the Company's employees that contains terms which prevent the Company from competing effectively with other airlines. In addition, a dispute between the Company and an employee work group (outside the confines of a collective bargaining agreement) could adversely impact the Company's operations.

ECONOMIC AND OTHER CONDITIONS The airline industry is affected by changes in international, national, regional and local economic conditions, inflation, war or political instability (or the threat thereof), consumer preferences and spending patterns, demographic trends, disruptions to the air traffic control system, consumer perceptions of airline safety, costs of safety, security and environmental measures, and the weather.

COMMODITY PRICES Due to the competitive nature of the airline industry, in the event of any increase in the price of jet fuel, there can be no assurance that the Company would be able to pass on increased fuel prices to its customers by increasing fares.

COMPETITION IN THE AIRLINE INDUSTRY Service over almost all of the Company's routes is highly competitive. The Company faces vigorous competition from major domestic airlines, national, regional, all-cargo and charter carriers, foreign carriers, low-cost carriers, and, particularly on shorter segments, ground transportation. Pricing decisions are affected by competition from other airlines. Fare discounting by competitors has historically had a negative effect on the Company's financial results because American is generally required to match competitors' fares to maintain passenger traffic. No assurance can be given that any future fare reduction would be offset by increases in passenger traffic, a reduction in costs or changes in the mix of traffic that would improve yields.

CHANGING BUSINESS STRATEGY Although it has no current plan to do so, the Company may change its business strategy in the future and may not pursue some of the goals stated herein.

GOVERNMENT REGULATION Future results of the Company's operations may vary based upon any actions which the governmental agencies with jurisdiction over the Company's operations may take, including the granting and timing of certain governmental approvals (including foreign government approvals) needed for code-sharing alliances and other arrangements with other airlines, restrictions on competitive practices (e.g., Court Orders, or Agency regulations or orders, that would curtail an airline's ability to respond to a competitor), the adoption of regulations that impact customer service standards, and the adoption of more restrictive locally-imposed noise restrictions.

UNCERTAINTY IN INTERNATIONAL OPERATIONS The Company's current international activities and prospects could be adversely affected by factors such as reversals or delays in the opening of foreign markets, exchange controls, currency and political risks, taxation and changes in international government regulation of the Company's operations.

INDUSTRY CONSOLIDATION The Company has announced a series of transactions with TWA, United/US Airways and DC Air (see page 23). These transactions are subject to a number of conditions and there can be no assurance that they will occur as planned. If these transactions do not occur and yet other U.S. carriers merge or create or expand marketing alliances, such mergers or new or expanded marketing alliances could adversely affect the Company.

ITEM 7(A). QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

MARKET RISK SENSITIVE INSTRUMENTS AND POSITIONS

The risk inherent in the Company's market risk sensitive instruments and positions is the potential loss arising from adverse changes in the price of fuel, foreign currency exchange rates and interest rates as discussed below. The sensitivity analyses presented do not consider the effects that such adverse changes may have on overall economic activity, nor do they consider additional actions management may take to mitigate its exposure to such changes. Actual results may differ. See Note 6 to the consolidated financial statements for accounting policies and additional information. In addition, the following analyses exclude any impact of the proposed transactions discussed on page 23.

AIRCRAFT FUEL The Company's earnings are affected by changes in the price and availability of aircraft fuel. In order to provide a measure of control over price and supply, the Company trades and ships fuel and maintains fuel storage facilities to support its flight operations. The Company also manages the price risk of fuel costs primarily utilizing swap and option contracts. Market risk is estimated as a hypothetical 10 percent increase in the December 31, 2000 and 1999 cost per gallon of fuel. Based on projected 2001 fuel usage, such an increase would result in an increase to aircraft fuel expense of approximately $194 million in 2001, net of fuel hedge instruments outstanding at December 31, 2000. Comparatively, based on projected 2000 fuel usage, such an increase would have resulted in an increase to aircraft fuel expense of approximately $131 million in 2000, net of fuel hedge instruments outstanding at December 31, 1999. The change in market risk is due primarily to the increase in fuel prices. As of December 31, 2000, the Company had hedged approximately 40 percent of its 2001 fuel requirements, approximately 15 percent of its 2002 fuel requirements, and approximately seven percent of its 2003 fuel requirements, compared to approximately 48 percent of its 2000 fuel requirements and 10 percent of its 2001 fuel requirements hedged at December 31, 1999.

FOREIGN CURRENCY The Company is exposed to the effect of foreign exchange rate fluctuations on the U.S. dollar value of foreign currency-denominated operating revenues and expenses. The Company's largest exposure comes from the Canadian dollar, British pound, Japanese yen, Euro and various Latin and South American currencies. The Company uses options to hedge a portion of its anticipated foreign currency-denominated ticket sales. The result of a uniform 10 percent strengthening in the value of the U.S. dollar from December 31, 2000 and 1999 levels relative to each of the currencies in which the Company has foreign currency exposure would result in a decrease in operating income of approximately $33 million and $39 million for the years ending December 31, 2001 and 2000, respectively, net of hedge instruments outstanding at December 31, 2000 and 1999, due to the Company's foreign-denominated revenues exceeding its foreign-denominated expenses. This sensitivity analysis was prepared based upon projected 2001 and 2000 foreign currency-denominated revenues and expenses as of December 31, 2000 and 1999.

INTEREST The Company's earnings are also affected by changes in interest rates due to the impact those changes have on its interest income from cash and short-term investments, and its interest expense from variable-rate debt instruments. The Company has variable-rate debt instruments representing approximately 29 percent and 21 percent of its total long-term debt, respectively, at December 31, 2000 and 1999, and interest rate swaps on notional amounts of approximately $158 million and $696 million, respectively, at December 31, 2000 and 1999. During 2000, the Company terminated interest rate swap agreements on notional amounts of approximately $425 million. The cost of terminating these interest rate swap agreements was not material. If interest rates average 10 percent more in 2001 than they did at December 31, 2000, the Company's interest expense would increase by approximately $11 million and interest income from cash and short-term investments would increase by approximately $15 million. In comparison, at December 31, 1999, the Company estimated that if interest rates averaged 10 percent more in 2000 than they did at December 31, 1999, the Company's interest expense would have increased by approximately $10 million and interest income from cash and short-term investments would have increased by approximately $11 million. These amounts are determined by considering the impact of the hypothetical interest rates on the Company's variable-rate long-term debt, interest rate swap agreements, and cash and short-term investment balances at December 31, 2000 and 1999.

Market risk for fixed-rate long-term debt is estimated as the potential increase in fair value resulting from a hypothetical 10 percent decrease in interest rates, and amounts to approximately $148 million and $156 million as of December 31, 2000 and 1999, respectively. The fair values of the Company's long-term debt were estimated using quoted market prices or discounted future cash flows based on the Company's incremental borrowing rates for similar types of borrowing arrangements.

INVESTMENTS The Company is subject to market risk related to its ownership of approximately 1.2 million depository certificates convertible, subject to certain restrictions, into the common stock of Equant, as of December 31, 2000 and 1999. The estimated fair value of these depository certificates was approximately $32 million and $136 million as of December 31, 2000 and 1999, respectively, based upon the market value of Equant common stock.

In addition, the Company holds investments in certain other entities which are subject to market risk. However, the impact of such market risk on earnings is not significant due to the immateriality of the carrying value and the geographically diverse nature of these holdings.

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ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
AMR Corporation

We have audited the accompanying consolidated balance sheets of AMR Corporation as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AMR Corporation at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

ERNST & YOUNG LLP

2121 San Jacinto
Dallas, Texas 75201
January 16, 2001, except for Note 15,
for which the date is March 19, 2001.

AMR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)

	Year Ended December 31,		
	2000	1999	1998
REVENUES			
Passenger - American Airlines, Inc.	$ 16,377	$ 14,707	$ 14,695
- AMR Eagle	1,452	1,294	1,121
Cargo	721	643	656
Other revenues	1,153	1,086	1,044
Total operating revenues	19,703	17,730	17,516
EXPENSES			
Wages, salaries and benefits	6,783	6,120	5,793
Aircraft fuel	2,495	1,696	1,604
Depreciation and amortization	1,202	1,092	1,040
Maintenance, materials and repairs	1,095	1,003	935
Commissions to agents	1,037	1,162	1,226
Other rentals and landing fees	999	942	839
Food service	777	740	675
Aircraft rentals	607	630	569
Other operating expenses	3,327	3,189	2,847
Total operating expenses	18,322	16,574	15,528
OPERATING INCOME	1,381	1,156	1,988
OTHER INCOME (EXPENSE)			
Interest income	154	95	133
Interest expense	(467)	(393)	(372)
Interest capitalized	151	118	104
Miscellaneous - net	68	30	(20)
	(94)	(150)	(155)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EXTRAORDINARY LOSS	1,287	1,006	1,833
Income tax provision	508	350	719
INCOME FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY LOSS	779	656	1,114
INCOME FROM DISCONTINUED OPERATIONS, NET OF APPLICABLE INCOME TAXES AND MINORITY INTEREST	43	265	200
GAIN ON SALE OF DISCONTINUED OPERATIONS, NET OF APPLICABLE INCOME TAXES	--	64	--
INCOME BEFORE EXTRAORDINARY LOSS	822	985	1,314
EXTRAORDINARY LOSS, NET OF APPLICABLE INCOME TAXES	(9)	--	--
NET EARNINGS	$ 813	$ 985	$ 1,314

Continued on next page.

AMR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
(in millions, except per share amounts)

	Year Ended December 31,		
	2000	1999	1998
EARNINGS APPLICABLE TO COMMON SHARES	$ 813	$ 985	$ 1,314
EARNINGS PER SHARE:			
BASIC			
Income from continuing operations	$ 5.20	$ 4.30	$ 6.60
Discontinued operations	0.30	2.16	1.18
Extraordinary loss	(0.07)	--	--
Net earnings	$ 5.43	$ 6.46	$ 7.78
DILUTED			
Income from continuing operations	$ 4.81	$ 4.17	$ 6.38
Discontinued operations	0.27	2.09	1.14
Extraordinary loss	(0.05)	--	--
Net earnings	$ 5.03	$ 6.26	$ 7.52

The accompanying notes are an integral part of these financial statements.

AMR CORPORATION
CONSOLIDATED BALANCE SHEETS
(in millions, except shares and par value)

	December 31, 2000	December 31, 1999
ASSETS		
CURRENT ASSETS		
Cash	$ 89	$ 85
Short-term investments	2,144	1,706
Receivables, less allowance for uncollectible accounts (2000 - $27; 1999 - $57)	1,303	1,134
Inventories, less allowance for obsolescence (2000 - $332; 1999 - $279)	757	708
Deferred income taxes	695	612
Other current assets	191	179
Total current assets	5,179	4,424
EQUIPMENT AND PROPERTY		
Flight equipment, at cost	20,041	16,912
Less accumulated depreciation	6,320	5,589
	13,721	11,323
Purchase deposits for flight equipment	1,700	1,582
Other equipment and property, at cost	3,639	3,247
Less accumulated depreciation	1,968	1,814
	1,671	1,433
	17,092	14,338
EQUIPMENT AND PROPERTY UNDER CAPITAL LEASES		
Flight equipment	2,618	3,141
Other equipment and property	159	155
	2,777	3,296
Less accumulated amortization	1,233	1,347
	1,544	1,949
OTHER ASSETS		
Route acquisition costs and airport operating and gate lease rights, less accumulated amortization (2000 - $498; 1999 - $450)	1,143	1,191
Other	1,255	2,472
	2,398	3,663
TOTAL ASSETS	$26,213	$24,374

The accompanying notes are an integral part of these financial statements.

AMR CORPORATION
CONSOLIDATED BALANCE SHEETS
(in millions, except shares and par value)

	December 31, 2000	December 31, 1999
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 1,267	$ 1,115
Accrued salaries and wages	955	849
Accrued liabilities	1,276	1,107
Air traffic liability	2,696	2,258
Current maturities of long-term debt	569	302
Current obligations under capital leases	227	236
Total current liabilities	6,990	5,867
LONG-TERM DEBT, LESS CURRENT MATURITIES	4,151	4,078
OBLIGATIONS UNDER CAPITAL LEASES, LESS CURRENT OBLIGATIONS	1,323	1,611
OTHER LIABILITIES AND CREDITS		
Deferred income taxes	2,385	1,846
Deferred gains	508	613
Postretirement benefits	1,706	1,669
Other liabilities and deferred credits	1,974	1,832
	6,573	5,960
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock - $1 par value; shares authorized: 750,000,000; Shares issued: 2000 and 1999 - 182,278,766	182	182
Additional paid-in capital	2,911	3,061
Treasury shares at cost: 2000 - 30,216,218; 1999 - 34,034,110	(1,865)	(2,101)
Accumulated other comprehensive income	(2)	(2)
Retained earnings	5,950	5,718
	7,176	6,858
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 26,213	$ 24,374

The accompanying notes are an integral part of these financial statements.

AMR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31,		
	2000	1999	1998
CASH FLOW FROM OPERATING ACTIVITIES:			
Income from continuing operations after extraordinary loss	$ 770	$ 656	$ 1,114
Adjustments to reconcile income from continuing operations after extraordinary loss to net cash provided by operating activities:			
Depreciation	928	864	830
Amortization	274	228	210
Deferred income taxes	461	183	268
Extraordinary loss on early extinguishment of debt	14	--	--
Gain on sale of other investments, net	(57)	(95)	--
Gain on disposition of equipment and property	--	(15)	(19)
Change in assets and liabilities:			
Decrease (increase) in receivables	(169)	261	(185)
Increase in inventories	(111)	(140)	(36)
Increase in accounts payable and accrued liabilities	579	42	343
Increase in air traffic liability	438	84	128
Other, net	15	196	144
Net cash provided by operating activities	3,142	2,264	2,797
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures, including purchase deposits on flight equipment	(3,678)	(3,539)	(2,342)
Net decrease (increase) in short-term investments	(438)	(253)	348
Acquisitions and other investments	(50)	(99)	(137)
Proceeds from:			
Dividend from Sabre Holdings Corporation	559	--	--
Sale of equipment and property	238	79	262
Sale of other investments	94	85	--
Sale of discontinued operations	--	259	--
Other	--	18	--
Net cash used for investing activities	(3,275)	(3,450)	(1,869)
CASH FLOW FROM FINANCING ACTIVITIES:			
Payments on long-term debt and capital lease obligations	(766)	(280)	(547)
Proceeds from:			
Issuance of long-term debt	836	1,956	246
Exercise of stock options	67	25	85
Short-term loan from Sabre Holdings Corporation	--	300	--
Sale-leaseback transactions	--	54	270
Repurchase of common stock	--	(871)	(945)
Net cash provided by (used for) financing activities	137	1,184	(891)
Net increase (decrease) in cash	4	(2)	37
Cash at beginning of year	85	87	50
Cash at end of year	$ 89	$ 85	$ 87
ACTIVITIES NOT AFFECTING CASH			
Distribution of Sabre Holdings Corporation shares to AMR shareholders	$ 581	$ --	$ --
Payment of short-term loan from Sabre Holdings Corporation	$ --	$ 300	$ --
Capital lease obligations incurred	$ --	$ 54	$ 270

The accompanying notes are an integral part of these financial statements.

AMR CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except share amounts)

	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at January 1, 1998	$ 182	$ 3,104	$ (485)	$ (4)	$ 3,419	$ 6,216
Net earnings and total comprehensive income	--	--	--	--	1,314	1,314
Repurchase of 14,342,008 common shares	--	--	(944)	--	--	(944)
Issuance of 2,495,148 shares from Treasury pursuant to stock option, deferred stock and restricted stock incentive plans, net of tax benefit of $17	--	(29)	141	--	--	112
Balance at December 31, 1998	182	3,075	(1,288)	(4)	4,733	6,698
Net earnings	--	--	--	--	985	985
Adjustment for minimum pension liability, net of tax expense of $1	--	--	--	3	--	3
Unrealized loss on investments, net of tax benefit of $1	--	--	--	(1)	--	(1)
Total comprehensive income						987
Repurchase of 14,062,358 common shares	--	--	(871)	--	--	(871)
Issuance of 955,940 shares from Treasury pursuant to stock option, deferred stock and restricted stock incentive plans, net of tax benefit of $4	--	(14)	58	--	--	44
Balance at December 31, 1999	182	3,061	(2,101)	(2)	5,718	6,858
Net earnings	--	--	--	--	813	813
Adjustment for minimum pension liability, net of tax expense of $3	--	--	--	(5)	--	(5)
Unrealized gain on investments, net of tax expense of $2	--	--	--	5	--	5
Total comprehensive income						813
Distribution of Sabre Holdings Corporation shares to AMR shareholders	--	--	--	--	(581)	(581)
Issuance of 3,817,892 shares from Treasury pursuant to stock option, deferred stock and restricted stock incentive plans, net of tax benefit of $11	--	(150)	236	--	--	86
Balance at December 31, 2000	$ 182	$ 2,911	$(1,865)	$ (2)	$ 5,950	$ 7,176

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF ACCOUNTING POLICIES

BASIS OF PRESENTATION The consolidated financial statements include the accounts of AMR Corporation (AMR or the Company) and its wholly owned subsidiaries, including its principal subsidiary American Airlines, Inc. (American). All significant intercompany transactions have been eliminated. The results of operations, cash flows and net assets for Sabre Holdings Corporation (Sabre), AMR Services, AMR Combs and TeleService Resources have been reflected in the consolidated financial statements as discontinued operations. Unless specifically indicated otherwise, the information in the footnotes relates to the continuing operations of AMR. All share and per share amounts reflect the stock split on June 9, 1998, where appropriate. Certain amounts from prior years have been reclassified to conform with the 2000 presentation.

USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

INVENTORIES Spare parts, materials and supplies relating to flight equipment are carried at average acquisition cost and are expensed when incurred in operations. Allowances for obsolescence are provided, over the estimated useful life of the related aircraft and engines, for spare parts expected to be on hand at the date aircraft are retired from service, plus allowances for spare parts currently identified as excess. These allowances are based on management estimates, which are subject to change.

EQUIPMENT AND PROPERTY The provision for depreciation of operating equipment and property is computed on the straight-line method applied to each unit of property, except that major rotable parts, avionics and assemblies are depreciated on a group basis. The depreciable lives used for the principal depreciable asset classifications are:

	Depreciable Life
Boeing 727-200 aircraft	2003(1)
Other American jet aircraft	20 - 30 years
Regional aircraft and engines	16 - 20 years
Major rotable parts, avionics and assemblies	Life of equipment to which applicable
Improvements to leased flight equipment	Term of lease
Buildings and improvements (principally on leased land)	10-30 years or term of lease
Furniture, fixtures and other equipment	3-20 years
Capitalized software	3-10 years

(1) Approximate final aircraft retirement date.

Residual values for aircraft, engines, major rotable parts, avionics and assemblies are generally five to 10 percent, except when a guaranteed residual value or other agreements exist to better estimate the residual value.

Effective January 1, 1999, in order to more accurately reflect the expected useful life of its aircraft, the Company changed its estimate of the depreciable lives of certain aircraft types from 20 to 25 years and increased the residual value from five to 10 percent. It also established a 30-year life for its new Boeing 777 aircraft, first delivered in the first quarter of 1999. As a result of this change, depreciation and amortization expense was reduced by approximately $158 million and net earnings were increased by approximately $99 million, or $0.63 per common share diluted, for the year ended December 31, 1999.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Equipment and property under capital leases are amortized over the term of the leases or, in the case of certain aircraft, over their expected useful lives, and such amortization is included in depreciation and amortization. Lease terms vary but are generally 10 to 25 years for aircraft and seven to 40 years for other leased equipment and property.

MAINTENANCE AND REPAIR COSTS Maintenance and repair costs for owned and leased flight equipment are charged to operating expense as incurred, except engine overhaul costs incurred by AMR Eagle Holding Corporation (AMR Eagle) and costs incurred for maintenance and repair under power by the hour maintenance contract agreements, which are accrued on the basis of hours flown.

INTANGIBLE ASSETS Route acquisition costs and airport operating and gate lease rights represent the purchase price attributable to route authorities, airport take-off and landing slots and airport gate leasehold rights acquired. These assets are being amortized on a straight-line basis over 40 years for route authorities, primarily 25 years for airport take-off and landing slots, and the term of the lease for airport gate leasehold rights.

PASSENGER REVENUES Passenger ticket sales are initially recorded as a component of air traffic liability. Revenue derived from ticket sales is recognized at the time service is provided. However, due to various factors, including the complex pricing structure and interline agreements throughout the industry, certain amounts are recognized in revenue using estimates regarding both the timing of the revenue recognition and the amount of revenue to be recognized. Actual results could differ from those estimates.

ADVERTISING COSTS The Company expenses the costs of advertising as incurred. Advertising expense was $221 million, $206 million and $196 million for the years ended December 31, 2000, 1999 and 1998, respectively.

FREQUENT FLYER PROGRAM The estimated incremental cost of providing free travel awards is accrued when such award levels are reached. American sells mileage credits and related services to companies participating in its frequent flyer program. The portion of the revenue related to the sale of mileage credits is deferred and recognized over a period approximating the period during which the mileage credits are used. The remaining portion of the revenue is recognized upon receipt as the related services have been provided.

STATEMENTS OF CASH FLOWS Short-term investments, without regard to remaining maturity at acquisition, are not considered as cash equivalents for purposes of the statements of cash flows.

STOCK OPTIONS The Company accounts for its stock-based compensation plans in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) and related Interpretations. Under APB 25, no compensation expense is recognized for stock option grants if the exercise price of the Company's stock option grants is at or above the fair market value of the underlying stock on the date of grant.

2. INVESTMENTS

Short-term investments consisted of (in millions):

	December 31,	
	2000	1999
Overnight investments and time deposits	$ 361	$ --
Corporate and bank notes	906	1,173
U. S. Government agency mortgages	442	94
Asset backed securities	361	145
U. S. Government agency notes	--	234
Other	74	60
	$2,144	$1,706

Short-term investments at December 31, 2000, by contractual maturity included (in millions):

Due in one year or less	$ 994
Due between one year and three years	1,104
Due after three years	46
	$2,144

All short-term investments are classified as available-for-sale and stated at fair value. Unrealized gains and losses, net of deferred taxes, are reflected as an adjustment to stockholders' equity.

During 1999, the Company entered into an agreement with priceline.com Incorporated (priceline) whereby ticket inventory provided by the Company may be sold through priceline's e-commerce system. In conjunction with this agreement, the Company received warrants to purchase approximately 5.5 million shares of priceline common stock. In the second quarter of 2000, the Company sold these warrants for proceeds of approximately $94 million, and recorded a gain of $57 million, which is included in Miscellaneous - net on the accompanying consolidated statements of operations.

At December 31, 1998, the Company owned approximately 3.1 million depository certificates convertible, subject to certain restrictions, into the common stock of Equant N.V. (Equant), which completed an initial public offering in July 1998. Approximately 1.7 million of the certificates were held by the Company on behalf of Sabre. During 1999, the Company acquired approximately 400,000 Equant depository certificates from other airlines. In addition, based upon a reallocation between the owners of the certificates in July 1999, the Company received an additional 2.6 million certificates, of which approximately 2.2 million certificates were held for the benefit of Sabre. In connection with two secondary offerings by Equant in February and December 1999, the Company sold approximately 2.7 million depository certificates for a net gain of approximately $118 million, after taxes and minority interest. Of this amount, approximately $75 million is included in Miscellaneous - net and approximately $71 million, net of taxes and minority interest, related to depository certificates held by the Company on behalf of Sabre, is included in income from discontinued operations on the accompanying consolidated statements of operations.

As of December 31, 2000 and 1999, the Company holds approximately 1.2 million depository certificates with an estimated market value of approximately $32 million and $136 million, respectively. The carrying value of the Company's investment in the depository certificates as of December 31, 2000 and 1999, was approximately $20 million, and is included in other assets on the accompanying consolidated balance sheets.

2. INVESTMENTS (CONTINUED)

In December 1999, the Company entered into an agreement to sell its investment in the cumulative mandatorily redeemable convertible preferred stock of Canadian Airlines International Limited (Canadian) for approximately $40 million, resulting in a gain of $40 million, which is included in Miscellaneous - - net on the accompanying consolidated statements of operations. In addition, the Company recognized a tax benefit of $67 million resulting from the tax loss on the investment, representing the reversal of a deferred tax valuation allowance since it is more likely than not that the tax benefit will be realized. The valuation allowance was established in 1996 when the investment was written-off because, at that time, it was not more likely than not that the tax benefit of the write-off would be realized. During 2000, the Company recorded a gain of approximately $41 million from the recovery of start-up expenses (previously written-off) from the Canadian services agreement entered into during 1995, which is included in Miscellaneous - net on the accompanying consolidated statements of operations.

3. COMMITMENTS AND CONTINGENCIES

At December 31, 2000, the Company had commitments to acquire the following aircraft: 66 Boeing 737-800s, 23 Boeing 757-200s, 20 Boeing 777-200ERs, 146 Embraer regional jets and 25 Bombardier CRJ-700s. Deliveries of all aircraft extend through 2006. Future payments for all aircraft, including the estimated amounts for price escalation, will approximate $2.7 billion in 2001, $1.6 billion in 2002, $900 million in 2003 and an aggregate of approximately $1.3 billion in 2004 through 2006. In addition to these commitments for aircraft, the Company's Board of Directors has authorized expenditures of approximately $2.8 billion over the next five years for modifications to aircraft, renovations of - and additions to - airport and off-airport facilities, and the acquisition of various other equipment and assets. AMR expects to spend approximately $855 million of this authorized amount in 2001.

The Miami International Airport Authority is currently remediating various environmental conditions at the Miami International Airport (the Airport) and funding the remediation costs through landing fee revenues and other cost recovery methods. Future costs of the remediation effort may be borne by carriers operating at the Airport, including American, through increased landing fees and/or other charges since certain of the potentially responsible parties are no longer in business. The future increase in landing fees and/or other charges may be material but cannot be reasonably estimated due to various factors, including the unknown extent of the remedial actions that may be required, the proportion of the cost that will ultimately be recovered from the responsible parties, and uncertainties regarding the environmental agencies that will ultimately supervise the remedial activities and the nature of that supervision. In addition, the Company is subject to environmental issues at various other airport and non-airport locations. Management believes, after considering a number of factors, that the ultimate disposition of these environmental issues is not expected to materially affect the Company's consolidated financial position, results of operations or cash flows. Amounts recorded for environmental issues are based on the Company's current assessments of the ultimate outcome and, accordingly, could increase or decrease as these assessments change.

The Company has agreed to sell its McDonnell Douglas MD-11 aircraft to FedEx Corporation (FedEx). No significant gain or loss is expected to be recognized as a result of this transaction. As of December 31, 2000, the carrying value of the remaining aircraft American has committed to sell was approximately $462 million.

AMR and American have included event risk covenants in approximately $2.2 billion of indebtedness. These covenants permit the holders of such indebtedness to receive a higher rate of return (between 75 and 650 basis points above the stated rate) if a designated event, as defined, should occur and the credit rating of such indebtedness is downgraded below certain levels within a certain period of time following the event.

3. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Special facility revenue bonds have been issued by certain municipalities, primarily to purchase equipment and improve airport facilities that are leased by American. In certain cases, the bond issue proceeds were loaned to American and are included in long-term debt. Certain bonds have rates that are periodically reset and are remarketed by various agents. In certain circumstances, American may be required to purchase up to $544 million of the special facility revenue bonds prior to scheduled maturity, in which case American has the right to resell the bonds or to use the bonds to offset its lease or debt obligations. American may borrow the purchase price of these bonds under standby letter of credit agreements. At American's option, certain letters of credit are secured by funds held by bond trustees and by approximately $540 million of short-term investments.

4. LEASES

AMR's subsidiaries lease various types of equipment and property, including aircraft, and airport and off-airport facilities. The future minimum lease payments required under capital leases, together with the present value of such payments, and future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2000, were (in millions):

Year Ending December 31,	Capital Leases	Operating Leases
2001	$ 320	$ 984
2002	276	921
2003	195	931
2004	246	913
2005	178	900
2006 and subsequent	867	11,306
	2,082(1)	$15,955(2)
Less amount representing interest	532	
Present value of net minimum lease payments	$1,550	

(1) Includes $191 million guaranteed by AMR relating to special facility revenue bonds issued by municipalities.

(2) Includes $6.4 billion guaranteed by AMR relating to special facility revenue bonds issued by municipalities.

At December 31, 2000, the Company had 201 jet aircraft and 39 turboprop aircraft under operating leases, and 65 jet aircraft and 57 turboprop aircraft under capital leases. The aircraft leases can generally be renewed at rates based on fair market value at the end of the lease term for one to five years. Most aircraft leases have purchase options at or near the end of the lease term at fair market value, but generally not to exceed a stated percentage of the defined lessor's cost of the aircraft or at a predetermined fixed amount.

During 1996, American made prepayments on the cancelable operating leases it had on 12 of its Boeing 767-300 aircraft. Upon the expiration of the amended leases, American can purchase the aircraft for a nominal amount. As a result, the aircraft were recorded as flight equipment under capital leases. During 2000 and 1999, the Company exercised its option to purchase six and two of the Boeing 767-300 aircraft for a nominal fee, respectively. As such, these aircraft were reclassified from flight equipment under capital leases to owned flight equipment.

Rent expense, excluding landing fees, was $1.3 billion for 2000 and 1999, and $1.1 billion for 1998.

5. INDEBTEDNESS

Long-term debt (excluding amounts maturing within one year) consisted of (in millions):

	December 31, 2000	December 31, 1999
Secured variable and fixed rate indebtedness due through 2016 (effective rates from 6.71% - 9.597% at December 31, 2000)	$3,209	$2,556
7.875% - 10.62% notes due through 2039	345	812
9.0% - 10.20% debentures due through 2021	332	437
6.0% - 7.10% bonds due through 2031	176	176
Unsecured variable rate indebtedness due through 2024 (3.55% at December 31, 2000)	86	86
Other	3	11
Long-term debt, less current maturities	$4,151	$4,078

Maturities of long-term debt (including sinking fund requirements) for the next five years are: 2001 - $569 million; 2002 - $201 million; 2003 - $169 million; 2004 - $228 million; 2005 - $482 million.

During the third quarter of 2000, the Company repurchased prior to scheduled maturity approximately $167 million in face value of long-term debt. Cash from operations provided the funding for the repurchases. These transactions resulted in an extraordinary loss of $14 million ($9 million after-tax).

American has $1.0 billion in credit facility agreements that expire December 15, 2005, subject to certain conditions. At American's option, interest on these agreements can be calculated on one of several different bases. For most borrowings, American would anticipate choosing a floating rate based upon the London Interbank Offered Rate (LIBOR). At December 31, 2000, no borrowings were outstanding under these agreements.

Certain debt is secured by aircraft, engines, equipment and other assets having a net book value of approximately $3.4 billion. In addition, certain of American's debt and credit facility agreements contain restrictive covenants, including a minimum net worth requirement, which could limit American's ability to pay dividends. At December 31, 2000, under the most restrictive provisions of those debt and credit facility agreements, approximately $1.5 billion of the retained earnings of American was available for payment of dividends to AMR.

Cash payments for interest, net of capitalized interest, were $301 million, $237 million and $277 million for 2000, 1999 and 1998, respectively.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As part of the Company's risk management program, AMR uses a variety of financial instruments, including interest rate swaps, fuel swap and option contracts, and currency exchange agreements. The Company does not hold or issue derivative financial instruments for trading purposes.

NOTIONAL AMOUNTS AND CREDIT EXPOSURES OF DERIVATIVES

The notional amounts of derivative financial instruments summarized in the tables which follow do not represent amounts exchanged between the parties and, therefore, are not a measure of the Company's exposure resulting from its use of derivatives. The amounts exchanged are calculated based on the notional amounts and other terms of the instruments, which relate to interest rates, exchange rates or other indices.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Company is exposed to credit losses in the event of non-performance by counterparties to these financial instruments, but it does not expect any of the counterparties to fail to meet its obligations. The credit exposure related to these financial instruments is represented by the fair value of contracts with a positive fair value at the reporting date, reduced by the effects of master netting agreements. To manage credit risks, the Company selects counterparties based on credit ratings, limits its exposure to a single counterparty under defined guidelines, and monitors the market position of the program and its relative market position with each counterparty. The Company also maintains industry-standard security agreements with the majority of its counterparties which may require the Company or the counterparty to post collateral if the value of these instruments falls below certain mark-to-market thresholds. As of December 31, 2000, no collateral was required under these agreements, and the Company does not expect to post collateral in the near future.

INTEREST RATE RISK MANAGEMENT

American utilizes interest rate swap contracts to effectively convert a portion of its fixed-rate obligations to floating-rate obligations. These agreements involve the exchange of amounts based on a floating interest rate for amounts based on fixed interest rates over the life of the agreement without an exchange of the notional amount upon which the payments are based. The differential to be paid or received as interest rates change is accrued and recognized as an adjustment of interest expense related to the obligation. The related amount payable to or receivable from counterparties is included in current liabilities or assets. The fair values of the swap agreements are not recognized in the financial statements. Gains and losses on terminations of interest rate swap agreements are deferred as an adjustment to the carrying amount of the outstanding obligation and amortized as an adjustment to interest expense related to the obligation over the remaining term of the original contract life of the terminated swap agreement. In the event of the early extinguishment of a designated obligation, any realized or unrealized gain or loss from the swap would be recognized in income coincident with the extinguishment.

During 2000, the Company terminated interest rate swap agreements on notional amounts of approximately $425 million which had effectively converted a portion of its fixed-rate obligations to floating-rate obligations. The cost of terminating these interest rate swap agreements was not material.

The following table indicates the notional amounts and fair values of the Company's interest rate swap agreements (in millions):

	December 31,			
	2000		1999	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Interest rate swap agreements	$ 158	$ 4	$ 696	$ (9)

The fair values represent the amount the Company would receive or pay if the agreements were terminated at December 31, 2000 and 1999, respectively.

At December 31, 2000, the weighted-average remaining life of the interest rate swap agreements in effect was 9.7 years. The weighted-average floating rates and fixed rates on the contracts outstanding were:

	December 31,	
	2000	1999
Average floating rate	6.798%	5.855%
Average fixed rate	6.631%	6.593%

Floating rates are based primarily on LIBOR and may change significantly, affecting future cash flows.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

FUEL PRICE RISK MANAGEMENT

American enters into fuel swap and option contracts to protect against increases in jet fuel prices. Under the fuel swap agreements, American receives or makes payments based on the difference between a fixed price and a variable price for certain fuel commodities. Under the fuel option agreements, American pays a premium to cap prices at a fixed level. The changes in market value of such agreements have a high correlation to the price changes of the fuel being hedged. Effective gains or losses on fuel hedging agreements are recognized as a component of fuel expense when the underlying fuel being hedged is used. Any premiums paid to enter into option contracts are recorded as assets. Gains and losses on fuel hedging agreements would be recognized immediately should the changes in the market value of the agreements cease to have a high correlation to the price changes of the fuel being hedged. At December 31, 2000, American had fuel hedging agreements with broker-dealers on approximately 2.3 billion gallons of fuel products, which represented approximately 40 percent of its expected 2001 fuel needs, approximately 15 percent of its expected 2002 fuel needs, and approximately seven percent of its expected 2003 fuel needs. The fair value of the Company's fuel hedging agreements at December 31, 2000, representing the amount the Company would receive to terminate the agreements, totaled $223 million. At December 31, 1999, American had fuel hedging agreements with broker-dealers on approximately 2.0 billion gallons of fuel products, which represents approximately 48 percent of its expected 2000 fuel needs and approximately 10 percent of its expected 2001 fuel needs. The fair value of the Company's fuel hedging agreements at December 31, 1999, representing the amount the Company would receive to terminate the agreements, totaled $232 million.

FOREIGN EXCHANGE RISK MANAGEMENT

To hedge against the risk of future exchange rate fluctuations on a portion of American's foreign cash flows, the Company enters into various currency put option agreements on a number of foreign currencies. The option contracts are denominated in the same foreign currency in which the projected foreign cash flows are expected to occur. These contracts are designated and effective as hedges of probable quarterly foreign cash flows for various periods through December 31, 2001, which otherwise would expose the Company to foreign currency risk. Realized gains on the currency put option agreements are recognized as a component of passenger revenues. At December 31, 2000 and 1999, the notional amount related to these options totaled approximately $456 million and $445 million, respectively, and the fair value, representing the amount AMR would receive to terminate the agreements, totaled approximately $20 million and $14 million, respectively.

The Company has entered into Japanese yen currency exchange agreements to effectively convert certain yen-based lease obligations into dollar-based obligations. Changes in the value of the agreements due to exchange rate fluctuations are offset by changes in the value of the yen-denominated lease obligations translated at the current exchange rate. Discounts or premiums are accreted or amortized as an adjustment to interest expense over the lives of the underlying lease obligations. The related amounts due to or from counterparties are included in other liabilities or other assets. The net fair values of the Company's yen currency exchange agreements, representing the amount the Company would pay or receive to terminate the agreements, were (in millions):

	December 31,			
	2000		1999	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Japanese yen	31.0 billion	$ (5)	33.6 billion	$ 41

The exchange rates on the Japanese yen agreements range from 66.5 to 113.5 yen per U.S. dollar.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair values of the Company's long-term debt were estimated using quoted market prices where available. For long-term debt not actively traded, fair values were estimated using discounted cash flow analyses, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. The carrying amounts and estimated fair values of the Company's long-term debt, including current maturities, were (in millions):

	December 31,			
	2000		1999	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured variable and fixed rate indebtedness	$3,366	$3,455	$2,651	$2,613
7.875% - 10.62% notes	749	759	1,014	1,024
9.0% - 10.20% debentures	332	358	437	469
6.0% - 7.10% bonds	176	179	176	174
Unsecured variable rate indebtedness	86	86	86	86
Other	11	11	16	16
	$4,720	$4,848	$4,380	$4,382

All other financial instruments, except for the investment in Equant, are either carried at fair value or their carrying value approximates fair value.

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended (SFAS 133), was adopted by the Company on January 1, 2001. SFAS 133 requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The adoption of SFAS 133 did not have a material impact on the Company's net earnings. However, the Company recorded a transition adjustment of approximately $100 million in accumulated other comprehensive income in the first quarter of 2001.

7. INCOME TAXES

The significant components of the income tax provision were (in millions):

	Year Ended December 31,		
	2000	1999	1998
Current	$ 47	$167	$451
Deferred	461	183	268
	$508	$350	$719

The income tax provision includes a federal income tax provision of $454 million, $290 million and $628 million and a state income tax provision of $47 million, $49 million and $78 million for the years ended December 31, 2000, 1999 and 1998, respectively.

7. INCOME TAXES (CONTINUED)

The income tax provision differed from amounts computed at the statutory federal income tax rate as follows (in millions):

	Year Ended December 31,		
	2000	1999	1998
Statutory income tax provision	$ 450	$ 352	$ 641
State income tax provision, net of federal benefit	30	32	51
Meal expense	19	19	18
Change in valuation allowance	--	(67)	(4)
Other, net	9	14	13
Income tax provision	$ 508	$ 350	$ 719

The change in valuation allowance in 1999 relates to the realization of a tax loss on the sale of the Company's investment in Canadian (see Note 2). The change in valuation allowance in 1998 relates to the utilization of foreign tax credits.

The components of AMR's deferred tax assets and liabilities were (in millions):

	December 31,	
	2000	1999
Deferred tax assets:		
Postretirement benefits other than pensions	$ 632	$ 614
Rent expense	522	449
Frequent flyer obligation	362	307
Gains from lease transactions	225	238
Alternative minimum tax credit carryforwards	184	289
Other	541	520
Total deferred tax assets	2,466	2,417
Deferred tax liabilities:		
Accelerated depreciation and amortization	(3,822)	(3,381)
Pensions	(89)	(50)
Other	(245)	(220)
Total deferred tax liabilities	(4,156)	(3,651)
Net deferred tax liability	$(1,690)	$(1,234)

At December 31, 2000, AMR had available for federal income tax purposes approximately $184 million of alternative minimum tax credit carryforwards which are available for an indefinite period.

Cash payments for income taxes were $49 million, $71 million and $408 million for 2000, 1999 and 1998, respectively.

8. COMMON AND PREFERRED STOCK

On June 9, 1998, a two-for-one stock split in the form of a stock dividend was effective for shareholders of record on May 26, 1998. All prior period share and earnings per share amounts reflect the stock split. The Company has 20 million shares of preferred stock (without par value) authorized at December 31, 2000 and 1999.

9. STOCK AWARDS AND OPTIONS

Under the 1998 Long Term Incentive Plan, as amended, officers and key employees of AMR and its subsidiaries may be granted stock options, stock appreciation rights, restricted stock, deferred stock, stock purchase rights, other stock-based awards and/or performance-related awards, including cash bonuses. The total number of common shares authorized for distribution under the 1998 Long Term Incentive Plan is 23,700,000 shares. The 1998 Long Term Incentive Plan, the successor to the 1988 Long Term Incentive Plan, which expired May 18, 1998, will terminate no later than May 21, 2008. Options granted under the 1988 and 1998 Long Term Incentive Plans (collectively, the Plans) are awarded with an exercise price equal to the fair market value of the stock on date of grant, become exercisable in equal annual installments over five years following the date of grant and expire 10 years from the date of grant. Stock appreciation rights may be granted in tandem with options awarded.

As a result of the Sabre spin-off in March 2000, AMR's stock price was adjusted from $60 9/16 to $25 9/16 by the New York Stock Exchange. Accordingly, all outstanding stock options and other stock-based awards, including the related exercise prices, were adjusted to preserve the intrinsic value of the stock options and awards. See Note 12 for information regarding the Sabre spin-off.

In 2000, 1999 and 1998, the total charge for stock compensation expense included in wages, salaries and benefits expense was $52 million, $53 million and $52 million, respectively. No compensation expense was recognized for stock option grants under the Plans since the exercise price was the fair market value of the underlying stock on the date of grant.

Stock option activity was:

	Year Ended December 31,					
	2000		1999		1998	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at January 1	5,219,634	$52.06	4,147,124	$46.60	3,506,774	$38.77
Sabre adjustment	7,150,899	--	--	--	--	--
Granted	6,003,111	30.21	1,539,585	63.19	1,216,720	63.01
Exercised	(1,557,034)	32.85	(258,875)	68.17	(470,810)	31.82
Canceled	(247,703)	23.38	(208,200)	49.96	(105,560)	42.34
Outstanding at December 31	16,568,907	$25.42	5,219,634	$52.06	4,147,124	$46.60
Exercisable options outstanding at December 31	5,334,444	$19.79	2,012,889	$40.63	1,586,974	$36.49

The following table summarizes information about the stock options outstanding at December 31, 2000:

Range of Exercise Prices	Number of Options Outstanding	Weighted Average Remaining Life (years)	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price
Under $20	3,073,130	4.21	$14.93	2,769,990	$14.75
$20-$30	8,113,906	8.26	24.71	1,992,625	23.62
Over $30	5,381,871	9.14	32.48	571,829	30.83
	16,568,907	7.79	$25.42	5,334,444	$19.79

9. STOCK AWARDS AND OPTIONS (CONTINUED)

In May 1997, in conjunction with the labor agreement reached between American and members of the Allied Pilots Association (APA), the Company established the Pilots Stock Option Plan (The Pilot Plan). The Pilot Plan granted members of the APA the option to purchase 11.5 million shares of AMR stock at $41.69 per share, $5 less than the average fair market value of the stock on the date of grant, May 5, 1997. These shares were exercisable immediately. In conjunction with the Sabre spin-off, the exercise price was adjusted to $17.59 per share. Pilot Plan option activity was:

	Year Ended December 31,		
	2000	1999	1998
Outstanding at January 1	5,420,028	5,791,381	7,438,220
Sabre adjustment	7,421,048	--	--
Exercised	(1,850,886)	(371,353)	(1,646,839)
Outstanding at December 31	10,990,190	5,420,028	5,791,381

The weighted-average grant date fair value of all stock option awards granted during 2000, 1999 and 1998 was $16.54, $23.17 and $21.15, respectively.

Shares of deferred stock are awarded at no cost to officers and key employees under the Plans' Career Equity Program and will be issued upon the individual's retirement from AMR or, in certain circumstances, will vest on a pro rata basis. Deferred stock activity was:

	Year Ended December 31,		
	2000	1999	1998
Outstanding at January 1	2,310,680	2,401,532	2,457,190
Sabre adjustment	3,165,632	--	--
Granted	--	146,200	185,812
Issued	(479,177)	(122,042)	(190,911)
Canceled	(40,638)	(115,010)	(50,559)
Outstanding at December 31	4,956,497	2,310,680	2,401,532

The weighted-average grant date fair value of career equity awards granted during 1999 and 1998 was $63.54 and $57.77, respectively.

9. STOCK AWARDS AND OPTIONS (CONTINUED)

A performance share plan was implemented in 1993 under the terms of which shares of deferred stock are awarded at no cost to officers and key employees under the Plans. The fair value of the performance shares granted is equal to the market price of the Company's stock at the date of grant. The shares vest over a three-year performance period based upon certain specified financial measures of AMR. Performance share activity was:

	Year Ended December 31,		
	2000	1999	1998
Outstanding at January 1	1,215,644	1,565,616	1,737,274
Sabre adjustment	1,665,432	--	--
Granted	1,277,539	509,822	644,680
Issued	(399,517)	(208,265)	(205,458)
Awards settled in cash	(1,200,177)	(513,370)	(522,234)
Canceled	(51,166)	(138,159)	(88,646)
Outstanding at December 31	2,507,755	1,215,644	1,565,616

The weighted-average grant date fair value of performance share awards granted during 2000, 1999 and 1998 was $32.93, $62.95 and $62.06, respectively.

The Company has adopted the pro forma disclosure features of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123). As required by SFAS 123, pro forma information regarding income from continuing operations before extraordinary loss and earnings per share from continuing operations before extraordinary loss has been determined as if the Company had accounted for its employee stock options and awards granted subsequent to December 31, 1994 using the fair value method prescribed by SFAS 123. The fair value for the stock options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for 2000, 1999 and 1998: risk-free interest rates ranging from 5.01% to 6.15%; dividend yields of 0%; expected stock volatility ranging from 29.9% to 43.5%; and expected life of the options of 4.5 years for the Plans and 1.5 years for The Pilot Plan.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options. In addition, because SFAS 123 is applicable only to options and stock-based awards granted subsequent to December 31, 1994, its pro forma effect is not fully reflected in years prior to 1999.

9. STOCK AWARDS AND OPTIONS (CONTINUED)

The following table shows the Company's pro forma income from continuing operations before extraordinary loss and earnings per share from continuing operations before extraordinary loss assuming the Company had accounted for its employee stock options using the fair value method (in millions, except per share amounts):

	Year Ended December 31,		
	2000	1999	1998
Income from continuing operations before extraordinary loss:			
As reported	$ 779	$ 656	$ 1,114
Pro forma	772	651	1,114
Basic earnings per share from continuing operations before extraordinary loss:			
As reported	$ 5.20	$ 4.30	$ 6.60
Pro forma	5.15	4.27	6.60
Diluted earnings per share from continuing operations before extraordinary loss:			
As reported	$ 4.81	$ 4.17	$ 6.38
Pro forma	4.77	4.14	6.38

10. RETIREMENT BENEFITS

All regular employees of the Company are eligible to participate in pension plans. The defined benefit plans provide benefits for participating employees based on years of service and average compensation for a specified period of time before retirement. Airline pilots and flight engineers also participate in defined contribution plans for which Company contributions are determined as a percentage of participant compensation.

In addition to pension benefits, other postretirement benefits, including certain health care and life insurance benefits, are also provided to retired employees. The amount of health care benefits is limited to lifetime maximums as outlined in the plan. Substantially all employees of American and employees of certain other subsidiaries may become eligible for these benefits if they satisfy eligibility requirements during their working lives.

Certain employee groups make contributions toward funding a portion of their retiree health care benefits during their working lives. AMR funds benefits as incurred and makes contributions to match employee prefunding.

10. RETIREMENT BENEFITS (CONTINUED)

The following table provides a reconciliation of the changes in the plans' benefit obligations and fair value of assets for the years ended December 31, 2000 and 1999, and a statement of funded status as of December 31, 2000 and 1999 (in millions):

	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
Reconciliation of benefit obligation				
Obligation at January 1	$ 5,628	$ 6,117	$ 1,306	$ 1,526
Service cost	213	236	43	56
Interest cost	467	433	108	108
Actuarial loss (gain)	499	(849)	328	(311)
Plan amendments	--	75	--	--
Benefit payments	(373)	(388)	(77)	(70)
Curtailments/Special termination benefits	--	4	--	(3)
Obligation at December 31	$ 6,434	$ 5,628	$ 1,708	$ 1,306
Reconciliation of fair value of plan assets				
Fair value of plan assets at January 1	$ 5,282	$ 5,564	$ 72	$ 62
Actual return on plan assets	735	7	5	1
Employer contributions	85	100	88	79
Benefit payments	(373)	(388)	(77)	(70)
Transfers	2	(1)	--	--
Fair value of plan assets at December 31	$ 5,731	$ 5,282	$ 88	$ 72
Funded status				
Accumulated benefit obligation (ABO)	$ 5,306	$ 4,700	$ 1,708	$ 1,306
Projected benefit obligation (PBO)	6,434	5,628	--	--
Fair value of assets	5,731	5,282	88	72
Funded status at December 31	(703)	(346)	(1,620)	(1,234)
Unrecognized loss (gain)	523	288	(51)	(395)
Unrecognized prior service cost	129	139	(35)	(40)
Unrecognized transition asset	(6)	(7)	--	--
Prepaid (accrued) benefit cost	$ (57)	$ 74	$(1,706)	$(1,669)

At December 31, 2000 and 1999, plan assets of approximately $88 million and $71 million, respectively, were invested in shares of mutual funds managed by a subsidiary of AMR.

10. RETIREMENT BENEFITS (CONTINUED)

The following tables provide the components of net periodic benefit cost for the years ended December 31, 2000, 1999 and 1998 (in millions):

	Pension Benefits		
	2000	1999	1998
Components of net periodic benefit cost			
Defined benefit plans:			
Service cost	$ 213	$ 236	$ 213
Interest cost	467	433	418
Expected return on assets	(490)	(514)	(478)
Amortization of:			
Transition asset	(1)	(4)	(11)
Prior service cost	10	5	4
Unrecognized net loss	17	21	22
Settlement loss	--	--	6
Net periodic benefit cost for defined benefit plans	216	177	174
Defined contribution plans	174	155	158
Total	$ 390	$ 332	$ 332

	Other Benefits		
	2000	1999	1998
Components of net periodic benefit cost			
Service cost	$ 43	$ 56	$ 52
Interest cost	108	108	99
Expected return on assets	(7)	(6)	(5)
Amortization of:			
Prior service cost	(5)	(5)	(5)
Unrecognized net gain	(14)	--	(2)
Net periodic benefit cost	$ 125	$ 153	$ 139

The following table provides the amounts recognized in the consolidated balance sheets as of December 31, 2000 and 1999 (in millions):

	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
Prepaid benefit cost	$ 107	$ 244	$ --	$ --
Accrued benefit liability	(225)	(170)	(1,706)	(1,669)
Additional minimum liability	(21)	(15)	--	--
Intangible asset	72	13	--	--
Accumulated other comprehensive income	10	2	--	--
Net amount recognized	$ (57)	$ 74	$(1,706)	$(1,669)

10. RETIREMENT BENEFITS (CONTINUED)

The following assumptions were used by the Company in the measurement of the benefit obligation as of December 31:

	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
Weighted-average assumptions				
Discount rate	7.75%	8.25%	7.75%	8.25%
Salary scale	4.26	4.26	--	--
Expected return on plan assets	9.50	9.50	9.50	9.50

The assumed health care cost trend rate was changed to seven percent, effective December 31, 2000, decreasing gradually to an ultimate rate of four percent by 2004. The previously assumed health care cost trend rate was five percent in 1999, decreasing gradually to an ultimate rate of four percent by 2001.

A one percentage point change in the assumed health care cost trend rates would have the following effects (in millions):

	One percent increase	One percent decrease
Impact on 2000 service and interest cost	$ 20	$ (19)
Impact on postretirement benefit obligation as of December 31, 2000	$137	$(131)

Effective January 1, 2001, American established a defined contribution plan for non-contract employees in which the Company will contribute a match up to 5.5 percent on employee contributions of pensionable earnings to the Company's existing 401(k) plan. During 2000, American provided a one-time election for current non-contract employees to remain in the defined benefit plan or discontinue accruing future credited service in the defined benefit plan as of January 1, 2001 and begin participation in the defined contribution plan.

11. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in millions, except per share amounts):

	Year Ended December 31,		
	2000	1999	1998
NUMERATOR:			
Numerator for earnings per share - income from continuing operations before extraordinary loss	$ 779	$ 656	$ 1,114
DENOMINATOR:			
Denominator for basic earnings per share - weighted-average shares	150	152	169
Effect of dilutive securities:			
Employee options and shares	27	12	13
Assumed treasury shares purchased	(15)	(7)	(7)
Dilutive potential common shares	12	5	6
Denominator for diluted earnings per share - adjusted weighted-average shares	162	157	175
Basic earnings per share from continuing operations before extraordinary loss	$ 5.20	$ 4.30	$ 6.60
Diluted earnings per share from continuing operations before extraordinary loss	$ 4.81	$ 4.17	$ 6.38

12. DISCONTINUED OPERATIONS

During the first quarter of 1999, the Company sold AMR Services, AMR Combs and TeleService Resources. As a result of these sales, the Company recorded a gain of approximately $64 million, net of income taxes of approximately $19 million.

On February 7, 2000, the Company declared its intent to distribute AMR's entire ownership interest in Sabre as a dividend on all outstanding shares of its common stock. To effect the dividend, AMR exchanged all of its 107,374,000 shares of Sabre's Class B common stock for an equal number of shares of Sabre's Class A common stock. Effective after the close of business on March 15, 2000, AMR distributed 0.722652 shares of Sabre Class A common stock for each share of AMR stock owned by AMR's shareholders. The record date for the dividend of Sabre stock was the close of business on March 1, 2000. In addition, on February 18, 2000, Sabre paid a special one-time cash dividend of $675 million to shareholders of record of Sabre common stock at the close of business on February 15, 2000. Based upon its approximate 83 percent interest in Sabre, AMR received approximately $559 million of this dividend. The dividend of AMR's entire ownership interest in Sabre's common stock resulted in a reduction to AMR's retained earnings in March of 2000 equal to the carrying value of the Company's investment in Sabre on March 15, 2000, which approximated $581 million. The fair market value of AMR's investment in Sabre on March 15, 2000, based upon the quoted market closing price of Sabre Class A common stock on the New York Stock Exchange, was approximately $5.2 billion. In addition, effective March 15, 2000, the Company reduced the exercise price and increased the number of employee stock options and awards by approximately 19 million to offset the dilution to the holders, which occurred as a result of the spin-off. These changes were made to

12. DISCONTINUED OPERATIONS (CONTINUED)

keep the holders in the same economic position as before the spin-off. This dilution adjustment was determined in accordance with Emerging Issues Task Force Consensus No. 90-9, "Changes to Fixed Employee Stock Option Plans as a Result of Equity Restructuring", and had no impact on earnings.

The results of operations for Sabre, AMR Services, AMR Combs and TeleService Resources have been reflected in the consolidated statements of operations as discontinued operations. Summarized financial information of the discontinued operations is as follows (in millions):

	Year Ended December 31,		
	2000	1999	1998
SABRE			
Revenues	$ 542	$2,435	$2,306
Minority interest	10	57	40
Income taxes	36	196	140
Net income	43	265	192
AMR SERVICES, AMR COMBS AND TELESERVICE RESOURCES			
Revenues	$ --	$ 97	$ 513
Income taxes	--	--	7
Net income	--	--	8

The historical assets and liabilities of Sabre, AMR Services, AMR Combs and TeleService Resources at December 31, 1999, which have been reflected on a net basis in other assets on the consolidated balance sheets, are summarized as follows (in millions):

Current assets	$ 976
Total assets	1,951
Current liabilities	525
Total liabilities, including minority interest	912
Net assets of discontinued operations	1,039

13. SEGMENT REPORTING

Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information", as amended (SFAS 131), requires that a public company report annual and interim financial and descriptive information about its reportable operating segments. Operating segments, as defined, are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company has two primary operating segments, consisting primarily of American and AMR Eagle, which represent one reportable segment. American is one of the largest scheduled passenger airlines in the world. At the end of 2000, American provided scheduled jet service to more than 169 destinations throughout North America, the Caribbean, Latin America, Europe and the Pacific. American is also one of the largest scheduled air freight carriers in the world, providing a full range of freight and mail services to shippers throughout its system. AMR Eagle owns two regional airlines which do business as "American Eagle" -- American Eagle Airlines, Inc. and Executive Airlines, Inc. The American Eagle carriers provide connecting service from eight of American's high-traffic cities to smaller markets throughout the United States, Canada, the Bahamas and the Caribbean.

13. SEGMENT REPORTING (CONTINUED)

Revenues from other segments are below the quantitative threshold for determining reportable segments and consist primarily of revenues from AMR Investment Services, Inc., Americas Ground Services and Airline Management Services. The difference between the financial information of the Company's one reportable segment and the financial information included in the consolidated statements of operations and balance sheets as a result of these entities is not material.

The Company's operating revenues by geographic region are summarized below (in millions):

	Year Ended December 31,		
	2000	1999	1998
Domestic	$13,881	$12,563	$12,262
Latin America	2,907	2,697	2,830
Europe	2,338	1,984	2,039
Pacific	577	486	385
Total consolidated revenues	$19,703	$17,730	$17,516

The Company attributes operating revenues by geographic region based upon the origin and destination of each flight segment. The Company's tangible assets consist primarily of flight equipment which is mobile across geographic markets and, therefore, has not been allocated.

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

Unaudited summarized financial data by quarter for 2000 and 1999 (in millions, except per share amounts):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2000				
Operating revenues	$ 4,577	$ 5,011	$ 5,256	$ 4,859
Operating income	212	517	572	80
Income from continuing operations before extraordinary loss	89	321	322	47
Net earnings	132	321	313	47
Earnings per share:				
Basic				
From continuing operations before extraordinary loss	0.60	2.15	2.14	0.31
Net earnings	0.89	2.15	2.08	0.31
Diluted				
From continuing operations before extraordinary loss	0.57	1.96	1.96	0.29
Net earnings	0.86	1.96	1.91	0.29
1999				
Operating revenues	$ 4,007	$ 4,541	$ 4,695	$ 4,487
Operating income	46	414	426	270
Income from continuing operations	17	216	213	210
Net earnings	158	268	279	280
Earnings per share:				
Basic				
From continuing operations	0.11	1.41	1.42	1.42
Net earnings	0.99	1.76	1.86	1.89
Diluted				
From continuing operations	0.11	1.36	1.38	1.37
Net earnings	0.96	1.70	1.76	1.84

During the second quarter of 2000, the Company recorded an after-tax gain of approximately $36 million from the sale of the Company's warrants to purchase 5.5 million shares of priceline common stock (see Note 2). During the third quarter of 2000, the Company recorded a $9 million after-tax extraordinary loss on the repurchase prior to scheduled maturity of long-term debt (see Note 5). Results for the fourth quarter of 2000 include an after-tax gain of approximately $26 million for the recovery of start-up expenses related to the Canadian services agreement (see Note 2) and an after-tax charge of approximately $35 million for the Company's employee home computer program.

During the first quarter of 1999, the Company recorded an after-tax gain of approximately $64 million from the sale of AMR Services, AMR Combs and TeleService Resources, and a $37 million after-tax gain from the sale of a portion of the Company's holdings in Equant, of which approximately $18 million is recorded in income from discontinued operations (see Note 2). Results for the fourth quarter of 1999 include the following: (i) a $25 million after-tax gain related to the Company's sale of its investment in the preferred stock of Canadian and a $67 million tax benefit resulting from the tax loss on the Company's investment in Canadian (see Note 2), (ii) an after-tax gain of approximately $81 million related to the sale of a portion of the Company's holdings in Equant, of which approximately $53 million is recorded in income from discontinued operations (see Note 2), (iii) a $28 million after-tax increase in passenger revenue resulting from a change in estimate related to certain passenger revenues earned during the first nine months of 1999, and (iv) a $25 million after-tax provision for certain litigation settlements.

15. SUBSEQUENT EVENTS

On January 10, 2001, the Company announced three transactions that are expected to substantially increase the scope of its existing network. First, the Company announced that it had agreed to purchase substantially all of the assets of Trans World Airlines, Inc. (TWA) for approximately $500 million in cash and to assume approximately $3.5 billion of TWA's obligations. The Company's agreement with TWA contemplated that TWA would file for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code and conduct an auction of its assets under the auspices of the Bankruptcy Court. During the auction, other credible offers would compete with the Company's offer. TWA filed for bankruptcy protection on January 10, 2001. In conjunction therewith, the Company also agreed to provide TWA with up to $200 million in debtor-in-possession financing to facilitate TWA's ability to maintain its operations until the completion of this transaction. The amount available under this facility was later increased to $330 million. As of March 19, 2001, approximately $289 million had been provided via the debtor-in-possession financing.

The auction of TWA's assets was commenced on March 5, 2001, and recessed to March 7, 2001. During the recess, the Company increased its cash bid to $625 million and agreed to leave in the TWA estate certain aircraft security deposits, advance rental payments and rental rebates that were estimated to bring approximately $117 million of value to TWA. On March 7, 2001, TWA's board selected the Company's bid as the "highest and best" offer, and on March 12, 2001, the U.S. Bankruptcy Court, District of Delaware, entered an order approving the sale of TWA's assets to the Company. Consummation of the transaction is subject to several contingencies, including the waiver by TWA's unions of certain provisions of their collective bargaining agreements. The approval of the U.S. Department of Justice was obtained on March 16, 2001. Certain parties have filed appeals of the Bankruptcy Court's sale order, and have sought a stay of the transaction, pending the appeals. A provision of the Bankruptcy Code will permit the Company to close the transaction, despite pending appeals, unless a stay is granted. If a stay is granted, the Company would anticipate that the appeal process would be expedited. Upon the closing of the transaction, TWA will be integrated into American's operations with a continued hub operation in St. Louis.

Secondly, the Company announced that it has agreed to acquire from United Airlines, Inc. (United) certain key strategic assets (slots, gates and aircraft) of US Airways, Inc. (US Airways) upon the consummation of the previously announced merger between United and US Airways. In addition to the acquisition of these assets, American will lease a number of slots and gates from United so that American may operate half of the northeast Shuttle (New York/Washington DC/Boston). United will operate the other half of the Shuttle. For these assets, American will pay approximately $1.2 billion in cash to United and assume approximately $300 million in aircraft operating leases. The consummation of these transactions is contingent upon the closing of the proposed United/US Airways merger. Also, the acquisition of aircraft is generally dependent upon a certain number of US Airways' Boeing 757 cockpit crew members transferring to American's payroll.

Finally, American has agreed to acquire a 49 percent stake in, and to enter into an exclusive marketing agreement with, DC Air LLC (DC Air). American has agreed to pay $82 million in cash for its ownership stake. American will have a right of first refusal on the acquisition of the remaining 51 percent stake in DC Air. American will also lease to DC Air a certain number of Fokker 100 aircraft with necessary crews (known in the industry as a "wet lease"). These wet leased aircraft will be used by DC Air in its operations. DC Air is the first significant new entrant at Ronald Reagan Washington National Airport (DCA) in over a decade. DC Air will acquire the assets needed to begin its DCA operations from United/US Airways upon the consummation of the merger between the two carriers. American's investment in DC Air and the other arrangements described above are contingent upon the consummation of the merger between United and US Airways.

As a result of the above transactions, and for several other reasons, American and American Eagle have initiated an impairment review of certain fleet types in accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." This review could result in an impairment charge to be taken by the Company in 2001. The size of any resulting 2001 charge is not presently known, but may be significant.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Incorporated herein by reference from the Company's definitive proxy statement for the annual meeting of stockholders on May 16, 2001. Information concerning the executive officers is included in Part I of this report on page 15.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated herein by reference from the Company's definitive proxy statement for the annual meeting of stockholders on May 16, 2001.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Incorporated herein by reference from the Company's definitive proxy statement for the annual meeting of stockholders on May 16, 2001.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Incorporated herein by reference from the Company's definitive proxy statement for the annual meeting of stockholders on May 16, 2001.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) The following financial statements and Independent Auditors' Report are filed as part of this report:

(2) The following financial statement schedule and Independent Auditors' Report are filed as part of this report:

Schedules not included have been omitted because they are not applicable or because the required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits required to be filed by Item 601 of Regulation S-K. (Where the amount of securities authorized to be issued under any of AMR's long-term debt agreements does not exceed 10 percent of AMR's assets, pursuant to paragraph (b)(4) of Item 601 of Regulation S-K, in lieu of filing such as an exhibit, AMR hereby agrees to furnish to the Commission upon request a copy of any agreement with respect to such long-term debt.)

EXHIBIT

3.1 Restated Certificate of Incorporation of AMR, incorporated by reference to AMR's Registration Statement on Form S-4, file number 33-55191.

3.2 Bylaws of AMR, amended as of November 18, 1998, incorporated by reference to Exhibit 3.2 to AMR's report on Form 10-K for the year ended December 31, 1998.

3.3 Bylaws of AMR, amended as of January 19, 2000, incorporated by reference to Exhibit 3.3 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.1 Employment Agreement among AMR, American Airlines and Robert L. Crandall, dated January 1, 1988, incorporated by reference to Exhibit 10(t) to AMR's report on Form 10-Q for the period ended March 31, 1988; amendments thereto incorporated by reference to Exhibit 10(ff) to AMR's report on Form 10-K for the year ended December 31, 1989, Exhibit 10(tt) to AMR's report on Form 10-K for the year ended December 31, 1990, Exhibit 10(uu) to AMR's report on Form 10-Q for the period ended June 30, 1992, and Exhibit 10(ooo) to AMR's report on Form 10-Q for the period ended March 31, 1995.

10.2 Amended and Restated Employment Agreement among AMR, American Airlines and Robert L. Crandall, dated January 21, 1998, incorporated by reference to Exhibit 10.2 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.3 Compensation and Benefit Agreement relative to the retirement of Robert L. Crandall, between AMR and Robert L. Crandall, dated September 18, 1998, incorporated by reference to Exhibit 10.3 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.4 Irrevocable Executive Trust Agreement, dated as of May 1, 1992, between AMR and Wachovia Bank of North Carolina N.A., incorporated by reference to Exhibit 10(vv) to AMR's report on Form 10-K for the year ended December 31, 1992.

10.5 Deferred Compensation Agreement, dated April 14, 1973, as amended March 1, 1975, between American and Robert L. Crandall, incorporated by reference to Exhibit 10(c)(7) to American's Registration Statement No. 2-76709.

10.6 Form of Executive's Termination Benefits Agreement incorporated by reference to Exhibit 10(p) to AMR's report on Form 10-K for the year ended December 31, 1985.

10.7 Management Severance Allowance, dated as of February 23, 1990, for levels 1-4 employees of American Airlines, Inc., incorporated by reference to Exhibit 10(oo) to AMR's report on Form 10-K for the year ended December 31, 1989.

10.8 Management Severance Allowance, dated as of February 23, 1990, for level 5 and above employees of American Airlines, Inc., incorporated by reference to Exhibit 10(pp) to AMR's report on Form 10-K for the year ended December 31, 1989.

10.9 Description of informal arrangement relating to deferral of payment of directors' fees, incorporated by reference to Exhibit 10(c)(11) to American's Registration Statement No. 2-76709.

10.10 Directors Stock Equivalent Purchase Plan, incorporated by reference to Exhibit 10(gg) to AMR's report on Form 10-K for the year ended December 31, 1989.

10.11 Directors Stock Incentive Plan dated May 18, 1994, as amended, incorporated by reference to Exhibit 10.9 to AMR's report on Form 10-K for the year ended December 31, 1996.

10.12 Deferred Compensation Agreement, dated as of June 1, 1998, between AMR and Edward A. Brennan, incorporated by reference to Exhibit 10.15 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.13 Deferred Compensation Agreement, dated as of January 11, 2000, between AMR and Edward A. Brennan, incorporated by reference to Exhibit 10.15(a) to AMR's report on Form 10-K for the year ended December 31, 1999.

10.14 Changes to the Deferred Compensation Agreement, dated as of June 2, 1998, between AMR and Edward A. Brennan.

10.15 Deferred Compensation Agreement, dated as of February 7, 1996, between AMR and Armando M. Codina, incorporated by reference to Exhibit 10(ttt) to AMR's report on Form 10-K for the year ended December 31, 1995.

10.16 Deferred Compensation Agreement, dated as of February 10, 1997, between AMR and Armando M. Codina, incorporated by reference to Exhibit 10.13 to AMR's report on Form 10-K for the year ended December 31, 1996.

10.17 Deferred Compensation Agreement, dated as of February 19, 1998, between AMR and Armando M. Codina, incorporated by reference to Exhibit 10.15 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.18 Deferred Compensation Agreement, dated as of January 13, 1999, between AMR and Armando M. Codina, incorporated by reference to Exhibit 10.19 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.19 Deferred Compensation Agreement, dated as of January 12, 2000, between AMR and Armando M. Codina, incorporated by reference to Exhibit 10.20 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.20 Deferred Compensation Agreement, dated as of January 22, 2001, between AMR and Armando M. Codina.

10.21 Deferred Compensation Agreement, dated as of July 16, 1997, between AMR and Judith Rodin, incorporated by reference to Exhibit 10.22 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.22 Deferred Compensation Agreement, dated as of February 19, 1998, between AMR and Judith Rodin, incorporated by reference to Exhibit 10.23 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.23 Deferred Compensation Agreement, dated as of January 7, 1999, between AMR and Judith Rodin, incorporated by reference to Exhibit 10.30 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.24 Deferred Compensation Agreement, dated as of January 12, 2000, between AMR and Judith Rodin, incorporated by reference to Exhibit 10.29 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.25 Deferred Compensation Agreement, dated as of January 22, 2001, between AMR and Judith Rodin.

10.26 Deferred Compensation Agreement, dated as of January 19, 2001, between AMR and Philip J. Purcell.

10.27 Description of American's Split Dollar Insurance Program, dated December 28, 1977, incorporated by reference to Exhibit 10(c)(1) to American's Registration Statement No. 2-76709.

10.28 AMR Corporation 1988 Long-Term Incentive Plan, incorporated by reference to Exhibit 10(t) to AMR's report on Form 10-K for the year ended December 31, 1988.

10.29 Amendment to AMR's 1988 Long-term Incentive Plan dated May 18, 1994, incorporated by reference to Exhibit A to AMR's definitive proxy statement with respect to the annual meeting of stockholders held on May 18, 1994.

10.30 AMR Corporation 1998 Long-Term Incentive Plan, as amended, incorporated by reference to Exhibit 10.34 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.31 Form of Stock Option Agreement for Corporate Officers under the AMR 1988 Long-Term Incentive Plan, incorporated by reference to Exhibit 10(rr) to AMR's report on Form 10-K for the year ended December 31, 1990.

10.32 Current form of Stock Option Agreement under the AMR 1988 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.28 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.33 Current form of Stock Option Agreement under the AMR 1998 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.37 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.34 Current form of Stock Option Agreement under the AMR 1998 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.37 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.35 Current form of Stock Option Agreement under the AMR 1998 Long-Term Incentive Plan.

10.36 Form of Career Equity Program Agreement, incorporated by reference to Exhibit 10(nnn) to AMR's report on Form 10-K for the year ended December 31, 1994.

10.37 Current Form of Career Equity Program Deferred Stock Award Agreement for Corporate Officers under the AMR 1988 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.30 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.38 Current form of Career Equity Program Deferred Stock Award Agreement for non-officers under the AMR 1988 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.31 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.39 Current Form of Career Equity Program Deferred Stock Award Agreement for Corporate Officers under the AMR 1998 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.41 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.40 Current form of Career Equity Program Deferred Stock Award Agreement for non-officers under the AMR 1998 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.42 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.41 Current form of Career Equity Program Deferred Stock Award Agreement for Senior Officers under the AMR 1998 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.42(a) to AMR's report on Form 10-K for the year ended December 31, 1998.

10.42 Current form of Career Equity Program Deferred Stock Award Agreement for Employees under the AMR 1998 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.44 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.43 Form of Guaranty to Career Equity Program under the AMR 1988 Long-Term Incentive Plan, incorporated by reference to Exhibit 10(ccc) to AMR's report on Form 10-K for the year ended December 31, 1993.

10.44 Performance Share Program for the years 1994 to 1996 under the 1988 Long-Term Incentive Program, incorporated by reference to Exhibit 10(lll) to AMR's report on Form 10-K for the year ended December 31, 1994.

10.45 Performance Share Program for the years 1995 to 1997 under the 1988 Long-Term Incentive Program, incorporated by reference to Exhibit 10(ooo) to AMR's report on Form 10-K for the year ended December 31, 1995.

10.46 Performance Share Program for the years 1996 to 1998 under the 1988 Long-Term Incentive Program, incorporated by reference to Exhibit 10.26 to AMR's report on Form 10-K for the year ended December 31, 1996.

10.47 Performance Share Program for the years 1997 to 1999 under the 1988 Long-Term Incentive Program, incorporated by reference to Exhibit 10.27 to AMR's report on Form 10-K for the year ended December 31, 1996.

10.48 Form of Performance Share Program for the years 1997 to 1999 under the 1988 Long-Term Incentive Program, incorporated by reference to Exhibit 10.37 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.49 Performance Share Program for the years 1998 to 2000 under the 1988 Long-Term Incentive Program, incorporated by reference to Exhibit 10.38 to AMR's report on Form 10-K for the year ended December 31, 1997.

10.50 Performance Share Program for the years 1999 to 2001 under the 1998 Long-Term Incentive Program, incorporated by reference to Exhibit 10.50 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.51 Performance Share Program for the years 2000 to 2002 under the 1998 Long-Term Incentive Program, incorporated by reference to Exhibit 10.53 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.52	Performance Share Program for the years 2001 to 2003 under the 1998 Long-Term Incentive Program.
10.53	Form of Performance Share Program for the years 2001 to 2003 under the 1998 Long-Term Incentive Program.
10.54	American Airlines, Inc. Supplemental Executive Retirement Program, as amended January 1997, incorporated by reference to Exhibit 10.28 to AMR's report on Form 10-K for the year ended December 31, 1996.
10.55	AMR Corporation 1987 Executive Deferral Plan, as amended through 1999, incorporated by reference to Exhibit 10.52 to AMR's report on Form 10-K for the year ended December 31, 1998.
10.56	American Airlines, Inc. 1996 Employee Profit Sharing Plan, incorporated by reference to Exhibit 10.29 to AMR's report on Form 10-K for the year ended December 31, 1996.
10.57	American Airlines, Inc. 1997 Employee Profit Sharing Plan, incorporated by reference to Exhibit 10.30 to AMR's report on Form 10-K for the year ended December 31, 1996.
10.58	American Airlines, Inc. 1998 Employee Profit Sharing Plan, incorporated by reference to Exhibit 10.43 to AMR's report on Form 10-K for the year ended December 31, 1997.
10.59	American Airlines, Inc. 1999 Employee Profit Sharing Plan, incorporated by reference to Exhibit 10.56 to AMR's report on Form 10-K for the year ended December 31, 1998.
10.59(a)	American Airlines, Inc. 2000 Employee Profit Sharing Plan, incorporated by reference to Exhibit 10.60 to AMR's report on Form 10-K for the year ended December 31, 1999.
10.60	American Airlines, Inc. 2001 Employee Profit Sharing Plan.
10.61	American Airlines, Inc. 1996 Incentive Compensation Plan for Officers and Key Employees, incorporated by reference to Exhibit 10(qqq) to AMR's report on Form 10-K for the year ended December 31, 1995.
10.62	American Airlines, Inc. 1997 Incentive Compensation Plan for Officers and Key Employees, incorporated by reference to Exhibit 10.32 to AMR's report on Form 10-K for the year ended December 31, 1996.
10.63	American Airlines, Inc. 1998 Incentive Compensation Plan for Officers and Key Employees, incorporated by reference to Exhibit 10.46 to AMR's report on Form 10-K for the year ended December 31, 1997.
10.64	American Airlines, Inc. 1999 Incentive Compensation Plan for Officers and Key Employees, incorporated by reference to Exhibit 10.60 to AMR's report on Form 10-K for the year ended December 31, 1998.
10.65	American Airlines, Inc. 2000 Incentive Compensation Plan for Officers and Key Employees, incorporated by reference to Exhibit 10.65 to AMR's report on Form 10-K for the year ended December 31, 1999.
10.66	American Airlines, Inc. 2001 Incentive Compensation Plan for Officers and Key Employees.
10.67	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Gerard J. Arpey, dated May 21, 1998, incorporated by reference to Exhibit 10.61 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.68 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Robert W. Baker, dated May 21, 1998, incorporated by reference to Exhibit 10.62 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.69 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Peter M. Bowler, dated May 21, 1998, incorporated by reference to Exhibit 10.63 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.70 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Donald J. Carty, dated May 21, 1998, incorporated by reference to Exhibit 10.64 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.71 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Peter J. Dolara, dated May 21, 1998, incorporated by reference to Exhibit 10.65 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.72 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Daniel P. Garton, dated May 21, 1998, incorporated by reference to Exhibit 10.66 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.73 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Michael W. Gunn, dated May 21, 1998, incorporated by reference to Exhibit 10.67 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.74 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Monte E. Ford, dated November 15, 2000.

10.75 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Thomas W. Horton, dated January 19, 2000, incorporated by reference to Exhibit 10.73 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.76 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Henry C. Joyner, dated January 19, 2000, incorporated by reference to Exhibit 10.74 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.77 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Thomas J. Kiernan, dated May 21, 1998, incorporated by reference to Exhibit 10.68 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.78 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and David L. Kruse, dated May 21, 1998, incorporated by reference to Exhibit 10.69 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.79 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Charles D. MarLett, dated May 21, 1998, incorporated by reference to Exhibit 10.70 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.80 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Anne H. McNamara, dated May 21, 1998, incorporated by reference to Exhibit 10.71 to AMR's report on Form 10-K for the year ended December 31, 1998.

10.81 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Susan M. Oliver, dated September 22, 2000.

10.82 Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and William K. Ris, Jr., dated October 20, 1999, incorporated by reference to Exhibit 10.79 to AMR's report on Form 10-K for the year ended December 31, 1999.

10.83 Aircraft Sales Agreement by and between American Airlines, Inc. and Federal Express Corporation, dated April 7, 1995, incorporated by reference to Exhibit 10(rrr) to AMR's report on Form 10-K for the year ended December 31, 1995. Confidential treatment was granted as to a portion of this document.

10.84 Aircraft Purchase Agreement by and between American Airlines, Inc. and The Boeing Company, dated October 31, 1997, incorporated by reference to Exhibit 10.48 to AMR's report on Form 10-K for the year ended December 31, 1997. Confidential treatment was granted as to a portion of this document.

10.85 Aircraft Purchase Agreement by and between AMR Eagle Holding Corporation and Bombardier Inc., dated January 31, 1998, incorporated by reference to Exhibit 10.49 to AMR's report on Form 10-K for the year ended December 31, 1997. Confidential treatment was granted as to a portion of this document.

10.86 Aircraft Purchase Agreement by and between AMR Eagle, Inc. and Embraer-Empresa Brasileira de Aeronautica S.A., dated December 22, 1997, incorporated by reference to Exhibit 10.50 to AMR's report on Form 10-K for the year ended December 31, 1997. Confidential treatment was granted as to a portion of this document.

10.87 Aircraft Purchase Agreement by and between AMR Eagle Holding Corporation and Embraer-Empresa Brasileira de Aeronautica S.A., dated September 30, 1998, incorporated by reference to Exhibit 10.76 to AMR's report on Form 10-K for the year ended December 31, 1998. Confidential treatment was granted as to a portion of this document.

10.88 Amended and Restated Asset Purchase Agreement, dated as of February 28, 2001, by and between American Airlines, Inc. and Trans World Airlines, Inc.

10.89 Amendment No. 1 to Amended and Restated Asset Purchase Agreement, dated as of March 9, 2001, by and between American Airlines, Inc. and Trans World Airlines, Inc.

10.90 Secured Debtor In Possession Credit and Security Agreement dated as of January 10, 2001 among Trans World Airlines, Inc. and AMR Finance, Inc.

10.91 Letter Agreement/Amendment to Secured Debtor In Possession Credit and Security Agreement dated as of January 11, 2001 between Trans World Airlines, Inc. and AMR Finance, Inc.

10.92 Letter Agreement/Amendment to Secured Debtor In Possession Credit and Security Agreement dated as of January 26, 2001 between Trans World Airlines, Inc. and AMR Finance, Inc.

10.93 Letter Agreement/Amendment to Secured Debtor In Possession Credit and Security Agreement dated as of March 7, 2001 between Trans World Airlines, Inc. and AMR Finance, Inc.

10.94 First Amendment to Secured Debtor In Possession Credit and Security Agreement dated as of March 12, 2001 between Trans World Airlines, Inc. and AMR Finance, Inc.

12	Computation of ratio of earnings to fixed charges for the years ended December 31, 1996, 1997, 1998, 1999 and 2000.
21	Significant subsidiaries of the registrant as of December 31, 2000.
23	Consent of Independent Auditors.

(b) Reports on Form 8-K:

Form 8-Ks filed under Item 5 - Other Events

On October 19, 2000, AMR filed a report on Form 8-K relative to a press release issued to report the Company's third quarter 2000 earnings, information relating to American's hosting of its biennial Analyst & Investor Conference, the future dates of AMR's earnings report, and information on how to access AMR's web site.

On November 1, 2000, AMR filed a report on Form 8-K relative to certain data regarding its fleet plan, unit costs, capacity, traffic and fuel.

Form 8-Ks furnished under Item 9 - Regulation FD Disclosure

On November 10, 2000, AMR filed a report on Form 8-K relative to an upcoming presentation by AMR's Chairman and CEO Don Carty as part of the 15th Annual Salomon Smith Barney Transportation Conference in New York City.

On November 27, 2000, AMR filed a report on Form 8-K relative to certain data regarding its fleet plan, unit costs, capacity, traffic and fuel.

On December 14, 2000, AMR filed a report on Form 8-K relative to certain data regarding its fleet plan, unit costs, capacity, operational considerations, traffic and fuel.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMR CORPORATION

/s/ Donald J. Carty
- ----------
Donald J. Carty
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

/s/ Thomas W. Horton
- ----------
Thomas W. Horton
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: March 22, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates noted:

Directors:

/s/ David L. Boren	/s/ Michael A. Miles
- ----------	----------
David L. Boren	Michael A. Miles
/s/ Edward A. Brennan	/s/ Charles H. Pistor, Jr.
- ----------	----------
Edward A. Brennan	Charles H. Pistor, Jr.
/s/ Armando M. Codina	/s/ Philip J. Purcell
- ----------	----------
Armando M. Codina	Philip J. Purcell
/s/ Earl G. Graves	/s/ Joe M. Rodgers
- ----------	----------
Earl G. Graves	Joe M. Rodgers
/s/ Ann McLaughlin Korologos	/s/ Judith Rodin
- ----------	----------
Ann McLaughlin Korologos	Judith Rodin

Date: March 22, 2001

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
AMR Corporation

We have audited the consolidated financial statements of AMR Corporation as of December 31, 2000 and 1999, and for each of the three years in the period ended December 31, 2000, and have issued our report thereon dated January 16, 2001, except for Note 15, for which the date is March 19, 2001. Our audits also included Schedule II - Valuation and Qualifying Accounts and Reserves. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this schedule based on our audits.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

2121 San Jacinto
Dallas, Texas 75201
January 16, 2001, except for Note 15,
for which the date is March 19, 2001.

AMR CORPORATION
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(IN MILLIONS)

	BALANCE AT BEGINNING OF YEAR	INCREASES CHARGED TO INCOME STATEMENT ACCOUNTS	PAYMENTS	WRITE-OFFS (NET OF RECOVERIES)	SALES, RETIRE-MENTS AND TRANSFERS	BALANCE AT END OF YEAR
YEAR ENDED DECEMBER 31, 2000						
Allowance for obsolescence of inventories	$279	$ 62	$ --	$ --	$ (9)	$332
Allowance for uncollectible accounts	57	18	--	(48)	--	27
Reserves for maintenance activities	38	52	(55)	--	--	35
Reserves for environmental remediation costs	65	24	(19)	--	--	70
Reserves for litigation	31	--	(2)	--	--	29
YEAR ENDED DECEMBER 31, 1999						
Allowance for obsolescence of inventories	214	59	--	--	6	279
Allowance for uncollectible accounts	19	34	--	4	--	57
Reserves for maintenance activities	31	50	(43)	--	--	38
Reserves for environmental remediation costs	23	48	(6)	--	--	65
Reserves for litigation	--	39	(8)	--	--	31
YEAR ENDED DECEMBER 31, 1998						
Allowance for obsolescence of inventories	203	40	--	--	(29)	214
Allowance for uncollectible accounts	9	12	--	(2)	--	19
Reserves for maintenance activities	35	3	(4)	--	(3)	31
Reserves for environmental remediation costs	14	12	(3)	--	--	23

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
10.14	Changes to the Deferred Compensation Agreement, dated as of June 2, 1998, between AMR and Edward A. Brennan.
10.20	Deferred Compensation Agreement, dated as of January 22, 2001, between AMR and Armando M. Codina.
10.25	Deferred Compensation Agreement, dated as of January 22, 2001, between AMR and Judith Rodin.
10.26	Deferred Compensation Agreement, dated as of January 19, 2001, between AMR and Philip J. Purcell.
10.35	Current form of Stock Option Agreement under the AMR 1998 Long-Term Incentive Plan.
10.52	Performance Share Program for the years 2001 to 2003 under the 1998 Long-Term Incentive Program.
10.53	Form of Performance Share Program for the years 2001 to 2003 under the 1998 Long-Term Incentive Program.
10.60	American Airlines, Inc. 2001 Employee Profit Sharing Plan.
10.66	American Airlines, Inc. 2001 Incentive Compensation Plan for Officers and Key Employees.
10.74	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Monte E. Ford, dated November 15, 2000.
10.81	Amended and Restated Executive Termination Benefits Agreement between AMR, American Airlines and Susan M. Oliver, dated September 22, 2000.
10.88	Asset Purchase Agreement, dated as of February 28, 2001, by and between American Airlines, Inc. and Trans World Airlines, Inc.
10.89	Amendment No. 1 to Amended and Restated Asset Purchase Agreement, dated as of March 9, 2001, by and between American Airlines, Inc. and Trans World Airlines, Inc.
10.90	Secured Debtor In Possession Credit and Security Agreement dated as of January 10, 2001 among Trans World Airlines, Inc. and AMR Finance, Inc.
10.91	Letter Agreement/Amendment to Secured Debtor In Possession Credit and Security Agreement dated as of January 11, 2001 between Trans World Airlines, Inc. and AMR Finance, Inc.
10.92	Letter Agreement/Amendment to Secured Debtor In Possession Credit and Security Agreement dated as of January 26, 2001 between Trans World Airlines, Inc. and AMR Finance, Inc.
10.93	Letter Agreement/Amendment to Secured Debtor In Possession Credit and Security Agreement dated as of March 7, 2001 between Trans World Airlines, Inc. and AMR Finance, Inc.
10.94	First Amendment to Secured Debtor In Possession Credit and Security Agreement dated as of March 12, 2001 between Trans World Airlines, Inc. and AMR Finance, Inc.
12	Computation of ratio of earnings to fixed charges for the years ended December 31, 1996, 1997, 1998, 1999 and 2000.
21	Significant subsidiaries of the registrant as of December 31, 2000.
23	Consent of Independent Auditors.

EXHIBIT 10.14

June 2, 1998

Mr. Edward A. Brennan
400 North Michigan Avenue
Suite 400
Chicago, IL 60611

Dear Ed:

This letter will confirm the changes we discussed to your deferral arrangement.

1. You will continue to defer, pursuant to the Directors' Stock Equivalent Purchase Plan (the "Plan"), all cash compensation paid to you as a consequence of your service on the Board of Directors of AMR Corporation and/or American Airlines, Inc. You may discontinue this deferral at any time upon written notice to AMR.

2. The Deferral Termination Date (see Article 1.04 of the Plan) will be the first to occur of: (i) your retirement from the Board or (ii) your departure from the Board for reasons other than retirement.

3. Please indicate below whether you want the payment to be (i) a lump-sum payment or (ii) made in installments. If you choose a lump-sum payment, the first and final distribution will be made in accordance with Article 4.01(B).

   If you choose an installment payment, the distribution will be made in accordance with Articles 4.01(B) and (C).

   I ELECT DISTRIBUTION TO BE MADE AS FOLLOWS [INDICATE A LUMP-SUM PAYMENT OR INSTALLMENT OVER "X" YEARS]: _____.

4. In the event of your death prior to a full distribution of the Stock Equivalent Units, the distribution will be made in accordance with Article 4.01(E) in favor of Lois L. Brennan.

Please indicate your agreement to the foregoing by signing below. This letter will replace in its entirety that dated January 31, 1990. Capitalized terms will have the meanings set forth in the Plan, a copy of which is attached hereto.

Very truly yours,

Charles D. MarLett
Corporate Secretary

Agreed:

- ----------
Edward A. Brennan

EXHIBIT 10.20

January 22, 2001

Mr. Armando M. Codina
Chairman
Codina Group, Inc.
Two Alhambra Plaza, PH2
Coral Gables, FL 33134

Dear Armando:

This will confirm the following agreement relating to the deferral of, and payment of, your directors' fees in 2001:

1. All directors' fees and retainers (AFees@) payable to you in connection with your service on the boards of directors (including committees of such boards) of AMR Corporation and American Airlines, Inc. for the period January 1, 2001, through December 31, 2001, will be deferred and paid to you in accordance with this letter agreement.

2. Fees will be converted to Stock Equivalent Units in accordance with the Directors' Stock Equivalent Purchase Plan, a copy of which is attached hereto as Exhibit A (the "Plan").

3. On or before January 31, 2010, all the Stock Equivalent Units will be converted to cash and paid to you by multiplying the number of Stock Equivalent Units as of December 31, 2009, by the arithmetic mean of the high and low of AMR stock ("fair market value") during December 2009.

4. AMR's obligation to make payments pursuant to paragraph 3 hereof will not be released or modified by reason of your death. In such event, the number of Stock Equivalent Units as of your date of death will be multiplied by the fair market value of AMR stock during the calendar month immediately preceding your death, and the amount paid to Margarita Codina.

If the foregoing is satisfactory to you, please indicate by signing one of the originals (two are enclosed) and returning it to me.

Very truly yours,

Charles D. MarLett
Corporate Secretary

Accepted and agreed:

Armando M. Codina

Date

EXHIBIT 10.25

January 22, 2001

Judith Rodin, PhD.
President
University of Pennsylvania
100 College Hall
Philadelphia, PA 19104

Dear Judith:

This will confirm the following agreement relating to the deferral of your directors' fees and retainers in 2001:

1. All directors' fees and retainers (AFees@) payable to you in connection with your service on the boards of directors (including committees of such boards) of AMR Corporation and American Airlines, Inc. for the period January 1, 2001 through December 31, 2001, will be deferred and paid to you in accordance with this letter agreement:

2. Fees will be converted to Stock Equivalent Units in accordance with the Directors' Stock Equivalent Purchase Plan, a copy of which is attached hereto as Exhibit A (the "Plan").

3. Upon your retirement from the Board of Directors of AMR the Stock Equivalent Units accrued pursuant to the Plan will be converted to cash and paid to you by multiplying the number of Stock Equivalent Units as of the date of your retirement by the arithmetic mean of the high and low of AMR stock ("fair market value") during the calendar month immediately preceding such retirement date. Such payment will occur within 30 days of your retirement date.

4. AMR's obligation to make payments pursuant to paragraph 3 hereof will not be released or modified by reason of your death. In such event, the number of Stock Equivalent Units as of your date of death will be multiplied by the fair market value of AMR stock during the calendar month immediately preceding your death, and the amount paid to the Trustees under your Revocable Agreement of Trust, dated September 15, 1997, as amended November 3, 1997, Judith Rodin Settlor and Trustee.

If the foregoing is satisfactory to you, please indicate by signing one of the originals (two are enclosed) and returning it to me.

Very truly yours,

Charles D. MarLett
Corporate Secretary

Accepted and agreed:

Judith Rodin

Date

EXHIBIT 10.26

January 19, 2001

Mr. Philip J. Purcell
Morgan Stanley Dean Witter & Co.
2500 Lake Cook Road
Riverwoods, IL 60015

Dear Mr. Purcell:

This will confirm the following agreement relating to the deferral of your director's fees in 2001.

1. All director's fees and retainers ("Fees") payable to you in connection with your service on the boards of directors (including committees of such boards) of AMR Corporation and American Airlines, Inc. for the period January 1, 2001 through December 31, 2001, will be deferred and paid to you in accordance with this letter agreement.

2. Fees will be converted to Stock Equivalent Units in accordance with the Directors' Stock Equivalent Purchase Plan, a copy of which is attached hereto as Exhibit A (the "Plan").

3. Within 30 days of the date when you cease to be a Director of AMR Corporation, the Stock Equivalent Units accrued pursuant to the Plan will be converted to cash and paid to you by multiplying the number of such Stock Equivalent Units by the arithmetic mean of the high and the low of AMR stock ("fair market value") during the month when you ceased to be a Director of AMR Corporation.

4. AMR's obligation to make the payment pursuant to paragraph 3 hereof will not be released or modified by reason of your death. In such event, the number of Stock Equivalent Units as of your date of death will be multiplied by the fair market value of AMR stock during the calendar month immediately preceding your death, and the amount paid to Anne Purcell.

If the foregoing is satisfactory to you, please indicate by signing one of the originals (two are enclosed) and returning it to me.

Very truly yours,

Charles D. MarLett
Corporate Secretary

Accepted and agreed:

Philip J. Purcell

Date

EXHIBIT 10.35

STOCK OPTION

STOCK OPTION granted DATE, by AMR Corporation, a Delaware corporation (the "Corporation"), and FIRST LAST, employee number 999999, an employee of the Corporation or one of its Subsidiaries or Affiliates (the "Optionee").

WITNESSETH:

WHEREAS, the stockholders of the Corporation approved the 1998 Long Term Incentive Plan at the Corporation's annual meeting held on May 20, 1998 (such plan, as may be amended from time to time, to be referenced the "1998 Plan");

WHEREAS, the 1998 Plan provides for the grant of an option to purchase shares of the Corporation's Common Stock to those individuals selected by the Committee or, in lieu thereof, the Board of Directors of AMR Corporation (the "Board"); and

WHEREAS, the Board has determined that the Optionee is eligible under the Plan and that it is to the advantage and interest of the Corporation to grant the option provided for herein to the Optionee as an incentive for Optionee to remain in the employ of the Corporation or one of its Subsidiaries or Affiliates, and to encourage ownership by the Optionee of the Corporation's Common Stock, $1 par value (the "Common Stock").

NOW, THEREFORE:

1. Option Grant. The Corporation hereby grants to the Optionee a non-qualified stock option, subject to the terms and conditions hereinafter set forth, to purchase all or any part of an aggregate of SHARES shares of Common Stock at a price of $32.8438 per share (being the fair market value of the Common Stock on the date hereof), exercisable in approximately equal installments on and after the following dates and with respect to the following number of shares of Common Stock:

Exercisable On and After	Number of Shares
SHARES1	11/07/2001
SHARES2	11/07/2002
SHARES3	11/07/2003
SHARES4	11/07/2004
SHARES5	11/07/2005

provided, that in no event shall this option be exercisable in whole or in part ten years from the date hereof and that the Corporation shall in no event be obligated to issue fractional shares. The right to exercise this option and to purchase the number of shares comprising each such installment shall be cumulative, and once such right has become exercisable it may be exercised in whole at any time and in part from time to time until the date of termination of the Optionee's rights hereunder.

2. Restriction on Exercise. Notwithstanding any other provision hereof, this option shall not be exercised if at such time such exercise or the delivery of certificates representing shares of Common Stock purchased pursuant hereto shall constitute a violation of any provision of any applicable Federal or State statute, rule or regulation, or any rule or regulation of any securities exchange on which the Common Stock may be listed.

3. Manner of Exercise. This option may be exercised with respect to all or any part of the shares of Common Stock then subject to such exercise by written notice from the Optionee to the Corporation addressed to P.O. Box 619616, Dallas/Fort Worth Airport, Texas 75261-9616, Attention: Executive Compensation. Such notice shall be accompanied (i) by the payment of the option price in cash or by check or (ii) by whatever other form of payment may be authorized by the Corporation, and, in the event that at the time of such exercise the shares of Common Stock as to which this option is exercisable have not been registered under the Securities Act of 1933, shall include a representation by the Optionee that at the time of such exercise he is acquiring the shares of Common Stock for investment only and not with a view to distribution. Subject to compliance by the Optionee with all the terms and conditions hereof, the Corporation shall promptly thereafter deliver to the Optionee a certificate or certificates for such shares with all requisite transfer stamps attached.

4. Termination of Option. This option shall terminate and may no longer be exercised if (i) the Optionee ceases to be an employee of the Corporation or one of its Subsidiaries or Affiliates; or (ii) the Optionee becomes an employee of a Subsidiary that is not wholly owned, directly or indirectly, by the Corporation; or (iii) the Optionee takes a leave of absence without reinstatement rights, unless otherwise agreed in writing between the Corporation and the Optionee; except that

(a) If the Optionee's employment by the Corporation (and any Subsidiary or Affiliate) terminates by reason of death, the vesting of the option will be accelerated and the option will remain exercisable until its expiration;

(b) If the Optionee's employment by the Corporation (and any Subsidiary or Affiliate) terminates by reason of Disability, the option will continue to vest in accordance with its terms and may be exercised until its expiration; provided, however, that if the Optionee dies after such Disability the vesting of the option will be accelerated and the option will remain exercisable until its expiration;

(c) If the Optionee's employment by the Corporation (and any Subsidiary or Affiliate) terminates by reason of Normal or Early Retirement, the option will continue to vest in accordance with its terms and may be exercised until its expiration; provided, however, that if the Optionee dies after Retirement the vesting of the option will be accelerated and the option will remain exercisable until its expiration;

(d) If the Optionee's employment by the Corporation (and any Subsidiary or Affiliate) is involuntarily terminated by the Corporation or a Subsidiary or Affiliate (as the case may be) without Cause, the option may thereafter be exercised, to the extent it was exercisable at the time of termination, for a period of three months from the date of such termination of employment or until the stated term of such option, whichever period is shorter; and

(e) In the event of a Change in Control or a Potential Change in Control of the Corporation, this option shall become exercisable in accordance with the 1998 Plan, or its successor.

5. Adjustments in Common Stock. In the event of any stock dividend, stock split, merger, consolidation, reorganization, recapitalization or other change in the corporate structure, appropriate adjustments may be made by the Board in the number of shares, class or classes of securities and the price per share.

6. Non-Transferability of Option. Unless the Committee shall permit (on such terms and conditions as it shall establish), an option may not be transferred except by will or the laws of descent and distribution to the extent provided herein. During the lifetime of the Optionee this option may be exercised only by him or her (unless otherwise determined by the Committee).

7. Miscellaneous.

(a) This option (i) shall be binding upon and inure to the benefit of any successor of the Corporation, (ii) shall be governed by the laws of the State of Texas, and any applicable laws of the United States, and (iii) may not be amended except in writing. No contract or right of employment shall be implied by this option.

(b) If this option is assumed or a new option is substituted therefore in any corporate reorganization (including, but not limited to, any transaction of the type referred to in Section 425(a) of the Internal Revenue Code of 1986, as amended), employment by such assuming or substituting corporation or by a parent corporation or a subsidiary thereof shall be considered for all purposes of this option to be employment by the Corporation.

(c) In the event the Optionee's employment is terminated by reason of Early or Normal Retirement and the Optionee subsequently is employed by a competitor of the Corporation, the Corporation reserves the right, upon notice to the Optionee, to declare the option forfeited and of no further validity.

8. Securities Law Requirements. The Corporation shall not be required to issue shares upon the exercise of this option unless and until (a) such shares have been duly listed upon each stock exchange on which the Corporation's Stock is then registered; and (b) a registration statement under the Securities Act of 1933 with respect to such shares is then effective.

The Board may require the Optionee to furnish to the Corporation, prior to the issuance of any shares of Stock in connection with the exercise of this option, an agreement, in such form as the Board may from time to time deem appropriate, in which the Optionee represents that the shares acquired by him upon such exercise are being acquired for investment and not with a view to the sale or distribution thereof.

9. Option Subject to 1998 Plan. This option shall be subject to all the terms and provisions of the 1998 Plan and the Optionee shall abide by and be bound by all rules, regulations and determinations of the Board now or hereafter made in connection with the administration of the 1998 Plan. Capitalized terms not otherwise defined herein shall have the meanings set forth for such terms in the 1998 Plan.

IN WITNESS WHEREOF, the Corporation has executed this Stock Option as of the day and year first above written.

AMR Corporation

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Optionee

Charles D. MarLett
Corporate Secretary

EXHIBIT 10.52

2001 - 2003 PERFORMANCE SHARE PLAN
FOR OFFICERS AND KEY EMPLOYEES

Purpose

The purpose of the 2001 - 2003 AMR Corporation Performance Share Plan ("Plan") for Officers and Key Employees is to provide greater incentive to officers and key employees of the subsidiaries and affiliates of AMR Corporation ("AMR" or "the Corporation") to achieve the highest level of individual performance and to meet or exceed specified goals which will contribute to the success of the Corporation. This Plan is adopted pursuant to the 1998 Long Term Incentive Plan, as amended ("LTIP").

Definitions

Capitalized terms not otherwise defined in the Plan or the award agreement for performance shares between the Corporation and the employee, will have the meanings set forth in the LTIP.

For purposes of the Plan, the following definitions will control:

"Affiliate" is defined as a subsidiary of AMR or any entity that is designated by the Committee as a participating employer under the Plan, provided that AMR directly or indirectly owns at least 20% of the combined voting power of all classes of stock of such entity.

"Committee" is defined as the Compensation / Nominating Committee of the AMR Board of Directors.

"Comparator Group" is defined as the seven major U.S. based carriers including AMR Corporation, Continental Airlines, Inc., Delta Air Lines, Inc., Northwest Airlines Corp., Southwest Airlines Co., UAL Corporation, and US Airways Group, Inc.

"Measurement Period" is defined as the three year period beginning January 1, 2001 and ending December 31, 2003.

"Total Shareholder Return (TSR)" is defined as the annualized rate of return reflecting stock price appreciation plus reinvestment of dividends over the Measurement Period. The average Daily Closing Stock Price (adjusted for splits and dividends) for the three months prior to the beginning and ending points of the Measurement Period will be used to smooth out market fluctuations. The Committee reserves the right to adjust the calculation at its discretion.

"Daily Closing Stock Price" is defined as the stock price at the close of trading (4:00 PM EST) of the National Exchange on which the stock is traded.

"National Exchange" is defined as either the New York Stock Exchange (NYSE), the National Association of Stock Dealers and Quotes (NASDAQ), or the American Stock Exchange (AMEX).

Accumulation of Shares

The number of shares under the Plan to be distributed to individual participants is determined by (i) the Corporation's TSR rank within the Comparator Group and (ii) the terms and conditions of the award agreement between the Corporation and the employee. The distribution percentage of target shares, based on rank, is specified below:

Granted Shares - Percent of Target Based on Rank							
Rank	7	6	5	4	3	2	1
Payout %	0%	25%	50%	75%	100%	135%	175%

In the event that a carrier (or carriers) in the Comparator Group ceases to trade on a National Exchange at any point in the Measurement Period, the following distribution percentage of target shares, based on rank and the number of remaining comparators, will be used accordingly.

6 Comparators

Granted Shares - Percent of Target Based on Rank						
Rank	6	5	4	3	2	1
Payout %	0%	50%	75%	100%	135%	175%

5 Comparators

Granted Shares - Percent of Target Based on Rank					
Rank	5	4	3	2	1
Payout %	50%	75%	100%	135%	175%

4 Comparators

Granted Shares - Percent of Target Based on Rank				
Rank	4	3	2	1
Payout %	75%	100%	135%	175%

3 Comparators

Granted Shares - Percent of Target Based on Rank			
Rank	3	2	1
Payout %	100%	135%	175%

Administration

The Committee shall have authority to administer and interpret the Plan, establish administrative rules, approve eligible participants, and take any other action necessary for the proper and efficient operation of the Plan. The distribution percentage of shares, if any, will be determined based on an audit of AMR's TSR Rank by the General Auditor of American Airlines, Inc. A summary of awards under the Plan shall be provided to the Board of Directors at the first regular meeting following determination of the awards. The Committee may determine to pay a cash equivalent in lieu of the stock award.

General

Neither this Plan nor any action taken hereunder shall be construed as giving any employee or participant the right to be retained in the employ of American Airlines, Inc. or an Affiliate.

Nothing in the Plan shall be deemed to give any employee any right, contractually or otherwise, to participate in the Plan or in any benefits hereunder, other than the right to receive an award as may have been expressly awarded by the Committee subject to the terms and conditions of the award agreement between the Corporation and the employee.

In the event of any act of God, war, natural disaster, aircraft grounding, revocation of operating certificate, terrorism, strike, lockout, labor dispute, work stoppage, fire, epidemic or quarantine restriction, act of government, critical materials shortage, or any other act beyond the control of the Corporation, whether similar or dissimilar, (each a "Force Majeure Event"), which Force Majeure Event affects the Corporation or its subsidiaries or its Affiliates, the Committee, in its sole discretion, may (i) terminate or (ii) suspend, delay, defer (for such period of time as the Committee may deem necessary), or substitute any awards due currently or in the future under the Plan, including, but not limited to, any awards that have accrued to the benefit of participants but have not yet been paid.

In consideration of the employee's privilege to participate in the Plan, the employee agrees (i) not to disclose any trade secrets of, or other confidential/restricted information of, American Airlines, Inc. or its Affiliates to any unauthorized party and, (ii) not to make any unauthorized use of such trade secrets or confidential or restricted information during his or her employment with American Airlines, Inc. or its Affiliates or

after such employment is terminated, and (iii) not to solicit any current employees of American Airlines, Inc. or any subsidiaries of AMR to join the employee at his or her new place of employment after his or her employment with American Airlines, Inc. is terminated.

The Committee may amend, suspend, or terminate the Plan at any time.

EXHIBIT 10.53

2000 - 2002 PERFORMANCE SHARE PROGRAM
DEFERRED STOCK AWARD AGREEMENT

This AGREEMENT made as of DATE, by and between AMR Corporation, a Delaware corporation (the "Corporation"), and FIRST LAST (the "Employee"), employee number 999999.

WHEREAS, the stockholders of the Corporation approved the 1998 Long Term Incentive Plan at the Corporation's annual meeting held on May 20, 1998 (such plan, as may be amended from time to time, to be referenced the "1998 Plan"); and

WHEREAS, pursuant to the Performance Share Program (the "Program") adopted by the Board of Directors of the Corporation (the "Board"), the Board has determined to make a Program grant to the Employee of Deferred Stock (subject to the terms of the 1998 Plan and this Agreement), as an inducement for the Employee to remain an employee of the Corporation (or a Subsidiary or Affiliate thereof), and to retain and motivate such Employee during such employment.

NOW, THEREFORE, the Corporation and the Employee hereby agree as follows:

1. Grant of Award. The Employee is hereby granted as of DATE, (the "Grant Date") a Deferred Stock Award (the "Award"), subject to the terms and conditions hereinafter set forth, with respect to SHARES shares of Common Stock, $1.00 par value, of the Corporation ("Stock"). The shares of Stock covered by the Award shall vest, if at all, in accordance with Section 2.

2. Vesting.

(a) The Award will vest, if at all, in accordance with Schedule A, attached hereto and made a part of this Agreement.

(b) In the event of the termination of Employee's employment with the Corporation (or a Subsidiary or Affiliate thereof) prior to the end of three year measurement period set forth in Schedule A (the "Measurement Period") due to the Employee's death, Disability, Retirement or termination not for Cause (each an "Early Termination") the Award will vest, if at all, on a prorata basis and will be paid to the Employee (or, in the event of the Employee's death, the Employee's designated beneficiary for purposes of the Award, or in the absence of an effective beneficiary designation, the Employee's estate) as soon as practicable after the end of the Measurement Period. The prorata share will be a percentage where the denominator is

36 and the numerator is the number of months from January 1, 2000 through the month of the Early Termination, inclusive.

(c) In the event of the termination of Employee's employment with the Corporation (or any Subsidiary or Affiliate thereof) for Cause, or if the Employee terminates his/her employment with the Corporation (or any Subsidiary or Affiliate thereof) prior to the distribution of any Award hereunder, the Award shall be forfeited in its entirety.

(d) In the event of a Change in Control or Potential Change in Control of the Corporation, the Award shall vest in accordance with the 1998 Plan, or its successor.

(e) If prior to the distribution of any Award hereunder, the Employee becomes an employee of a Subsidiary that is not wholly owned, directly or indirectly, by the Corporation, then the Award shall be forfeited in its entirety.

(f) If prior to the distribution of any Award hereunder, the Employee takes a leave of absence without reinstatement rights, and unless otherwise agreed in writing between the Corporation and the Employee, then the Award shall be forfeited in its entirety.

3. Payment in Cash. Upon a determination by the Board, an Award may be paid in cash or other consideration in accordance with a formula as adopted by the Board.

4. Elective Deferrals. At any time at least 12 months prior to the end of the Measurement Period, the Employee may elect in writing, subject to approval by the Corporation, to voluntarily defer the receipt of the Stock for a specified additional period beyond the end of the Measurement Period (the "Elective Deferral Period"). Any Stock deferred pursuant to this Section 4 shall be issued to the Employee within 60 days after the end of the Elective Deferral Period. In the event of the death of the Employee during the Elective Deferral Period, the Stock so deferred shall be issued to the Employee's designated Beneficiary (or to the Employee's estate, in the absence of an effective beneficiary designation) within 60 days after the Corporation receives written notification of death.

5. Transfer Restrictions. This Award is non-transferable otherwise than by will or by the laws of descent and distribution, and may not otherwise be assigned, pledged or hypothecated and shall not be subject to execution, attachment or similar process. Upon any attempt by the Employee (or the Employee's successor in interest after the Employee's death) to effect any such disposition, or upon the levy of any such process, the Award may immediately become null and void, at the discretion of the Board.

6. Miscellaneous. This Agreement (a) shall be binding upon and inure to the benefit of any successor of the Corporation, (b) shall be governed by the laws of the State of Texas and any applicable laws of the United States, and (c) may not be amended without the written consent of both the Corporation and the Employee. No contract or right of employment shall be implied by this Agreement. In the event Employee does not forward to the Corporation, within the applicable period, required taxes with respect to any Award distributed pursuant to this Agreement, the Corporation may withhold from any payments to be made to the Employee by the Corporation (or any Subsidiary or Affiliate thereof), an amount(s) equal to such taxes.

7. Securities Law Requirements. The Corporation shall not be required to issue Stock pursuant to this Award unless and until (a) such shares have been duly listed upon each stock exchange on which the Corporation's Stock is then registered and (b) a registration statement under the Securities Act of 1933 with respect to such shares is then effective.

The Board may require the Employee to furnish to the Corporation, prior to the issuance of the Stock in connection with this Award, an agreement, in such form as the Board may from time to time deem appropriate, in which the Employee represents that the shares acquired under the Award are being acquired for investment and not with a view to the sale or distribution thereof.

8. Incorporation of 1998 Plan Provisions. This Agreement is made pursuant to the 1998 Plan and is subject to all of the terms and provisions of the 1998 Plan as if the same were fully set forth herein. Capitalized terms not otherwise defined herein (inclusive of Schedule A) shall have the meanings set forth for such terms in the 1998 Plan.

IN WITNESS HEREOF, the Employee and the Corporation have executed this Performance Share Grant as of the day and year first above written.

EMPLOYEE

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AMR CORPORATION

Charles D. MarLett
Corporate Secretary

Schedule A

AMR CORPORATION

2000 - 2002 PERFORMANCE SHARE PLAN
FOR OFFICERS AND KEY EMPLOYEES

Purpose

The purpose of the 2000 - 2002 AMR Corporation Performance Share Plan ("Plan") for Officers and Key Employees is to provide greater incentive to officers and key employees of the subsidiaries and affiliates of AMR Corporation ("AMR" or "the Corporation") to achieve the highest level of individual performance and to meet or exceed specified goals which will contribute to the success of the Corporation. This Plan is adopted pursuant to the 1998 Long Term Incentive Plan, as amended ("LTIP").

Definitions

Capitalized terms not otherwise defined in the Plan or the award agreement for performance shares between the Corporation and the employee, will have the meanings set forth in the LTIP.

For purposes of the Plan, the following definitions will control:

"Adjusted Investment" is defined as the sum of AMR's consolidated notes payable, current maturities of long-term debt and capital leases, long-term debt, capital leases, Present Value of Operating Leases, and stockholders' equity, and any extraordinary or unusual items which may be added or deducted at the discretion of the Committee.

"Affiliate" is defined as a subsidiary of AMR or any entity that is designated by the Committee as a participating employer under the Plan, provided that AMR directly or indirectly owns at least 20% of the combined voting power of all classes of stock of such entity.

"American" is defined as AMR less AMR subsidiaries other than American Airlines, Inc.

"Average Adjusted Investment" is defined as the sum of Adjusted Investment as of December 31 of a given year during the measurement period, plus Adjusted Investment as of the December 31 of the prior fiscal year, divided by two.

"Calculated Amortization of Operating Leases" is defined as the amortization expense associated with the Capitalized Value of Operating Leases as if such leases were

accounted for as capital leases, and is determined by the straight line method over the lease term.

"Capitalized Value of Operating Leases" is defined as the initial present value of the lease payments required under American's aircraft operating leases over the initial stated lease term, calculated using a discount rate of Prime plus one percent.

"Committee" is defined as the Compensation / Nominating Committee of the AMR Board of Directors.

"Measurement Period" is defined as the three year period beginning January 1, 2000 and ending December 31, 2002.

"Adjusted Earnings" is defined as the sum of AMR's pre-tax income, interest expense, aircraft rental expense, less Calculated Amortization of Operating Leases and any accounting adjustments or extraordinary or unusual items which may be added or deducted at the discretion of the Committee.

"Average Plan Earnings" is defined as the sum of Adjusted Earnings for each of the years during the measurement period, divided by three.

"Plan Average Adjusted Investment" is defined as the sum of Average Adjusted Investment for each of the years during the measurement period, divided by three.

"Present Value of Operating Leases" is defined as the present value of the lease payments required under aircraft operating leases over the remaining lease term, calculated using the discount rate used in the determination of the Capitalized Value of Operating Leases.

"Prime" is defined as the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks which is published daily in the Wall Street Journal.

"Return on Investment" or "ROI" is defined as Average Plan Earnings divided by Plan Average Adjusted Investment, stated as a percentage.

"Sabre" is defined as Sabre Holdings Corporation and its subsidiaries.

For purposes of determining ROI, the assets, liabilities, shareholder equity and earnings of Sabre are to be excluded.

Unless otherwise indicated, the sources for all of the financial data specified above are the applicable Annual Reports on Form 10-K filed by the Corporation.

Accumulation of Shares

The number of shares under the Plan to be distributed to individual participants is determined by (i) the Corporation's ROI (ii), the Corporation's pre-tax income, and (iii) the terms and conditions of the award agreement between the Corporation and the employee. The distribution percentage of shares is specified below:

GRANTED SHARES - PERCENT OF TARGET

AMR'S ROI							
< 5.5%	> OR = TO 5.5% AND < 7.5%	> OR = TO 7.5% AND < 9.5%	> OR = TO 9.5% AND < 11.5%	> OR = TO 11.5% AND < 13.5%	> OR = TO 13.5% AND < 15.5%	> OR = TO 15.5%
0%	50%	75%	100%	125%	150%	175%

SUBJECT TO ANY ADJUSTMENTS MADE BY THE COMMITTEE TO ADJUSTED INVESTMENT OR ADJUSTED EARNINGS, NO SHARES WILL BE DISTRIBUTED IF THE CORPORATION'S CUMULATIVE PRE-TAX INCOME DURING THE MEASUREMENT PERIOD IS LESS THAN, OR EQUAL TO, $0.

Administration

The Committee shall have authority to administer and interpret the Plan, establish administrative rules, approve eligible participants, and take any other action necessary for the proper operation of the Plan. The distribution percentage of shares, if any, should be determined based on certification of AMR's ROI by AMR's independent auditors. A summary of awards under the Plan shall be provided to the Board of Directors at the first regular meeting following determination of the awards. The Committee may determine to pay a cash equivalent in lieu of the stock award.

General

Neither this Plan nor any action taken hereunder shall be construed as giving any employee or participant the right to be retained in the employ of American or an Affiliate.

Nothing in the Plan shall be deemed to give any employee any right, contractually or otherwise, to participate in the Plan or in any benefits hereunder, other than the right to receive an award as may have been expressly awarded by the Committee.

In the event of any act of God, war, natural disaster, aircraft grounding, revocation of operating certificate, terrorism, strike, lockout, labor dispute, work stoppage, fire, epidemic or quarantine restriction, act of government, critical materials shortage, or any other act beyond the control of the Corporation, whether similar or dissimilar, (each a "Force Majeure Event"), which Force Majeure Event affects the Corporation or its

subsidiaries or its Affiliates, the Committee, at its sole discretion, may (i) terminate or (ii) suspend, delay, defer (for such period of time as the Board may deem necessary), or substitute any awards due currently or in the future under the Plan, including, but not limited to, any awards that have accrued to the benefit of participants but have not yet been paid.

In consideration of the employee's privilege to participate in the Plan, the employee agrees (i) not to disclose any trade secrets of, or other confidential/restricted information of, American, to any unauthorized party and, (ii) not to make any unauthorized use of such trade secrets or confidential or restricted information during his or her employment with American or after such employment is terminated, and (iii) not to solicit any current employees of American or any subsidiaries of AMR to join the employee at his or her new place of employment after his or her employment with American is terminated.

The Committee may amend, suspend, or terminate the Plan at any time.

EXHIBIT 10.60

2001 EMPLOYEE PROFIT SHARING PLAN

Purpose

The purpose of the 2001 American Airlines Employee Profit Sharing Plan ("Plan") is to provide participating employees with a sense of commitment to, and direct financial interest in, the success of American Airlines, Inc.

Definitions

Capitalized terms not otherwise defined in the Plan will have the meanings set forth in the 1998 Long Term Incentive Plan, as amended (the "LTIP").

"AMR" is defined as AMR Corporation.

"Adjusted Investment" is defined as the sum of American's notes payable, current maturities of long-term debt and capital leases, long-term debt, capital leases, Present Value of Operating Leases, and stockholders' equity, and any accounting adjustments or extraordinary or unusual items which may be added or deducted at the discretion of the Committee and are approved by the Board of Directors of AMR. In the event of the AMR acquisition of TWA, Adjusted Investment will be reduced by the net of AMR goodwill generated by the transaction, plus assets attributable to TWA, plus net losses attributable to TWA, less assumed liabilities attributable to TWA.

"Affiliate" is defined as a subsidiary of AMR or any entity that is designated by the Committee as a participating employer under the Plan, provided that AMR directly or indirectly owns at least 20% of the combined voting power of all classes of stock of such entity.

"American" is defined as AMR less AMR subsidiaries other than American Airlines, Inc. and its subsidiaries. Subsidiaries of American Airlines, Inc. and AMR created for the TWA acquisition and transition will be excluded from the definition of American.

"Average Adjusted Investment" is defined as the sum of Adjusted Investment as of 12/31/00, 3/31/01, 6/30/01, and 9/30/01, divided by four.

"Calculated Amortization of Operating Leases" is defined as the amortization expense associated with the Capitalized Value of Operating Leases as if such leases were accounted for as capital leases, and is determined by the straight-line method over the lease term.

"Capitalized Value of Operating Leases" is defined as the initial present value of the lease payments required under American's aircraft operating leases over the initial stated lease term, calculated using a discount rate of Prime plus one percent.

"Committee" is defined as the AMR Incentive Compensation Committee.

"Fund" is defined as the profit sharing fund, if any, accumulated in accordance with this Plan.

"Plan Earnings" is defined as the sum of American's pre-tax income, interest expense, aircraft rental expense, and any accruals for American's Pilot Variable Compensation Plan, Employee Profit Sharing Plan, Incentive Compensation Plan, and any other plan that might be created, at the discretion of the Committee, less Calculated Amortization of Operating Leases and any accounting adjustments or extraordinary or unusual items which may be added or deducted at the discretion of the Committee and approved by the Board of Directors of AMR.

"Present Value of Operating Leases" is defined as the present value of the lease payments required under American's aircraft operating leases over the remaining lease term, calculated using the discount rate of Prime plus one percent. Amounts for 3/31/01, 6/30/01, and 9/30/01 are computed by determining the difference between the Present Value of Operating Leases as of 12/31/01 and 12/31/00 and allocating that difference evenly over the four quarters of 2001.

"Prime" is defined as the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks which is published daily in the Wall Street Journal.

"Qualified Earnings" is defined as base pay through December 31 of the Plan year, overtime, holiday pay, skill premiums, longevity pay, sick pay, vacation pay, shift differential, overrides and license premiums and does not include payments such as travel and incidental expenses, moving expenses, relocation allowance (COLA), payouts from any retirement plan, disability payments, workers compensation payments, imputed income from certain travel service charges or life insurance, or other benefits provided by American, nor does it include any special one-time monetary awards or allowances such as IdeAAs in Action payments, lump sum payments, or incentive compensation or profit sharing payments.

"Return on Investment" or "ROI" is defined as Plan Earnings divided by Average Adjusted Investment, stated as a percentage.

Eligibility for Participation

In order to be eligible for a profit sharing award, the individual must:

- Have worked during the Plan year as a regular full-time or part-time employee at American in a participating workgroup (flight attendant, reservations, coordinator/planner, airport agent, sky cap, support staff, management levels 04 and below).

- Have an adjusted seniority date prior to July 1st of the Plan year. An individual's Qualified Earnings from the time worked at American will be included in the award calculation.

- Be employed at American or an Affiliate at the time awards are paid. If at the time awards are paid under the Plan, an individual has retired from American or an Affiliate, has been laid off, is on a leave of absence with re-instatement rights, is disabled or has died, the award which the individual otherwise would have received under the Plan but for such retirement, lay-off, leave, disability or death may be paid to the individual or his/her estate in the event of death, at the discretion of the Committee.

Notwithstanding the foregoing, however, an employee will not be eligible to participate in the Plan if such employee is, at the same time, eligible to participate in:

i) the 2001 American Airlines Incentive Compensation Plan for Officers and Key Employees,

ii) the Pilot Profit Sharing Plan (as implemented in 1997),

iii) any incentive compensation, profit sharing, commission or other bonus plan for employees of any division of American, or

iv) any incentive compensation, profit sharing, commission or other bonus plan sponsored by an Affiliate.

Awards under the Plan will be determined on a proportionate basis for participation in more than one plan during a Plan year. Employees who transfer from/to Affiliates or any other plan described above during a Plan year, and satisfy eligibility requirements, will receive awards from each plan on a proportionate basis.

The Profit Sharing Fund Accumulation

Performance will be measured by ROI and the Fund will accumulate based on that performance. The Fund is established at 1% of Qualified Earnings when ROI is equal to 6.4%. The fund will accumulate on a straight-line basis at the rate of 0.583% of qualified earnings for each additional point of ROI.

The profit sharing fund will not exceed an amount equal to 8% of Qualified Earnings at levels of ROI above 18.4%.

Award Distribution

For eligible domestic employees (where domestic means the United States, Puerto Rico and the U.S. Virgin Islands), individual awards will be distributed based on an employee's Qualified Earnings for the Plan year multiplied by the appropriate percentage of Qualified Earnings based upon the ROI achieved for the Plan year. The percent of Qualified Earnings used for Fund accumulation and award distribution will be the same.

A portion of the Fund will be allocated for eligible international employees (employees other than those in the United States, Puerto Rico and the U.S. Virgin Islands) based on the aggregate of all eligible international employees' Qualified Earnings as a percentage of the aggregate of all eligible employees' total Qualified Earnings. This portion of the Fund will be set aside for distribution at the discretion of the American officer(s) responsible for such international employees, subject only to the Committee's approval.

Administration

The Plan will be administered by the Committee which is comprised of officers of American appointed by the Chairman of AMR. The Committee will have authority to administer and interpret the Plan, establish administrative rules, determine eligibility and take any other action necessary for the proper and efficient operation of the Plan. The amount, if any, of the Fund shall be based on a certification of ROI by AMR's independent auditors. A summary of awards under the Plan shall be provided to the Board of Directors of AMR at the first regular meeting following determination of the awards.

Method of Payment

The Committee shall determine the method of payment of awards. Subject to the terms of the Plan, awards shall be paid as soon as practicable after audited financial statements for the year 2001 are available. Individuals, except retirees, may elect to defer their awards into the 401(k) plan, where applicable, established by American.

General

Neither this Plan nor any action taken hereunder shall be construed as giving to any employee or participant the right to be retained in the employ of American or an Affiliate.

Nothing in the Plan shall be deemed to give any employee any right, contractually or otherwise, to participate in the Plan or in any benefits hereunder, other than the right to

receive payment of such award as may have been expressly determined by the Committee.

In the event of any act of God, war, natural disaster, aircraft grounding, revocation of operating certificate, terrorism, strike, lockout, labor dispute, work stoppage, fire, epidemic or quarantine restriction, act of government, critical materials shortage, or any other act beyond the control of American, whether similar or dissimilar, (each a "Force Majeure Event"), which Force Majeure Event affects American or its Subsidiaries or its Affiliates, the Committee, in its sole discretion, may (i) terminate or (ii) suspend, delay, defer (for such period of time as the Committee may deem necessary), or substitute any payments due currently or in the future under the Plan, including, but not limited to, any payments that have accrued to the benefit of participants but have not yet been paid.

In consideration of the employee's privilege to participate in the Plan, the employee agrees (i) not to disclose any trade secrets of, or other confidential/restricted information of, American or its Affiliates to any unauthorized party and, (ii) not to make any unauthorized use of such trade secrets or confidential or restricted information during his or her employment with American or its Affiliates or after such employment is terminated, and (iii) not to solicit any current employees of American or any subsidiaries of AMR to join the employee at his or her new place of employment after his or her employment with American or its Affiliates is terminated.

The Committee may amend, suspend, or terminate the Plan at any time.

EXHIBIT 10.66

2001 INCENTIVE COMPENSATION PLAN FOR OFFICERS AND KEY EMPLOYEES

Purpose

The purpose of the 2001 American Airlines Incentive Compensation Plan ("Plan") for officers and key employees is to provide greater incentive to officers and key employees of American Airlines, Inc. to achieve the highest level of individual performance and to meet or exceed specified goals which will contribute to the success of American.

Definitions

Capitalized terms not otherwise defined in the Plan will have the meanings set forth in the 1998 Long Term Incentive Plan, as amended (the "LTIP").

"AMR" is defined as AMR Corporation.

"Aggregate Target Awards" is defined as the arithmetic sum of the Target Awards for all Plan participants.

"Affiliate" is defined as a subsidiary of AMR or any entity that is designated by the Committee as a participating employer under the Plan, provided that AMR directly or indirectly owns at least 20% of the combined voting power of all classes of stock of such entity.

"American" is defined as AMR less AMR subsidiaries other than American Airlines, Inc. and its subsidiaries. Subsidiaries of American Airlines, Inc. and AMR created for the TWA acquisition and transition will be excluded from the definition of American.

"Committee" is defined as the Compensation/Nominating Committee of the AMR Board of Directors.

"Competitors" is defined as Continental Airlines, Delta Airlines, Northwest Airlines, United Airlines and US Airways.

"DOT Rank" is defined as American's relative rank with respect to its Competitors in the category of arrivals+14 (A+14) as determined by the U.S. Department of Transportation (DOT). This cumulative ranking is based on DOT's aggregated A+14 data for the period December 1, 2000 through November 30, 2001, inclusive. To the extent that at any point during the year a carrier ceases to participate, they will be excluded from the entire year.

"Engagement Scores" is defined as American's overall engagement score on the employee opinion survey and American's rating versus the National Norm, each reported as a percent annually.

"Fund" is defined as the incentive compensation fund, if any, accumulated in accordance with this Plan.

"Leadership Score" is defined as American's average score on the overall leadership dimension of the 360(degrees) multi-rater survey reported for level 5's and above annually.

"Measure" is defined as Net Income, DOT Rank, Survey America Rank, Engagement Score, or the Leadership Score.

"Named Executive Officers" is defined as the officers of American who are named in the AMR proxy statement for the year in which awards under the Plan are paid.

"National Norm" is defined as a weighted representative sample of the largest U.S. industrial (Fortune 500) and service sector corporations.

"Net Income" is AMR net income including any accounting adjustments or extraordinary or unusual items which may be added or deducted by the Committee. Net Income of subsidiaries of American Airlines, Inc. and AMR created for the TWA acquisition and transition will be excluded from the calculation of Net Income.

"Qualified Earnings" is defined as base pay as of December 31 of the Plan year, holiday pay, sick pay, and vacation pay, and does not include such things as travel and incidental expenses, moving expenses, relocation allowance (COLA), payouts from any retirement plan, disability payments, workers compensation payments, imputed income from certain travel service charges or life insurance, or other benefits provided by American, nor does it include any special monetary awards or allowances such as IdeAAs in Action payments, lump sum payments, or incentive compensation or profit sharing payments.

"Survey America Rank" is defined as American's relative rank with respect to its Competitors in the categories of "Retained Preference", "Overall Travel Experience", "Overall Ground Service", and "Overall On-Board Services" in the coach cabin as reported in Plog Inc.'s Survey America. The Survey America ranking is based on cumulative data for American and its Competitors for the period October 1, 2000 through September 30, 2001, inclusive. To the extent that at any point during the year a carrier ceases to participate, they will be excluded from the entire year.

"Target Award" is defined as the award (stated as a percentage of Qualified Earnings) for an eligible participant when Target levels are achieved on all Measures. The Target Award is determined by the participant's job level.

Eligibility for Participation

In order to be eligible to participate in the Plan, an individual must be an officer or key employee (as designated by American's Chairman and CEO) of American. Additionally, the individual must have been employed by American or an Affiliate as an officer or key employee for at least three consecutive months during the Plan year. The three months service requirement may be waived in cases of retirement in accordance with American's then applicable pension plan, prior to completing three months of service.

During a Plan year, individuals with less than twelve months eligibility in the Plan may be eligible to participate in the Plan on a pro rata basis, at the discretion of the Committee. In addition, the Committee, at its discretion, may permit participation by officers and key employees of Affiliates who have been so employed by the Affiliate for at least three consecutive months during the Plan year.

Notwithstanding the forgoing, however, an officer or key employee will not be eligible to participate in the Plan if such officer or key employee is, at the same time, eligible to participate in a commission, incentive, profit sharing or other bonus compensation program sponsored by American or an Affiliate, unless the Committee otherwise decides.

In order to receive an award under the Plan, an individual must satisfy the aforementioned eligibility requirements and must be an employee of American or an Affiliate at the time an award under the Plan is paid. If at the time awards are paid under the Plan, an individual has retired from American or an Affiliate, is on leave of absence with reinstatement rights, is disabled, or has died, the award which the individual otherwise would have received under the Plan but for such retirement, leave, disability, or death may be paid to the individual, or his/her estate in the event of death, at the discretion of the Committee.

The Incentive Compensation Fund

The Fund is comprised of three Measures: financial, employee and customer. The employee and customer measures have various components (see below). Each Measure has a threshold (performance below this level earns no award), target and maximum percentage of Aggregate Target Awards that may be earned, as follows:

Component	Threshold	Target	Maximum
Financial	16.50%	66%	132%
Employee	8.50%	17%	34%
Customer	12.75%	17%	34%
Total	37.75%	100%	200%

For each Measure, the Fund will accumulate on a linear basis between each of the points defined in the following tables.

Financial Measure:

The financial measure is based on Net Income. At a threshold Net Income of $155 million, the Fund will accumulate 16.50% of Aggregate Target Awards. Higher Net Incomes will result in higher percentages of Aggregate Target Awards as follows:

Net Income	% of Target Awards Earned
$155	16.50%
$270	33.00%
$385	49.50%
$500	66.00%
$650	99.00%
$800	132.00%(Max)

Employee Measures:

The employee measures will depend on Engagement Scores and Leadership Score.

	Threshold	Target	Maximum
Engagement Score	3.5%	7%	14%
Engagement versus National Norm	2.5%	5%	10%
Leadership Score	2.5%	5%	10%
Total	8.5%	17%	34%

At a threshold Engagement Score of 69%, the Fund will accumulate 3.5% of Aggregate Target Awards. Higher scores will result in higher percentages of Aggregate Target Awards, as follows:

Engagement Score	% of Target Awards Earned
69%	3.50%
70%	4.38%
71%	5.25%
72%	7.00%
73%	10.50%
74%	14.00%(Max)

At a threshold Engagement Score of 9% below National Norm, the Fund will accumulate 2.5% of Aggregate Target Awards. Higher scores will result in higher percentages of Aggregate Target Awards, as follows:

Percent below National Norm	% of Target Awards Earned
9%	2.50%
8%	3.75%
7%	5.00%
6%	7.50%
5%	10.00%(Max)

At a threshold Leadership Score of 4.25, the Fund will accumulate 2.5% of Aggregate Target Awards. Higher scores will result in higher percentages of Aggregate Target Awards, as follows:

Leadership Score	% of Target Awards Earned
4.25	2.50%
4.28	3.75%
4.31	5.00%
4.34	7.50%
4.37	10.00%(Max)

Customer Measures:

Customer Measures will depend on DOT Rank and Survey America Rank. Each of the five components (retained preference, overall travel experience, overall ground service, overall on-board service and DOT A+14 rankings) is measured separately. For each Measure, at a threshold rank of fourth, the fund will accumulate 2.55% of Aggregate Target Awards. A higher rank will result in higher percentages of Aggregate Target Awards, as follows:

Rank	% of Target Awards Earned
Fourth	2.55%
Third	3.40%
Second	5.10%
First	6.80%(Max)

The following scorecard illustrates this.

2001 INCENTIVE PLAN SCORECARD

MEASURES	WEIGHT	THRESHOLD 25%	50%	75%	TARGET 100%	150%	MAXIMUM 200%	EXAMPLE SCORE(1)
SHAREHOLDER								
- - AMR net income	66%	$155M	$270M	$385M	$500M	$650M	$800M	66.00%

	Weight	Threshold 25%	50%	75%	Target 100%	150%	Maximum 200%	Example Score
EMPLOYEE								
- - engagement score on opinion survey	7%	n/a	69%	71%	72%	73%	74%	3.50%
- - AA engagement vs. national norm	5%	n/a	9% below	8% below	7% below	6% below	5% below	3.75%
- - leadership score on 360(degrees) multi-rater survey	5%	n/a	4.25	4.28	4.31	4.34	4.37	2.50%
	--							----
	17%							9.75%

	Weight	25%	50%	Threshold 75%	Target 100%	150%	Maximum 200%	Example Score
CUSTOMER								
- - retained preference	3.4%	n/a	n/a	4th	3rd	2nd	1st	3.40%
- - overall travel experience	3.4%	n/a	n/a	4th	3rd	2nd	1st	2.55%
- - overall ground service	3.4%	n/a	n/a	4th	3rd	2nd	1st	2.55%
- - overall on-board services	3.4%	n/a	n/a	4th	3rd	2nd	1st	5.10%
- - DOT A+14 ratings	3.4%	n/a	n/a	4th	3rd	2nd	1st	3.40%
	---							-----
	17%							17.00%
FUND AS A % OF TARGET								92.75%

(1) Based on performance results in shaded areas

Allocation of Individual Awards

The Chairman and CEO of American, in consultation with the Vice-Chairman, executive and senior vice presidents of American, will determine awards for non-officer eligible employees based upon the eligible employee's performance. An award under the Plan to a non-officer eligible employee, when combined with any other award for the Plan year whether such other award is under an incentive compensation, commission, profit sharing or other bonus compensation plan, may not exceed 100% of such eligible employee's base salary.

The Committee, in consultation with the Chairman and CEO of American, will determine awards for officers of American, including the Named Executive Officers. The awards for officers (other than the Named Executive Officers) will be equal to the appropriate Target Award, plus or minus any adjustments for individual performance. To the extent that an award to a Named Executive Officer includes a partial payment relating to a Measure (excluding Net Income), such partial payment will be paid from the general

operating funds of American. An award under the Plan to an officer may not exceed the amount set forth in Section 11 of the LTIP.

The aggregate of all awards paid hereunder will not exceed the lesser of: (2.0 times the Fund at Target Net Income) or (50% of the total base salaries of all eligible participants in the Plan). In the discretion of the Committee, the Fund may not be fully distributed.

Administration

The Committee shall have authority to administer and interpret the Plan, establish administrative rules, approve eligible participants, and take any other action necessary for the proper and efficient operation of the Plan. The Committee reserves the right to adjust the calculation of each Measure at its discretion. Notwithstanding anything to the contrary contained herein, no awards will be made under the Plan unless awards are also made under the 2001 American Airlines Employee Profit Sharing Plan and the 2001 Pilot Variable Compensation Plan for members of the Allied Pilots Association. The amount, if any, of the Fund shall be audited by the General Auditor of American based on a certification of Net Income by AMR's independent auditors. A summary of awards under the Plan shall be provided to the Committee at the first regular meeting following determination of the awards. To the extent a Measure is no longer compiled by the DOT, Survey America, or American, as applicable, during a Plan year, the Committee will substitute a comparable performance measure for the remainder of the Plan year.

Method of Payment

The Committee will determine the method of payment of awards. Except as provided herein, awards shall be paid as soon as practicable after audited financial statements for the year 2001 are available. Individuals, except retirees, may elect to defer their awards into a 401(k) plan, where applicable, established by American or AMR or into a deferred compensation program, if any, administered by American or AMR.

General

Neither this Plan nor any action taken hereunder shall be construed as giving any employee or participant the right to be retained in the employ of American or an Affiliate.

Nothing in the Plan shall be deemed to give any employee any right, contractually or otherwise, to participate in the Plan or in any benefits hereunder, other than the right to receive payment of such incentive compensation as may have been expressly awarded by the Committee.

In the event of any act of God, war, natural disaster, aircraft grounding, revocation of operating certificate, terrorism, strike, lockout, labor dispute, work stoppage, fire, epidemic or quarantine restriction, act of government, critical materials shortage, or any other act beyond the control of American, whether similar or dissimilar, (each a "Force Majeure Event"), which Force Majeure Event affects American or its subsidiaries or its Affiliates, the Committee in its sole discretion, may (i) terminate or (ii) suspend, delay, defer (for such period of time as the Committee may deem necessary), or substitute any payments due currently or in the future under the Plan, including, but not limited to, any payments that have accrued to the benefit of participants but have not yet been paid.

In consideration of the employee's privilege to participate in the Plan, the employee agrees (i) not to disclose any trade secrets of, or other confidential/restricted information of, American or its Affiliates to any unauthorized party and (ii) not to make any unauthorized use of such trade secrets or confidential or restricted information during his or her employment with American or its Affiliates or after such employment is terminated, and (iii) not to solicit any current employees of American or any subsidiaries of AMR to join the employee at his or her new place of employment after his or her employment with American or its Affiliates is terminated.

The Committee may amend, suspend, or terminate the Plan at any time.

EXHIBIT 10.74

AMENDED AND RESTATED
EXECUTIVE TERMINATION BENEFITS AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE TERMINATION BENEFITS AGREEMENT (this "Agreement"), dated as of the 15th day of November, 2000 is among AMR CORPORATION, a Delaware corporation, AMERICAN AIRLINES, INC., a Delaware corporation (collectively the "Company"), and MONTE E. FORD (the "Executive").

WITNESSETH:

WHEREAS, the Company considers it essential to the best interests of the Company and its stockholders that its management be encouraged to remain with the Company and to continue to devote full attention to the Company's business in the event an effort is made to obtain control of the Company through a tender offer or otherwise;

WHEREAS, the Company recognizes that the possibility of a change in control and the uncertainty and questions which it may raise among management may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders;

WHEREAS, the Company's Board of Directors (the "Board") has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management to their assigned duties without distraction in the face of the potentially disturbing circumstances arising from the possibility of a change in control of the Company;

WHEREAS, the Executive is a key Executive of the Company;

WHEREAS, the Company believes the Executive has made valuable contributions to the productivity and profitability of the Company;

WHEREAS, should the Company receive any proposal from a third person concerning a possible business combination with or acquisition of equity securities of the Company, the Board believes it imperative that the Company and the Board be able to rely upon the Executive to continue in his position, and that the Company be able to receive and rely upon his advice as to the best interests of the Company and its stockholders without concern that he might be distracted by the personal uncertainties and risks created by such a proposal; and

WHEREAS, should the Company receive any such proposals, in addition to the Executive's regular duties, he may be called upon to assist in the assessment of such proposals, advise management and the Board as to whether such proposals would be in the best interests of the Company and its stockholders, and to take such other actions as the Board might determine to be appropriate.

NOW, THEREFORE, to assure the Company that it will have the continued undivided attention and services of the Executive and the availability of his advice and counsel notwithstanding the possibility, threat or occurrence of a bid to take over control of the Company, and to induce the Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and the Executive agree as follows:

1. Change in Control

For purposes of this Agreement, a Change in Control of the Company shall be deemed to have taken place if:

(a) any person as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act"), and as used in Sections 13(d) and

14(d) thereof, including a "group" as defined in Section 13(d) of the Exchange Act (a "Person"), but excluding the Company, any subsidiary of the Company and any employee benefit plan sponsored or maintained by the Company or any subsidiary of the Company (including any trustee of such plan acting as trustee), directly or indirectly, becomes the "beneficial owner" (as defined in Rule 13(d)-3 under the Exchange Act, as amended from time to time) of securities of the Company representing 15% or more of the combined voting power of the Company's then outstanding securities; or

(b) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of the assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the then outstanding shares of common stock of the Company and the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors immediately prior to such Business Combination

beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), (ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 15% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Incumbent Board, providing for such Business Combination; or

(d) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

2. Circumstances Triggering Receipt of Severance Benefits

(a) Subject to Section 2(c), the Company will provide the Executive with the benefits set forth in Section 4 upon any termination of the Executive's employment:

(i) by the Company at any time within the first 24 months after a Change in Control;

(ii) by the Executive for "Good Reason" (as defined in Section 2(b) below) at any time within the first 24 months after a Change in Control;

(iii) by the Executive pursuant to Section 2(d); or

(iv) by the Company or the Executive pursuant to Section 2(e).

(b) In the event of the occurrence of a Change in Control, the Executive may terminate employment with the Company and/or any subsidiary for "Good Reason" with the right to benefits set forth in Section 4 upon the occurrence of one or more of the following events (regardless of whether any other reason, other than Cause as provided below, for such termination exists or has occurred, including without limitation other employment):

(i) Failure to elect or reelect or otherwise to maintain the Executive in the office or the position, or a substantially equivalent office or position, of or with the Company and/or a subsidiary, as the case may be, which the Executive held immediately prior to a Change in Control, or the removal of the Executive as a director of the Company and/or a subsidiary (or any successor thereto) if the Executive shall have been a director of the Company and/or a subsidiary immediately prior to the Change in Control;

(ii) (A) A significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with the Company and/or any subsidiary which the Executive held immediately prior to the Change in Control, (B) a reduction in the aggregate of the Executive's annual base salary rate and annual incentive compensation target to be received from the Company and/or any subsidiary, or (C) the termination or denial of the Executive's rights to Employee Benefits (as defined below) or a reduction in the

scope or value thereof, any of which is not remedied by the Company within 10 calendar days after receipt by the Company of written notice from the Executive of such change, reduction or termination, as the case may be;

(iii) A determination by the Executive (which determination will be conclusive and binding upon the parties hereto provided it has been made in good faith and in all events will be presumed to have been made in good faith unless otherwise shown by the Company by clear and convincing evidence) that a change in circumstances has occurred following a Change in Control, including, without limitation, a change in the scope of the business or other activities for which the Executive was responsible immediately prior to the Change in Control, which has rendered the Executive substantially unable to carry out, has substantially hindered Executive's performance of, or has caused the Executive to suffer a substantial reduction in, any of the authorities, powers, functions, responsibilities or duties attached to the position held by the Executive immediately prior to the Change in Control, which situation is not remedied within 10 calendar days after written notice to the Company from the Executive of such determination;

(iv) The liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or substantially all of its business and/or assets, unless the successor or successors (by liquidation, merger, consolidation, reorganization, transfer or otherwise) to which all or substantially all of its business and/or assets have been transferred (directly or by operation of

law) assumed all duties and obligations of the Company under this Agreement pursuant to Section 9(a);

(v) The Company relocates its principal executive offices, or requires the Executive to have his principal location of work changed, to any location that is in excess of 50 miles from the location thereof immediately prior to the Change in Control, or requires the Executive to travel away from his office in the course of discharging his responsibilities or duties hereunder at least 20% more (in terms of aggregate days in any calendar year or in any calendar quarter when annualized for purposes of comparison to any prior year) than was required of Executive in any of the three full years immediately prior to the Change in Control without, in either case, his prior written consent; or

(vi) Without limiting the generality or effect of the foregoing, any material breach of this Agreement by the Company or any successor thereto, which breach is not remedied within 10 calendar days after written notice to the Company from the Executive describing the nature of such breach.

(c) Notwithstanding Sections 2(a) and (b) above, no benefits shall be payable by reason of this Agreement in the event of:

(i) Termination of the Executive's employment with the Company and its subsidiaries by reason of the Executive's death or Disability, provided that the Executive has not previously given a valid "Notice of Termination" pursuant to Section 3. For purposes hereof, "Disability" shall be defined as the inability of Executive due to illness, accident or other physical or mental disability to perform his duties for any period of six consecutive months or for any period of eight

months out of any 12-month period, as determined by an independent physician selected by the Company and reasonably acceptable to the Executive (or his legal representative), provided that the Executive does not return to work on substantially a full-time basis within 30 days after written notice from the Company, pursuant to Section 3, of an intent to terminate the Executive's employment due to Disability;

(ii) Termination of the Executive's employment with the Company and its subsidiaries on account of the Executive's retirement at or after age 65, pursuant to the Company's Retirement Benefit Plan; or

(iii) Termination of the Executive's employment with the Company and its subsidiaries for Cause. For the purposes hereof, "Cause" shall be defined as a felony conviction of the Executive or the failure of the Executive to contest prosecution for a felony, or the Executive's wilful misconduct or dishonesty, any of which is directly and materially harmful to the business or reputation of the Company or any subsidiary or affiliate. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for "Cause" hereunder unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three quarters of the Board then in office at a meeting of the Board called and held for such purpose, after reasonable notice to the Executive and an opportunity for the Executive, together with his counsel (if the Executive chooses to have counsel present at such meeting), to be heard before the Board, finding that, in the good faith opinion of the Board, the Executive had committed an act constituting

"Cause" as herein defined and specifying the particulars thereof in detail. Nothing herein will limit the right of the Executive or his beneficiaries to contest the validity or propriety of any such determination.

This Section 2(c) shall not preclude the payment of any amounts otherwise payable to the Executive under any of the Company's employee benefit plans, stock plans, programs and arrangements and/or under any Employment Agreement.

(d) Notwithstanding anything contained in this Agreement to the contrary, in the event of a Change in Control, the Executive may terminate employment with the Company and any subsidiary for any reason, or without reason, by providing Notice of Termination pursuant to Section 3 during the 30-day period immediately following the first anniversary of the first occurrence of a Change in Control with the right to the benefits set forth in Section 4.

(e) Any termination of employment of the Executive, including a termination for "Good Reason," but excluding a termination for "Cause," or the removal of the Executive from the office or position in the Company or any subsidiary that occurs (i) not more than 180 days prior to the date on which a Change in Control occurs and (ii) following the commencement of any discussion with a third person that ultimately results in a Change in Control shall be deemed to be a termination or removal of the Executive after a Change in Control for purposes of this Agreement.

3. Notice of Termination

Any termination of the Executive's employment with the Company and its subsidiaries as contemplated by Section 2 shall be communicated by written "Notice of Termination" to the other party hereto. Any "Notice of Termination" shall indicate the effective date of termination which shall not be less than 30 days or more than 60 days after the date the Notice of

Termination is delivered (the "Termination Date"), the specific provision in this Agreement relied upon, and, except for a termination pursuant to Section 2(d), will set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination including, if applicable, the failure after provision of written notice by the Executive to effect a remedy pursuant to the final clause of Section 2(b)(ii), 2(b)(iii) or 2(b)(vi).

4. Termination Benefits

Subject to the conditions set forth in Section 2, the following benefits shall be paid or provided to the Executive:

(a) Compensation

The Company shall pay to the Executive three times the sum of (i) "Base Pay", which shall be an amount equal to the greater of (A) the Executive's effective annual base salary at the Termination Date or (B) the Executive's effective annual base salary immediately prior to the Change in Control, plus (ii) "Incentive Pay" equal to the greater of (x) the target annual bonus payable to the Executive under the Company's Incentive Compensation Plan or any other annual bonus plan for the fiscal year of the Company in which the Change in Control occurred or (y) the highest annual bonus earned by the Executive under the Company's Incentive Compensation Plan or any other annual bonus plan (whether paid currently or on a deferred basis) with respect to any 12 consecutive month period during the three fiscal years of the Company immediately preceding the fiscal year of the Company in which the Change in Control occurred, plus (iii) "Performance Returns" equal to the highest annual payment of performance returns paid to the Executive with respect to any 12 consecutive month period during the three fiscal years of the Company immediately preceding the fiscal year of the Company in which the Change in Control occurred.

(b) Welfare Benefits

For a period of 36 months following the Termination Date (the "Continuation Period"), the Company shall arrange to provide the Executive with benefits, including travel accident, major medical, dental, vision care and other welfare benefit programs in effect immediately prior to the Change in Control ("Employee Benefits") substantially similar to those that the Executive was receiving or entitled to receive immediately prior to the Termination Date (or, if greater, immediately prior to the reduction, termination, or denial described in Section 2(b)(ii)(C)). If and to the extent that any benefit described in this Section 4(b) is not or cannot be paid or provided under any policy, plan, program or arrangement of the Company or any subsidiary, as the case may be, then the Company will itself pay or provide for the payment to the Executive, his dependents and beneficiaries, of such Employee Benefits along with, in the case of any benefit which is subject to tax because it is not or cannot be paid or provided under any such policy, plan, program or arrangement of the Company or any subsidiary, an additional amount such that after payment by the Executive, or his dependents or beneficiaries, as the case may be, of all taxes so imposed, the recipient retains an amount equal to such taxes. Employee Benefits otherwise receivable by the Executive pursuant to this Section 4(b) will be reduced to the extent comparable welfare benefits are actually received by the Executive from another employer during the Continuation Period, and any such benefits actually received by the Executive shall be reported by the Executive to the Company.

(c) Retirement Benefits

The Executive shall be deemed to be completely vested in Executive's currently accrued benefits under the Company's Retirement Benefit Plan and Supplemental Executive Retirement Plan ("SERP") in effect as of the date of Change in Control (collectively, the

"Plans"), regardless of his actual vesting service credit thereunder. In addition, the Executive shall be deemed to earn service credit for benefit calculation purposes thereunder for the Continuation Period. Benefits under the Plans will become payable at any time designated by the Executive following termination of the Executive's employment with the Company and its subsidiaries after the Executive reaches age 55, subject to the terms of the Plans regarding the actuarial adjustment of benefit payments commencing prior to normal retirement age. The benefits to be paid pursuant to the Plans shall be calculated as though the Executive's compensation rate for each of the five years immediately preceding his retirement equaled the sum of Base Pay plus Incentive Pay plus Performance Returns. Any benefits payable pursuant to this Section 4(c) that are not payable out of the Plans for any reason (including but not limited to any applicable benefit limitations under the Employee Retirement Income Security Act of 1974, as amended, or any restrictions relating to the qualification of the Company's Retirement Benefit Plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code")) shall be paid directly by the Company out of its general assets.

(d) Relocation Benefits

If the Executive moves his residence in order to pursue other business or employment opportunities during the Continuation Period and requests in writing that the Company provide relocation services, he will be reimbursed for any expenses incurred in that initial relocation (including taxes payable on the reimbursement) which are not reimbursed by another employer. Benefits under this provision will include assistance in selling the Executive's home and all other assistance and benefits which were customarily provided by the Company to transferred executives prior to the Change in Control.

(e) Executive Outplacement Counseling

At the request of the Executive made in writing during the Continuation Period, the Company shall engage an outplacement counseling service of national reputation to assist the Executive in obtaining employment.

(f) Stock Based Compensation Plans

(i) Any issued and outstanding Stock Options (to the extent they have not already become exercisable) shall become exercisable as of the date on which the Change in Control occurs, unless otherwise specifically provided at the time such options are granted.

(ii) The Company's right to rescind any award of stock to the Executive under the Company's 1988 Long Term Incentive Plan or the Company's 1998 Long Term Incentive Plan (or any successor plan) shall terminate upon a Change in Control, and all restrictions on the sale, pledge, hypothecation or other disposition of shares of stock awarded pursuant to such plan shall be removed at the Termination Date, unless otherwise specifically provided at the time such award(s) are made.

(iii) The Executive's rights under any other stock based compensation plan shall vest (to the extent they have not already vested) and any performance criteria shall be deemed met at target as of the date on which a Change in Control occurs, unless otherwise specifically provided at the time such right(s) are granted.

(g) Split Dollar Life Insurance

The Company shall pay to the Executive a lump sum equal to the cost on the Termination Date of purchasing, at standard independent insurance premium rates, an individual

paid up insurance policy providing benefits equal to the benefits provided by the Company's Split Dollar Life Insurance coverage immediately prior to the date of the Change in Control.

(h) Other Benefits

(i) The Executive shall have all flight privileges provided by the Company to Directors as of the date of Change in Control until the Executive reaches age 55, at which time he shall have all flight privileges provided by the Company to its retirees who held the same or similar position as the Executive immediately prior to the Change in Control.

(ii) The Executive, at the Executive's option, shall be entitled to continue the use of the Executive's Company-provided automobile during the Continuation Period under the same terms that applied to the automobile immediately prior to the Change in Control, or to purchase the automobile at its book value as of the Termination Date.

(iii) The Company shall pay to the Executive an amount equal to the cost to the Company of providing any other perquisites and benefits of the Company in effect immediately prior to the Change in Control, calculated as if such benefits were continued during the Continuation Period.

(i) Accrued Amounts

The Company shall pay to the Executive all other amounts accrued or earned by the Executive through the Termination Date and amounts otherwise owing under the then existing plans and policies of the Company, including but not limited to all amounts of compensation previously deferred by the Executive (together with any accrued interest thereon) and not yet paid by the Company, and any accrued vacation pay not yet paid by the Company.

(j) The Company shall pay to the Executive the amounts due pursuant to Sections 4(a), 4(g) and 4(h)(iii) in a lump sum on the first business day of the month following the Termination Date. The Company shall pay to the Executive the amounts due pursuant to Section 4(i) in accordance with the terms and conditions of the existing plans and policies of the Company.

5. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, but subject to Section 5(h), in the event that this Agreement shall become operative and it shall be determined (as hereafter provided) that any payment (other than the Gross-Up payments provided for in this Section 5) or distribution by the Company or any of its subsidiaries to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, restricted stock, deferred stock or the lapse or termination of any restriction on, deferral period or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) by reason of being considered "contingent on a change in ownership or control" of the Company, within the meaning of Section 280G of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest and penalties, being hereafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment or payments (collectively, a "Gross-Up Payment"). The Gross-Up Payment shall be in an amount such that, after payment by the Executive of all taxes (including any interest or

penalties imposed with respect to such taxes), including any Excise Tax and any income tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment.

(b) Subject to the provisions of Section 5(f), all determinations required to be made under this Section 5, including whether an Excise Tax is payable by the Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required to be paid by the Company to the Executive and the amount of such Gross-Up Payment, if any, shall be made by a nationally recognized accounting firm (the "Accounting Firm") selected by the Executive in his sole discretion. The Executive shall direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and the Executive within 30 calendar days after the Change in Control Date, the Termination Date, if applicable, and any such other time or times as may be requested by the Company or the Executive. If the Accounting Firm determines that any Excise Tax is payable by the Executive, the Company shall pay the required Gross-Up Payment to the Executive within five business days after receipt of such determination and calculations with respect to any Payment to the Executive. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall, at the same time as it makes such determination, furnish the Company and the Executive an opinion that the Executive has substantial authority not to report any Excise Tax on his federal, state or local income or other tax return. As a result of the uncertainty in the application of Section 4999 of the Code (or any successor provision thereto) and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the

event that the Company exhausts or fails to pursue its remedies pursuant to Section 5(f) and the Executive thereafter is required to make a payment of any Excise Tax, the Executive shall direct the Accounting Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both the Company and the Executive as promptly as possible. Any such Underpayment shall be promptly paid by the Company to, or for the benefit of, the Executive within five business days after receipt of such determination and calculations.

(c) The Company and the Executive shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by Section 5(b). Any determination by the Accounting Firm as to the amount of the Gross-Up Payment shall be binding upon the Company and the Executive.

(d) The federal, state and local income or other tax returns filed by the Executive shall be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax payable by the Executive. The Executive shall make proper payment of the amount of any Excise Payment, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of his federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Company, evidencing such payment. If prior to the filing of the Executive's federal income tax return, or corresponding state or local tax return, if relevant, the Accounting

Firm determines that the amount of the Gross-Up Payment should be reduced, the Executive shall within five business days pay to the Company the amount of such reduction.

(e) The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by Section 5(b) shall be borne by the Company. If such fees and expenses are initially paid by the Executive, the Company shall reimburse the Executive the full amount of such fees and expenses within five business days after receipt from the Executive of a statement therefor and reasonable evidence of his payment thereof.

(f) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service or any other taxing authority that, if successful, would require the payment by the Company of a Gross-Up Payment or any additional Gross-Up Payment. Such notification shall be given as promptly as practicable but no later than 10 business days after the Executive actually receives notice of such claim and the Executive shall further apprise the Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by the Executive). The Executive shall not pay such claim prior to the earlier of (x) the expiration of the 30-calendar-day period following the date on which he gives such notice to the Company and (y) the date that any payment of amount with respect to such claim is due. If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) provide the Company with any written records or documents in his possession relating to such claim reasonably requested by the Company;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including without

limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including interest and penalties) incurred in connection with such contest and shall indemnify and hold harmless the Executive, on an after-tax basis, for and against any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such contest and payment of costs and expenses. Without limiting the foregoing provisions of this Section 5(f), the Company shall control all proceedings taken in connection with the contest of any claim contemplated by this Section 5(f) and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided, however, that the Executive may participate therein at his own cost and expense) and may, at its option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay the tax claimed and sue for a refund, the Company shall advance the amount of such payment to the Executive on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any

Excise Tax or income or other tax, including interest or penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of any such contested claim shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(g) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 5(f), the Executive receives any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 5(f)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 5(f), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial or refund prior to the expiration of 30 calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of any such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid by the Company to the Executive pursuant to this Section 5.

(h) Notwithstanding any provision of this Agreement to the contrary, if (i) but for this sentence, the Company would be obligated to make a Gross-Up Payment to the Executive, (ii) the aggregate "present value" of the "parachute payments" to be paid or provided

to the Executive under this Agreement or otherwise does not exceed 1.15 multiplied by three times the Executive's "base amount," and (iii) but for this sentence, the net after-tax benefit to the Executive of the Gross-Up Payment would not exceed $50,000 (taking into account both income taxes and any Excise Tax), then the payments and benefits to be paid or provided under this Agreement (including any stock based compensation pursuant to Section 4(f)) will be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any payment or benefit to the Executive, as so reduced, constitutes an "excess parachute payment." For purposes of this Section 5(h), the terms "excess parachute payment," "present value," "parachute payment," and "base amount" will have the meanings assigned to them by Section 280G of the Code. The determination of whether any reduction in such payments or benefits to be provided under this Agreement is required pursuant to the preceding sentence will be made at the expense of the Company, if requested by the Executive or the Company, by the Accounting Firm. The fact that the Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 5(h) will not of itself limit or otherwise affect any other rights of the Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 5(h), the Executive will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this Section 5(h). The Company will provide the Executive with all information reasonably requested by the Executive to permit the Executive to make such designation. In the event that the Executive fails to make such designation within 10 business days of the Termination Date, the Company may effect such reduction in any manner it deems appropriate.

6. No Mitigation Obligation. The Company hereby acknowledges that it will be difficult and may be impossible for the Executive to find reasonably comparable employment following the Termination Date. Accordingly, the payment of the severance compensation by the Company to the Executive in accordance with the terms of this Agreement is hereby acknowledged by the Company to be reasonable, and the Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of the Executive hereunder or otherwise, except as expressly provided in the last sentence of Section 4(b).

7. Legal Fees and Expenses.

(a) It is the intent of the Company that the Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of Executive's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Executive hereunder. Accordingly, if it should appear to the Executive that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, the Executive any or all of the benefits provided or intended to be provided to the Executive hereunder, the Company irrevocably authorizes the Executive from time to time to retain counsel of Executive's choice, at the expense of the Company as hereafter provided, to advise and represent the Executive in connection with any such interpretation, enforcement or

defense, including without limitation the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to the Executive's entering into an attorney-client relationship with such counsel, and in that connection the Company and the Executive agree that a confidential relationship shall exist between the Executive and such counsel. Without respect to whether the Executive prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by the Executive in connection with any of the foregoing.

(b) Without limiting the obligations of the Company pursuant to Section 7(a) hereof, in the event a Change in Control occurs, the performance of the Company's obligations under this Section 7 shall be secured by amounts deposited or to be deposited in trust pursuant to certain trust agreements to which the Company shall be a party, which amounts deposited shall in the aggregate be not less than $2,000,000, providing that the fees and expenses of counsel selected from time to time by the Executive pursuant to Section 7(a) shall be paid, or reimbursed to the Executive if paid by the Executive, either in accordance with the terms of such trust agreements, or, if not so provided, on a regular, periodic basis upon presentation by the Executive to the trustee of a statement or statements prepared by such counsel in accordance with its customary practices. Any failure by the Company to satisfy any of its obligations under this Section 7(b) shall not limit the rights of the Executive hereunder. Subject to the foregoing, the Executive shall have the status of a general unsecured creditor of the Company and shall have no right to, or security interest in, any assets of the Company or any subsidiary.

8. Continuing Obligations

(a) The Executive hereby agrees that all documents, records, techniques, business secrets and other information which have come into his possession from time to time during his employment with the Company shall be deemed to be confidential and proprietary to the Company and, except for personal documents and records of the Executive, shall be returned to the Company. The Executive further agrees to retain in confidence any confidential information known to him concerning the Company and its subsidiaries and their respective businesses so long as such information is not publicly disclosed, except that Executive may disclose any such information required to be disclosed in the normal course of his employment with the Company or pursuant to any court order or other legal process.

(b) The Executive hereby agrees that during the Continuation Period, he will not directly or indirectly solicit any employee of the Company or any of its subsidiaries or affiliated companies to join the employ of any entity that competes with the Company or any of its subsidiaries or affiliated companies.

9. Successors

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of such successor entity to enter into such agreement prior to the effective date of any such succession (or, if later, within three business days after first receiving a written request for such agreement) shall constitute a breach of this Agreement and shall entitle the Executive to

terminate his employment pursuant to Section 2(a)(ii) and to receive the payments and benefits provided under Section 4. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the Agreement provided for in this Section 9 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive dies while any amounts are payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee or, if there is no such designee, to his estate.

10. Notices

For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as FedEx, UPS, or Purolator, addressed to the Company (to the attention of the Secretary of the Company, with a copy to the General Counsel of the Company) at its principal executive office and to the Executive at his principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address shall be effective only upon receipt.

11. Governing Law

THE VALIDITY, INTERPRETATION, CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.

12. Miscellaneous

No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement (or in any employment or other written agreement relating to the Executive). Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 4, 5 and 7 will survive any termination or expiration of this Agreement or the termination of the Executive's employment following a Change in Control for any reason whatsoever. Nothing expressed or implied in this Agreement will create any right or duty on the part of the Company or the Executive to have the Executive remain in the employment of the Company or any subsidiary prior to or following any Change in Control. The Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any law or government regulation or ruling. In the event that the Company refuses or otherwise fails to make a payment when due and it is ultimately decided that the Executive is entitled to such

payment, such payment shall be increased to reflect an interest factor, compounded annually, equal to the prime rate in effect as of the date the payment was first due plus two points. For this purpose, the prime rate shall be based on the rate identified by Chase Manhattan Bank as its prime rate.

13. Separability

The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

14. Non-assignability

This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 9. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his will or by the laws of descent or distribution, and in the event of any attempted assignment or transfer by Executive contrary to this Section 14 the Company shall have no liability to pay any amount so attempted to be assigned or transferred to any person other than the Executive or, in the event of his death, his designated beneficiary or, in the absence of an effective beneficiary designation, the Executive's estate.

15. Effectiveness; Term

This Agreement will be effective and binding as of the date first above written immediately upon its execution, but, anything in this Agreement to the contrary notwithstanding, this Agreement will not be operative unless and until a Change in Control occurs. Upon the

occurrence of a Change in Control at any time during the Term (as defined below), without further action, this Agreement shall become immediately operative. For purposes of this Agreement, "Term" means the period commencing as of the date first above written and expiring as of the later of (i) the fifth anniversary of the date first above written or (ii) the second anniversary of the first occurrence of a Change in Control; provided, however, that (A) commencing on the fifth anniversary of the date first above written and each fifth anniversary date thereafter, the Term of this Agreement will automatically be extended for an additional five years unless, not later than 180 days preceding each such fifth anniversary date, the Company or the Executive shall have given notice that it or the Executive, as the case may be, does not wish to have the Term extended and (B) subject to Section 2(e), if, prior to a Change in Control, the Executive ceases for any reason to be an employee of the Company and any subsidiary, thereupon without further action the Term shall be deemed to have expired and this Agreement will immediately terminate and be of no further effect. For purposes of this Section 15, the Executive shall not be deemed to have ceased to be an employee of the Company and any subsidiary by reason of the transfer of Executive's employment between the Company and any subsidiary, or among any subsidiaries.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

17. Prior Agreement. This Agreement supersedes and terminates any and all prior Executive Termination Benefits Agreements by and among Company and the Executive.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above set forth, thereby mutually and voluntarily agreeing that this Agreement supersedes and replaces any prior similar agreements for such termination benefits.

AMR CORPORATION

By: /s/ Donald J. Carty

AMERICAN AIRLINES, INC.

By: /s/ Susan M. Oliver

EXECUTIVE

/s/ Monte E. Ford

EXHIBIT 10.81

AMENDED AND RESTATED
EXECUTIVE TERMINATION BENEFITS AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE TERMINATION BENEFITS AGREEMENT (this "Agreement"), dated as of the 22nd day of September, 2000 is among AMR CORPORATION, a Delaware corporation, AMERICAN AIRLINES, INC., a Delaware corporation (collectively the "Company"), and SUSAN M. OLIVER (the "Executive").

WITNESSETH:

WHEREAS, the Company considers it essential to the best interests of the Company and its stockholders that its management be encouraged to remain with the Company and to continue to devote full attention to the Company's business in the event an effort is made to obtain control of the Company through a tender offer or otherwise;

WHEREAS, the Company recognizes that the possibility of a change in control and the uncertainty and questions which it may raise among management may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders;

WHEREAS, the Company's Board of Directors (the "Board") has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management to their assigned duties without distraction in the face of the potentially disturbing circumstances arising from the possibility of a change in control of the Company;

WHEREAS, the Executive is a key Executive of the Company;

WHEREAS, the Company believes the Executive has made valuable contributions to the productivity and profitability of the Company;

WHEREAS, should the Company receive any proposal from a third person concerning a possible business combination with or acquisition of equity securities of the Company, the Board believes it imperative that the Company and the Board be able to rely upon the Executive to continue in his position, and that the Company be able to receive and rely upon his advice as to the best interests of the Company and its stockholders without concern that he might be distracted by the personal uncertainties and risks created by such a proposal; and

WHEREAS, should the Company receive any such proposals, in addition to the Executive's regular duties, he may be called upon to assist in the assessment of such proposals, advise management and the Board as to whether such proposals would be in the best interests of the Company and its stockholders, and to take such other actions as the Board might determine to be appropriate.

NOW, THEREFORE, to assure the Company that it will have the continued undivided attention and services of the Executive and the availability of his advice and counsel notwithstanding the possibility, threat or occurrence of a bid to take over control of the Company, and to induce the Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and the Executive agree as follows:

1. Change in Control

For purposes of this Agreement, a Change in Control of the Company shall be deemed to have taken place if:

(a) any person as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act"), and as used in Sections 13(d) and

14(d) thereof, including a "group" as defined in Section 13(d) of the Exchange Act (a "Person"), but excluding the Company, any subsidiary of the Company and any employee benefit plan sponsored or maintained by the Company or any subsidiary of the Company (including any trustee of such plan acting as trustee), directly or indirectly, becomes the "beneficial owner" (as defined in Rule 13(d)-3 under the Exchange Act, as amended from time to time) of securities of the Company representing 15% or more of the combined voting power of the Company's then outstanding securities; or

(b) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of the assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the then outstanding shares of common stock of the Company and the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors immediately prior to such Business Combination

beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), (ii) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 15% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Incumbent Board, providing for such Business Combination; or

(d) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

2. Circumstances Triggering Receipt of Severance Benefits

(a) Subject to Section 2(c), the Company will provide the Executive with the benefits set forth in Section 4 upon any termination of the Executive's employment:

(i) by the Company at any time within the first 24 months after a Change in Control;

(ii) by the Executive for "Good Reason" (as defined in Section 2(b) below) at any time within the first 24 months after a Change in Control;

(iii) by the Executive pursuant to Section 2(d); or

(iv) by the Company or the Executive pursuant to Section 2(e).

(b) In the event of the occurrence of a Change in Control, the Executive may terminate employment with the Company and/or any subsidiary for "Good Reason" with the right to benefits set forth in Section 4 upon the occurrence of one or more of the following events (regardless of whether any other reason, other than Cause as provided below, for such termination exists or has occurred, including without limitation other employment):

(i) Failure to elect or reelect or otherwise to maintain the Executive in the office or the position, or a substantially equivalent office or position, of or with the Company and/or a subsidiary, as the case may be, which the Executive held immediately prior to a Change in Control, or the removal of the Executive as a director of the Company and/or a subsidiary (or any successor thereto) if the Executive shall have been a director of the Company and/or a subsidiary immediately prior to the Change in Control;

(ii) (A) A significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with the Company and/or any subsidiary which the Executive held immediately prior to the Change in Control, (B) a reduction in the aggregate of the Executive's annual base salary rate and annual incentive compensation target to be received from the Company and/or any subsidiary, or (C) the termination or denial of the Executive's rights to Employee Benefits (as defined below) or a reduction in

the scope or value thereof, any of which is not remedied by the Company within 10 calendar days after receipt by the Company of written notice from the Executive of such change, reduction or termination, as the case may be;

(iii) A determination by the Executive (which determination will be conclusive and binding upon the parties hereto provided it has been made in good faith and in all events will be presumed to have been made in good faith unless otherwise shown by the Company by clear and convincing evidence) that a change in circumstances has occurred following a Change in Control, including, without limitation, a change in the scope of the business or other activities for which the Executive was responsible immediately prior to the Change in Control, which has rendered the Executive substantially unable to carry out, has substantially hindered Executive's performance of, or has caused the Executive to suffer a substantial reduction in, any of the authorities, powers, functions, responsibilities or duties attached to the position held by the Executive immediately prior to the Change in Control, which situation is not remedied within 10 calendar days after written notice to the Company from the Executive of such determination;

(iv) The liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or substantially all of its business and/or assets, unless the successor or successors (by liquidation, merger, consolidation, reorganization, transfer or otherwise) to which all or substantially all of its business and/or assets have been transferred (directly or by operation of

law) assumed all duties and obligations of the Company under this Agreement pursuant to Section 9(a);

(v) The Company relocates its principal executive offices, or requires the Executive to have his principal location of work changed, to any location that is in excess of 50 miles from the location thereof immediately prior to the Change in Control, or requires the Executive to travel away from his office in the course of discharging his responsibilities or duties hereunder at least 20% more (in terms of aggregate days in any calendar year or in any calendar quarter when annualized for purposes of comparison to any prior year) than was required of Executive in any of the three full years immediately prior to the Change in Control without, in either case, his prior written consent; or

(vi) Without limiting the generality or effect of the foregoing, any material breach of this Agreement by the Company or any successor thereto, which breach is not remedied within 10 calendar days after written notice to the Company from the Executive describing the nature of such breach.

(c) Notwithstanding Sections 2(a) and (b) above, no benefits shall be payable by reason of this Agreement in the event of:

(i) Termination of the Executive's employment with the Company and its subsidiaries by reason of the Executive's death or Disability, provided that the Executive has not previously given a valid "Notice of Termination" pursuant to Section 3. For purposes hereof, "Disability" shall be defined as the inability of Executive due to illness, accident or other physical or mental disability to perform his duties for any period of six consecutive months or for any period of eight

months out of any 12-month period, as determined by an independent physician selected by the Company and reasonably acceptable to the Executive (or his legal representative), provided that the Executive does not return to work on substantially a full-time basis within 30 days after written notice from the Company, pursuant to Section 3, of an intent to terminate the Executive's employment due to Disability;

(ii) Termination of the Executive's employment with the Company and its subsidiaries on account of the Executive's retirement at or after age 65, pursuant to the Company's Retirement Benefit Plan; or

(iii) Termination of the Executive's employment with the Company and its subsidiaries for Cause. For the purposes hereof, "Cause" shall be defined as a felony conviction of the Executive or the failure of the Executive to contest prosecution for a felony, or the Executive's wilful misconduct or dishonesty, any of which is directly and materially harmful to the business or reputation of the Company or any subsidiary or affiliate. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for "Cause" hereunder unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three quarters of the Board then in office at a meeting of the Board called and held for such purpose, after reasonable notice to the Executive and an opportunity for the Executive, together with his counsel (if the Executive chooses to have counsel present at such meeting), to be heard before the Board, finding that, in the good faith opinion of the Board, the Executive had committed an act constituting

"Cause" as herein defined and specifying the particulars thereof in detail. Nothing herein will limit the right of the Executive or his beneficiaries to contest the validity or propriety of any such determination.

This Section 2(c) shall not preclude the payment of any amounts otherwise payable to the Executive under any of the Company's employee benefit plans, stock plans, programs and arrangements and/or under any Employment Agreement.

(d) Notwithstanding anything contained in this Agreement to the contrary, in the event of a Change in Control, the Executive may terminate employment with the Company and any subsidiary for any reason, or without reason, by providing Notice of Termination pursuant to Section 3 during the 30-day period immediately following the first anniversary of the first occurrence of a Change in Control with the right to the benefits set forth in Section 4.

(e) Any termination of employment of the Executive, including a termination for "Good Reason," but excluding a termination for "Cause," or the removal of the Executive from the office or position in the Company or any subsidiary that occurs (i) not more than 180 days prior to the date on which a Change in Control occurs and (ii) following the commencement of any discussion with a third person that ultimately results in a Change in Control shall be deemed to be a termination or removal of the Executive after a Change in Control for purposes of this Agreement.

3. Notice of Termination

Any termination of the Executive's employment with the Company and its subsidiaries as contemplated by Section 2 shall be communicated by written "Notice of Termination" to the other party hereto. Any "Notice of Termination" shall indicate the effective date of termination which shall not be less than 30 days or more than 60 days after the date the Notice of

Termination is delivered (the "Termination Date"), the specific provision in this Agreement relied upon, and, except for a termination pursuant to Section 2(d), will set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination including, if applicable, the failure after provision of written notice by the Executive to effect a remedy pursuant to the final clause of Section 2(b)(ii), 2(b)(iii) or 2(b)(vi).

4. Termination Benefits

Subject to the conditions set forth in Section 2, the following benefits shall be paid or provided to the Executive:

(a) Compensation

The Company shall pay to the Executive three times the sum of (i) "Base Pay", which shall be an amount equal to the greater of (A) the Executive's effective annual base salary at the Termination Date or (B) the Executive's effective annual base salary immediately prior to the Change in Control, plus (ii) "Incentive Pay" equal to the greater of (x) the target annual bonus payable to the Executive under the Company's Incentive Compensation Plan or any other annual bonus plan for the fiscal year of the Company in which the Change in Control occurred or (y) the highest annual bonus earned by the Executive under the Company's Incentive Compensation Plan or any other annual bonus plan (whether paid currently or on a deferred basis) with respect to any 12 consecutive month period during the three fiscal years of the Company immediately preceding the fiscal year of the Company in which the Change in Control occurred, plus (iii) "Performance Returns" equal to the highest annual payment of performance returns paid to the Executive with respect to any 12 consecutive month period during the three fiscal years of the Company immediately preceding the fiscal year of the Company in which the Change in Control occurred.

(b) Welfare Benefits

For a period of 36 months following the Termination Date (the "Continuation Period"), the Company shall arrange to provide the Executive with benefits, including travel accident, major medical, dental, vision care and other welfare benefit programs in effect immediately prior to the Change in Control ("Employee Benefits") substantially similar to those that the Executive was receiving or entitled to receive immediately prior to the Termination Date (or, if greater, immediately prior to the reduction, termination, or denial described in Section 2(b)(ii)(C)). If and to the extent that any benefit described in this Section 4(b) is not or cannot be paid or provided under any policy, plan, program or arrangement of the Company or any subsidiary, as the case may be, then the Company will itself pay or provide for the payment to the Executive, his dependents and beneficiaries, of such Employee Benefits along with, in the case of any benefit which is subject to tax because it is not or cannot be paid or provided under any such policy, plan, program or arrangement of the Company or any subsidiary, an additional amount such that after payment by the Executive, or his dependents or beneficiaries, as the case may be, of all taxes so imposed, the recipient retains an amount equal to such taxes. Employee Benefits otherwise receivable by the Executive pursuant to this Section 4(b) will be reduced to the extent comparable welfare benefits are actually received by the Executive from another employer during the Continuation Period, and any such benefits actually received by the Executive shall be reported by the Executive to the Company.

(c) Retirement Benefits

The Executive shall be deemed to be completely vested in Executive's currently accrued benefits under the Company's Retirement Benefit Plan and Supplemental Executive Retirement Plan ("SERP") in effect as of the date of Change in Control (collectively, the

"Plans"), regardless of his actual vesting service credit thereunder. In addition, the Executive shall be deemed to earn service credit for benefit calculation purposes thereunder for the Continuation Period. Benefits under the Plans will become payable at any time designated by the Executive following termination of the Executive's employment with the Company and its subsidiaries after the Executive reaches age 55, subject to the terms of the Plans regarding the actuarial adjustment of benefit payments commencing prior to normal retirement age. The benefits to be paid pursuant to the Plans shall be calculated as though the Executive's compensation rate for each of the five years immediately preceding his retirement equaled the sum of Base Pay plus Incentive Pay plus Performance Returns. Any benefits payable pursuant to this Section 4(c) that are not payable out of the Plans for any reason (including but not limited to any applicable benefit limitations under the Employee Retirement Income Security Act of 1974, as amended, or any restrictions relating to the qualification of the Company's Retirement Benefit Plan under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code")) shall be paid directly by the Company out of its general assets.

(d) Relocation Benefits

If the Executive moves his residence in order to pursue other business or employment opportunities during the Continuation Period and requests in writing that the Company provide relocation services, he will be reimbursed for any expenses incurred in that initial relocation (including taxes payable on the reimbursement) which are not reimbursed by another employer. Benefits under this provision will include assistance in selling the Executive's home and all other assistance and benefits which were customarily provided by the Company to transferred executives prior to the Change in Control.

(e) Executive Outplacement Counseling

At the request of the Executive made in writing during the Continuation Period, the Company shall engage an outplacement counseling service of national reputation to assist the Executive in obtaining employment.

(f) Stock Based Compensation Plans

(i) Any issued and outstanding Stock Options (to the extent they have not already become exercisable) shall become exercisable as of the date on which the Change in Control occurs, unless otherwise specifically provided at the time such options are granted.

(ii) The Company's right to rescind any award of stock to the Executive under the Company's 1988 Long Term Incentive Plan or the Company's 1998 Long Term Incentive Plan (or any successor plan) shall terminate upon a Change in Control, and all restrictions on the sale, pledge, hypothecation or other disposition of shares of stock awarded pursuant to such plan shall be removed at the Termination Date, unless otherwise specifically provided at the time such award(s) are made.

(iii) The Executive's rights under any other stock based compensation plan shall vest (to the extent they have not already vested) and any performance criteria shall be deemed met at target as of the date on which a Change in Control occurs, unless otherwise specifically provided at the time such right(s) are granted.

(g) Split Dollar Life Insurance

The Company shall pay to the Executive a lump sum equal to the cost on the Termination Date of purchasing, at standard independent insurance premium rates, an individual

paid up insurance policy providing benefits equal to the benefits provided by the Company's Split Dollar Life Insurance coverage immediately prior to the date of the Change in Control.

(h) Other Benefits

(i) The Executive shall have all flight privileges provided by the Company to Directors as of the date of Change in Control until the Executive reaches age 55, at which time he shall have all flight privileges provided by the Company to its retirees who held the same or similar position as the Executive immediately prior to the Change in Control.

(ii) The Executive, at the Executive's option, shall be entitled to continue the use of the Executive's Company-provided automobile during the Continuation Period under the same terms that applied to the automobile immediately prior to the Change in Control, or to purchase the automobile at its book value as of the Termination Date.

(iii) The Company shall pay to the Executive an amount equal to the cost to the Company of providing any other perquisites and benefits of the Company in effect immediately prior to the Change in Control, calculated as if such benefits were continued during the Continuation Period.

(i) Accrued Amounts

The Company shall pay to the Executive all other amounts accrued or earned by the Executive through the Termination Date and amounts otherwise owing under the then existing plans and policies of the Company, including but not limited to all amounts of compensation previously deferred by the Executive (together with any accrued interest thereon) and not yet paid by the Company, and any accrued vacation pay not yet paid by the Company.

(j) The Company shall pay to the Executive the amounts due pursuant to Sections 4(a), 4(g) and 4(h)(iii) in a lump sum on the first business day of the month following the Termination Date. The Company shall pay to the Executive the amounts due pursuant to Section 4(i) in accordance with the terms and conditions of the existing plans and policies of the Company.

5. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, but subject to Section 5(h), in the event that this Agreement shall become operative and it shall be determined (as hereafter provided) that any payment (other than the Gross-Up payments provided for in this Section 5) or distribution by the Company or any of its subsidiaries to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, restricted stock, deferred stock or the lapse or termination of any restriction on, deferral period or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) by reason of being considered "contingent on a change in ownership or control" of the Company, within the meaning of Section 280G of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest and penalties, being hereafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment or payments (collectively, a "Gross-Up Payment"). The Gross-Up Payment shall be in an amount such that, after payment by the Executive of all taxes (including any interest or

penalties imposed with respect to such taxes), including any Excise Tax and any income tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment.

(b) Subject to the provisions of Section 5(f), all determinations required to be made under this Section 5, including whether an Excise Tax is payable by the Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required to be paid by the Company to the Executive and the amount of such Gross-Up Payment, if any, shall be made by a nationally recognized accounting firm (the "Accounting Firm") selected by the Executive in his sole discretion. The Executive shall direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and the Executive within 30 calendar days after the Change in Control Date, the Termination Date, if applicable, and any such other time or times as may be requested by the Company or the Executive. If the Accounting Firm determines that any Excise Tax is payable by the Executive, the Company shall pay the required Gross-Up Payment to the Executive within five business days after receipt of such determination and calculations with respect to any Payment to the Executive. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall, at the same time as it makes such determination, furnish the Company and the Executive an opinion that the Executive has substantial authority not to report any Excise Tax on his federal, state or local income or other tax return. As a result of the uncertainty in the application of Section 4999 of the Code (or any successor provision thereto) and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the

event that the Company exhausts or fails to pursue its remedies pursuant to Section 5(f) and the Executive thereafter is required to make a payment of any Excise Tax, the Executive shall direct the Accounting Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both the Company and the Executive as promptly as possible. Any such Underpayment shall be promptly paid by the Company to, or for the benefit of, the Executive within five business days after receipt of such determination and calculations.

(c) The Company and the Executive shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by Section 5(b). Any determination by the Accounting Firm as to the amount of the Gross-Up Payment shall be binding upon the Company and the Executive.

(d) The federal, state and local income or other tax returns filed by the Executive shall be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax payable by the Executive. The Executive shall make proper payment of the amount of any Excise Payment, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of his federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Company, evidencing such payment. If prior to the filing of the Executive's federal income tax return, or corresponding state or local tax return, if relevant, the Accounting

Firm determines that the amount of the Gross-Up Payment should be reduced, the Executive shall within five business days pay to the Company the amount of such reduction.

(e) The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by Section 5(b) shall be borne by the Company. If such fees and expenses are initially paid by the Executive, the Company shall reimburse the Executive the full amount of such fees and expenses within five business days after receipt from the Executive of a statement therefor and reasonable evidence of his payment thereof.

(f) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service or any other taxing authority that, if successful, would require the payment by the Company of a Gross-Up Payment or any additional Gross-Up Payment. Such notification shall be given as promptly as practicable but no later than 10 business days after the Executive actually receives notice of such claim and the Executive shall further apprise the Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by the Executive). The Executive shall not pay such claim prior to the earlier of (x) the expiration of the 30-calendar-day period following the date on which he gives such notice to the Company and (y) the date that any payment of amount with respect to such claim is due. If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) provide the Company with any written records or documents in his possession relating to such claim reasonably requested by the Company;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including without

limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including interest and penalties) incurred in connection with such contest and shall indemnify and hold harmless the Executive, on an after-tax basis, for and against any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such contest and payment of costs and expenses. Without limiting the foregoing provisions of this Section 5(f), the Company shall control all proceedings taken in connection with the contest of any claim contemplated by this Section 5(f) and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided, however, that the Executive may participate therein at his own cost and expense) and may, at its option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay the tax claimed and sue for a refund, the Company shall advance the amount of such payment to the Executive on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any

Excise Tax or income or other tax, including interest or penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of any such contested claim shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(g) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 5(f), the Executive receives any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 5(f)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 5(f), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial or refund prior to the expiration of 30 calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of any such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid by the Company to the Executive pursuant to this Section 5.

(h) Notwithstanding any provision of this Agreement to the contrary, if (i) but for this sentence, the Company would be obligated to make a Gross-Up Payment to the Executive, (ii) the aggregate "present value" of the "parachute payments" to be paid or provided

to the Executive under this Agreement or otherwise does not exceed 1.15 multiplied by three times the Executive's "base amount," and (iii) but for this sentence, the net after-tax benefit to the Executive of the Gross-Up Payment would not exceed $50,000 (taking into account both income taxes and any Excise Tax), then the payments and benefits to be paid or provided under this Agreement (including any stock based compensation pursuant to Section 4(f)) will be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any payment or benefit to the Executive, as so reduced, constitutes an "excess parachute payment." For purposes of this Section 5(h), the terms "excess parachute payment," "present value," "parachute payment," and "base amount" will have the meanings assigned to them by Section 280G of the Code. The determination of whether any reduction in such payments or benefits to be provided under this Agreement is required pursuant to the preceding sentence will be made at the expense of the Company, if requested by the Executive or the Company, by the Accounting Firm. The fact that the Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 5(h) will not of itself limit or otherwise affect any other rights of the Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 5(h), the Executive will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this Section 5(h). The Company will provide the Executive with all information reasonably requested by the Executive to permit the Executive to make such designation. In the event that the Executive fails to make such designation within 10 business days of the Termination Date, the Company may effect such reduction in any manner it deems appropriate.

6. No Mitigation Obligation. The Company hereby acknowledges that it will be difficult and may be impossible for the Executive to find reasonably comparable employment following the Termination Date. Accordingly, the payment of the severance compensation by the Company to the Executive in accordance with the terms of this Agreement is hereby acknowledged by the Company to be reasonable, and the Executive will not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor will any profits, income, earnings or other benefits from any source whatsoever create any mitigation, offset, reduction or any other obligation on the part of the Executive hereunder or otherwise, except as expressly provided in the last sentence of Section 4(b).

7. Legal Fees and Expenses.

(a) It is the intent of the Company that the Executive not be required to incur legal fees and the related expenses associated with the interpretation, enforcement or defense of Executive's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Executive hereunder. Accordingly, if it should appear to the Executive that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, the Executive any or all of the benefits provided or intended to be provided to the Executive hereunder, the Company irrevocably authorizes the Executive from time to time to retain counsel of Executive's choice, at the expense of the Company as hereafter provided, to advise and represent the Executive in connection with any such interpretation, enforcement or

defense, including without limitation the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to the Executive's entering into an attorney-client relationship with such counsel, and in that connection the Company and the Executive agree that a confidential relationship shall exist between the Executive and such counsel. Without respect to whether the Executive prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by the Executive in connection with any of the foregoing.

(b) Without limiting the obligations of the Company pursuant to Section 7(a) hereof, in the event a Change in Control occurs, the performance of the Company's obligations under this Section 7 shall be secured by amounts deposited or to be deposited in trust pursuant to certain trust agreements to which the Company shall be a party, which amounts deposited shall in the aggregate be not less than $2,000,000, providing that the fees and expenses of counsel selected from time to time by the Executive pursuant to Section 7(a) shall be paid, or reimbursed to the Executive if paid by the Executive, either in accordance with the terms of such trust agreements, or, if not so provided, on a regular, periodic basis upon presentation by the Executive to the trustee of a statement or statements prepared by such counsel in accordance with its customary practices. Any failure by the Company to satisfy any of its obligations under this Section 7(b) shall not limit the rights of the Executive hereunder. Subject to the foregoing, the Executive shall have the status of a general unsecured creditor of the Company and shall have no right to, or security interest in, any assets of the Company or any subsidiary.

8. Continuing Obligations

(a) The Executive hereby agrees that all documents, records, techniques, business secrets and other information which have come into his possession from time to time during his employment with the Company shall be deemed to be confidential and proprietary to the Company and, except for personal documents and records of the Executive, shall be returned to the Company. The Executive further agrees to retain in confidence any confidential information known to him concerning the Company and its subsidiaries and their respective businesses so long as such information is not publicly disclosed, except that Executive may disclose any such information required to be disclosed in the normal course of his employment with the Company or pursuant to any court order or other legal process.

(b) The Executive hereby agrees that during the Continuation Period, he will not directly or indirectly solicit any employee of the Company or any of its subsidiaries or affiliated companies to join the employ of any entity that competes with the Company or any of its subsidiaries or affiliated companies.

9. Successors

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of such successor entity to enter into such agreement prior to the effective date of any such succession (or, if later, within three business days after first receiving a written request for such agreement) shall constitute a breach of this Agreement and shall entitle the Executive to

terminate his employment pursuant to Section 2(a)(ii) and to receive the payments and benefits provided under Section 4. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the Agreement provided for in this Section 9 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive dies while any amounts are payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee or, if there is no such designee, to his estate.

10. Notices

For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as FedEx, UPS, or Purolator, addressed to the Company (to the attention of the Secretary of the Company, with a copy to the General Counsel of the Company) at its principal executive office and to the Executive at his principal residence, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address shall be effective only upon receipt.

11. Governing Law

THE VALIDITY, INTERPRETATION, CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.

12. Miscellaneous

No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement (or in any employment or other written agreement relating to the Executive). Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 4, 5 and 7 will survive any termination or expiration of this Agreement or the termination of the Executive's employment following a Change in Control for any reason whatsoever. Nothing expressed or implied in this Agreement will create any right or duty on the part of the Company or the Executive to have the Executive remain in the employment of the Company or any subsidiary prior to or following any Change in Control. The Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any law or government regulation or ruling. In the event that the Company refuses or otherwise fails to make a payment when due and it is ultimately decided that the Executive is entitled to such

payment, such payment shall be increased to reflect an interest factor, compounded annually, equal to the prime rate in effect as of the date the payment was first due plus two points. For this purpose, the prime rate shall be based on the rate identified by Chase Manhattan Bank as its prime rate.

13. Separability

The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

14. Non-assignability

This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 9. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his will or by the laws of descent or distribution, and in the event of any attempted assignment or transfer by Executive contrary to this Section 14 the Company shall have no liability to pay any amount so attempted to be assigned or transferred to any person other than the Executive or, in the event of his death, his designated beneficiary or, in the absence of an effective beneficiary designation, the Executive's estate.

15. Effectiveness; Term

This Agreement will be effective and binding as of the date first above written immediately upon its execution, but, anything in this Agreement to the contrary notwithstanding, this Agreement will not be operative unless and until a Change in Control occurs. Upon the

occurrence of a Change in Control at any time during the Term (as defined below), without further action, this Agreement shall become immediately operative. For purposes of this Agreement, "Term" means the period commencing as of the date first above written and expiring as of the later of (i) the fifth anniversary of the date first above written or (ii) the second anniversary of the first occurrence of a Change in Control; provided, however, that (A) commencing on the fifth anniversary of the date first above written and each fifth anniversary date thereafter, the Term of this Agreement will automatically be extended for an additional five years unless, not later than 180 days preceding each such fifth anniversary date, the Company or the Executive shall have given notice that it or the Executive, as the case may be, does not wish to have the Term extended and (B) subject to Section 2(e), if, prior to a Change in Control, the Executive ceases for any reason to be an employee of the Company and any subsidiary, thereupon without further action the Term shall be deemed to have expired and this Agreement will immediately terminate and be of no further effect. For purposes of this Section 15, the Executive shall not be deemed to have ceased to be an employee of the Company and any subsidiary by reason of the transfer of Executive's employment between the Company and any subsidiary, or among any subsidiaries.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

17. Prior Agreement. This Agreement supersedes and terminates any and all prior Executive Termination Benefits Agreements by and among Company and the Executive.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above set forth, thereby mutually and voluntarily agreeing that this Agreement supersedes and replaces any prior similar agreements for such termination benefits.

AMR CORPORATION

By: /s/ Donald J. Carty

AMERICAN AIRLINES, INC.

By: /s/ Thomas J. Kiernan

SUSAN M. OLIVER

/s/ Susan M. Oliver

EXHIBIT 10.88

AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

between

AMERICAN AIRLINES, INC.,
as Purchaser,

and

TRANS WORLD AIRLINES, INC.,
as Seller

February 28, 2001

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EXHIBIT 10.88

AMENDED AND RESTATED
ASSET PURCHASE AGREEMENT

This Amended and Restated Asset Purchase Agreement (this "Agreement") is made and entered into as of February 28, 2001, by and between American Airlines, Inc., a Delaware corporation ("Purchaser"), and Trans World Airlines, Inc., a Delaware corporation and debtor-in-possession under Chapter 11 Case No. 01-56 (SLR), jointly administrated, in the United States Bankruptcy Court for the District of Delaware ("TWA").

RECITALS

WHEREAS, TWA and its direct and indirect subsidiaries (other than Royal Ambassador Insurance Company, a Vermont insurance company, and Trans World PARS, Inc., a Delaware corporation) are referred to herein collectively as "Sellers," and each is referred to herein individually as a "Seller";

WHEREAS, Purchaser and TWA are parties to that certain Asset Purchase Agreement, dated as of January 9, 2001 (the "Original Agreement");

WHEREAS, Section 13.7 of the Original Agreement provides that the Original Agreement may be amended or supplemented at any time as may mutually be determined by Purchaser and TWA to be necessary, desirable or expedient to further the purposes of the Original Agreement or to clarify the intention of the parties thereto; and

WHEREAS, each of Purchaser and TWA has determined that it is desirable to amend the Original Agreement as set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Purchaser and TWA hereby agree that the Original Agreement be amended and restated in its entirety as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth in Exhibit A hereto.

1.2 Disclosure Schedules. References to "Schedules" shall mean the Schedule of Exceptions (and any schedules, exhibits or attachments thereto) delivered by Purchaser or TWA that are specifically made part of this Agreement.

ARTICLE II

PURCHASE OF ASSETS

2.1 Purchase and Sale of Transferred Assets. On the terms and subject to the conditions set forth herein, at the Closing as described in Article V, TWA shall, and shall cause each other Seller to, sell, transfer, convey, assign and deliver, and Purchaser shall purchase and accept, all of each such Seller's right, title and interest in and to all such Seller's rights, properties and assets, wherever located, including, without limitation, (i) all personal and real property, (ii) all general intangibles and intangible property, including without limitation all Intellectual Property and goodwill, (iii) all equipment, furniture and fixtures, (iv) all accounts, accounts receivable and rights to payment, (v) claims and interests in litigation listed on Schedule 2.1(v) (which shall exclude all Avoidance Actions), (vi) all existing and future instruments, chattel paper, documents of title, contracts, agreements, licenses, grants and rights, (vii) all securities, whether certificated or uncertificated, including, without limitation, either the capital stock of TWA Stock Holding, Inc. or the interests in Worldspan L.P., a Delaware limited partnership ("Worldspan") (at Purchaser's option; provided that Purchaser is the successful bidder of both the Transferred Assets and the Worldspan interest), but excluding the capital stock of any Seller other than TWA Stock Holding, Inc., (viii) all security entitlements, securities accounts, commodity contracts and commodity accounts, (ix) any and all existing and assignable manufacturer or vendor warranties, service life policies, customer support agreements and similar items (or to the extent such items are not assignable, subrogation rights to such items), (x) all proceeds and products of the foregoing, and (xi) all books and records relating to the foregoing, in each case of clauses (i) through (xi) above, together with all substitutions therefor and all accessions, replacements and renewals thereof (collectively, the "Transferred Assets"), free and clear of all Liens except Permitted Liens.

2.2 Excluded Assets. Notwithstanding anything contained in this Agreement to the contrary, the rights, properties and assets identified on Schedule 2.2 hereto (collectively, the "Excluded Assets") shall not be included in the Transferred Assets.

ARTICLE III

ASSUMPTION OF LIABILITIES

3.1 Assumed Liabilities. As of the Closing, Purchaser shall assume and thereafter in due course pay and fully satisfy the following liabilities and obligations of Seller (the "Assumed Liabilities") and no other liabilities or obligations:

(a) all liabilities and obligations of any Seller arising from and after the Closing pursuant to the terms of the indebtedness of Sellers listed on Schedule 3.1(a) (the "Assumed Debt Obligations");

(b) all liabilities and obligations of any Seller arising from and after the Closing under any Assumed Contract (other than Retention Agreements, which are addressed in Section 3.1(d) below);

(c) all liabilities and obligations of any Seller arising at any time under the indebtedness and other liabilities of Sellers listed on Schedule 3.1(c);

(d) all liabilities and obligations of any Seller under the Retention Agreements; provided, however, that, notwithstanding the foregoing or any other provision in this Agreement to the contrary, Purchaser shall not assume any obligation under the Retention Agreements in excess of $14,000,000 in the aggregate unless Purchaser has requested in writing to TWA that it wishes to expand such Retention Agreements in scope and amount;

(e) in order to retain directors of TWA, the liabilities and obligations of TWA to provide the air travel benefits described on Schedule 3.1(e) from and after the Closing;

(f) liabilities and obligations of TWA incurred as a result of a violation by Purchaser of Section 8.16;

(g) liabilities and obligations of TWA to honor vouchers issued by TWA solely to passengers who were denied boarding or who voluntarily relinquished seats on scheduled flights due to overbooking; and

(h) liabilities and obligations of any Seller arising directly out of those proceedings set forth on Schedule 2.1(v).

Except as set forth above, Purchaser shall not assume or be liable for any other obligations or liabilities of Sellers (including, without limitation, any cure amounts payable to other parties to the Assumed Contracts).

3.2 Retained Liabilities. Notwithstanding anything contained in this Agreement to the contrary, Purchaser does not assume or agree to pay, satisfy, discharge or perform, and shall not be deemed by virtue of the execution and delivery of this Agreement or any document delivered at the Closing pursuant to this Agreement, or as a result of the consummation of the transactions contemplated by this Agreement, to have assumed, or to have agreed to pay, satisfy, discharge or perform, any liability, obligation or indebtedness of any Seller, whether primary or secondary, direct or indirect, other than the Assumed Liabilities. Sellers shall retain and pay, satisfy, discharge and perform in accordance with the terms thereof, all liabilities and obligations other than the Assumed Liabilities to the extent specifically provided in Section 3.1, including without limitation those set forth below (all such liabilities and obligations retained by Seller being referred to herein as the "Retained Liabilities"):

(a) all obligations or liabilities of Sellers or any predecessor(s) or Affiliate(s) of Sellers that relate to any of the Excluded Assets;

(b) all obligations or liabilities of Sellers or any predecessor(s) or Affiliate(s) of Sellers relating to Taxes with respect to the Transferred Assets or otherwise, for all periods, or portions thereof, on or prior to the Closing Date;

(c) all obligations or liabilities for any legal, accounting, investment banking, brokerage or similar fees or expenses incurred by any Seller in connection with, resulting from or attributable to the transactions contemplated by this Agreement and the DIP Facility;

(d) liabilities and obligations for which Purchaser assumes no obligation or liability as described in Section 3.1(d);

(e) all obligations or liabilities for any borrowed money incurred by any Seller or any predecessor(s) or Affiliate(s) of Sellers;

(f) all obligations of Sellers related to the right to or issuance of any capital stock or other equity interest of any Seller, including, without limitation, any stock options or warrants;

(g) all obligations or liabilities of Sellers to the FAA for any fines and penalties;

(h) all obligations or liabilities of Sellers to provide air travel or related services pursuant to any flight travel privileges, awards or certificates or any similar agreements, arrangements or understandings (whether written or oral), other than as expressly set forth in Section 3.1(g); and

(i) all liabilities and obligations of Sellers or any predecessor(s) or Affiliate(s) of Sellers resulting from, caused by or arising out of, directly or indirectly, the conduct of their respective businesses or ownership or lease of any of their properties or assets or any properties or assets previously used by any Seller at any time prior to or on the Closing Date, including without limitation such of the foregoing (i) as constitute, may constitute or are alleged to constitute a tort, breach of contract or violation of requirement of any Law, (ii) that relate to, result in or arise out of the existence or imposition of any liability or obligation to remediate or contribute or otherwise pay any amount under or in respect of any environmental, superfund or other environmental cleanup or remedial Laws, occupational safety and health Laws or other Laws or (iii) that relate to any and all claims, disputes, demands, actions, liabilities, damages, suits in equity, administrative proceedings, accounts, costs, expenses, setoffs, contributions, attorneys' fees and/or causes of action of whatever kind or character against any Seller or any predecessor(s) or Affiliate(s) of Sellers, whether past, present, future, known or unknown, liquidated or unliquidated, accrued or unaccrued.

ARTICLE IV

PURCHASE PRICE

4.1 Purchase Price. In consideration of the conveyance to Purchaser of each Seller's right, title and interest in and to the Transferred Assets and the other rights granted to Purchaser pursuant hereto, and subject to the conditions and in accordance with terms hereof, at Closing, Purchaser shall (i) assume the Assumed Liabilities and (ii) pay TWA an aggregate of $500,000,000 in cash, subject to adjustments as provided in Section 4.3 and Section 4.4 (clauses (i) and (ii), together in the aggregate, are referred to as the "Purchase Price"), any offsets to the Purchase Price pursuant to Section 4.7 and any holdbacks of the Purchase Price pursuant to Section 4.8.

4.2 Allocation of Purchase Price. Purchaser shall, within 120 days after the Closing Date, prepare and deliver to TWA for its consent (which consent shall not be unreasonably withheld) a schedule allocating the Purchase Price among the Transferred Assets in accordance with Treasury Regulation 1.1060-1T (or any comparable provisions of state or local tax law) or any successor provision. If TWA raises objections, Purchaser and TWA will negotiate in good faith to resolve such objections. Purchaser, TWA and each other Seller shall report and file all Tax Returns (including amended Tax Returns and claims for refund) consistent with the allocation, and shall take no position contrary thereto or inconsistent therewith (including, without limitation, in any audits or examinations by any taxing authority or any other proceedings). Purchaser, TWA and each other Seller shall cooperate in the filing of any forms (including Form 8594) with respect to such allocation, including any amendments to such forms required with respect to any adjustment to the Purchase Price, pursuant to this Agreement. If and to the extent the parties are unable to agree on such allocation, each shall be free to make its own allocation for tax purposes. Notwithstanding any other provisions of this Agreement, the foregoing agreement shall survive the Closing Date without limitation.

4.3 Working Capital Adjustment.

(a) Prior to Closing, Purchaser shall prepare and deliver to TWA in accordance with Section 13.1 an estimated statement of certain working capital accounts of TWA as of the Closing Date in the format of Schedule 4.3(a) hereto (the "Pre-Closing Statement"). The Pre-Closing Statement shall be prepared by Purchaser in good faith on a basis consistent in all material respects with the methods, principles, practices and policies employed in the preparation and presentation of the consolidated balance sheet of TWA and its subsidiaries as of September 30, 2000 as included in TWA's quarterly report on Form 10-Q for the quarter ended September 30, 2000, as filed with the Securities and Exchange Commission (the "September Balance Sheet"), and in accordance with generally accepted accounting principles consistently applied (without regard to consummation of the transactions contemplated by this Agreement or the Chapter 11 Cases).

(b) Based on the Pre-Closing Statement, the Purchase Price shall be adjusted immediately prior to Closing as follows:

(i) the Purchase Price shall be (A) increased by 100% of the amount, if any, by which the Accounts Receivable Amount is greater than $245,732,000 or (B) decreased by 100% of the amount, if any, by which the Accounts Receivable Amount is less than $245,732,000;

(ii) the Purchase Price shall be (A) increased by 50% of the amount, if any, by which the Spare Parts Amount is greater than $106,333,000 or (B) decreased by 50% of the amount, if any, by which the Spare Parts Amount is less than $106,333,000;

(iii) the Purchase Price shall be (A) increased by 100% of the amount, if any, by which the Advance Ticket Sales Amount is less than $304,647,000 or (B) decreased by 100% of the amount, if any, by which the Advance Ticket Sales Amount is greater than $304,647,000; and

(iv) the Purchase Price shall be (A) increased by 100% of the amount, if any, by which the Accrued Employee Expenses Amount is less than $145,206,000 or (B) decreased by 100% of the amount, if any, by which the Accrued Employee Expenses Amount is greater than $145,206,000.

(c) Within 45 Business Days after Closing, Purchaser shall prepare and deliver to TWA in accordance with Section 13.1 a statement of certain working capital accounts of TWA as of the Closing Date in the format of Schedule 4.3(a) hereto (the "Closing Statement"). The Closing Statement shall be prepared by Purchaser in good faith on a basis consistent in all material respects with the methods, principles, practices and policies employed in the preparation and presentation of the September Balance Sheet, and in accordance with generally accepted accounting principles consistently applied (without regard to consummation of the transactions contemplated by this Agreement).

(d) After receipt of the Closing Statement, TWA shall have 10 Business Days to review it together with the work papers used in the preparation thereof. Unless TWA delivers written notice to Purchaser on or prior to the 10th Business Day after TWA's receipt of the Closing Statement stating that it has objections thereto, TWA shall be deemed to have accepted and agreed to the Closing Statement. TWA shall not object to any method, principle, practice or policy employed in the preparation of the Closing Statement if such method, principle, practice or policy is consistent in all material respects with that employed in the preparation and presentation of the September Balance Sheet. If, however, TWA notifies Purchaser of objections to the Closing Statement on or prior to the 10th Business Day after TWA's receipt of the Closing Statement, the parties shall in good faith attempt to resolve, within 10 Business Days (or such longer period as the parties may agree in writing) following such notice (the "Resolution Period"), their differences with respect to such objections and any resolution by them as to any disputed amounts shall be final, binding and conclusive.

(e) Amounts relating to any working capital account set forth in the Closing Statement remaining in dispute at the conclusion of the Resolution Period shall be promptly submitted to the Bankruptcy Court for determination.

(f) Once the Closing Statement has been finalized in accordance with this Section 4.3 (as so finalized, the "Final Closing Statement"), the Purchase Price (without giving effect to the adjustment provided by Section 4.3(b)) shall be adjusted as follows:

(i) the Purchase Price shall be (A) increased by 100% of the amount, if any, by which the Accounts Receivable Amount is greater than $245,732,000 or (B) decreased by 100% of the amount, if any, by which the Accounts Receivable Amount is less than $245,732,000;

(ii) the Purchase Price shall be (A) increased by 50% of the amount, if any, by which the Spare Parts Amount is greater than $106,333,000 or (B) decreased by 50% of the amount, if any, by which the Spare Parts Amount is less than $106,333,000;

(iii) the Purchase Price shall be (A) increased by 100% of the amount, if any, by which the Advance Ticket Sales Amount is less than $304,647,000 or (B) decreased by 100% of the amount, if any, by which the Advance Ticket Sales Amount is greater than $304,647,000; and

(iv) the Purchase Price shall be (A) increased by 100% of the amount, if any, by which the Accrued Employee Expenses Amount is less than $145,206,000 or (B) decreased by 100% of the amount, if any, by which the Accrued Employee Expenses Amount is greater than $145,206,000.

(g) If the Purchase Price as adjusted pursuant to Section 4.3(f) is less than the Purchase Price as adjusted pursuant to Section 4.3(b), TWA shall promptly pay Purchaser an amount of cash equal to the difference obtained by subtracting the Purchase Price as adjusted pursuant to Section 4.3(f) from the Purchase Price as adjusted pursuant to Section 4.3(b). If the Purchase Price as adjusted pursuant to Section 4.3(f) is greater than the Purchase Price as adjusted pursuant to Section 4.3(b), Purchaser shall promptly pay TWA an amount of cash equal to the difference obtained by subtracting the Purchase Price as adjusted pursuant to Section 4.3(b) from the Purchase Price as adjusted pursuant to Section 4.3(f).

(h) During the preparation of the Pre-Closing Statement and Closing Statement and the period of any review or dispute within the contemplation of this Section 4.3, TWA shall, and shall cause the other Sellers and all representatives of the Sellers (including, without limitation, TWA's auditors) to, (i) provide Purchaser and its authorized representatives with full access at all reasonable times, and in a manner so as not to interfere unreasonably with the normal business operations of TWA and the other Sellers, to all relevant books, records, work papers, information and employees of such Persons, and (ii) cooperate fully with the Purchaser and its authorized representatives, in

each case (i) and (ii), as necessary or useful for the preparation, calculation and review of the Pre-Closing Statement and Closing Statement or for the contemplated resolution of any dispute between the parties relating thereto.

(i) Notwithstanding anything in this Section 4.3 to the contrary, no adjustment to the Purchase Price shall be made unless and until the aggregate adjustment to the Purchase Price that would otherwise be required by this Section 4.3 shall equal or exceed $5,000,000, in which case the full amount of such adjustment shall be made to the Purchase Price pursuant to this Section 4.3 without regard to this paragraph (i).

4.4 Other Adjustments to Purchase Price.

(a) In the event that, as a result of the operation of Section 11.1 or upon mutual agreement of the parties, any Transferred Asset that would be otherwise purchased at the Closing is not purchased at the Closing (or in the event that any tangible Transferred Asset has been damaged as described in Section 11.1, but such damage has not been fully repaired), then the Purchase Price shall be reduced by the portion of the Purchase Price allocable to such Transferred Asset in a manner consistent with Schedule 4.4 (or, in the case of such damaged asset, by the amount necessary to fully repair such damaged asset) except as otherwise set forth in paragraphs (b), (c), (d) and (e) below.

(b) With respect to each Owned Aircraft, the portion of the Purchase Price allocated to each such item (and accordingly, the Purchase Price as a whole) shall be adjusted as follows:

(i) reduced by the amount such Owned Aircraft has depreciated, determined as set forth on Schedule 4.4, from the date of the Original Agreement until the date of delivery of such Owned Aircraft;

(ii) if any Owned Aircraft is not in Delivery Condition as of the Closing Date, reduced by an amount equal to the product obtained by multiplying the number of Owned Aircraft that are not in Delivery Condition as of the Closing Date by $50,000; and

(iii) for each Owned Aircraft that is not to be transferred to Purchaser at the Closing for any reason, reduced by an amount consistent with the allocations as set forth on Schedule 4.4.

(c) With respect to each Leased Aircraft, the portion of the Purchase Price allocated to each such item (and accordingly, the Purchase Price as a whole) shall be adjusted as follows:

(i) if any Leased Aircraft is not in Delivery Condition as of the Closing Date, reduced by an amount equal to the product obtained by multiplying the number of Leased Aircraft that are not in Delivery Condition as of the Closing Date by $50,000; and

(ii) for each Leased Aircraft that is not to be transferred to Purchaser at the Closing for any reason, reduced by an amount consistent with the allocations as set forth on Schedule 4.4.

(d) With respect to any Slot, Gate, Gate Lease, Ground Equipment, Ground Equipment Lease, Gate Property, Gate Property Lease, Engine, Spare Part or any other Transferred Asset that is not to be transferred to Purchaser at the Closing for any reason, the portion of the Purchase Price allocated to each such item (and accordingly, the Purchase Price as a whole) shall be reduced by an amount consistent with the allocations as set forth on Schedule 4.4 or as mutually agreed by the parties hereto if not specifically included thereon.

(e) With respect to Aircraft Leases and Gate Leases listed on Schedule 2.2, all fees, costs, penalties and expenses incurred by Seller as a result of a breach by Purchaser of Section 8.16 shall be reimbursed by Purchaser to Seller and the Purchase Price shall be increased by such amount.

(f) In accordance with the Sale Procedures Order, if Purchaser is the prevailing bidder for Transferred Assets but not for the Worldspan interest, the Purchase Price shall be reduced by $200,000,000.00.

4.5 Prorations. TWA shall bear all personal property and ad valorem tax liability with respect to the Transferred Assets if the lien or assessment date arises prior to the Closing Date irrespective of the reporting and payment dates of such taxes. All other property taxes, ad valorem taxes and similar recurring taxes and fees on the Transferred Assets, and all lease payments or similar recurring payments under lease agreements that are Assumed Contracts, shall be pro rated between Purchaser and the applicable Seller as of 12:01 a.m. local time on the Closing Date. All payments to be made by Purchaser or any Seller in accordance with this Section 4.5 shall be made, to the extent then determinable, at the Closing with such payments deposited into escrow until due, or, to the extent not determinable as of the Closing, promptly following the determination thereof, with such payments deposited into escrow until due. Purchaser shall have the right of reasonable review and approval of TWA's property tax returns and assessments and the right to contest any assessment for which Purchaser bears any economic responsibility. TWA shall reasonably cooperate with Purchaser to advance any contest.

4.6 Transfer Taxes. Any sales, use, transfer, recording or similar taxes due as a result of the transactions provided for herein shall be paid (i) with respect to real property, pro rata by Sellers and Purchaser based on the relative value of real property transferred to Purchaser pursuant to this Agreement and (ii) with respect to personal property, by Sellers. Notwithstanding the foregoing, the Approval Order shall contain a provision that the Sellers' sale, transfer, assignment and conveyance of the Transferred Assets to Purchaser hereunder shall be entitled to the protections afforded under Section 1146(c) of the Bankruptcy Code. The parties will reasonably cooperate to minimize any such taxes, including with respect to delivery location.

4.7 Offsets to Purchase Price. The Purchase Price payable by Purchaser to Sellers at the Closing shall be offset by crediting Purchaser with the following amounts (collectively, the "Purchase Price Offset Amount"):

(a) total aggregate principal, interest, fees and other amounts outstanding and payable to Purchaser under the DIP Facility as of the Closing Date;

(b) TWA's payment obligation to Purchaser under Section 8.6; and

(c) all other amounts owed by Sellers to Purchaser under this Agreement that are unpaid and outstanding as of the Closing Date.

4.8 Holdbacks to Purchase Price. The amount of any personal property, excise, ad valorem, sales, use, transfer, recording or similar tax liability, or any other taxes required to be withheld by any taxing jurisdiction, relating to a Transferred Asset that are (i) not dischargeable in the Chapter 11 Cases and (ii) attributable to Sellers pursuant to Section 4.5 and Section 4.6 and unpaid or not yet due and payable shall be estimated in good faith by Purchaser as of the Closing Date and deducted from the Purchase Price payable by Purchaser to Sellers at Closing and such amount shall be held by the Purchaser and used for the sole purpose of discharging and releasing any liens on or claims to such Transferred Assets with respect to such items pursuant to Section 9.6.

ARTICLE V

CLOSING

5.1 Closing. The consummation of the purchase of each Seller's right, title and interest in and to the Transferred Assets contemplated hereby (the "Closing") shall take place at the offices of Weil, Gotshal & Manges LLP, 100 Crescent Court, Suite 1300, Dallas, Texas subject to the satisfaction or waiver of the conditions set forth in Section 5.4 and Section 5.5, as soon as practicable after the date hereof and in any event not later than the Scheduled Closing Date, or at such other time and place and on such other date as Purchaser and TWA shall agree (the "Closing Date").

5.2 Deliveries at Closing. At the Closing:

(a) TWA shall deliver, or cause each Seller to deliver, as applicable, to Purchaser the items described in clauses (i) through (vi) below, to the extent applicable with respect to the Closing:

(i) a general bill of sale and assignment, in form and substance reasonably satisfactory to Purchaser (the "Bill of Sale"), with respect to the Transferred Assets to be conveyed by such Seller at the Closing and any other documents reasonably requested by Purchaser so as to convey to Purchaser good title, free and clear of all Liens (other than Permitted Liens), to all of each Seller's right, title and interest in and to the Transferred Assets to be conveyed at the

Closing (other than Owned Aircraft and Engines), each executed by each applicable Seller;

(ii) instruments of conveyance or consents to assignment for the assignment of the Slots and Routes, in form and substance reasonably satisfactory to Purchaser, executed by each applicable Seller;

(iii) for each Owned Aircraft and Engine being conveyed at the Closing, a full warranty (as to title) and a FAA bill of sale, each in form and substance reasonably satisfactory to Purchaser, executed by each applicable Seller;

(iv) the warranty deeds, title insurance policies, surveys and tax withholding affidavits satisfying Section 1445(b)(2) of the Code, each in form and substance reasonably satisfactory to Purchaser, with respect to any Owned Real Estate transferred by any Seller;

(v) the officers' certificates referenced in Section 5.4(c); and

(vi) all other documents, certificates, instruments or writings reasonably requested by Purchaser in connection herewith.

(b) Purchaser shall deliver to TWA, to the extent applicable with respect to the Closing, the items described in clauses (i) through (iv) below:

(i) the Purchase Price set forth on the Pre-Closing Statement (less the Purchase Price Offset Amount) by wire transfer of immediately available funds to the account or accounts designated by TWA no later than two Business Days prior to the Closing;

(ii) an assumption agreement pursuant to which Purchaser assumes at the Closing the Assumed Liabilities being assigned at the Closing, in form and substance reasonably satisfactory to TWA (the "Assumption Agreement"), executed by Purchaser;

(iii) the officer's certificate referenced in Section 5.5(c); and

(iv) all other documents, certificates, instruments or writings reasonably requested by TWA in connection herewith.

5.3 Delivery of Transferred Assets. At Closing, TWA shall, and shall cause each other Seller to, place Purchaser in full possession and control of the Transferred Assets being acquired at the Closing. Each Owned Aircraft and Leased Aircraft shall be delivered to Purchaser in accordance with the procedures specified in this Section 5.3 and with the risk of loss remaining with the applicable Seller until delivery has been made; provided, that Purchaser and Seller agree to use their reasonable best efforts to coordinate such delivery in a mutually agreeable manner such to permit the avoidance, to the

maximum extent possible, of any Taxes. On the Closing Date, the transfer of aircraft from Sellers to Purchaser will require the following actions: (i) with respect to each Leased Aircraft, the lease for which will be assumed by Purchaser at the Closing, each such Leased Aircraft which is in scheduled service will remain in scheduled service on the Closing Date and will not be subject to any interruption in its planned schedule on the Closing Date, except any Leased Aircraft which is assigned to scheduled service but which is temporarily removed from service pending required maintenance will continue to undergo required maintenance. Any Leased Aircraft which has been removed from scheduled service due to scheduled maintenance will continue to undergo such scheduled maintenance on the Closing Date; (ii) with respect to any Leased Aircraft, the lease for which will not be assumed by Purchaser at the Closing, and all Owned Aircraft listed on Schedule 2.2, (A) each of such aircraft which is in scheduled service will be removed from scheduled service at Closing and will be situated at a location deemed appropriate by TWA, or as applicable, the lessor of such Leased Aircraft, (B) each of such aircraft assigned to scheduled service but temporarily out of service due to corrective maintenance will be immediately situated (or, if necessary, repaired to an airworthy condition and parked thereafter) at a location deemed appropriate by TWA, or as applicable, the lessor of such Leased Aircraft and (C) each of such aircraft removed from scheduled service pending scheduled maintenance will be situated "as is" at a location deemed most appropriate by TWA, or as applicable, the lessor of such Leased Aircraft; and (iii) prior to the Closing, (A) Sellers will submit a motion to establish the procedures for assuming and assigning Aircraft Leases and (B) the Bankruptcy Court will enter an order establishing (1) which Aircraft Leases will be rejected by the applicable Seller and (2) which Aircraft Leases will be assumed by the applicable Seller and assigned to Purchaser.

5.4 Conditions Precedent to Obligations of Purchaser. The obligations of Purchaser under this Agreement to consummate the transactions contemplated hereby to be consummated at the Closing shall be subject to the satisfaction, at or prior to the Closing, of all of the following conditions, any one or more of which may be waived in writing at the option of Purchaser:

(a) All representations and warranties of Sellers in this Agreement or in any exhibit, schedule or document delivered pursuant hereto shall be true and complete in all respects (with respect to representations and warranties qualified or limited by materiality or Material Adverse Effect) or in all material respects (with respect to representations and warranties not so qualified or limited), in each case when made and on and as of the Closing Date as if made on and as of that date (other than any such representations or warranties that expressly speak only as of an earlier date); provided, that this condition shall be deemed satisfied if any inaccuracies in any of such representations and warranties at and as of the applicable date (without giving effect to any materiality or Material Adverse Effect qualifications or exceptions contained therein) would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

(b) All of the terms, covenants and conditions to be complied with and performed by Sellers on or prior to the Closing Date shall have been complied with or performed in all material respects.

(c) Purchaser shall have received a certificate or certificates, dated as of the Closing Date, executed on behalf of Sellers, each by an authorized executive officer thereof, certifying in such detail as Purchaser may reasonably request that the conditions specified in Section 5.4(a) and Section 5.4(b) hereof have been fulfilled.

(d) The waiting period under the HSR Act or any other applicable competition, merger, control, antitrust Law or similar Law shall have expired or terminated, and the FAA, DOT and any other Governmental Authorities whose consent is required for consummation of the transactions contemplated hereby (including without limitation the applicable regulatory body of the European Union) shall have issued all approvals required for the transactions contemplated hereby, and no condition or requirement unacceptable to Purchaser in its sole discretion shall be imposed on or required of Purchaser or any of its Affiliates as a result of or as a condition to any of the foregoing.

(e) All Consents described on Schedule 6.11 shall have been obtained (without any limitation, restriction or condition not otherwise applicable to the applicable Seller being imposed on Purchaser or its ownership or use of any Transferred Assets), except for where the failure to obtain such Consents will not have had, or would not be reasonably likely to have, a Material Adverse Effect.

(f) No action, suit or proceeding (including, without limitation, any proceeding over which the Bankruptcy Court has jurisdiction under 28 U.S.C. Section 157(b) and (c)) shall be pending or overtly threatened by or before any Governmental Authority or pending or overtly threatened by any other party to enjoin, restrain, prohibit or obtain substantial damages or significant equitable relief in respect of or related to any of the transactions contemplated by this Agreement, or that would be reasonably likely to prevent or make illegal the consummation of any transactions contemplated by this Agreement or that, if adversely determined, could be materially adverse to the operation or use of the Transferred Assets, and any such actions, suits or proceedings that have theretofore been brought and determined shall have become Final Orders.

(g) There shall not be in effect any Law of any Governmental Authority of competent jurisdiction restraining, enjoining or otherwise preventing consummation of the transactions contemplated by this Agreement.

(h) No loss of or damage to any Transferred Asset(s) shall have occurred since the date of the Original Agreement, except for (i) damage that has already been fully repaired, (ii) losses that have been replaced with assets of comparable or higher quality with the reasonable approval of Purchaser and (iii) other damage or losses that, in the aggregate, have not had, or would not be reasonably likely to have, a Material Adverse Effect.

(i) No loss or modification of or limitation on any Assumed Contract shall have occurred since the date of the Original Agreement without the written consent of Purchaser in its sole discretion, including without limitation any forfeiture, expiration without renewal, termination or other loss thereof, except for losses, modifications or limitations that, in the aggregate, have not had, or would not be reasonably likely to have, a Material Adverse Effect.

(j) No loss of or limitation on any Route shall have occurred since the date of the Original Agreement without the written consent of Purchaser in its sole discretion, including without limitation any forfeiture, expiration without renewal, termination or other loss thereof.

(k) No Slot shall have been withdrawn by the FAA or designated for withdrawal by the FAA for any reason whatsoever (except those that have been reinstated as of the Closing and those relinquished with the written consent of Purchaser in its sole discretion) and Sellers' right or license to use any Slot shall have not expired without renewal or have been terminated or revoked by the FAA for any reason whatsoever (except those that have been reinstated as of the Closing, those relinquished with the written consent of Purchaser in its sole discretion and those under leases that have expired by their terms) and no Law shall have been enacted, adopted, modified, amended or repealed, the effect of which is to prevent the transfer of any Slot or materially limit or prohibit the use by Purchaser of any Slot.

(l) The Approval Order and the Sale Procedures Order shall have been entered, shall be in form and substance reasonably satisfactory to Purchaser, and shall have each become a Final Order, and the Approval Order, the Sale Procedures Order and any other orders of the Bankruptcy Court with respect to this Agreement and the DIP Facility shall be in form and substance reasonably satisfactory to Purchaser.

(m) The CBA Amendments, in form and substance reasonably acceptable to Purchaser in its sole discretion, shall have been obtained.

(n) The Rights Plan Amendment, if required by Purchaser, in form and substance reasonably acceptable to Purchaser, shall have been obtained and shall be in full force and effect.

(o) No event, events or circumstance shall have occurred since the date of the Original Agreement and Purchaser shall not learn of any event, events or circumstances which, independently or together with any other event, events or circumstance that have occurred or are reasonably likely to occur, have or are reasonably likely to have a Material Adverse Effect.

(p) A Final Order shall have been entered rejecting all discounted, bulk-sale or similar ticketing agreements or arrangements between TWA and any other party.

(q) No claims, disputes, demands, actions, liabilities, damages, suits in equity, administrative proceedings, accounts, costs, expenses, setoffs, contributions, attorneys' fees and/or causes of action of whatever kind or character (i) costing or expected by Purchaser to cost more than $55,000,000 in the aggregate or (ii) requiring Purchaser to take, or restraining Purchaser from taking, any action that is determined by Purchaser to be materially adverse to, or unduly burdensome in, conducting Purchaser's business and operations from and after the Closing, in each case, shall be owed by or binding on, be reasonably expected to be owed by or binding on, or, for any then pending matters, if determined adversely, be owed by or binding on Purchaser.

5.5 Conditions Precedent to Obligations of TWA. The obligations of TWA and each other Seller under this Agreement to consummate the transactions contemplated hereby to be consummated at the Closing shall be subject to the satisfaction, at or prior to the Closing, of all the following conditions, any one or more of which may be waived in writing at the option of TWA:

(a) All representations and warranties of Purchaser made in this Agreement or in any exhibit, schedule or document delivered pursuant hereto shall be true and complete in all respects (with respect to representations and warranties qualified or limited by materiality) or in all material respects (with respect to representations and warranties not so qualified or limited), in each case when made and as of the Closing Date as if made on and as of that date (other than such representations or warranties that expressly speak only as of an earlier date); provided, that this condition shall be deemed satisfied if any inaccuracies in any of such representations and warranties at and as of the applicable date (without giving effect to any materiality qualifications or exceptions contained therein) would not, individually or in the aggregate, have or reasonably be expected to have a Purchaser Material Adverse Effect.

(b) All of the terms, covenants and conditions to be complied with and performed by Purchaser on or prior to the Closing Date shall have been complied with or performed in all material respects.

(c) TWA shall have received a certificate, dated as of the Closing Date, executed on behalf of Purchaser by an authorized executive officer thereof, certifying in such detail as Seller may reasonably request that the conditions specified in Section 5.5(a) and Section 5.5(b) have been fulfilled.

(d) The waiting period under the HSR Act or any other applicable competition, merger, control, antitrust Law or similar Law shall have expired or terminated, and the FAA, DOT and any other Governmental Authorities whose consent is required for consummation of the transactions contemplated hereby (including without limitation the applicable regulatory body of the European Union) shall have issued all approvals required for the transactions contemplated hereby.

(e) There shall not be in effect any Law of any Governmental Authority of competent jurisdiction restraining, enjoining or otherwise preventing consummation of the transactions contemplated by this Agreement.

(f) The Approval Order shall have been entered.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF SELLERS

Subject to any exceptions set forth in the Schedule of Exceptions (whether or not an express reference is made in this Article VI to such Schedule of Exceptions), TWA makes the following representations and warranties to Purchaser with respect to itself and each other Seller, as applicable, each of which shall be true and correct as of the date of the Original Agreement and as of the Closing Date (except to the extent expressly relating to a specific date, in which event it shall be true and correct as of such date) and shall be unaffected by any investigation heretofore or hereafter made by or on behalf of Purchaser.

6.1 Organization and Good Standing. Each Seller is a corporation or other entity duly organized and validly existing and in good standing under the laws of its respective jurisdiction of organization and has the requisite corporate or other organizational power and authority to own, lease or otherwise hold its properties and assets and carry on its business as presently conducted. Each Seller is qualified or licensed to do business as a foreign corporation and is in good standing in every jurisdiction where the nature of the business conducted by it or the properties owned or leased by it requires qualification, except where the failure to be so qualified, licensed or in good standing would not reasonably be expected to have a Material Adverse Effect.

6.2 Authorization and Effect of Agreement. TWA has the requisite corporate power and authority (a) to execute and to deliver this Agreement and the Collateral Agreements to which it will be a party and (b) in the event the Sale Procedures Order and the Approval Order are entered by the Bankruptcy Court, to perform its obligations hereunder and under any such Collateral Agreements. The execution and delivery by each Seller of the Collateral Agreements to which it will be a party have been (or will be at the time of execution thereof) duly authorized by all necessary corporate or other organizational action on the part of such Seller. The execution and delivery of this Agreement and the Collateral Agreements by TWA, and subject to clause (b) above, the performance by TWA of its obligations hereunder and thereunder and the consummation by TWA of the transactions contemplated hereby and thereby, have been duly authorized by its Board of Directors and no other corporate action on the part of TWA is necessary to authorize the execution and delivery of this Agreement, the Collateral Agreements or the consummation of the transactions contemplated hereby or thereby. The execution and delivery by each Seller of the Collateral Agreements to which it will be a party have been (or will be at the time of execution thereof) duly authorized by all necessary corporate or other organizational action on the part of such Seller. This Agreement has been duly and validly executed and delivered by TWA and constitutes a valid and binding obligation of TWA, enforceable against TWA in accordance with its terms, subject (a) to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, including,

without limitation, for purposes of the representation and warranty being made as of the Closing Date, the discretion of the Bankruptcy Court for so long as the Bankruptcy Court retains jurisdiction over the Chapter 11 Cases, and (b) as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity), and (c) for purposes of the representation and warranty being made as of the date of the Original Agreement (but not for purposes of the representation and warranty being made as of the Closing Date), to the commencement of the Chapter 11 Cases, competing offers as described in Section 8.11(a), and entry of the Approval Order. Each of the Collateral Agreements, when executed and delivered by TWA or any Seller, as applicable, at the Closing, shall constitute a valid and binding agreement of TWA or such Seller, enforceable against TWA or such Seller in accordance with its terms, subject (a) to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, including, without limitation, the discretion of the Bankruptcy Court for so long as the Bankruptcy Court retains jurisdiction over the Chapter 11 Cases, (b) as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

6.3 No Conflicts. The execution and delivery by TWA of this Agreement and any Collateral Agreements to which it will be a party and the execution and delivery by each other Seller of each Collateral Agreement to which it will be a party do not and will not, as applicable, and, in the event TWA commences a Chapter 11 Case and the Approval Order is entered by the Bankruptcy Court, the performance by each Seller of the transactions contemplated by this Agreement or such Collateral Agreements, as applicable, will not, (a) conflict with, or result in any violation of, or constitute a default under (except as a result of the Chapter 11 Cases), or, as applicable, give rise to the creation of a Lien upon any of the Transferred Assets or to a right of termination, cancellation or acceleration of any obligation or to a loss of a benefit under, (i) any provision of the certificate of incorporation or bylaws or other applicable constituent documents of any Seller, (ii) and except for consents required to assign certain Assumed Contracts as described on Schedule 6.11 hereto, any of the terms, conditions or provisions of any Contract by which any Seller is bound, (iii) any Law applicable to or binding on any Seller or any of its respective assets, (b) affect the ability of Purchaser to own, use or operate the Transferred Assets following the Closing in substantially the same manner as the Transferred Assets are presently owned, used or operated by any Seller, (c) create any Lien on or any right of any third party to purchase, use or operate any of the Transferred Assets or (d) accelerate or trigger any right or obligation of any party under any Assumed Contract.

6.4 No Third Party Options. Except as set forth in Schedule 6.4, there are no existing agreements, options or commitments granting to any Person the right to acquire any Seller's right, title or interest in or to any of the Transferred Assets or any interest therein.

6.5 Data. All Data are true and correct in all material respects (other than FAA maintenance records, which are true and correct in all respects) and are accurately extracted from the books and records of Sellers.

6.6 Consents and Approvals. Other than in connection with the commencement of the Chapter 11 Cases, entry of the Sale Procedures Order, entry of the Approval Order and as set forth on Schedule 6.6, the execution and delivery by Sellers of this Agreement and any Collateral Agreements to which it will be a party does not and will not, and the consummation by Sellers of the transactions contemplated hereby and thereby will not, require any Consent, except (i) as disclosed on Schedule 6.11, (ii) for compliance with the HSR Act, (iii) as required by the FAA, (iv) as required by the DOT and (v) as required by the European Union.

6.7 Permits; Compliance with Law. Schedule 6.7 sets forth a true, correct and complete list of all Permits. Sellers possess all Permits necessary for the operation and ownership of the Transferred Assets. All Permits issued to any Seller are in full force and effect. No outstanding violations are or have been recorded in respect of any of the Permits. The use and operation by any Seller of the Transferred Assets and the conduct of its business comply with all Laws and the requirements and conditions of all Permits, including without limitation all applicable operating certificates and authorities, common carrier obligations, airworthiness directives, and all other rules, regulations, directives and policies of the FAA, DOT and all other Governmental Authorities having jurisdiction over the Transferred Assets and the business conducted by Sellers. No proceeding is pending or, to TWA's knowledge, threatened to revoke, withdraw or limit any such Permit, and there is no fact, error or admission relevant to any Permit that would permit the violation of or revocation, withdrawal or limitation or result in the threatened violation of or revocation, withdrawal or limitation of any such Permit. Except as set forth on Schedule 6.7, on or immediately after the Closing, each Permit will continue in full force and effect and accrue to the benefit of Purchaser without any consent, approval or modification required by or from any Governmental Authority.

6.8 Litigation. There are no judicial or administrative actions, proceedings or investigations pending or, to TWA's knowledge, threatened that question the validity of this Agreement or any action taken or to be taken by any Seller in connection with this Agreement. Other than the Chapter 11 Cases, there are no lawsuits, claims, administrative or other proceedings or investigations relating to the ownership or use of the Transferred Assets or conduct of business by Sellers or otherwise affecting the Transferred Assets pending, or, to TWA's knowledge, threatened against any Seller. Other than pursuant to the Chapter 11 Cases, there are no judgments, orders or decrees of any Governmental Authority binding on any Seller that relate to the Transferred Assets or otherwise affect the Transferred Assets.

6.9 Title to and Condition of Assets. The applicable Seller has, and at the Closing, such Seller shall convey to Purchaser, good, valid and indefeasible title to the Transferred Assets (other than the Leased Assets), free and clear of all Liens other than Permitted Liens. With respect to any Leased Assets, the applicable Seller has a valid

leasehold interest therein for the term specified in Schedule 6.12(b) and Schedule 6.16(a). The Transferred Assets constituting tangible property, taken as a whole, are in good operating condition and repair, subject to normal wear, are usable in the regular and ordinary course of business and conform in all material respects to applicable Laws.

6.10 U.S. Citizen; Air Carrier. TWA and each other Seller is a "citizen of the United States" as defined in the Federal Aviation Act and is an "air carrier" within the meaning of such Act operating under certificates issued pursuant to such Act (49 U.S.C. Sections 41101-41112).

6.11 Assumed Contracts. The Assumed Contracts are valid and enforceable in accordance with their terms, subject to applicable bankruptcy, reorganization, moratorium, and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity. No Seller is, and to TWA's knowledge, no other party thereto is, in material default in the performance, observance or fulfillment of any obligation under any Assumed Contract (other than payments or amounts due thereunder, which shall be paid or discharged by TWA at or prior to the Closing), and, to TWA's knowledge, no event has occurred, which with or without the giving of notice or lapse of time, or both, would constitute a material default thereunder. Other than in connection with the commencement of the Chapter 11 Cases, entry of the Sale Procedures Order, entry of the Approval Order and as set forth on Schedule 6.11 hereto, none of the Assumed Contracts requires the consent of any party to its assignment in connection with the transactions contemplated hereby. True and complete copies of all Assumed Contracts have been delivered to Purchaser.

6.12 Aircraft; Engines and Spare Parts.

(a) Schedule 6.12(a) sets forth a true, correct and complete list of all aircraft owned by any Seller (other than aircraft listed on Schedule 2.2) (collectively, "Owned Aircraft"), including identification of which Seller owns such aircraft, a description of the type and aircraft number of each such aircraft and the date the applicable Seller placed such aircraft in service or proposes to place such aircraft in service.

(b) Schedule 6.12(b) sets forth a true, correct and complete list of all lease, sublease or other agreements (including without limitation by means of one or more capital leases) pursuant to which any Seller operates aircraft (other than leases relating to aircraft listed on Schedule 2.2) (collectively, "Aircraft Leases"), including identification of which Seller leases such aircraft, a description of the type and aircraft number of each such aircraft and the date the applicable Seller placed such aircraft in service or proposes to place such aircraft in service.

(c) Each Owned Aircraft and aircraft subject to Aircraft Leases ("Leased Aircraft") has as of February 26, 2001 the number of flight hours and calendar time indicated on Schedule 6.12(c) remaining prior to its next "C" or "D" check and a notation as to whether the aircraft (i) complies with Stage 3 noise level requirements of the Airport Noise and Capacity Act of 1990; and (ii) requires refitting or repair to bring it

into compliance with any outstanding FAA aircraft requirements mandated by certain airworthiness directives promulgated by the FAA.

(d) Except as set forth in Schedule 6.12(d), each Owned Aircraft and Leased Aircraft is in Delivery Condition and has a validly issued, current individual aircraft FAA Certificate of Airworthiness with respect to such aircraft which satisfies all requirements for the effectiveness of such FAA Certificate of Airworthiness.

(e) Each Owned Aircraft and Leased Aircraft complies with the aircraft records requirements of the Federal Aviation Act.

(f) Each Owned Aircraft's and Leased Aircraft's structure, systems and components are functioning in accordance with its intended use as set forth in FAA-approved documentation, including any applicable manuals, technical standard orders or parts manufacturing approval certificates.

(g) Other than in the ordinary course of business consistent with past practice and except as set forth on Schedule 6.12(g), no deferred or carryover maintenance items exist with respect to any Owned Aircraft and Leased Aircraft and all temporary repairs to each such aircraft have been made permanent.

(h) Each Owned Aircraft and Leased Aircraft is properly registered on the FAA aircraft registry.

(i) Except as set forth on Schedule 6.12(i), no Seller is a party to any interchange or pooling agreements with respect to its Owned Aircraft and Leased Aircraft, Engines or Spare Parts.

(j) Each Seller has maintained Owned Aircraft and Leased Aircraft in compliance in all material respects with all applicable statutes and regulations as in effect from time to time and in accordance with such Seller's standard maintenance procedures approved by applicable Government Authorities.

(k) Except as set forth in Schedule 6.12(d), each Seller has maintained, inspected, serviced, repaired, overhauled and tested (or caused to be maintained, inspected, serviced, repaired, overhauled and tested) the Owned Aircraft, Leased Aircraft and Engines (including spare Engines) so as to keep such items (i) in Delivery Condition and in as good operating condition as when delivered to such Seller, ordinary wear and tear excepted, and within the acceptable limits of performance provided in the applicable manufacturer's maintenance manuals and service bulletins, all in accordance with standards that are approved by the FAA, (ii) in conformity with the applicable operating manual, instructions and mandatory service bulletins and all airworthiness directives issued by the FAA and any other Governmental Authority having jurisdiction over such aircraft, (iii) in such condition that such aircraft, including each engine installed thereon, complies with the FAA type certificate (as in effect form time to time) issued to the manufacturer of such aircraft or such engine, and (iv) in such a condition as is necessary to enable the applicable airworthiness certification for each such aircraft and engine to be

maintained in good standing, valid and current, at all times (other than temporary periods of storage in accordance with applicable regulations) under the Federal Aviation Act and all regulations issued pursuant thereto.

(l) Each Seller has maintained or caused to be maintained all records, logs and other materials required to be maintained in respect of the Owned Aircraft and Leased Aircraft, Engines and Spare Parts by the FAA and any other applicable Governmental Authority, including all historical maintenance records and other data with respect to such aircraft and Engines in a manner such that there are no missing pieces of material information from the earliest date required by applicable Law (including without limitation the Federal Aviation Act and FAA directives) with respect to each such aircraft or Engine.

(m) No Seller has maintained, used or operated any Owned Aircraft and Leased Aircraft in violation, in any material respect, of any law or any rule, regulation or order of any Governmental Authority having jurisdiction over such aircraft or in violation of any airworthiness certificate, license or registration relating to any such aircraft.

(n) Each Seller has complied with all issued and effective mandatory manufacturer's service bulletins and airworthiness directives with respect to the Owned Aircraft and Leased Aircraft.

(o) No Owned Aircraft and Leased Aircraft is subleased to or otherwise in the possession of another air carrier or other Person other than the applicable Seller, to operate such aircraft in air transportation or otherwise.

6.13 Slots. Schedule 6.13 sets forth a true, correct and complete list of all takeoff and landing slots and other similar takeoff and landing rights ("Slots") used by any Seller on the date of the Original Agreement at any domestic or international airport, including a true, correct and complete list of all Slot lease agreements. Sellers will have complied in all material respects with the requirements of the regulations issued under the Federal Aviation Act and any other Laws with respect to the Slots. The Slots have not been identified as being subject to withdrawal under the provisions of SCAR No. 48, and Sellers have not received any notice, and they have no knowledge, of any proposed withdrawal of the Slots by the FAA, the DOT or any other Governmental Authority. The Slots have not been designated for the provision of essential air services in accordance with the regulations issued under the Federal Aviation Act, were not acquired pursuant to 14 C.F.R. Section 93.219 and have not been designated for international operations, as more fully detailed in 14 C.F.R. Section 93.217. Sellers have used each Slot either at least 80% of the maximum amount that each Slot could have been used during each full and partial reporting period (as described in 14 C.F.R. Section 93.227(i)) or such greater or lesser amount of minimum usage as may have been required to protect such Slot's authorization from termination or withdrawal under regulations established by any Governmental Authority or airport authority. All reports required by the FAA or any Governmental Authority relating to the Slots have been filed in a timely manner. Except as set forth on Schedule

6.13, no Seller has agreed to any Slot slide, Slot trade, Slot purchase, Slot sale or other transfer of any of the Slots.

6.14 No Casualty. Except as set forth on Schedule 6.14, the Transferred Assets have not been affected by any fire, explosion, accident, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance).

6.15 Insurance. TWA or each other Seller has in place insurance policies with respect to the Transferred Assets, in amounts and types that are customary in the industry for similar assets, and all such policies are in full force and effect.

6.16 Gates; Gate Property and Ground Equipment.

(a) Schedule 6.16(a) sets forth a true, correct and complete list of all the airport gates leased, occupied or otherwise used by any Seller (the "Gates"), including the gate number and the airport and terminal or concourse location of each such Gate.

(b) Schedule 6.16(b) sets forth a true, correct and complete list of all the lease, sublease, use agreements, licenses, permits, certificates or other documents or agreements under which any Seller leases, occupies or otherwise has the right to use any Gate, and all amendments thereto (the "Gate Leases"), in each case, including identification of the applicable Seller and the lease expiration date, and corresponding Gate Property Leases and Ground Equipment Leases.

(c) Schedule 6.16(c) sets forth a true, correct and complete list of all the lease, sublease, use agreements, licenses, permits, certificates or other documents or agreements under which any Seller leases, occupies or otherwise has the right to use any Gate Property, and all amendments thereto (the "Gate Property Leases"), in each case, including identification of the applicable Seller and the lease expiration date.

(d) Schedule 6.16(d) sets forth a true, correct and complete list of all the lease, sublease, use agreements, licenses, permits, certificates or other documents or agreements under which any Seller leases, occupies or otherwise has the right to use any Ground Equipment, and all amendments thereto (the "Ground Equipment Leases"), in each case, including identification of the applicable Seller and the lease expiration date.

(e) Schedule 6.16(e) sets forth a true, correct and complete list of all the Gates, Gate Property and Ground Equipment owned by any Seller (the "Owned Gate Items"), including identification of the applicable Seller.

(f) The Owned Gate Items and the Gate Property and Ground Equipment subject to the Gate Property Leases and Ground Equipment Leases, respectively, are all in good operating condition and repair, subject to normal wear, are usable in the regular and ordinary course of business and conform in all material respects to applicable Laws.

(g) The Gate Property Documents are in full force and effect, TWA has no knowledge of any material default under the Gate Property Documents and TWA knows of no material condition or event which has occurred which with notice or the passage of time or both would constitute a material default by any Seller under the Gate Property Documents.

(h) Sellers have not received any notice that any portion of the Gates, Gate Property or Owned Gate Items is or will be subject to, or affected by, any condemnation, eminent domain or similar proceeding and there are no material violations of record or otherwise against any portion of the Gates, Gate Property or Owned Gate Items.

(i) To TWA's knowledge, the Gates, Gate Property and Owned Gate Items, as applicable, have been constructed in good and workmanlike manner, are structurally sound and free from material defects and all building systems, including without limitation, the heat, ventilation and air conditioning, plumbing, electrical, elevator, sewage and other systems and systems related to the specific uses thereof (as, for example, passenger terminal facilities, office space, cargo facilities, and ground support equipment maintenance spaces, and aircraft maintenance space) are free from material defects. The Gates, Gate Property and Owned Gate Items, as applicable, are in good working order, subject to reasonable wear and tear. Except as set forth in Schedule 6.16(i), no Seller has deferred any of its maintenance or repair obligations under the Gate Property Documents.

(j) With respect to the Owned Gate Items, the applicable Seller has, and at the Closing, such Seller shall convey to Purchaser, good, valid and indefeasible title thereto free and clear of all Liens other than Permitted Liens.

6.17 Environmental Matters.

(a) Except as set forth on Schedule 6.17(a) hereto, to TWA's knowledge after reasonable inquiry, the use and operation of the Transferred Assets is and has been in full compliance with all applicable Environmental Laws, and consistent with the consummation of the transactions contemplated hereby or Purchaser's ability to own, use or operate the Transferred Assets in substantially the same manner as the Transferred Assets are presently owned, used or operated by Seller. Except as set forth on Schedule 6.17(a), Sellers have not received any written communication from any Person that alleges that such Seller is not in such full compliance, the subject matter of which written communication has not been fully resolved and satisfied, and, to TWA's knowledge after reasonable inquiry, there are no circumstances (other than changes in existing, or future requirements of, Environmental Laws) that would reasonably be expected to prevent or interfere with such full compliance in the future. Schedule 6.17(a) sets forth a true, correct and complete list of all orders, decrees or other agreements relating to any Seller or any of its properties issued pursuant to or entered into under any Environmental Law.

(b) Except as set forth on Schedule 6.17(b), there is no Environmental Claim relating to ownership or use of the Transferred Assets pending or threatened against any Seller or, to TWA's knowledge after reasonable inquiry, against any Person whose liability for such Environmental Claim Sellers have retained or assumed either contractually or by operation of law.

(c) Except as set forth on Schedule 6.17(c), Sellers have not received any written allegation or other information , the subject matter of which allegation or information has not been fully resolved and satisfied, that past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge or disposal of any Material of Environmental Concern relating to the ownership or use of the Transferred Assets could form the basis of any Environmental Claim relating to the Transferred Assets against any Seller or against any Person whose liability for such Environmental Claim any Seller retained or assumed either contractually or by operation of law.

(d) Without in any way limiting the generality of the foregoing, to TWA's knowledge after reasonable inquiry, (i) all onsite and off-site locations where any Seller or any other occupant has stored, disposed or arranged for the disposal of Materials of Environmental Concern from 1980 to the date of the Original Agreement relating to the transferred maintenance bases are identified on Schedule 6.17(d), (ii) all underground storage tanks, and the capacity and contents of such tanks, located on the Transferred Assets are identified on Schedule 6.17(d), (iii) except as set forth on Schedule 6.17(d), there is no damaged and friable asbestos or lead based paint coatings in poor condition contained in or forming part of any building, building component, structure or office space with respect to the Gates and (iv) except as set forth on Schedule 6.17(d), no polychlorinated biphenyls (PCB's) are used at any Gate in violation of Environmental Laws.

(e) For purposes of this Agreement but only as it relates to the Transferred Assets, the following terms shall have the following meanings:

(i) "Environmental Claim" means any written notice by any Governmental Authority or Person alleging potential liability (including, without limitation, potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries or penalties) (A) which would have a material and adverse effect on any of the Transferred Assets, the consummation of the transactions contemplated hereby or Purchaser's ability to own, use or operate the Transferred Assets in substantially the same manner as the Transferred Assets are presently owned, used or operated by Seller and (B) arising out of, based on or resulting from (x) the presence, or release into the environment, of any Material of Environmental Concern at any location, whether or not owned by any Seller or Purchaser or (y) any material violation, or alleged violation, of any Environmental Law.

(ii) "Environmental Laws" means all Laws applicable to the respective Transferred Assets and relating to pollution or protection of human

health or the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), including, without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern arising from or relating to the Transferred Assets, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern arising from or relating to the Transferred Assets or the operation thereof.

(iii) "Materials of Environmental Concern" means dangerous goods, hazardous, toxic or regulated substances, materials, or wastes as defined in the Environmental Laws.

6.18 Taxes. Except as set forth on Schedule 6.18:

(a) All Tax Returns that are required to be filed on or before the Closing Date by any Seller have been or will be duly filed on a timely basis and all such Tax Returns were or will be true, correct and complete in all material respects. All Taxes due with respect to any taxable period or partial taxable period of each such Seller ending on or before the Closing Date have been or will be timely paid or withheld. No Seller has executed or filed with the Internal Revenue Service or any other taxing authority any agreement extending the period for filing any Tax Return.

(b) No claim for assessment or collection of Taxes has been asserted against any Seller. No Seller is a party to any pending action, proceeding or investigation by any Governmental Authority for the assessment or collection of Taxes, nor does any Seller have knowledge of any such threatened action, proceeding or investigation.

(c) No waivers of statutes of limitation in respect of any Tax Returns have been given or requested by any Seller nor has any Seller agreed to any extension of time with respect to a Tax assessment or deficiency. No claim has been made at any time during the ten-year period ending on the date of the Original Agreement by a Governmental Authority in a jurisdiction where any Seller does not currently file Tax Returns that it is or may be subject to taxation by that jurisdiction, nor is any Seller aware that any such assertion of jurisdiction is threatened. No security interests have been imposed upon or asserted against any of any Seller's assets or any of the Transferred Assets as a result of or in connection with any failure, or alleged failure, to pay any Tax.

(d) Each Seller has withheld and paid all Taxes required to be withheld in connection with any amounts paid or owing to any employee, creditor, independent contractor or other third party.

(e) No Seller is a foreign person within the meaning of Section 1445 of the Code.

(f) None of the Transferred Assets is (i) "tax-exempt use property" within the meaning of Section 168(h) of the Code, (ii) "tax-exempt bond-financed

property" within the meaning of Section 168(g) of the Code, (iii) "limited use property" within the meaning of Revenue Procedure 76-30, (iv) subject to Section 168(g)(i)(A) of the Code or (v) property that is or will be required to be treated as being owned by any Person (other than any Seller) pursuant to the provisions of Section 168(f)(8) of the Internal Revenue Code of 1954, as amended, and in effect immediately before the enactment of the Tax Reform Act of 1986.

6.19 Labor Matters.

(a) Schedule 6.19(a) identifies all collective bargaining agreements (including any side letter, supplemental agreement or memorandum of understanding) covering employees of each Seller (collectively, the "Collective Bargaining Agreements"). TWA has made available to Purchaser copies of all such Collective Bargaining Agreements. TWA has informed Purchaser of all material communications and current proposals of TWA, any other Seller or any union in all ongoing negotiations with representatives of any unions representing pilots, flight attendants, mechanics, dispatchers and all other organized employee groups and all matters on which any tentative agreements have been reached in the course of such negotiations.

(b) TWA has made available to Purchaser a true, correct and complete list of all the current employees of each Seller that are members of an organized labor unit covered by any of the Collective Bargaining Agreements, their current respective positions or job classifications and their current respective wage scales or salaries, as the case may be, as of the date of the Original Agreement.

(c) Except as set forth in Schedule 6.19(c):

(i) There are no controversies pending or, to the knowledge of TWA, threatened, or which TWA, based on its knowledge of its employees and labor units, believes will be more likely than not to occur, between any Seller and any of its employees or organized labor units, which controversies have or could have a Material Adverse Effect;

(ii) No Seller has breached or otherwise failed to comply or has been alleged to have breached or otherwise failed to comply in any material respect with any provision of any Collective Bargaining Agreement or other labor union contract applicable to persons employed by any Seller (because of the transactions contemplated by this Agreement or otherwise), and there are no material grievances outstanding against any Seller under any such agreement or contract;

(iii) To the knowledge of TWA, there is no petition pending before the National Mediation Board seeking certification or any change in certification of a labor representative with respect to any craft or class of employees of any Seller;

(iv) There is no strike, slowdown, work stoppage, labor action or lockout, or, to the knowledge of TWA, threat thereof, by or with respect to any employees of any Seller; and

(v) There is no unfair labor practice or analogous complaint or claim against any Seller pending before the National Mediation Board or any similar board or agency or before any court of competent jurisdiction or any other forum.

(vi) There is no complaint for violation of the Railway Labor Act, 45 U.S.C. 8, as amended, against any Seller pending before any Governmental Authority.

(d) That certain Settlement Agreement (the "Pension Plans Agreement") dated January 5, 1993, by and between The Official Unsecured Creditors' Committee of Trans World Airlines, Inc., The International Association of Machinists and Aerospace Workers, the Independent Federation of Flight Attendants, The Air Line Pilots Association, International, the Transport Workers of America, Carl Icahn, an Icahn Entity, Pichin Corp. and the Pension Benefit Guaranty Corporation, is in full force and effect and is enforceable in accordance with its terms. TWA has at all times performed in compliance with the Pension Plans Agreement and there are no defaults thereunder. TWA has no remaining duties or liabilities under the Pension Plans Agreement other than in connection with the administration of the employee benefit plans subject to the Pension Plans Agreement. Pursuant to the Pension Plans Agreement and applicable law, TWA has no incurred or potential liability to the Pension Benefit Guaranty Corporation or any other Person under Title IV of ERISA, under the Pension Plans Agreement, or otherwise, and TWA has no liability to any participant in or any fiduciary of any employee benefit plan that is subject to the Pension Plans Agreement for pension benefits or otherwise. By entering into this Agreement and performing their respective duties hereunder neither TWA, the other Sellers nor Purchaser or any Affiliates of Purchaser shall be liable, or incur any obligation, to the Pension Benefit Guaranty Corporation or any participant or fiduciary of any employee benefit plan pursuant to the Pension Plans Agreement, ERISA or otherwise, and no lien shall result that shall affect any property that is subject to this Agreement. The releases entered into in connection with the Pension Plans Agreement (i) are binding and in full force and effect, (ii) are enforceable against the parties thereto in accordance with their respective terms, and (iii) will not be invalidated or adversely affected by the execution and delivery of this Agreement, performance of any Person hereunder or by any transaction occurring pursuant to this Agreement.

6.20 Employee Matters.

(a) TWA has made available to Purchaser a true, correct and complete list of all the current employees of each Seller (other than employees on the list described in Section 6.19(b)), their current respective positions or job classifications and their current respective wage scales or salaries, as the case may be, as of the date of the Original Agreement. Each Seller is in compliance in all material respects with all

applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and are not engaged in any unfair labor practice.

(b) Schedule 6.20(b) sets forth a true, correct and complete list and brief description of each "employee pension benefit plan" (as defined in Section 3(2) of ERISA), "employee welfare benefit plan" (as defined in Section 3(1) of ERISA), stock option, stock purchase, deferred compensation plan or arrangement, and other material employee fringe benefit plan or arrangement maintained, contributed to or required to be maintained or contributed to by TWA or any other Seller for the benefit of any present or former employees of Sellers or their beneficiaries (all the foregoing herein called "Benefit Plans"). TWA has delivered to Purchaser true, complete, and correct copies of (1) each Benefit Plan (or, in the case of any unwritten Benefit Plans, descriptions thereof) and (2) the most recent summary plan description for each Benefit Plan (if any such description was required).

(c) TWA complies in all material respects with the applicable requirements of Section 4980B(f) of the Code with respect to each Benefit Plan that is a group health plan, as such term is defined in Section 5000(b)(1) of the Code.

(d) As of the Closing Date, Sellers have paid all contributions which are due and required by the Benefit Plans sponsored by Sellers in accordance with the terms of such Benefit Plans and all applicable Laws.

6.21 Routes. Schedule 6.21 sets forth a true, correct and complete list of all flight routes flown by any Seller as of the date of the Original Agreement to the extent authorized, regulated or limited by any Governmental Authority or other route authority (each, a "Route"). Except as set forth on Schedule 6.21, no Route has been or, to TWA's knowledge, is threatened to be subject to any forfeiture, expiration without renewal, termination or other loss thereof.

6.22 Intellectual Property. Schedule 6.22 contains an accurate and complete list of all Intellectual Property owned or used by any Seller. Except as set forth on Schedule 6.22, Sellers own the entire right, title and interest in and to the Intellectual Property (including, without limitation, the right to use and license the same). Except as set forth in Schedule 6.22, there are no pending, or to the knowledge of TWA, threatened actions, claims or proceedings of any nature affecting or relating to the Intellectual Property. Schedule 6.22 lists all notices or claims currently pending or received by any Seller that claim infringement of any domestic or foreign letters patent, patent applications, patent licenses, software licenses and know-how licenses, trade names, trademark registrations and applications, service marks, copyrights, copyright registrations or applications, trade secrets, technical knowledge, know-how or other confidential proprietary information. Except as set forth on Schedule 6.22, there is, to the knowledge of TWA, no reasonable basis upon which any claim may be asserted against any Seller for infringement or misappropriation of any domestic or foreign letters patent, patents, patent applications, patent licenses, software licenses, and know-how licenses, trade names, trademark registrations and applications, trademarks, service marks, copyrights, copyright registrations or applications, trade secrets, technical knowledge,

know-how or other confidential proprietary information. All letters patent, registrations and certificates issued by any Governmental Authority relating to any of the Intellectual Property and all licenses and other agreements pursuant to which any Seller uses any of the Intellectual Property are valid and subsisting, have been properly maintained and neither any Seller, nor to the knowledge of TWA, any other Person, is in default or violation thereunder.

6.23 Worldspan. Trans World PARS, Inc., a Delaware corporation, is an indirect wholly owned subsidiary of TWA, and a general partner of Worldspan and directly owns a 26.315% interest in Worldspan. Except for compliance with the right of first refusal set forth in the Sixth Amended and Restated Limited Partnership Agreement, dated as of April 30, 1993, of Worldspan, no action, approval, notice or consent is required in connection with the transfer by Trans World PARS, Inc. to Purchaser of all of such right, title and interest in and to Worldspan, including without limitation the Worldspan partnership interest and rights as a general partner thereof.

6.24 Real Property.

(a) Except as set forth on Schedule 6.24(a), each applicable Seller owns fee simple absolute title to all owned real properties used in the conduct of Sellers' business (the "Owned Real Estate") and has good title to, or valid leasehold interests in, all other real properties used in the conduct of Sellers' business (the "Leased Real Estate" and together with the Owned Real Estate, the "Real Estate Assets"). Schedule 6.24(a) contains a true, correct and complete list of all the Real Estate Assets, including the name of the owner of record thereof, an accurate street address, a brief description of the use of such Real Estate Asset and the lease, sublease or other agreement for all Leased Real Estate. No Seller owns or holds, or is obligated under or a party to, any option, right of first refusal or other contractual right to purchase, acquire, sell, assign or dispose of any of the Real Estate Assets.

(b) All components of all improvements included within any Real Estate Asset (collectively, the "Improvements"), including, without limitation, the roofs and structural elements thereof and the heating, ventilation, air conditioning, plumbing, electrical, mechanical, sewer, waste water, storm water, paving and parking equipment, systems and facilities included therein, (i) in the case of any Owned Real Property, are or (ii) in the case of any Leased Real Property, (x) to the extent required to be maintained, repaired or replaced under the related Lease, are or (y) to the extent not so required to be maintained, repaired or replaced, to TWA's knowledge, are, in each case, in good working order and repair (ordinary wear and tear excepted). All water, gas, electrical, steam, compressed air, telecommunication, sanitary and storm sewage lines and systems and other similar systems currently serving the Real Estate Assets are installed and operating and are sufficient to enable the Real Estate Assets to continue to be used and operated in the manner currently being used and operated, and no Seller has any knowledge of any factor or condition that could result in the termination or material impairment of the furnishing thereof. No Improvement or portion thereof is dependent for its access, operation or utility on any land, building or other Improvement that is not

both included in the Real Estate Assets that is not available for use pursuant to a reciprocal easement agreement or other contractual right of the applicable Seller.

(c) All Permits required to have been issued to any Seller to enable any Real Estate Asset to be lawfully occupied and used for all of the purposes for which they are currently occupied and used have been lawfully issued and are in full force and effect. No Seller has received any notice, or has any knowledge, of any pending, threatened or contemplated condemnation proceeding affecting any Real Estate Asset or any part thereof or any proposed termination or impairment of any parking at any such owned or leased real property or of any sale or other disposition of any such Real Estate Asset or any part thereof in lieu of condemnation.

(d) No portion of any Real Estate Asset has suffered any damage by fire or other casualty loss which has not heretofore been completely repaired and restored to its original condition.

(e) Except as set forth on Schedule 6.24(e):

(i) no structure on any Real Estate Asset fails to conform in any material respect with applicable ordinances, regulations, zoning laws and restrictive covenants nor encroaches upon real property of others, nor is any such Real Estate Asset encroached upon by structures of others in any case in any manner that would have or would be reasonably likely to have a Material Adverse Effect;

(ii) no charges or violations have been filed, served, made or threatened against any Seller, to the knowledge of TWA, any other Person, against or relating to any such property or structure on or any of the operations conducted at any Real Estate Asset, as a result of any violation or alleged violation of any applicable ordinances, requirements, regulations, zoning laws or restrictive covenants or as a result of any encroachment on the property of others where the effect of same would have or would be reasonably likely to have a Material Adverse Effect;

(iii) other than pursuant to applicable laws, rules, regulations or ordinances, covenants that run with the land or provisions in any agreement listed on Schedule 6.24(a), there exists no restriction on the use, transfer or mortgaging of any Real Estate Asset;

(iv) each Seller, as applicable, has adequate permanent rights of ingress to and egress from any such property used by it for the operations conducted thereon; and

(v) there are no developments affecting any of the Real Estate Assets or interests of any Seller therein pending or, to the knowledge of TWA, threatened which might reasonably be expected to curtail or interfere in any

material respect with the use of any such Real Estate Asset for the purposes for which it is now used.

6.25 Disclosure. No representation or warranty of Sellers contained herein, and no statement contained in any document or other instrument to be furnished by any Seller to Purchaser in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the representation, warranty or statement so made not misleading.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby makes the following representations and warranties to Sellers each of which shall be true and correct as of the date of the Original Agreement and as of the Closing Date (except to the extent expressly relating to a specific date, in which event it shall be true and correct as of such date) and shall be unaffected by any investigation heretofore or hereafter made.

7.1 Corporate Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted.

7.2 Authorization and Effect of Agreement. Purchaser has the requisite corporate power and authority to execute and deliver this Agreement and the Collateral Agreements to which it will be a party and to perform its obligations hereunder and thereunder. The execution and delivery by Purchaser of this Agreement and the performance by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes a valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity. Each of the Collateral Agreements to which Purchaser will be a party, when executed and delivered by Purchaser, will constitute a valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity.

7.3 No Conflicts. The execution and delivery of this Agreement and the Collateral Agreements to which Purchaser will be a party by Purchaser does not or will not (as applicable), and the performance by Purchaser of the transactions contemplated by this Agreement and such Collateral Agreements will not, conflict with, or result in any violation of, or constitute a default under (a) any provision of the certificate of incorporation or bylaws of Purchaser, (b) any of the terms, conditions, or provisions of

any material agreement or other material document by which Purchaser is bound, or (c) any Law or order applicable to or binding on Purchaser. Except for the Approval Order and the expiration of the waiting period under the HSR Act, no Consent is required to be obtained, made or given (whether pursuant to applicable Law, contract or otherwise) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

7.4 Litigation. As of the date of the Original Agreement, there are no judicial or administrative actions, proceedings or investigations pending or, to Purchaser's knowledge, threatened that question the validity of this Agreement or any action taken or to be taken by Purchaser in connection with this Agreement.

ARTICLE VIII

PRE-CLOSING COVENANTS

8.1 Access. Prior to the Closing, upon reasonable notice from Purchaser, TWA shall, and shall cause each other Seller to, afford to the officers, attorneys, accountants or other authorized representatives of Purchaser reasonable access during normal business hours to the employees, Transferred Assets, facilities and books and records of such Seller relating to the Transferred Assets then owned or previously owned and/or operated by such Seller so as to afford Purchaser full opportunity to make such review, examination and investigation of such Transferred Assets as Purchaser determines are reasonably necessary in connection with the consummation of the transactions contemplated hereby; provided, however, that the foregoing right of access shall not be exercisable in such a manner as to interfere unreasonably with the normal operations and business of such Seller. Purchaser shall be permitted to make extracts from or to make copies of such books and records as may be reasonably necessary in connection therewith. Prior to the Closing, TWA shall, and shall cause each Seller to, promptly furnish Purchaser with access to such maintenance records, operating data and other information relating to the Transferred Assets then owned and/or operated by such Seller as Purchaser may reasonably request. TWA shall promptly deliver to Purchaser such copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers filed by TWA in the Chapter 11 Cases. Seller shall promptly provide to Purchaser all documents and materials relating to the proposed sale of the Transferred Assets, Assumed Contracts or any portion thereof, including, without limitation, with respect to competing bids, and otherwise cooperate with Purchaser, to the extent reasonably necessary in connection with Purchaser's preparation for or participation in any part of the Chapter 11 Cases in which Purchaser's participation is necessary, required or reasonably appropriate. Seller shall promptly deliver to Purchaser all pleadings, motions, notices, statements, schedules, applications, reports and other papers filed in any other judicial or administrative proceeding as Purchaser may reasonably request. In addition, TWA shall, and shall cause the other Sellers to, consult with Purchaser with respect to any written or oral communication concerning, in whole or in part, the transactions contemplated by this Agreement. Without limiting the generality of this Section 8.1, if requested by Purchaser, Sellers shall provide access to the Transferred

Assets to Purchaser and its representatives and agents for purposes of conducting nonintrusive environmental assessments, including Phase I analyses.

8.2 Conduct of Business. Except as expressly contemplated by this Agreement (including, without limitation, the commencement and prosecution of the Chapter 11 Cases) or as otherwise consented to by Purchaser in writing, during the period from the date of the Original Agreement and continuing until the Closing, TWA shall, and shall cause each Seller to, in respect of the Transferred Assets then owned and/or operated by such Seller:

(a) to (i) conduct its business with respect to such Transferred Assets in the usual, regular and ordinary course as presently conducted and consistent with past practice, (ii) keep such Transferred Assets intact, and (iii) maintain such Transferred Assets in at least as good a condition as their current condition (reasonable wear and tear excepted);

(b) not take or omit to take any action as a result of which any representation or warranty of TWA made in Article VI would be rendered untrue or incorrect if such representation or warranty were made immediately following the taking or failure to take such action;

(c) not mortgage, pledge, sell or dispose of any such Transferred Assets, and not waive, release, grant, transfer or permit to lapse any rights of material value, including without limitation any Routes or Slots to which any Seller has any right on the date of the Original Agreement;

(d) not assign, modify, cancel, otherwise impair or permit to lapse any Assumed Contract;

(e) comply in all material respects with all provisions of any Assumed Contract to which such Seller is a party;

(f) comply in all material respects with all applicable Laws that relate to or affect any Transferred Assets or such Seller's ownership and/or use thereof, including but not limited to the timely, complete and correct filing of all reports and maintenance of all records required by any Governmental Authority to be filed or maintained;

(g) other than adoption of the Retention Agreements and salary increases in the ordinary course consistent with past practice, not adopt or amend any bonus, profit-sharing, compensation, severance, termination, stock option, pension, retirement, deferred compensation, employment or employee benefit plan, agreement, trust, plan, fund or other arrangement for the benefit and welfare of any director, officer or employee, or increase in any manner the compensation or fringe benefits of any director, officer or employee or pay any benefit not required by any existing plan or arrangement (including, without limitation, the removal of existing restrictions in any benefit plans or agreements);

(h) except as specifically required by Article X, not enter into any new or amended contract, agreement, side letter or memorandum of understanding with any unions representing employees of any Seller;

(i) continue, in respect of all Owned Aircraft, Leased Aircraft, Engines and Spare Parts intended for use in its operations, their maintenance programs consistent with past practice (except as required or permitted by applicable law), including using reasonable best efforts to keep all such aircraft in such condition as may be necessary to enable the airworthiness certification of such aircraft under the Federal Aviation Act to be maintained in good standing at all times;

(j) continue to use and operate the Slots, Routes and all other Transferred Assets used and operated by Sellers as of the date of the Original Agreement in a manner consistent with prior practice and in accordance with all applicable laws, and shall not enter into any contract nor otherwise act, nor suffer or permit any other person to act, to restrict, interfere with or prevent the use of such Slots, Routes and Transferred Assets;

(k) notify Purchaser in writing of any incidents or accidents occurring on or after the date of the Original Agreement involving any property owned or operated by any Seller that resulted or could reasonably be expected to result in damages or losses in excess of $1,000,000;

(l) notify Purchaser in writing of the commencement of any material litigation against any Seller or of the existence of any adverse business conditions arising on or after the date of the Original Agreement threatening the continued, normal business operations of Sellers or of any agreement, consent or order of the FAA or DOT involving any Seller;

(m) not take any action, or fail to take action, which action or failure could result in the loss of any Slot or Route;

(n) not enter into any agreement or understanding with any other party involving expenditures in excess of $5.0 million in the aggregate or involving terms of duration or commitments in excess of twelve months;

(o) not enter into any agreement or understanding in excess of twelve months with any other party containing any exclusivity, non-competition or similarly restrictive provisions; and

(p) not enter into any marketing arrangement or alliance (involving code sharing or frequent-flyer program reciprocity) with any other carrier.

8.3 Notification.

(a) TWA shall notify Purchaser, and Purchaser shall notify TWA, of any litigation, arbitration or administrative proceeding pending or, to their knowledge,

threatened against any Seller or Purchaser, as the case may be, which challenges or would materially affect the transactions contemplated hereby.

(b) TWA shall provide prompt written notice to Purchaser of any change in any of the information contained in the representations and warranties made by TWA in Article VI hereof or any exhibits or schedules referred to herein or attached hereto and shall promptly furnish any information which Purchaser may reasonably request in relation to such change; provided, however, that such notice shall not operate to cure any breach of the representations and warranties made by TWA in Article VI hereof or any exhibits or schedules referred to herein or attached hereto.

8.4 No Inconsistent Action. Neither Purchaser nor TWA shall take any action which is materially inconsistent with its obligations under this Agreement, and TWA shall cause the other Sellers to refrain from taking any such action.

8.5 Satisfaction of Conditions. Prior to the Closing, each of the parties shall use reasonable best efforts with due diligence and in good faith to satisfy promptly all conditions required hereby to be satisfied by such party in order to expedite the consummation of the transactions contemplated hereby.

8.6 Filings. Each party shall use its reasonable best efforts to obtain, and to cooperate with the other party in obtaining, all authorizations, consents, orders and approvals of any Governmental Authority that may be or become necessary in connection with the consummation of the transactions contemplated by this Agreement, and to take all reasonable actions to avoid the entry of any order or decree by any Governmental Authority prohibiting the consummation of the transactions contemplated hereby, including without limitation, the notifications required to be filed by it under the HSR Act, and shall furnish to the other all such information in its possession as may be necessary for the completion of the notifications to be filed by the other; provided that, in complying with this Section 8.6, neither Purchaser nor any of its Affiliates shall be required to (i) divest any assets or discontinue or modify any of its operations or (ii) accept or become subject to any condition or requirement unacceptable to Purchaser in its sole discretion. No party shall withdraw any such filing or submission prior to the termination of this Agreement without the written consent of the other parties. Purchaser and TWA agree that the filing fee required to be paid in connection with the filing under any regulatory filings (including without limitation under the HSR Act) shall be paid by Purchaser and divided equally between Purchaser and TWA by subtracting TWA's half of such filing fees from the Purchase Price in accordance with Section 4.7.

8.7 All Reasonable Efforts. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use its reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done as promptly as practicable, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, including, without limitation, the prompt preparation by Sellers of all pleadings, motions, notices, statements, schedules, applications, reports and other papers reasonably necessary in connection with the Chapter 11 Cases.

8.8 Further Assurances. From time to time following the Closing, TWA shall, and shall cause the other Sellers to, execute, acknowledge and deliver such additional documents, instruments of conveyance, transfer and assignment or assurances and take such other action as Purchaser may reasonably request to more effectively assign, convey and transfer to Purchaser, and fully vest title in Purchaser, with respect to the Transferred Assets.

8.9 Publicity. The parties hereto shall consult with each other and shall mutually agree (the agreement of each party not to be unreasonably withheld or delayed) upon the content and timing of any press release or other public statements with respect to the transactions contemplated by this Agreement and shall not issue any such press release or make any such public statement prior to such consultation and agreement, except as may be required by applicable law or by obligations pursuant to any listing agreement with any securities exchange or any stock exchange regulations as advised by counsel; provided, however, that each party shall give prior notice to the other parties of the content and timing of any such press release or other public statement required by applicable law or by obligations pursuant to any listing agreement with any securities exchange or any stock exchange regulations.

8.10 [Intentionally Omitted].

8.11 Bankruptcy Court Approval.

(a) The ORDER (A) AUTHORIZING AND SCHEDULING A PUBLIC AUCTION AT WHICH THE DEBTORS WILL SOLICIT BIDS FOR ONE OR MORE SALES OF OR OTHER TRANSACTIONS CONCERNING SUBSTANTIALLY ALL OF THEIR ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES; (B) APPROVING PROCEDURES FOR THE SUBMISSION OF COMPETING OFFERS; (C) APPROVING CERTAIN TERMINATION RIGHTS, EXPENSE REIMBURSEMENT AND OTHER BIDDING RIGHTS PROVISIONS; (D) SCHEDULING A HEARING TO CONSIDER APPROVAL OF SUCH TRANSACTION; AND (E) APPROVING THE FORM AND MANNER OF NOTICE OF THE TRANSACTIONS AND COMPETING OFFER PROCEDURES PURSUANT TO FED. R. BANKR. PROC. 2002 entered by the Bankruptcy Court on February 7, 2001 and attached hereto as Exhibit C (with such changes thereto as Purchaser shall approve in its sole discretion, the "Sale Procedures Order"), (A) approved the Termination Amount and the Bankruptcy Termination Amount and provided that, in the event the obligation of Seller to pay Purchaser either the Termination Amount or the Bankruptcy Termination Amount arises, such obligation shall constitute a superpriority administrative expense under sections 503(b) and 507(a)(1) of the Bankruptcy Code and shall be payable in accordance with the provisions of Section 12.1 or Section 12.2 without further order of the Bankruptcy Court, (B) established procedures and deadlines for the submission of competing offers, including, without limitation, that (1) a competing offer, whether a proposed Recapitalization Transaction or a proposed purchase or other disposition of the Transferred Assets (collectively, a "Competing Offer"), shall not be considered to be a higher and better offer unless, at a

minimum, such offer provides for aggregate consideration of at least $75,000,000 in excess of the Purchase Price (with respect to the initial round of bidding) and of at least $5,000,000 in excess of the aggregate consideration contained in such bidder's prior Competing Offer (with respect to each subsequent round of bidding, if any) and is otherwise a Superior Proposal, (2) a Competing Offer must be accompanied by a good faith cash deposit of at least $50,000,000 and (3) Purchaser shall be entitled to credit bid the amount of the Bankruptcy Termination Amount against any revised offer Purchaser may make following such Competing Offer, and (C) scheduled a hearing to consider entry of the Approval Order on March 9, 2001 (the "Approval Order Hearing Date") and provided that notice of such hearing be given to all of Sellers' creditors and interest holders of record and published in the Wall Street Journal (National Edition). Purchaser and Sellers agree to make promptly any filings, to take all actions and to use their reasonable best efforts to obtain entry of the Sale Procedures Order and the Approval Order and any and all other approvals and orders necessary or appropriate for the consummation of the transactions contemplated hereby.

(b) Prior to entry of the Approval Order, TWA and Purchaser shall, and TWA shall cause the other Chapter 11 Sellers to, accurately inform the Bankruptcy Court of all material facts of which they are aware relating to this Agreement and the transactions contemplated hereby.

(c) If the Approval Order, Sale Procedures Order or any other orders of the Bankruptcy Court relating to this Agreement shall be appealed by any Person (or a petition for certiorari or motion for rehearing or reargument shall be filed with respect thereto), TWA agrees to, and shall cause the other Chapter 11 Sellers to, take all steps as may be reasonable and appropriate to defend against such appeal, petition or motion, and Purchaser agrees to cooperate in such efforts, and each party hereto agrees to use its reasonable best efforts to obtain an expedited resolution of such appeal; provided, however, that nothing herein shall preclude the parties hereto from consummating the transactions contemplated herein if the Approval Order shall have been entered and has not been stayed and Purchaser, in its sole discretion, has waived in writing the requirement that the Approval Order be a Final Order in which event Purchaser shall be able to assert the benefits of Section 363(m) of the Bankruptcy Code as a consequence of which such appeal shall become moot.

(d) Prior to Closing, the sale of the Transferred Assets to Purchaser pursuant to this Agreement and the other transactions contemplated by this Agreement shall have been approved by order of the Bankruptcy Court pursuant to sections 363 and 365 of the Bankruptcy Code, pursuant to an order in substantially the form attached hereto as Exhibit D (with such changes thereto as Purchaser shall approve or request in its sole discretion, the "Approval Order"), and the Approval Order shall have become a Final Order. Purchaser and TWA agree to use their reasonable best efforts to cause the Bankruptcy Court to enter an Approval Order which contains, among other provisions reasonably requested by Purchaser, the following provisions (it being understood that certain of such provisions may be contained in either the findings of fact or conclusions of law to be made by the Bankruptcy Court as part of the Approval Order): (i) the

transfers of the Transferred Assets by Sellers to Purchaser (A) are or will be legal, valid and effective transfers of the Transferred Assets; (B) vest or will vest Purchaser with all right, title and interest of Sellers in and to the Transferred Assets free and clear of all Liens (other than Permitted Liens) and claims (as defined in section 101(5) of the Bankruptcy Code) pursuant to section 363(f) of the Bankruptcy Code (other than Liens created by Purchaser) whatsoever known or unknown including, but not limited to, any of Sellers' creditors, vendors, suppliers, employees or lessors and that Purchaser shall not be liable in any way (as successor entity or otherwise) for any claims that any of the foregoing or any other third party may have against any of the Sellers, the business of Sellers and the Transferred Assets and permanently enjoins and restrains the assertion and prosecution of any claims against Purchaser, Purchaser's Affiliates and the ownership, use and operation of the Transferred Assets, other than claims on the account of Assumed Liabilities; and (C) constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the States of New York and Delaware; (ii) all amounts to be paid to Purchaser pursuant to this Agreement constitute superpriority administrative expenses under sections 503(b) and 507(a)(1) of the Bankruptcy Code and are immediately payable if and when the obligations of Sellers arise under this Agreement, without any further order of the Bankruptcy Court; provided, however, that Sellers shall have the right to contest the validity and amount of such asserted claims; (iii) all Persons are enjoined from taking any action against Purchaser, Purchaser's Affiliates (as they existed immediately prior to the Closing) or the Sellers to recover any claim which such Person has solely against Sellers or any of Sellers' Affiliates (as they existed immediately following the Closing); (iv) the Bankruptcy Court retains exclusive jurisdiction through the Bankruptcy Resolution Date to interpret, construe and enforce the provisions of this Agreement, the Sale Procedures Order and the Approval Order in all respects; provided, however, that in the event the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction with respect to any matter provided for in this clause (iv) or is without jurisdiction, such abstention, refusal or lack of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter; (v) the provisions of the Approval Order are nonseverable and mutually dependent; (vi) the transactions contemplated by this Agreement are undertaken by Purchaser and Sellers at arm's length, without collusion and in good faith within the meaning of section 363(m) of the Bankruptcy Code, and such parties are entitled to the protections of section 363(m) of the Bankruptcy Code, (vii) not selling the Transferred Assets free and clear of liens and claims would impact adversely on Sellers' bankruptcy estates; (viii) a sale of the Transferred Assets other than one free and clear of liens and claims would be of substantially less benefit to the estate of the Sellers; (ix) Sellers may assign and transfer to Purchaser all of Sellers' right, title and interest (including common law rights) to all of their intangible property; (x) approves the Sellers' assignment of the Assumed Contracts pursuant to sections 363 and 365 of the Bankruptcy Code and orders Sellers to pay any cure amounts payable to the other parties to the Assumed Contracts from the Purchase Price proceeds; (xi) provides for the retention of jurisdiction by the Bankruptcy Court to resolve any and all disputes that may arise under this Agreement as between Sellers and Purchaser, and further to hear and determine any and all disputes between Sellers and/or Purchaser, as the case may be, and any non-Sellers party to,

among other things, any Assumed Contracts, concerning inter alia, Sellers' assignment thereof to Purchaser under this Agreement and any non-Seller's claims arising under any agreements relating to Retained Liabilities; (xii) pursuant to section 1146(c) of the Bankruptcy Code, provides for the exemption of the transactions contemplated herein from certain taxes, provides for the waiver of so-called "bulk-sale" laws in all necessary jurisdictions, and provides that the transactions contemplated herein are deemed to be under or in contemplation of a plan to be confirmed under section 1129 of the Bankruptcy Code; and (xiii) provides that except for the items set forth on Schedule 2.1(v), the Assumed Liabilities do not include any of Sellers' liabilities or obligations relating to any claims, disputes, demands, actions, liabilities, damages, suits in equity, administrative proceedings accounts, costs, expenses, setoffs, contributions, attorneys' fees and/or causes of action of whatever kind or character, whether past, present, future, known or unknown, liquidated or unliquidated, accrued or unaccrued.

(e) TWA shall, and shall cause the other Chapter 11 Sellers to, cooperate reasonably with Purchaser and its representatives in connection with the Approval Order, the Sale Procedures Order and the bankruptcy proceedings in connection therewith. Such cooperation shall include, but not be limited to, consulting with Purchaser at Purchaser's reasonable request concerning the status of such proceedings and providing Purchaser with copies of requested pleadings, notices, proposed orders and other documents relating to such proceedings as soon as reasonably practicable prior to any submission thereof to the Bankruptcy Court. Sellers further covenant and agree that the terms of any plan submitted by Sellers to the Bankruptcy Court for confirmation shall not conflict with, supersede, abrogate, nullify, modify or restrict the terms of this Agreement and the rights of Purchaser hereunder, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement including, without limitation, any transaction that is contemplated by or approved pursuant to the Approval Order and the Sale Procedures Order.

8.12 Specific Enforcement of Covenants. Sellers acknowledge that irreparable damage would occur in the event that any of the covenants and agreements of Sellers set forth in this Article VIII or in any other part of this Agreement were not timely performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that Purchaser shall be entitled to an injunction or injunctions to prevent or cure any breach of such covenants and agreements of Sellers and to enforce specifically the terms and provisions thereof, this being in addition to any other remedy to which it may be entitled at law or in equity, it being understood that, after commencement of the Chapter 11 Cases, the Bankruptcy Court shall have exclusive jurisdiction over such matters; provided, however, that in the event the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction with respect to any matter provided for in this sentence or is without jurisdiction, such abstention, refusal or lack of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter.

8.13 Other Agreements. After the date of the Original Agreement should any Seller enter into any contract, agreement or other arrangement, TWA shall (i) immediately deliver written notice to Purchaser of the occurrence of such event and provide Purchaser with all the information about and with access to such items as Purchaser may reasonably request and (ii) if notified in writing by Purchaser prior to Closing, transfer, convey or assign to Purchaser such item in the manner and on the terms and conditions as if it were a Transferred Asset or Assumed Contract under this Agreement.

8.14 [Intentionally Omitted].

8.15 Aircraft Inspection Rights. Purchaser shall have the right to conduct an inspection of the Owned Aircraft and Leased Aircraft as would be required in connection with the performance of a "B" maintenance check of the aircraft under Purchaser's approved maintenance program, including the right to open those sealed items, including any sealed bays, panels or doors, which would be required to be opened during such "B" check (but not to open any other sealed items, except as would be so required during such "B" check), and to inspect (in such manner consistent with a "B" check level inspection) those parts, components, and structures behind such sealed items (i) which would be required to be inspected during such "B" check or (ii) whose maintenance condition would be otherwise immediately apparent during the course of such required inspection. Purchaser shall have customary rights for an acceptance flight of the aircraft. Purchaser shall also have the right to borescope the engines to the same extent as would be required in connection with the performance of a "B" maintenance check of the aircraft under Purchaser's approved maintenance program.

8.16 Designations. With respect to any lease that would be an Aircraft Lease but for the fact that the aircraft to which it relates is listed on Schedule 2.2 or Gate Lease listed on Schedule 2.2, Purchaser shall not purchase, lease or otherwise obtain a direct or indirect interest in the aircraft or gate underlying such lease during the period commencing on the date of the Original Agreement and ending on the first anniversary of the Closing Date; provided, however, that this Section 8.16 shall not apply to (i) any Aircraft underlying an Aircraft Lease not (A) assigned by the applicable Seller to Purchaser at Closing or (B) amended at Closing to incorporate terms agreed to by Purchaser with the parties to such Aircraft Lease due in either case solely to the inability to obtain any necessary consents of any party with rights with respect to such Aircraft or Aircraft Lease (including, without limitation, lenders, guarantors, residual holders, lienholders, pre-delivery financing providers and parties with purchase options, but excluding the primary lessor under such Aircraft Leases) and (ii) any Gate at any of the following airports JFK, SFO, BQN and any other airport designated by Purchaser and consented to by TWA (which consent shall not be unreasonably withheld); provided, further that any lease or license of an Aircraft or Gate to, or similar use by, Purchaser pursuant to Section 9.5 shall not be a violation of this Section 8.16.

8.17 Marketing Agreements. Purchaser and TWA shall promptly negotiate in good faith agreements between them regarding accrual of AAdvantage frequent flyer miles on TWA flights and reciprocal airport lounge access.

ARTICLE IX

POST-CLOSING COVENANTS

9.1 Maintenance of Books and Records. Sellers and Purchaser shall preserve until the seventh anniversary of the Closing Date (or, with respect to any Sellers, until such time as such Seller is liquidated) all records possessed by such party relating to the assets, liabilities or operations of the Transferred Assets prior to the Closing Date. After the Closing Date, where there is a legitimate purpose, such party shall provide the other party with access, upon prior reasonable written request specifying the need therefor, during regular business hours, to (i) the relevant officers and employees of such party and (ii) the books of account and records of such party, but, in each case, only to the extent relating to the assets, liabilities and operations of the Transferred Assets prior to the Closing Date, and the other party and its representatives shall have the right to make copies of such books and records; provided, however, that the foregoing right of access shall not be exercisable in such a manner as to interfere unreasonably with the normal operations and business of such party; and further provided that, as to so much of such information as constitutes trade secrets or confidential business information of such party, the requesting party and its representatives shall use due care to not disclose such information except (i) as required by Law, (ii) with the prior written consent of such party, which consent shall not be unreasonably withheld, or (iii) where such information becomes available to the public generally, or becomes generally known to competitors of such party, through sources other than the requesting party and its representatives. Such records may nevertheless be destroyed by a party if such party sends the other party written notice of its intent to destroy records, specifying with particularity the contents of the records to be destroyed. Such records may then be destroyed after the 30th day following delivery of such notice unless the other party objects to the destruction, in which case the party seeking to destroy the records shall either agree to retain such records or to deliver such records to the objecting party.

9.2 Right of Subrogation. In connection with Purchaser's right of subrogation pursuant to Section 2.1(ix), upon the written request of Purchaser, TWA shall, and shall cause each other Seller to, cooperate with Purchaser in connection with any action or proceeding by Purchaser (whether or not in the name of any such Seller) to enforce any such subrogation right.

9.3 Confidentiality. Each party hereto acknowledges that the other parties have legitimate and continuing proprietary interests in the protection of their confidential information and that the parties have invested substantial sums and will continue to invest substantial sums to develop, maintain and protect such confidential information. Prior to and after the Closing, each party agrees not to disclose, furnish or make accessible to anyone or use for its own benefit (other than as contemplated hereby) any trade secrets or

other confidential or proprietary information of another party relating to any Seller, Purchaser and/or their respective businesses or the other parties including, but not limited to, information obtained by or revealed to such party during any investigations, negotiations or review relating to this Agreement and any other document contemplated hereby or thereby or any past or future actions taken in connection with, pursuant to, in accordance with, or under this Agreement, including without limitation any business plans, marketing plans, financial information, strategies, systems, programs, methods and computer programs; provided, however, that such protected information shall not include (i) information required to be disclosed by law, legal or judicial process (including a court order, subpoena or order of a Governmental Authority) or the rules of any stock exchange, (ii) information that is or becomes available to the disclosing party on a non-confidential basis from a source other than the other parties and not obtained in violation of this Agreement and (iii) information known to the public or otherwise in the public domain without violation of this Section 9.3; provided, further, that this Section 9.3 shall not in any way limit the disclosure of information by TWA (a) in connection with the commencement and prosecution of the Chapter 11 Cases or (b) regarding TWA (i) to other bidders or potential bidders to the extent specifically permitted by this Agreement or (ii) following the termination of this Agreement. Each party hereto further agrees that: (i) unless otherwise approved by antitrust counsel to Purchaser and TWA, respectively, only information relating to due diligence matters (and not information relating to integration or otherwise) shall be delivered by TWA to Purchaser and its representatives for purposes of Purchaser conducting any due diligence in accordance with this Agreement; (ii) Purchaser agrees that any information provided by TWA will only be used by Purchaser to conduct due diligence in accordance with this Agreement; (iii) information received by Purchaser will be disclosed only to those Purchaser personnel and representatives (a) who need to know such information for the purpose of conducting due diligence in accordance with this Agreement and (b) have agreed to only use such information for purposes of conducting due diligence in accordance with this Agreement; (iv) TWA acknowledges that it will be necessary for Purchaser, in the course of its due diligence investigation, to have discussions regarding TWA with third parties who have contractual relationships with TWA and Purchaser hereby agrees that it will, upon commencing any such discussion or as soon as practicable thereafter, notify TWA of the identity of any such third party; and (v) Purchaser hereby agrees that all requests by Purchaser and its representatives for additional information or access will be submitted to one or more of the appropriate information representatives previously designated by TWA (or any officer, director, employee or agent of TWA approved by Stan Henderson).

9.4 Post-Closing Assignments. After the Closing Date and upon the discovery by any Seller of any items included within the definition of Transferred Assets or Assumed Contracts but not transferred, conveyed or assigned to or assumed by Purchaser in the Bill of Sale, the Assumption Agreement or any other applicable instrument of conveyance, TWA shall (i) immediately deliver written notice to Purchaser of the existence and non-transfer or non-assumption of such item and provide Purchaser with all the information about and with access to such item as Purchaser may reasonably request and (ii) if notified in writing by Purchaser within 30 days after the delivery of such notice by TWA, transfer, convey or assign to Purchaser such item in the manner and on the

terms and conditions as if it were a Transferred Asset or Assumed Contract under this Agreement.

9.5 Transition Agreements.

(a) If requested in writing by Purchaser on or before 10 days prior to the Closing Date, TWA shall use its best efforts to (i) enter into one or more of a lease, sublease, license, use agreement, transition services agreement or any other similar arrangement on terms reasonably acceptable to Purchaser and TWA and/or (ii) at Purchaser's sole expense, keep in force and effect any existing agreements or arrangements in order to provide Purchaser access to and/or the full use and benefit of any Excluded Asset, any item listed on Schedule 2.2 (including, without limitation, real property leases and third party administration contracts) or any other item not transferred to Purchaser under this Agreement and listed by Purchaser in such request for a reasonable period of time. TWA will defend and dispute any efforts to preclude Purchaser from having the benefits of this Section 9.5(a).

(b) At the Closing, the Purchaser and TWA, on behalf of itself and the other Sellers, agree to negotiate and enter into a mutually acceptable transition services agreement (the "Transition Services Agreement") whereby the Purchaser shall provide, or shall cause its wholly-owned direct and indirect subsidiaries to provide, to Sellers various services, including without limitation, financial services (e.g., controller functions, payroll functions, financial reporting functions, systems management functions, accounts payable functions), infrastructure support services (e.g., information technology and application support), operations support services (e.g., storage space, office space, etc.), and human resources services (e.g., staffing), pursuant to mutually acceptable and reasonable terms and conditions.

9.6 Property Tax Payments. From and after the Closing Date, Purchaser shall use that portion of the Purchase Price held back pursuant to Section 4.8 to pay and discharge all personal property, ad valorem and other tax payments owed by Sellers pursuant to Section 4.5 and Section 4.6 and any remaining amounts held back shall be returned to the account of TWA.

9.7 Frequent Flyer Programs. Purchaser agrees that, following the Closing, participants in TWA's Aviators frequent-flyer program will be given the opportunity to exchange accrued miles in the Aviators program for miles in Purchaser's AAdvantage frequent-flyer program on a mile-for-mile basis; provided, that it shall be a condition of such exchange that, to the extent that such participant is not already an AAdvantage member, such participant shall be required to enroll in the AAdvantage program and all AAdvantage miles delivered in exchange for Aviators miles shall be subject to the terms and conditions of (i) such enrollment and (ii) the AAdvantage program as may be in effect from time to time. In addition, Purchaser (or its permitted assignee hereunder) agrees to negotiate in good faith with TWA for the purposes of entering into an agreement with TWA whereby Purchaser (or its permitted assignee) will provide services to TWA from and after the Closing for the purposes of (i) administering the Aviators program on behalf of TWA, and (ii) honoring partner and participation contracts of TWA

with respect to the Aviators program; provided, however, that such agreement between TWA and Purchaser (or its permitted assignee) will expire no less than 180 days following the Closing Date and provided, further, that Purchaser (or its permitted assignee) shall not, by virtue of any such agreement, be deemed to have assumed any contract, arrangement or other understanding with respect to the Aviators program except as may otherwise be expressly set forth in this Agreement.

9.8 Access to Information For a period of thirty six (36) months after the Closing Date (the "Transition Period"), TWA, Purchaser and their representatives shall have reasonable access to, and each shall the right to photocopy at their own expense, all of the books and records, including any computerized databases and files and programs and associated software, (the "Books and Records") relating to the pre-Closing operations of TWA and/or the Transferred Assets as they existed as of the Closing Date, including but not limited to (i) the investigation, evaluation and prosecution of any and all causes of action retained by any Seller, (ii) the evaluation and defense of any and all claims brought against the estate of any Seller and (iii) all transferred employees' records or other personnel and medical records required by law, legal process or subpoena, in the possession of the other party to the extent that such access may reasonably be required by such party in connection with the Assumed Liabilities and Retained Liabilities, or other matters relating to or affected by the operation of TWA's business or use of the Transferred Assets. During the Transition Period, Purchaser agrees to provide TWA and any of its representatives, during ordinary business hours, upon reasonable request and notice and at TWA's expense, with reasonable access to employees of the Purchaser for purposes of winding down the estates of Sellers. Access pursuant to this Section 9.8 shall be afforded by the party in possession of such Books and Records, upon receipt of reasonable advance notice, during normal business hours and at the expense of the requesting party; provided, however, that (A) any such investigation shall be conducted in such a manner as not to interfere unreasonably with the operation of the business of any party, (B) no party shall be required to take any action which would constitute a waiver of the attorney-client privilege or which would require the disclosure of confidential information and (C) no party need to supply the other party with any information which such party is under a legal obligation not to supply. The party exercising this right of access shall be solely responsible for any costs or expenses incurred by it pursuant to this Section 9.8. If the party in possession of such Books and Records shall desire to dispose of any such Books and Records upon or prior to the expiration of such period, such party shall, prior to such disposition, give the other party a reasonable opportunity at such other party's expense, to segregate and remove such Books and Records as such other party may select.

ARTICLE X

EMPLOYEE MATTERS

10.1 Hiring Obligations. Upon the occurrence of the Closing, Purchaser shall (i) offer all of Sellers' U.S.-based union employees (other than personnel who (A) have previously been terminated by Purchaser or an entity controlled by Purchaser or (B)

would not be qualified for employment under Purchaser's general hiring policies as in effect at Closing) employment by Purchaser or one or more entities controlled by Purchaser at compensation levels substantially equivalent to those currently enjoyed by similarly situated employees of Purchaser or such controlled entity, (ii) offer employment to certain members of TWA's executive management and non-union employees on a case-by-case basis at Purchaser's sole discretion and (iii) provide employment benefits and post-retirement benefits to all employees actually hired by Purchaser pursuant to (i) and (ii) above at levels substantially no less favorable than those benefits provided to Purchaser's similarly situated employees. Any Seller employees to be hired by Purchaser or an entity controlled by Purchaser in accordance with this Section 10.1 will be hired in accordance with terms and conditions established by Purchaser or such entity (and, where applicable, in accordance with and pursuant to collective bargaining agreements relating to employees of Purchaser or such controlled entity).

10.2 Union Matters. All offers of employment made by Purchaser in accordance with Section 10.1(i) above and all benefits to be provided pursuant to Section 10.1(iii) above will be conditioned on acceptance by all such employees of Purchaser's work rules then in effect and in effect after the Closing Date from time to time that are generally applicable to similarly situated employees of Purchaser. Purchaser and Sellers agree to encourage their respective unions to negotiate in good faith to resolve fair and equitable seniority integration. Prior to Closing, TWA shall amend all existing Collective Bargaining Agreements relating to any present or former employee of TWA to provide that (i) scope, successorship, and benefits provisions of the Collective Bargaining Agreements are not applicable to or being assumed by Purchaser as part of or as the result of the transactions contemplated by this Agreement, and (ii) consummation of the transactions contemplated by this Article X will not violate or breach in any manner any provision of any Collective Bargaining Agreement (collectively, the "CBA Amendments").

10.3 Treatment of Pension Plans. Sellers' employees hired by Purchaser pursuant to Section 10.1 above shall cease to participate in all pension plans (within the meaning of section 3(2) of ERISA) maintained or contributed to by any of Sellers. Purchaser shall not assume or be liable for any such pension plans. Purchaser intends to permit a transfer or merger of the assets of any such pension plan which is a defined contribution plan (as defined in section 3(34) of ERISA) that Purchaser determines is qualified under section 401(a) of the Code, or may permit the receipt of eligible rollover distributions (within the meaning of section 402(f)(2)(A) of the Code) from such plan, with or to any plan of Purchaser after the Closing Date.

10.4 Treatment of Welfare Plans. Sellers' employees hired by Purchaser pursuant to Section 10.1 above shall cease to participate in all welfare plans (within the meaning of section 3(1) of ERISA) maintained or contributed to by any of Sellers. Purchaser shall not assume or be liable for any such welfare plans. Sellers shall have sole responsibility for "continuation coverage" benefits provided under Sellers' group health plans to all former employees of Sellers, and "qualified beneficiaries" of former employees of Sellers, for whom a "qualifying event" has occurred on or prior to the

Closing Date. Terms used in this subsection and not otherwise defined herein shall have the meanings ascribed to them under section 4980B of the Code and sections 601-608 of ERISA.

10.5 Tax Reporting. If requested by Purchaser, Purchaser, TWA and each other Seller agree that, pursuant to the "Alternative Procedure" provided in Section 5 of Revenue Procedure 96-60, 1996-2 C.B. 399, (i) Purchaser, TWA and each other Seller will report on a predecessor-successor basis as set forth therein, (ii) TWA and each other Seller will be relieved from filing a Form W-2 with respect to any employee of TWA and each other Seller who accepts employment with Purchaser, and (iii) Purchaser will file (or cause to be filed) a Form W-2 for each such employee for the year that includes the Closing Date (including the portion of such year that such employee was employed by TWA or any other Seller). TWA agrees to provide Purchaser with all payroll and employment-related information reasonably requested by Purchaser with respect to each employee of TWA and each other Seller who commences employment with Purchaser.

ARTICLE XI

RISK OF LOSS

11.1 Risk of Loss on Sellers. TWA shall bear the risk of any loss or damage to any Transferred Assets at all times prior to the delivery of physical possession thereof to Purchaser in accordance with Section 5.3. TWA shall promptly notify Purchaser if any such loss or damage occurs. If any such Transferred Asset has been damaged but not destroyed then TWA promptly shall fully repair (or cause the applicable Seller to fully repair) such Transferred Asset; provided, however, that such repair obligation shall not exist if the cost of repair would be sufficiently large that the only reasonable course of action would be to treat such Transferred Asset as a total loss. In the event of any total loss (or loss treated as a total loss in accordance with the immediately prior sentence) of any Transferred Asset, the Purchase Price shall be reduced in accordance with Section 4.4. If any loss or damage to any tangible Transferred Asset occurs following the Closing at which such Transferred Asset was conveyed to Purchaser but prior to the delivery of physical possession thereof to Purchaser in accordance with Section 5.3, then TWA promptly shall pay or cause the applicable Seller to pay to Purchaser the amount by which the Purchase Price would have been reduced in accordance with Section 4.4 if such loss or damage had occurred prior to the Closing.

ARTICLE XII

FURTHER AGREEMENTS AND TERMINATION

12.1 Termination Payment.

(a) In the event that this Agreement is terminated pursuant to Section 12.3(c)(iii) (in a case in which any Seller is in material default or material breach of this Agreement, or where a representation or warranty made as of the date of the Original Agreement is shown to have been inaccurate as of the date of the Original

Agreement, subject to the other terms and conditions of Section 12.3(c)(iii) regarding such inaccuracy) or Section 12.3(c)(iv) of this Agreement or by TWA pursuant to Section 12.3(b)(iii) of this Agreement, then in any such case TWA shall be obligated to pay Purchaser, in cash, an amount (not to exceed $10,000,000) on account of the Purchaser Expenses.

(b) Any amount payable pursuant to this Section 12.1 shall be referred to as the "Termination Amount". The Termination Amount shall be paid immediately prior to the termination of this Agreement.

12.2 Bankruptcy Termination Payment. In the event this Agreement is terminated pursuant to Section 12.3(b)(i) of this Agreement, TWA shall be obligated to pay to Purchaser, in cash, the sum of $55,000,000 plus an amount (not to exceed $10,000,000) on account of the Purchaser Expenses (such sum being the "Section 12.3(b)(i) Termination Amount"), which amount shall be payable no later than the earlier of (i) the consummation of the Recapitalization Transaction or sale (whether in one transaction or a series of transactions) of either TWA or all or substantially all of the assets of TWA or all or substantially all of the Transferred Assets to a Person or Persons other than Purchaser or an Affiliate of Purchaser, (ii) the effective date of any plan of reorganization (that is not a plan of liquidation) confirmed in the Chapter 11 Cases, (iii) the dismissal of the Chapter 11 Cases, and (iv) the conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code. In the event this Agreement is terminated pursuant to Section 12.3(c)(i) or Section 12.3(c)(ii) of this Agreement, then (i) TWA shall be obligated to pay Purchaser, immediately upon such termination of this Agreement, an amount (not to exceed $10,000,000) on account of the Purchaser Expenses, and (ii) if, (x) within twelve (12) months following such termination of this Agreement, TWA or the other Sellers consummate a Recapitalization Transaction or sale of either TWA or all or substantially all of the assets of TWA or all or substantially all of the Transferred Assets to a Person (or group of Persons) other than Purchaser or an Affiliate of Purchaser, or (y) within twenty-four (24) months following such termination of this Agreement, a chapter 11 plan for TWA or the other Sellers is confirmed, then TWA shall be obligated to pay to Purchaser, immediately upon the consummation of any such transaction, an amount equal to $55,000,000 (the sum of the amounts described in clauses (i) and (ii) above being the "Alternative Termination Amount," with the Section 12.3(b)(i) Termination Amount and the Alternative Termination Amount being referred to herein collectively as the "Bankruptcy Termination Amount"); provided, however, that, in accordance with the terms and conditions of the Sale Procedures Order, the Bankruptcy Termination Amount shall not be applicable to and Purchaser shall not be paid the Bankruptcy Termination Amount if Purchaser is the successful bidder for the Transferred Assets but not the successful bidder for the Worldspan interest.

12.3 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing:

(a) by mutual consent of each of TWA and Purchaser;

(b) by either of TWA or Purchaser (provided that such party is not then in material breach of any provision of this Agreement or any agreement underlying the DIP Facility):

(i) if the Bankruptcy Court approves a Recapitalization Transaction or a sale of TWA or all or substantially all of the assets of TWA or any of the Transferred Assets to a Person (or group of Persons) other than Purchaser or an Affiliate of Purchaser, provided, that no termination under this Section 12.3(b)(i) shall be effective until the Section 12.3(b)(i) Termination Amount shall have been paid to Purchaser;

(ii) if a Governmental Authority shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling the parties hereto shall use their reasonable best efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable; or

(iii) if the Closing shall not have occurred on or before the Scheduled Closing Date.

(c) by Purchaser (provided that Purchaser is not then in material breach of any provision of this Agreement or any agreement underlying the DIP Facility):

(i) if the Sale Procedures Order is modified in any respect without the consent of Purchaser;

(ii) if the Approval Order has not been entered by the Bankruptcy Court within 10 days of the Approval Order Hearing Date and, as of the time of such termination of this Agreement, the Approval Order has not been entered by the Bankruptcy Court; or

(iii) if a material default or material breach shall be made by any Seller with respect to the due and timely performance of any of its covenants or agreements contained herein, or if its representations or warranties contained in the Agreement shall have become inaccurate (without giving effect to any materiality or Material Adverse Effect qualifications or exceptions contained therein) and such inaccuracy has had or would be reasonably likely to have a Material Adverse Effect, if such default, breach or inaccuracy has not been cured or waived within 30 days after written notice to such Seller specifying, in reasonable detail, such claimed default, breach or inaccuracy and demanding its cure or satisfaction; or

(iv) if an event or events or circumstance shall have occurred since the date of the Original Agreement which, independently or together with any other event, events or circumstance that have occurred or are reasonably likely to occur, have or are reasonably likely to have a Material Adverse Effect.

(d) by TWA (provided that TWA is not then in material breach of any provision of this Agreement or any agreement underlying the DIP Facility) if a material default or breach shall be made by Purchaser with respect to the due and timely performance of any of its covenants or agreements contained herein, or if its representations or warranties contained in the Agreement shall have become inaccurate and such inaccuracy has had or would be reasonably likely to have a Purchaser Material Adverse Effect, if such default, breach or inaccuracy has not been cured or waived within 30 days after written notice to Purchaser specifying, in reasonable detail, such claimed default, breach or inaccuracy and demanding its cure or satisfaction;

12.4 Procedure and Effect of Termination. This Agreement shall in no event terminate unless and until any and all amounts payable to Purchaser pursuant to Section 12.1 and Section 12.2 in connection with such proposed termination shall have been paid in full to Purchaser. In the event of termination and abandonment of the transactions contemplated hereby pursuant to Section 12.3, written notice thereof shall forthwith be given to the other parties to this Agreement and this Agreement shall terminate (subject to the provisions of this Section 12.4) and the transactions contemplated hereby shall be abandoned, without further action by any of the parties hereto. If this Agreement is terminated as provided herein:

(a) upon request therefor, each party shall redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof, to the party furnishing the same;

(b) no party hereto shall have any liability or further obligation to any other party to this Agreement resulting from such termination except (i) that the provisions of Section 12.1, Section 12.2, this Section 12.4 and Section 9.3 shall remain in full force and effect and (ii) no party waives any claim or right against a breaching party to the extent that such termination results from the breach by a party hereto of any of its representations, warranties, covenants or agreements set forth in this Agreement; provided, however, that in the event Purchaser is entitled to receive the Termination Amount or the Bankruptcy Termination Amount, the right of Purchaser to receive such amount shall constitute Purchaser's sole remedy for (and such amount shall constitute liquidated damages in respect of) any breach by any Seller of any of its representations, warranties, covenants or agreements set forth in this Agreement; and

(c) the DIP Facility shall be terminated or shall terminate in accordance with its terms.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 Notices. All notices and other communications required or permitted hereunder shall be in writing and, unless otherwise provided in this Agreement, will be deemed to have been duly given when delivered in person or when dispatched by

electronic facsimile transfer (confirmed in writing by mail simultaneously dispatched) or one business day after having been dispatched by a nationally recognized overnight courier service to the appropriate party at the address specified below:

(a) If to TWA, to:

Trans World Airlines, Inc.
One City Centre
515 North 6th Street
St. Louis, Missouri 63101
Attention: Kate Soled
Facsimile: (314) 589-3461

with a copy to:

Kirkland & Ellis
Aon Center
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Willard G. Fraumann & James H.M. Sprayregen
Facsimile: (312) 861-2200

(b) If to Purchaser, to:

American Airlines
4333 Amon Carter Boulevard
Fort Worth, Texas 76155
Attention: Anne McNamara
Facsimile: (817) 967-2501

with copies to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Thomas A. Roberts & Alan B. Miller
Facsimile: (212) 310-8007

and

Weil, Gotshal & Manges LLP
100 Crescent Court, Suite 1300
Dallas, Texas 75201
Attention: Mary R. Korby
Facsimile: (214) 746-7777

or to such other address or addresses as any such party may from time to time designate as to itself by like notice.

13.2 Actions by Sellers. Where any provision of this Agreement indicates that any Seller shall take any specified action (or refrain from taking any specified action) or requires any Seller to take any specified action (or to refrain from taking any specified action), then, regardless of whether this Agreement specifically provides that TWA shall do so, TWA shall cause such Seller to take such action (or to refrain from taking such action, as applicable). TWA shall be responsible for the failure of any such Seller to take any such action (or to refrain from taking any such action, as applicable).

13.3 Expenses. Except as otherwise expressly provided herein, each party hereto shall pay any expenses incurred by it incident to this Agreement and in preparing to consummate and consummating the transactions provided for herein.

13.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors (including, without limitation, any trustee appointed for TWA or any of the Sellers) and permitted assigns, but shall not be assignable or delegable by any party without the prior written consent of the other party; provided, however, that upon notice to TWA or any other Seller delivered in accordance with Section 13.1, Purchaser may assign or delegate any or all of their rights or obligations under this Agreement to any Affiliate thereof or to any Person that directly or indirectly acquires, after the Closing, all or substantially all of the assets or voting stock of Purchaser, but such assignment or delegation shall not relieve Purchaser of any obligation hereunder.

13.5 Waiver. Purchaser may, by written notice to TWA, and TWA (for itself and on behalf of all other Sellers) may, by written notice to Purchaser, (a) extend the time for performance of any of the obligations of the other party under this Agreement, (b) waive any inaccuracies in the representations or warranties of the other party contained in this Agreement, (c) waive compliance with any of the conditions or covenants of the other party contained in this Agreement, or (d) waive or modify performance of any of the obligations of the other party under this Agreement; provided, however, that no such party may, without the prior written consent of the other party, make or grant such extension of time, waiver of inaccuracies or compliance or waiver or modification of performance with respect to its representations, warranties, conditions or covenants hereunder. Except as provided in the immediately preceding sentence, no action taken pursuant to this Agreement shall be deemed to constitute a waiver of compliance with any representations, warranties, conditions or covenants contained in this Agreement or shall operate or be construed as a waiver of any subsequent breach, whether of a similar or dissimilar nature.

13.6 Entire Agreement; Disclosure Schedules. This Agreement, which includes the schedules and exhibits hereto, supersedes any other agreement, whether written or oral, that may have been made or entered into by any party relating to the matters contemplated hereby, including without limitation that certain Letter Agreement dated as

of February 5, 2001 between TWA and Purchaser, and constitutes the entire agreement by and among the parties hereto.

13.7 Amendments, Supplements, Etc. This Agreement may be amended or supplemented at any time by additional written agreements as may mutually be determined by Purchaser and TWA to be necessary, desirable or expedient to further the purposes of this Agreement or to clarify the intention of the parties.

13.8 Rights of the Parties. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any Person other than the parties hereto any rights or remedies under or by reason of this Agreement or any transaction contemplated hereby.

13.9 Applicable Law. This Agreement and the legal relations among the parties hereto shall be governed by and construed in accordance with the rules and substantive Laws of the State of New York, without regard to conflicts of law provisions thereof.

13.10 Execution in Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Any counterpart may be executed by facsimile signature and such facsimile signature shall be deemed an original.

13.11 Titles and Headings. Titles and headings to Sections herein are inserted for convenience of reference only, and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

13.12 Invalid Provisions. If any provision of this Agreement (other than Section 5.4 or Article XII of this Agreement or any part or provision thereof) is held to be illegal, invalid, or unenforceable under any present or future Law, and if the rights or obligations under this Agreement of TWA on the one hand and Purchaser on the other hand will not be materially and adversely affected thereby, (a) such provision shall be fully severable; (b) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement; and (d) in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

13.13 Transfers. Purchaser and TWA shall, and TWA shall cause each other Seller to, cooperate and take such action as may be reasonably requested by the other in order to effect an orderly transfer of the Transferred Assets with a minimum of disruption to the operations and employees of the businesses of Purchaser, TWA or any other Seller.

13.14 Brokers. TWA hereby agrees to indemnify and hold harmless the Purchaser against any liability, claim, loss, damage or expense incurred by TWA or any

other Seller relating to any fees or commissions owed to any broker, finder or financial advisor as a result of actions taken by TWA or any other Seller. Purchaser hereby agrees to indemnify and hold harmless TWA against any liability, claim, loss, damage or expense incurred by Purchaser relating to any fees or commissions owed to any broker, finder or financial advisor as a result of actions taken by Purchaser.

13.15 Exculpation. Each Seller agrees that neither Purchaser nor its respective controlling persons, officers, directors, partners, agents, employees or other representatives shall be liable for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the transactions contemplated by this Agreement.

13.16 Principles of Interpretation. Whenever used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders. Unless otherwise specified, the terms "hereof," "herein," "hereby" and similar terms refer to this Agreement as a whole (including the exhibits and schedules hereto), and references herein to Articles or Sections refer to Articles or Sections of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Asset Purchase Agreement as of the day and year first above written.

AMERICAN AIRLINES, INC.

By: /s/ Charles D. MarLett

Name: Charles D. MarLett

Title: Corporate Secretary

TRANS WORLD AIRLINES, INC.

By: /s/ William F. Compton

Name: William F. Compton

Title: President & CEO

EXHIBIT A

DEFINITIONS

"Accounts Receivable Amount" shall mean "Receivables, Less Allowance for Doubtful Accounts" of TWA and its consolidated subsidiaries as of the Closing Date, as stated in the Pre-Closing Statement or Final Closing Statement, calculated on a basis consistent in all material respects with the methods, principles, practices and policies employed in the preparation and presentation of "Receivables, Less Allowance for Doubtful Accounts" contained in the September Balance Sheet and in accordance with generally accepted accounting principles consistently applied (without regard to consummation of the transactions contemplated by this Agreement).

"Accrued Employee Expenses Amount" shall mean the sum of "Accrued Expenses: Employee Compensation and Vacations Earned" and "Accrued Expenses: Contributions to Retirement and Pension Trusts", in each case of TWA and its consolidated subsidiaries as of the Closing Date, as stated in the Pre-Closing Statement or Final Closing Statement, calculated on a basis consistent in all material respects with the methods, principles, practices and policies employed in the preparation and presentation of "Accrued Expenses: Employee Compensation and Vacations Earned" and "Accrued Expenses: Contributions to Retirement and Pension Trusts" contained in the September Balance Sheet and in accordance with generally accepted accounting principles consistently applied (without regard to consummation of the transactions contemplated by this Agreement).

"Acquisition Proposal" means any proposal or offer, other than a proposal or offer by Purchaser or any of its Affiliates, for (a) any merger, consolidation, share exchange, business combination or other similar transaction with TWA or any of the other Sellers, (b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 10% or more of the assets and liabilities of TWA in a single transaction or series of transactions (whether related or unrelated), (c) any tender offer or exchange offer for 20% or more of the outstanding shares of TWA's common stock or any class of TWA's debt securities or the filing of a registration statement under the Securities Act of 1933, as amended, in connection therewith, (d) the acquisition of beneficial ownership or a right to acquire beneficial ownership of, or the formation of any "group" (as defined under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) which beneficially owns or has the right to acquire beneficial ownership of 20% or more of the then outstanding shares of any class of TWA's common stock or any class of TWA's debt securities or (e) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

"Advance Ticket Sales Amount" shall mean "Advance Ticket Sales" of TWA and its consolidated subsidiaries as of the Closing Date, as stated in the Pre-Closing Statement or Final Closing Statement, calculated on a basis consistent in all material respects with the methods, principles, practices and policies employed in the preparation and presentation of "Advance Ticket Sales" contained in the September Balance Sheet

and in accordance with generally accepted accounting principles consistently applied (without regard to consummation of the transactions contemplated by this Agreement).

"Affiliate" shall mean with respect to any Person, any other person who, directly or indirectly, controls, is controlled by, or is under common control with that Person.

"Agreement" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Aircraft" shall mean each of the Owned Aircraft and Leased Aircraft contemplated by this Agreement, each consisting of an airframe and each of the following items installed on or in such airframe: Engines, landing gear, auxiliary power units, avionics, appliances, parts, furnishings, instruments, accessories and equipment.

"Aircraft Leases" shall have the meaning ascribed to such term in Section 6.12(b) of this Agreement.

"Alternative Termination Amount" shall have the meaning ascribed to such term in Section 12.2 of this Agreement.

"Approval Order" shall have the meaning ascribed to such term in Section 8.11(d) of this Agreement.

"Approval Order Hearing Date" shall have the meaning ascribed to such term in Section 8.11(a) of this Agreement.

"Assumed Aircraft Leases" shall mean the Aircraft Leases (as may be modified prior to Closing with the consent of Purchaser and TWA) other than Designated Aircraft Leases.

"Assumed Contracts" shall mean the following contracts or agreements in effect as of the date of the Original Agreement, as may be modified prior to Closing with the consent of Purchaser and TWA (provided that if any such contracts or agreements relate not only to Transferred Assets but also other assets, then only the portions of such contracts and agreements that relate specifically to the Transferred Assets shall be deemed to be Assumed Contracts), in each case other than Designated Contracts:

(a) the Assumed Aircraft Leases;

(b) the Assumed Gate Leases;

(c) the Assumed Ground Equipment Leases;

(d) the Assumed Gate Property Leases;

(e) the Retention Agreements; and

(f) all other contracts, agreements, arrangements and understandings of Sellers, other than Retained Liabilities and Excluded Assets.

"Assumed Debt Obligations" shall have the meaning ascribed to such term in Section 3.1(a) of this Agreement.

"Assumed Gate Leases" shall mean the Gate Leases (as may be modified prior to Closing with the consent of Purchaser and TWA) other than Designated Gate Leases.

"Assumed Gate Property Leases" shall mean the Gate Property Leases (as may be modified prior to Closing with the consent of Purchaser and TWA) other than Designated Gate Property Leases.

"Assumed Ground Equipment Leases" shall mean the Ground Equipment Leases (as may be modified prior to Closing with the consent of Purchaser and TWA) other than Designated Ground Equipment Leases.

"Assumed Liabilities" shall have the meaning ascribed to such term in Section 3.1 of this Agreement.

"Assumption Agreement" shall have the meaning ascribed to such term in Section 5.2(b)(ii) of this Agreement.

"Avoidance Actions" shall mean all claims and rights of action against vendors and lessors of the Assumed Contracts and lenders under the Assumed Debt Obligations, including, but not limited to, all rights and avoidance claims of Sellers under chapter 5 of the Bankruptcy Code.

"Bankruptcy Code" shall have the meaning ascribed to such term in the Recitals of the Original Agreement.

"Bankruptcy Court" shall have the meaning ascribed to such term in the Recitals of the Original Agreement.

"Bankruptcy Resolution Date" means the date on which a Final Order of the Bankruptcy Court has been entered dismissing, closing or otherwise terminating the Chapter 11 Cases.

"Bankruptcy Termination Amount" shall have the meaning ascribed to such term in Section 12.2 of this Agreement.

"Benefit Plans" shall have the meaning ascribed to such term in Section 6.20(b) of this Agreement.

"Bill of Sale" shall have the meaning ascribed to such term in Section 5.2(a)(i) of this Agreement.

"Books and Records" shall have the meaning ascribed to such term in Section 9.8 of this Agreement.

"Business Day" shall mean a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by Law to close.

"CBA Amendments" shall have the meaning ascribed to such term in Section 10.2 of this Agreement.

"Chapter 11 Cases" shall mean the voluntary cases commenced by Sellers under chapter 11 of the Bankruptcy Code.

"Chapter 11 Sellers" shall mean all Sellers other than Constellation Finance LLC, a Delaware limited liability company.

"Closing" shall have the meaning ascribed to such term in Section 5.1 of this Agreement.

"Closing Date" shall have the meaning ascribed to such term in Section 5.1 of this Agreement.

"Closing Statement" shall have the meaning ascribed to such term in Section 4.3(c) of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

"Collateral Agreements" shall mean the Bill of Sale, Assumption Agreement and the other assignment or transfer documents delivered at the Closing.

"Collective Bargaining Agreements" shall have the meaning ascribed to such term in Section 6.19(a) of this Agreement.

"Competing Offer" shall have the meaning ascribed to such term in Section 8.11(a) of this Agreement.

"Consent" shall mean any consent, approval or authorization of, notice to, or designation, registration, declaration or filing with, any Person.

"Contract" shall mean any agreement, contract, lease, commitment, license, undertaking or other legally binding contractual right or obligation to which a Person is a party or by which a Person or its assets or properties are bound.

"Data" shall mean all documents, books, drawing, logs, manuals and records relating primarily or exclusively to the Transferred Assets (including, without limitation, maintenance and operations records relating to the Owned Aircraft and Engines, the

Leased Aircraft and Engines leased pursuant to the Assumed Aircraft Leases, the Spare Parts and the Ground Equipment).

"Delivery Condition" shall mean with respect to each Aircraft:

(A) the Aircraft shall have a validly issued, current individual aircraft FAA Certificate of Airworthiness with respect to such Aircraft which satisfies all requirements for the effectiveness of such FAA Certificate of Airworthiness;

(B) the Aircraft shall be in a serviceable condition, such that the Aircraft and each of its structures, systems and components are functioning in accordance with its intended use as required or set forth in any FAA regulations, rules, standards or requirements or in any FAA-approved documentation, including any applicable manuals, technical standard orders or parts manufacturing approval certificates;

(C) the Aircraft shall be complete, including, without limitation, shall have installed therein one (1) set of catering and cabin service equipment used in Seller's service; and

(D) the Aircraft shall be in compliance with all issued and effective mandatory manufacturer's service bulletins and airworthiness directives applicable thereto, in each case which require compliance on or before the Closing Date.

"Designated Aircraft Leases" shall mean those Aircraft Leases that constitute Designated Contracts.

"Designated Contracts" shall mean (A) any Contract that would be an Assumed Contract but for the fact that is not (i) assignable by the applicable Seller to Purchaser at Closing or (ii) amendable at Closing to incorporate terms agreed to by Purchaser with the other parties to such Assumed Contract due in either case to the inability to obtain any necessary consents of any party with rights with respect to such Assumed Contract (including, without limitation, lenders, guarantors, residual holders, lienholders, pre-delivery financing providers and parties with purchase options, but excluding any primary lessor under such Assumed Contract) and (B) any contract, agreement or other arrangement of any Seller not elected to be transferred, conveyed or assigned to Purchaser pursuant to Section 8.13 or not disclosed to Purchaser by TWA pursuant to Section 8.13.

"Designated Gate Leases" shall mean those Gate Leases that constitute Designated Contracts.

"Designated Gate Property Leases" shall mean those Gate Property Leases that constitute Designated Contracts.

"Designated Ground Equipment Leases" shall mean those Ground Equipment Leases that constitute Designated Contracts.

"DIP Facility" shall have the meaning ascribed to such term in the Recitals to the Original Agreement.

"DOT" shall mean the United States Department of Transportation or any successor thereto.

"Engines" shall mean engines, spare engines, parts, tooling and other equipment necessary to support the operation of the Owned Aircraft and the Leased Aircraft, as applicable.

"Environmental Claims" shall have the meaning ascribed to such term in Section 6.17(e)(i) of this Agreement.

"Environmental Laws" shall have the meaning ascribed to such term in Section 6.17(e)(ii) of this Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" shall have the meaning ascribed to such term in Section 2.2 of this Agreement.

"FAA" shall mean the Federal Aviation Administration or any successor thereto.

"Federal Aviation Act" shall mean the Federal Aviation Act of 1958, as amended, together with the aviation regulations of the FAA, as the same may be in effect from time to time.

"Final Closing Statement" shall have the meaning ascribed such term in Section 4.3(f) of this Agreement.

"Final Order" shall mean an order or judgment the operation or effect of which is not stayed, and as to which order or judgment (or any revision, modification or amendment thereof), the time to appeal or seek review or rehearing has expired, and as to which no appeal or petition for review or motion for rehearing or reargument has been taken or been made and is pending for argument.

"Gate Leases" shall have the meaning ascribed to such term in Section 6.16(b) of this Agreement.

"Gate Property" shall mean all facilities, equipment, fixtures, appurtenances and personality (including, without limitation, bag rooms, ticket counters and other exclusive use space) owned or used by any Seller and used exclusively or primarily in connection with the Gates.

"Gate Property Documents" shall mean the Gate Leases, the Gate Property Leases and the Ground Equipment Leases.

"Gate Property Leases" shall have the meaning ascribed to such term in Section 6.16(c) of this Agreement.

"Gates" shall have the meaning ascribed to such term in Section 6.16(a) of this Agreement.

"Governmental Authority" shall mean any federal, state, local or foreign government or any subdivision, agency, instrumentality, authority, department, commission, board or bureau thereof or any federal, state, local or foreign court, tribunal or arbitrator (including, without limitation, the Bankruptcy Court).

"Ground Equipment" shall mean each vehicle, tool, piece of equipment, or other tangible asset used in connection with aircraft operations or maintenance (other than Owned Aircraft, Leased Aircraft, and Spare Parts).

"Ground Equipment Leases" shall have the meaning ascribed to such term in Section 6.16(d) of this Agreement.

"HSR Act" shall mean Hart-Scott-Rodino Act of 1976, as amended.

"Improvements" shall have the meaning ascribed to such term in Section 6.24(b) of this Agreement.

"Intellectual Property" shall mean (i) all inventions (whether patentable or not patentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, divisions, continuations, continuations-in-part, revisions, renewals, extensions, and reexaminations thereof, (ii) all registered and unregistered trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith, (iii) all works of authorship, including, without limitation, all copyrightable works, all copyrights, and all applications, registrations and renewals in connection therewith, and all moral rights, (iv) all databases, data compilations and data collections, (v) all trade secrets and confidential information (including, without limitation, ideas, research and development, know-how, processes, methods, techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business, technical and marketing plans and proposals), (vi) all domain names, web addresses and websites, (vii) all computer software, source code and object code, whether embodied in software, firmware or otherwise (including related data and documentation), (viii) all other intellectual property and proprietary rights, and (ix) all copies and tangible embodiments of all of the foregoing (i) through (ix) in any form or medium.

"Laws" shall mean all federal, state, local or foreign laws, orders, writs, injunctions, decrees, ordinances, awards, stipulations, statutes, judicial or administrative doctrines, rules or regulations enacted, promulgated, issued or entered by a Governmental Authority, including without limitation, the Bankruptcy Code, the Federal Aviation Act and any Environmental Laws.

"Leased Aircraft" shall have the meaning ascribed to such term in Section 6.12(c) of this Agreement, but shall not include for any purpose hereof aircraft listed on Schedule 2.2.

"Leased Assets" means the Aircraft Leases, the Gate Leases, Gate Property Leases and the Ground Equipment Leases.

"Leased Real Estate" shall have the meaning ascribed to such term in Section 6.24(a) of this Agreement.

"Liens" shall mean all title defects or objections, mortgages, liens, claims, charges, pledges, or other encumbrances of any nature whatsoever, including without limitation licenses, leases, chattel or other mortgages, collateral security arrangements, pledges, title imperfections, defect or objection liens, security interests, conditional and installment sales agreements, easements, encroachments or restrictions, of any kind and other title or interest retention arrangements, reservations or limitations of any nature.

"Material Adverse Effect" shall mean (a) a material adverse effect on the business, results of operations, condition (financial or otherwise) or prospects of the business operated by TWA, other than any change, circumstance or effect relating solely (i) to the economy or financial markets in general, (ii) to changes in general political or regulatory conditions in the United States, (iii) generally to the industries in which TWA operates and not specifically relating to TWA, (iv) to or resulting from the announcement or pendency of the transactions contemplated by this Agreement and/or (v) to or resulting from the filing of the Chapter 11 Cases, or (b) a material adverse effect on (w) the transactions contemplated by this Agreement, (x) the legality, validity or enforceability of this Agreement and the agreements and instruments to be entered into in connection herewith, or the realization of the rights and remedies thereunder, (y) the ability of Purchaser to operate the business of TWA from and after the Closing as a result of the failure or inability to obtain the consents necessary to transfer a significant number of Aircraft underlying Aircraft Leases to Purchaser or (z) the ability of TWA to perform its obligations under this Agreement.

"Materials of Environmental Concern" shall have the meaning ascribed to such term in Section 6.17(e)(iii) of this Agreement.

"Original Agreement" shall have the meaning ascribed to such term in the Recitals of this Agreement.

"Owned Aircraft" shall have the meaning ascribed to such term in Section 6.12(a) of this Agreement, but shall not include for any purpose hereof aircraft listed on Schedule 2.2.

"Owned Gate Items" shall have the meaning ascribed to such term in Section 6.16(e) of this Agreement.

"Owned Real Estate" shall have the meaning ascribed to such term in Section 6.24(a) of this Agreement.

"Pension Plans Agreement" shall have the meaning ascribed to such term in Section 6.19(d) of this Agreement.

"Permits" shall mean all permits, licenses, approvals, franchises, notices and authorizations issued by any Governmental Authority that relate to or otherwise are used or are necessary in connection with the ownership, operation or other use of any of the Transferred Assets.

"Permitted Liens" shall mean Liens for taxes, assessments and other governmental charges which are not due and payable.

"Person" shall mean any individual, general partnership, limited partnership, limited liability company, joint venture, corporation, trust, unincorporated organization, Governmental Authority or other entity.

"Pre-Closing Statement" shall have the meaning ascribed to such term in Section 4.3(a) of this Agreement.

"Purchase Price" shall have the meaning ascribed to such term in Section 4.1 of this Agreement.

"Purchase Price Offset Amount" shall have the meaning ascribed to such term in Section 4.7 of this Agreement.

"Purchaser" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Purchaser Expenses" shall mean Purchaser's reasonable out of pocket expenses (including but not limited to reasonable financial advisor's account's or attorney's fees and expenses and filing fees, including without limitation those paid in connection with filings under the HSR Act) incurred in connection with the negotiation and performance of this Agreement and its due diligence investigation of the Sellers and the Transferred Assets in connection with this Agreement.

"Purchaser Material Adverse Effect" shall mean a materially adverse effect on the business, results of operations or financial condition of Purchaser and its subsidiaries and Affiliates, taken as a whole, other than any change, circumstance or effect relating (i) to the economy or financial markets in general, (ii) to changes in general political or

regulatory conditions in the United States, (iii) generally to the industries in which Purchaser operates and not specifically relating to Purchaser or (iv) to or resulting from the announcement or pendency of the transactions contemplated by this Agreement.

"Real Estate Assets" shall have the meaning ascribed to such term in Section 6.24(a) of this Agreement.

"Recapitalization Transaction" means a recapitalization transaction involving TWA and its existing security holders that does not involve the sale of any Seller or all or substantially all of the assets of any Seller.

"Resolution Period" shall have the meaning ascribed such term in Section 4.3(d) of this Agreement.

"Retained Liabilities" shall have the meaning ascribed to such term in Section 3.2 of this Agreement.

"Retention Agreements" shall mean the obligations of Sellers under that certain Key Employee Retention and Severance Program filed with the Bankruptcy Court and attached hereto as Exhibit D; excluding, however, any amounts owed or payable by Sellers under such Key Employee Retention and Severance Program in excess of $14,000,000 in the aggregate.

"Rights Plan Amendment" shall have the meaning ascribed to such term in Section 8.14 of this Agreement.

"Route" shall have the meaning ascribed to such term in Section 6.21 of this Agreement.

"Sale Procedures Order" shall have the meaning ascribed to such term in Section 8.11(a) of this Agreement.

"Scheduled Closing Date" shall mean May 31, 2001, provided that Purchaser may, by written notice to TWA, extend the Scheduled Closing Date to such later date as Purchaser in its sole discretion may determine but in all events within 30 days after satisfaction or waiver of all conditions set forth in Section 5.4 and Section 5.5.

"Section 12.3(b)(i) Termination Amount" shall have the meaning ascribed to such term in Section 12.2 of this Agreement.

"Sellers" shall have the meaning ascribed to such term in the Recitals to this Agreement.

"September Balance Sheet" shall have the meaning ascribed such term in Section 4.3(a) of this Agreement.

"Slots" shall have the meaning ascribed to such term in Section 6.13 of this Agreement.

"Spare Parts" shall mean spare parts used or useful in connection with the operation and maintenance of aircraft, including without limitation expendable and rotable spare parts and tooling.

"Spare Parts Amount" shall mean "Spare Parts, Materials and Supplies, Less Allowance for Obsolescence" of TWA and its consolidated subsidiaries as of the Closing Date, as stated in the Pre-Closing Statement or Final Closing Statement, calculated on a basis consistent in all material respects with the methods, principles, practices and policies employed in the preparation and presentation of "Spare Parts, Materials and Supplies, Less Allowance for Obsolescence" contained in the September Balance Sheet and in accordance with generally accepted accounting principles consistently applied (without regard to consummation of the transactions contemplated by this Agreement).

"Superior Proposal" means an Acquisition Proposal that the Board of Directors of TWA has determined in good faith, if accepted, is reasonably likely to be consummated taking into account all legal, financial, regulatory and other aspects of the proposal and the person making the proposal, and that the Board of Directors of TWA believes in good faith, after consultation with an outside financial advisor would, if consummated, result in a transaction more favorable from a financial point of view than the transaction proposed by this Agreement.

"Tax" and "Taxes" shall mean all federal, state, local, or foreign income, payroll, employee withholding, unemployment insurance, social security, sales, use, service, service use, leasing, leasing use, excise, franchise, gross receipts, value added, alternative or add-on minimum, estimated, occupation, real and personal property, stamp, transfer, workers' compensation, severance, windfall profits, environmental (including taxes under Section 59A of the Code), or other tax of the same or of a similar nature, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes or any amendment thereto, and including any schedule or attachment thereto.

"Termination Amount" shall have the meaning ascribed to such term in Section 12.1(b) of this Agreement.

"Transferred Assets" shall have the meaning ascribed to such term in Section 2.1 of this Agreement.

"Transition Period" shall have the meaning ascribed to such term in Section 9.8 of this Agreement.

"Transition Services Agreement" shall have the meaning ascribed to such term in Section 9.5(b) of this Agreement.

"TWA" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Warranty" shall mean all claims and rights against third parties, if and to the extent the same relate to or arise under the Transferred Assets, including, without limitation, all rights under manufacturers' and vendors' warranties, if any, and all rights of recovery, set-offs and credits.

"Worldspan" shall have the meaning ascribed to such term in Section 2.1 of this Agreement.

EXHIBIT B

SALE PROCEDURES ORDER

EXHIBIT C

APPROVAL ORDER

EXHIBIT D

RETENTION AGREEMENTS

KEY EMPLOYEE RETENTION AND SEVERANCE PROGRAM

The objective of the Key Employee Retention and Severance Program (the "Retention Program") is to assist the Debtors in retaining the services of their key employees, support a smooth and successful operation of the on-going business during the restructuring, and meet the Debtors' personnel needs during the sale or reorganization process.

Participants in one or more components of the Retention Program (as set forth more fully below) consist of approximately 100 current employees (collectively, the "Key Employees") deemed critical to the performance of the Debtors' businesses during the Debtors' chapter 11 proceedings and include without limitation (i) the President and Chief Executive Officer, (ii) Executive Vice Presidents, (iii) Senior Vice Presidents, (iv) Other Executive Management Positions, such as certain corporate vice-presidents and (v) Corporate and Subsidiary managers and professionals.

The Retention Program has four components: (i) a "retention" component which provides an incentive for essential management and professional teams to remain with the Debtors, (ii) a "severance" component to create a stronger sense of security through the Chapter 11 process, (iii) a "success" bonus component for those Key Employees who remain with the Debtors through the completion of the sale or confirmation of a plan of reorganization and a reasonable amount of time thereafter, and (iv) a discretionary bonus component to be awarded at the discretion of the President of TWA to encourage the retention of other valuable employees.

I. Definitions

Definitions: As used in the Retention Program, the following terms shall have the following meanings when used herein with initial capital letters:

1.1.1 "Amended Motion" shall mean the Amended Motion for an Order Authorizing the Debtors to Implement a Key Employee Retention and Severance Program and Assume Certain Employment Contracts filed with the Bankruptcy Court on January 19, 2001.

1.1.2 "Bankruptcy Court" shall mean the United States Bankruptcy Court of the District of Delaware.

1.1.3 "Cause" shall mean that a Key Employee has:

(a) been convicted of or engaged in conduct which constitutes a felony, or a misdemeanor involving moral turpitude;

(b) been found by the Board of Directors to have willfully engaged in conduct which is demonstrably and materially injurious to the Debtors or Purchaser;

(c) been found by the Board of Directors to have failed or refused to in any material respect to competently perform his or her duties and responsibilities (after notice and opportunity to cure if such material failure or refusal can be cured);

(d) breached his or her duty of loyalty to, or committed any act of fraud, theft or dishonesty against or involving, the Debtors or Purchaser; or

(e) breached any provision of this Retention Program or associated retention agreement.

1.1.4 "Change of Control Agreement(s)" shall refer to each Key Employees respective change of control agreement with the Debtors.

1.1.5 "Chapter 11 Cases" shall mean all actions, activities, conduct, determinations, events, filings, proceedings and similar transactions of a legal or non-legal nature undertaken by the Debtors pursuant to the voluntary petitions for relief under Chapter 11 of the Bankruptcy Code filed by Debtors with the Bankruptcy Court on January 10, 2001.

1.1.6 "Closing" shall mean consummation of (a) the sale of substantially all of the Debtors assets to a Purchaser or (b) any confirmed plan of reorganization of and for the Debtors.

1.1.7 "Debtors" shall have the same meaning as set forth in the Amended Motion.

1.1.8 "Employment Agreement(s)" shall have the same meaning as set forth in the Amended Motion.

1.1.9 "Petition Date" shall mean January 10, 2001.

1.1.10 "Purchaser" shall mean the successful bidder for the Debtors' assets after an auction and as approved by the Bankruptcy Court or any entity that succeeds to the assets of the Debtors after Closing.

II. Retention Component

The retention component provides incentives to Key Employees to remain with the Debtors throughout all or a substantial portion of the Debtors' reorganization process. Key Employees shall receive a bonus of 15% to 30% of their annual salary (the "Retention Bonus") paid according to the following schedule:

(1) 1/3 of the amount upon the approval of the Retention Program and entry of the attached order with the Bankruptcy Court;

(2) 1/3 of the amount six months after the Petition Date; and

(3) 1/3 of the amount twelve months after the Petition Date.

In order to receive the applicable portion of the Retention Bonus on any such date, the participant must be employed as of that date by the Debtors or a Purchaser; however, the unpaid amount of any Retention Bonus shall be paid on the earlier of (i) termination of the participant without Cause after the Petition Date or (ii) substantial completion of a liquidation provided that, in the event that a liquidation occurs prior to 180 days after the Closing, if a Purchaser offers the Key Employee a comparable position with such Purchaser or a position as a consultant to such Purchaser to facilitate the transition, the Key Employee shall not receive payment upon substantial completion of a liquidation of the Debtors. Instead, such Key Employee shall receive payment no earlier than 180 days after the Closing or the date such participant is terminated without Cause . Key Employees who voluntarily terminate their employment or are terminated for Cause shall not be entitled to receive any remaining portion of their Retention Bonuses under the Retention Program. Upon the death or disability of a Key Employee, any Retention Bonus then outstanding will be paid immediately.

III. Severance Component

The severance component provides security to certain of the Key Employees listed on Attachment A attached hereto, who were employed on the Petition Date pursuant to an Employment Agreement, and who have not submitted their resignation (or whose previously submitted resignation has been rescinded and such rescission has been accepted by the Debtor) on or before such date (each, a "Severance Participant"). Each Severance Participant shall receive a severance payment equal to 2 to 3 times their annual salary (a "Severance Payment"), as set forth in Attachment A, upon the occurrence of the earliest of the following events (subject to the conditions set forth below):

(1) upon Closing, in the event the Severance Participant is terminated without Cause prior to the Closing;

(2) upon termination of the Severance Participant without Cause following the Closing;

(3) 180 days after Closing; or

(4) upon substantial completion of a liquidation of the Debtors following the Closing, provided that, in the event that a liquidation occurs prior to 180 days after the Closing, if a Purchaser offers the Severance Participant a comparable position with such Purchaser or a

position as a consultant to such Purchaser to facilitate the transition, the Severance Participant shall not receive payment upon substantial completion of a liquidation of the Debtors. Instead, such Severance Participant shall receive payment no earlier than 180 days after the Closing or the date such participant is terminated without Cause.

If any Severance Participant eligible to receive a Severance Payment is terminated for Cause or voluntarily terminates his or her employment prior to the Closing or within 180 days thereafter, such Severance Participant shall not be eligible to receive any portion of the Severance Payment.

Upon the death or disability of any Severance Participant, the severance component shall be immediately payable.

Each Severance Participant shall be provided with payments for life, disability, accident and health insurance, for the period and on the terms and conditions set forth in Section 4(c) of his or her respective Change of Control Agreement (notwithstanding the language in 4(c) of the Change of Control Agreements, the Retention Program provides only for payments for the above benefits and a Purchaser will not be responsible for providing coverage for the above benefits under any circumstances) from and after any of the events outlined in Article III of the Retention Program; provided, however, that in no event shall the Debtors' obligation to provide such insurance pursuant to this paragraph exceed $396,000 in the aggregate.

IV. Success Bonus Component

The success bonus component will provide the financial security necessary to retain the Key Employees. A success bonus shall be between 25% and 100% of the Key Employees annual salary (a "Success Bonus") paid according to the following schedule:

(a) 25% upon Closing; and

(b) 75% upon the earlier of (i) 180 days after the Closing; (ii) the date of termination of a Key Employee without Cause following the Closing; (iii) the date of substantial completion of a liquidation of the Debtors, provided that, in the event that a liquidation occurs prior to 180 days after the Closing, if a Key Employee is offered a comparable position with a Purchaser or a consulting position with a Purchaser to facilitate the transition, the Key Employee shall not receive payment upon the date of a substantial completion of a liquidation of the Debtors. Instead such Key Employee shall receive payment no earlier than 180 days after the Closing, or the date such Key Employee is terminated without Cause.

In order to receive the applicable portion of the Success Bonus on any payment date, the Key Employee must be employed on that date by the Debtors or a Purchaser. A pro rata portion of each such payment, however, shall be paid on the Closing if the Key Employee is terminated without Cause after the Petition Date and prior to the Closing. In accordance with the above listed factors and schedule, upon the death or disability of a Key Employee any remaining Success Bonus shall be immediately payable. In the event that a Key Employee voluntarily

terminates his or her employment or is terminated for Cause, any unearned Success Bonus will be forfeited.

V. Discretionary Component

The discretionary component allows the President of TWA to provide an incentive to encourage retention of other valuable employees of the Debtors. The President may, in his discretion, award monetary bonuses to other employees, including Key Employees, of the Debtors from a $500,000 fund established for such purpose. The President shall not allocate any amount from the discretionary fund to himself.

VI. General Provisions

Except as set forth herein, no other provisions, including, without limitation, any change of control provisions set forth in the Change of Control Agreements, Employment Agreements or any other compensation agreement or arrangement shall be binding upon the Debtors or a Purchaser. Each Severance Participant and Key Employee who participates in the Retention Program shall be deemed to have waived all such rights and claims in connection with his or her Change of Control Agreement, Employment Agreement, or any other compensation agreement.

The total cost of the Retention Program shall not exceed $15 million in the aggregate.

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

IN RE:	)	CHAPTER 11
	)	
TRANS WORLD AIRLINES, INC., ET AL.,(1)	)	CASE NO. 01-056(PJW)
	)	(JOINTLY ADMINISTERED)
	)	
DEBTORS.	)	

ORDER (A) AUTHORIZING AND SCHEDULING AN AUCTION AT WHICH THE DEBTORS WILL SOLICIT BIDS FOR ONE OR MORE SALES OF OR OTHER TRANSACTIONS CONCERNING SUBSTANTIALLY ALL OF THEIR ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES; (B) APPROVING PROCEDURES FOR THE SUBMISSION OF COMPETING OFFERS; (C) APPROVING CERTAIN TERMINATION RIGHTS, EXPENSE REIMBURSEMENT AND OTHER BIDDING RIGHTS PROVISIONS; (D) SCHEDULING A HEARING TO CONSIDER APPROVAL OF SUCH TRANSACTION; AND (E) APPROVING THE FORM AND MANNER OF NOTICE OF THE TRANSACTIONS AND COMPETING OFFER PROCEDURES PURSUANT TO FED. R. BANKR. PROC. 2002

A hearing having been held on January 27, 2001 (the "Procedures Hearing") to consider the motion, dated January 10, 2001 (the "Procedures Motion"), of the above captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (a) authorizing and scheduling an auction at which the Debtors will solicit bids for the sale of all or substantially all of their assets (the "Transferred Assets"), free and clear of liens, claims, and encumbrances pursuant to an Asset Purchase Agreement, dated as of January 9, 2001, between American Airlines, Inc. ("American") and the Debtors as modified during the course of the Procedures Hearing, by this Order and by a separate amendment incorporating changes agreed to

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(1) THE DEBTORS ARE THE FOLLOWING ENTITIES: TRANS WORLD AIRLINES, INC., AMBASSADOR FUEL CORPORATION, LAX HOLDING COMPANY, INC., MEGA ADVERTISING INC., NORTHWEST 112TH STREET CORPORATION, THE TWA AMBASSADOR CLUB, INC., TRANS WORLD COMPUTER SERVICES, INC., TRANSCONTINENTAL & WESTERN AIR, INC., TWA AVIATION, INC., TWA GROUP, INC., TWA STANDARDS & CONTROLS, INC., TWA STOCK HOLDING COMPANY, TWA-D.C. GATE COMPANY, INC., TWA-LAX GATE COMPANY, INC., TWA LOGAN GATE CO., INC., TWA-NY/NJ GATE COMPANY, INC., TWA-OMNIBUS GATE COMPANY, INC., TWA-SAN FRANCISCO GATE COMPANY, INC., TWA-HANGAR 12 HOLDING COMPANY, INC., OZARK GROUP, INC., TWA NIPPON, INC., TWA EMPLOYEE SERVICES, INC., TWA GETAWAY VACATIONS, INC., TRANS WORLD EXPRESS, INC., INTERNATIONAL AVIATION SECURITY INC., GETAWAY MANAGEMENT SERVICES, INC., THE GETAWAY GROUP (U.K.) INC.

by American at the Procedure Hearing (the "Agreement"); (b) approving procedures for the submission of competing offers to acquire the Transferred Assets or offers of other Alternative Transactions (as defined below)(the "Auction Procedures"); (c) approving certain termination rights, expense reimbursement and other bidding rights provisions; (d) scheduling a hearing to consider approval of such sale or other transaction (the "Transaction Hearing"); and (e) approving the form and manner of notice of the Auction Procedures and the Transaction Hearing pursuant to Fed. R. Bankr. Proc. 2002, all as more fully described in the Procedures Motion and as modified during the course of the Procedures Hearing and by this Order, and due and proper notice of the Procedures Motion having been given; and it appearing that no other or further notice need be given; and the Court having jurisdiction to consider the Procedures Motion and the relief requested therein in accordance with 28 U.S.C. Sections 157(b) and 1334; and upon consideration of the Procedures Motion, and the responses and objections thereto, and the record of the Procedures Hearing, and after due deliberation and sufficient cause appearing therefor, it is hereby

FOUND AND DETERMINED (2) THAT:

A. the Debtors have articulated good and sufficient reasons for granting the Procedures Motion, as modified, and for approval of the Notice of Auction (defined herein) and the Auction Procedures; and

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(2) Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052. Statements made by the Court from the bench at the hearing shall constitute additional conclusions of law and findings of fact as appropriate.

B. the Auction Procedures in this Order set forth the process for the submission and consideration of competing offers for the Transferred Assets or the Alternative Transactions (as defined below).

NOW, THEREFORE, IT IS HEREBY:

ORDERED that the Procedures Motion as modified at the Procedures Meeting and by this Order is granted; and it is further

ORDERED that the following procedures relating to the submission and consideration of competing offers (an "Alternative Transaction") are hereby approved:

A. On or before February 6, 2001, American shall, in good faith, establish a reasonable value (the "Worldspan Allocation") not to exceed $200,000,000 to be allocated to the cash portion of the Purchase Price, as defined in the Agreement, for the Debtors' interest in Worldspan L.P., TWA Stock Holding Company and Trans World FARS, Inc. (collectively, the "Worldspan Interest"). The Debtors shall promptly file with the Court a statement setting forth the Worldspan Allocation.

B. The Debtors shall provide copies of this Procedures Order, the Procedures Motion and a notice of auction containing, among other things, the competitive bidding procedures set forth herein and substantially in the form of Exhibit "A" hereto (the "Notice of Auction"), a copy of the Agreement and a statement of the Worldspan Allocation (a) to those persons who were contacted by the Debtors financial advisor, Rothschild Inc. ("Rothschild"), or who contacted or were contacted by Rothschild or the Debtors during the prepetition marketing process, in each case with respect to a potential sale of the Transferred Assets and (b) to all other

prospective offerors and parties in interest upon written request to the Debtors.

C. An offer for an Alternative Transaction may be an offer to acquire (a) all of the Transferred Assets, (b) solely the Worldspan Interest, or (c) the Transferred Assets excluding the Worldspan Interest (the "Non-Worldspan Assets"), and such offer or offers may be submitted singly or jointly with other offers, and also can be an offer to propose a plan of reorganization (liquidation) for all (but not less than all) of the Debtors. Unit bidding will not be permitted, unless such bids, when taken together, are bids for all of the Transferred Assets.

D. Under no circumstances shall American be required to purchase the Worldspan Interest if it is not the prevailing Auction bidder for the Non-Worldspan Assets. If American is ultimately the prevailing bidder for the Non-Worldspan Assets, but not the Worldspan Interest, the cash portion of the Purchase Price shall be reduced by the Worldspan Allocation. A sale solely of the Worldspan Interest to any party shall not entitle American to receive the Termination Amount (as defined in Section 12.1 of the Agreement) or the Bankruptcy Termination Amount (as defined in Section 12.1 of the Agreement), as such Bankruptcy Termination Amount is amended in the next sentence, or any portion thereof. the Bankruptcy Termination Amount is hereby reduced from $65,000,000 (plus expenses up to $10,000,000) to $55,000,000 (plus expenses up to $10,000,000).

E. Upon request to the Debtors by a prospective offeror, the Debtors shall, upon execution by such prospective offeror of a confidentiality agreement in form and substance reasonably satisfactory to the Debtors, American, and the Creditors' Committee (as defined herein), and upon delivery of evidence establishing to the Debtors' reasonable satisfaction such prospective offeror's financial capability to timely consummate its, or its portion of a, proposed

Alternative Transaction, provide such person (a "Prospective Offeror") with access to relevant business and financial information that will enable such person to evaluate the Debtors' assets and liabilities for the purpose of submitting a competing offer for an Alternative Transaction. Prospective Offerors shall have access to the same due diligence information from the Debtors that the Debtors have made available to American, and due diligence examinations for all Prospective Offerors shall proceed simultaneously. The Debtors shall promptly provide American and the Statutory Committee of Unsecured Creditors (the "Creditors' Committee") with the name of each Prospective Offeror. American shall provide each Prospective Offeror with copies of environmental studies and reports it has obtained.

F. Within 15 days after delivery by the Debtors to American of all disclosure schedules provided for under the Agreement and accepted by American pursuant to Section 1.2 of the Agreement, as well as all other requested due diligence materials, American shall deliver notice to the Debtors as to which contracts and/or liabilities (including, without limitation, aircraft leases, capital leases, and other obligations) American will assume at closing, and American's due diligence conditions under the Agreement, including without limitation, the conditions relating to environmental matters, shall terminate (such actions by American are hereinafter referred to as "Going Firm"); provided, however, that with respect to disclosure schedules and other due diligence provided by the Debtors to American on or before February 12, 2001. If American makes "follow-up" requests regarding such disclosure schedules and due diligence requests and such follow-up requests are complied with on or before February 27, 2001, then, prior to the Auction, American shall Go Firm concerning due diligence conditions, contracts and/or liabilities relating to such follow-up requests. Once American "Goes Firm," its

due diligence periods and right to terminate the Agreement based on any and all due diligence conditions shall be deemed to have concluded; provided that all other conditions precedent set forth in Section 12.3(e)(iv) shall remain in effect. American shall not, under any condition, be entitled to recover any Termination Payment or the Bankruptcy Termination Amount unless and until it has "Gone Firm." On the same day the Debtors receive American's Going Firm notice, the Debtors will deliver copies of such notice to all Prospective Offerors and to the Creditors' Committee.

G. To be considered, each comparing offer for an Alternative Transaction shall remain open and be irrevocable in accordance with its terms through the Transaction Hearing, and, if it is identified as the Final Accepted Offer (as defined below), it shall remain open and irrevocable through the date on which all applicable regulatory approvals of its offer are obtained and shall:

(i) be made by a person or persons satisfying the conditions described in this Order to qualify as a competing bidder (a "Competing Bidder");

(ii) be submitted in a writing signed by the Competing Bidder and contain (A) a representation that the Competing Bidder will agree to all terms and conditions set forth in the Agreement other than matters relating to bidding provisions, (B) a mark-up of the Agreement indicating the specific changes to the Agreement that the Competing Bidder requires, or (C) with regard to a Chapter 11 plan of reorganization proposed by the Competing Bidder, a separate form of agreement which better reflects the Alternative Transaction;

(iii) (A) for the Debtors' review only, provide the Competing Bidder's

draft submissions relating to the approval of the Competing Bidder's purchase of the Transferred Assets by the Department of Justice in accordance with Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, if required to consummate the transaction, (B) represent that the Competing Bidder(s) is/are prepared to immediately initiate all actions necessary to obtain all other applicable regulatory approvals for the Alternative Transaction, and (C) provide its good faith estimate of the time within which such approvals will be obtained;

(iv) not be considered to be a higher or better offer unless, at a minimum, such offer or offers (A) provides/provide for aggregate considerations to the Debtors' estates or at least $75,000,000 in excess of the Purchase Price (as defined in Section 4.1 of the Agreement) to be paid by American under the Agreement, or to the extent such offer is only for the Worldspan Interest, such offer provides for consideration to the Debtors' estates at least ten percent (10%) greater than the Worldspan Allocation, and (B) is not subject to a condition based on the outcome of due diligence or similar review or for procurement of financing or funding of such financing,

(v) include a good faith deposit of $50,000,000 in cash or in other form of immediately available U.S. funds (the "Initial Deposit") and a commitment to provide, in the event such offer ultimately is determined by the Debtors, in consultation with the Creditors' Committee, to be the Final Accepted Offer (as defined below), a further deposit in cash or in other form of immediately available U.S. funds in the amount sufficient to bring the total deposit up to the

amount that is equal to $50,000,000 plus 10% of the aggregate value of such Final Accepted Offer (as defined below) other than indebtedness assumed pursuant to such offer (the "Full Deposit"), within one business day after the Debtors notify the Competing Bidder(s) that its/their offer(s) has/have been determined to be the Final Accepted Offer (as defined below); and

(vi) with respect to an offer for the Worldspan Interest, include a good faith deposit in cash or in other form of immediately available U.S. funds equal to 10% of the aggregate value of such offer (the "Worldspan Initial Deposit") and a commitment to provide, in the event such offer ultimately is determined by the Debtors, in consultation with the Creditors' Committee, is to be part of the Final Accepted Offer (as defined below), a further deposit in cash or in other form of immediately available U.S. funds in the amount sufficient to bring the total deposit up to the amount that is equal to 10% of the aggregate value of such portion of the Final Accepted Offer (as defined below) allocated to the Worldspan Interest (the "Worldspan Full Deposit") within one business day after the Debtors notify the Competing Bidder(s) that its/their offer(s) has been determined to be part of the Final Accepted Offer (as defined below); and

(vii) be submitted on or before 4:00 p.m. prevailing Eastern time on February 28, 2001, by (A) delivering the complete competing offer(s) for Alternative Transaction(s) together with the Initial Deposit (or, if applicable, the Worldspan Initial Deposit) to the Debtors; (B) delivering a complete copy of the competing offer(s) to the Debtors and their co-counsel, Rothschild, American and

its co-counsel, and the Creditors' Committee's counsel and financial advisor

Loeb Partners, at the following addresses:

to the Debtors:

TRANS WORLD AIRLINES, INC.
One City Centre
515 North 6th Street
St. Louis, Missouri 63101
Attention: Kate Soled, Esquire
Telephone: (312) 589-3261
Facsimile: (314) 589-3461

to co-counsel for the Debtors:

PACHULSKI STANG, ZIEHL, YOUNG & JONES
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705
Attention: Laura Davis Jones, Esquire
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

-and-

KIRKLAND & ELLIS
200 East Randolph Drive
Chicago, Illinois 60601
Attention: James H.M. Sprayregen, Esquire
Telephone: (312) 861-2000
Facsimile: (312) 861-2200

to the Debtors' financial advisor:

ROTHSCHILD INC.
1251 Avenue of the America's
New York, New York 10020
Attention: David Resnick & Noah Roy
Telephone: (212) 403-5413
Facsimile: (212) 403-3500

to American:

AMERICAN AIRLINES INC.
4333 Amon Carter Boulevard
Fort Worth, Texas 76155
Attention: Anne McNamara, Esquire
Facsimile: (817) 967-2501

to co-counsel for American:

RICHARDS, LAYTON & FINGER
One Rodney Square
P.O. Box 551
Wilmington, Delaware 19899
Attention: Mark D. Collins, Esquire
Telephone: (302) 651-7531
Facsimile: (302) 658-6548

-and-

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153
Attention: Alan B. Miller, Esquire
Telephone: (212) 310-8272
Facsimile: (212) 310-8007

and to counsel for the Creditors' Committee:

BLANK, ROME, COMISKY & McCauley LLP
1201 Market Street, Suite 2100
Wilmington, Delaware 19801
Attention: Bonnie Glantz Farell, Esquire
Telephone: 302-425-6423
Facsimile: 302-425-6464

-and-

BLANK, ROME, COMISKY & McCauley LLP
One Logan Square
Philadelphia, Pennsylvania 19103
Attention: Thomas E. Biron, Esquire
Telephone: (215) 569-5562
Facsimile: (215) 569-5522

-and-

BLANK ROME TENZER GREENBLATT LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Attention: Michael Z. Brownstein, Esquire
Telephone: (212) 885-5505
Facsimile: (212) 885-5002

and to the Creditors' Committee financial advisor

LOEB PARTNERS CORPORATION
61 Broadway, 24th Floor
New York, New York 10006
Attention: Mr. Harvey Tepner
Telephone: (212) 483-7086
Facsimile: (212) 574-2071

and (C) filing a copy of the competing offer(s) with the Court.

H. Upon receipt of a competing offer that satisfies all of the required terms and conditions set forth herein (a "Conforming Competing Bid"), the Debtors and the Creditors' Committee, in their discretion, may communicate with such Competing Bidder prior to the Auction, and such Competing Bidder shall provide to the Debtors and the Creditors' Committee within one business day after the Debtors' or the Creditors' Committee's request therefor any information reasonably required by the Debtors or the Creditors' Committee in connection with the Debtors' and the Creditors' Committee's evaluation of such Conforming Competing Bid.

I. Prior to the Auction, the Debtors shall consult with the Creditors' Committee in evaluating American's offer, as embodied in the Agreement, and any Conforming Competing Bids they have received, and the Debtors shall select the offer or offers that the Debtors determine to be the highest or best offer or offers for the Transferred Assets or

Alternative Transaction for the Debtors and their estates (the "Initial Accepted Offer"). Copies of the Initial Accepted Offer shall be delivered to American and to all Competing Bidders.

J. On March 5, 2001 at 10:00 a.m. prevailing Eastern Time, the Debtors shall conduct an Auction at the offices of Kirkland & Ellis, 153 East 53rd Street, Suite 3900, New York, NY 10022, on invitation to American and each Competing Bidder that has made a timely Conforming Competing Bid. The only persons who will be permitted to bid at the Auction are American and those that have made Conforming Competing Bids, and each party bidding at the Auction shall be entitled to learn the terms and conditions of the bids of all other bidders as such bids are made. The Initial Accepted Offer, or any further offer submitted at such Auction by American or a Competing Bidder, that the Debtors, in consultation with the Creditors' Committee, determine to be the highest or best offer for the Transferred Assets or an Alternative Transaction for the Debtors and their estates (the "Final Accepted Offer"), shall be submitted for approval by the Court. Within one business day after the Debtors and the Committee notify the party/parties submitting the Final Accepted Offer (the "Successful Offeror(s)") that its/their offer(s) has been determined by the Debtors, in consultation with the Committee, to be the Final Accepted Offer, the Successful Offeror(s), if other than American, shall deliver any unpaid portion of the Full Deposit (and/or, if applicable, the Worldspan Full Deposit) to the Debtors. The Debtors shall promptly distribute the Final Accepted Offer to American, to the Creditors' Committee, and to all persons who have objections or other responses in connection with the Sale Motion or the Transaction Hearing.

K. In reaching their determination of the Initial Accepted Offer and the Final Accepted Offer, the Debtors, in consultation with the Creditors' Committee, shall be guided by,

but need not strictly adhere to, the concept of a Superior Proposal as set forth in the Agreement. Further, the Debtors and the Creditors' Committee are permitted to discuss in private with Competing Bidders their offers for an Alternative Transaction.

L. Each Initial Deposit and Remaining Deposit received by the Debtors shall be maintained in an interest-bearing account in accordance with the requirements of 11 U.S.C. Section 345(b) and be subject to the jurisdiction of the Court.

M. The Full Deposit (and/or the Worldspan Full Deposit) shall be applied by the Debtors against the purchase price to be paid by the Successful Offeror or Offerors at the closing of the transaction approved by the Court, and in the event: (a) a Successful Offeror(s) other than American does not consummate its transaction by reason of a breach of any of the terms of a Final Accepted Offer with the Debtors, the Full Deposit (and/or, if applicable, this Worldspan Full Deposit), together with any interest paid therein, shall be retained by the Debtors; and (b) American does not consummate its transaction by reason of its breach of terms of the Agreement, American shall forego repayment of a portion of the debtor-in-possession financing of the Debtors provided by American in an amount equal to the greater of $50,000,000 or 10% of the cash portion of its bid (the "American Deposit"), or if no remaining balance is owed to American on the financing, American shall pay the American Deposit to the Debtors.

N. In the event that American shall make the Final Accepted Offer for the Transferred Assets or the Non-Worldspan Assets, then $4,000,000 of the facility fee paid to American in connection with its debtor-in-possession financing of the Debtors shall be returned and refunded to the Debtors.

O. Promptly following the conclusion of the Transaction Hearing, the

Debtors shall return to each unsuccessful Competing Bidder, its Initial Deposit, together with any interest paid thereon, submitted by such unsuccessful Competing Bidder(s).

P. If there is competitive bidding at the Auction, overbids other than the Initial Overbid of $75,000,000 shall be in an amount of at least $5,000,000. No matching bids will be permitted.

Q. American shall have the right at the Auction to credit bid the amount of the Bankruptcy Termination Amount with respect to any offer American may make at the Auction.

R. The Full Deposit shall be applied by the Debtors against the purchase price to be paid by the Successful Offeror(s) at the closing of the transaction approved by the Court. In the event the Successful Offeror(s) do/does not consummate the transaction by reason of a breach of the terms of its/their agreement with the Debtors, the Full Deposit (and/or, if applicable, the Worldspan Interest), together with any interest paid thereon, shall be retained by the Debtors or, in the event American is the Successful Offeror, and does not consummate its Transaction as a result of its breach of the Agreement, the provisions for default contained above shall control; and

IT IS FURTHER ORDERED that the Notice of Auction, providing notice of, among other things, this Order, the Sale Motion, the Transaction Hearing, the Auction, and the Auction Procedures, as modified by this Order, in the form of Exhibit A attached hereto, shall be provided by the Debtors to all creditors, indenture trustees, and equity holders (by publication only) (a) by first class mail deposited as soon as practicable after the date of this Order and (b) as soon as practicable after the date for this Order by publication (in summary form) in The Wall

Street Journal (National Edition), and such notice shall constitute good and sufficient notice of this Order, the Auction, the Auction Procedures, the Sale Motion, the Transaction Hearing and all proceedings to be held thereon; and it is further

ORDERED, that the Debtors shall place copies of this Order, the Notice of Auction and all other documents described in the proceeding paragraph in their website, and it is further

ORDERED that Article 12 of the Agreement is hereby approved and in the event that the obligation of the Debtors to pay to American the Termination Amount of the Bankruptcy Termination Amount arises, such obligations shall constitute an administrative expense claim under Sections 503(b) and 507(a)(1) of the Bankruptcy Code and shall be payable in accordance with the provisions of Article 12 of the Agreement without further order of the Court; and it is further

ORDERED that objections, if any, to the Sale Motion shall be in writing, shall confirm to the Federal Rules of Bankruptcy Procedure and local rules and orders of the Court, shall set forth the nature of the objectant's claims against or interests in the Debtors' estates, the basis for the objections and the specific grounds therefor, and shall be filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, Wilmington, Delaware 19801 and served so as to be received on or before 4:00 p.m. prevailing Eastern Time on February 28, 2001 by the Office of the United States Trustee for the District of Delaware, co-counsel to the Debtors, co-counsel to American, and counsel to the Creditors' Committee, and any entity objecting to the Sale Motion that has not complied with the requirements of this paragraph may not be heard at the Transaction Hearings, and it is further

ORDERED that nothing contained herein shall be deemed to deprive any party of the right to object timely to the Sale Motion, all of which rights were expressly reserved at the Procedures Hearing and are expressly reserved by the Order; and it is further

ORDERED that replies, if any, to objections and responses to the Sale Motion shall be filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, Wilmington, Delaware 19801 and served so as to be received on or before 4:00 p.m. prevailing Eastern Time on March 5, 2001 by the Office of the United States Trustee for the District of Delaware, counsel to the objecting parties, co-counsel to the Debtors, co-counsel to American and counsel to the Creditors' Committee; and it is further

ORDERED that the Transaction Hearing to consider the relief requested in the Sale Motion and to consider whether the Final Accepted Order is to be approved by the Court shall be held before the Court on March 9, 2001 at 9:30 a.m. prevailing Eastern Time; and it is further

ORDERED that the Debtors (with the consent of American and the Creditors' Committee or by order of this Court) may extend the deadlines set forth in these Auction Procedures, may adjourn the Auction by announcement at the Auction, and/or may seek adjournment of the Transaction Hearing by announcement in open court, all without further notice (in each case, subject to the terms and conditions of the Agreement); and it is further

ORDERED, that this Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order.

Dated: February 7, 2001

/s/ SUE L. ROBINSON

The Honorable Sue L. Robinson

EXHIBIT C

IN THE UNITED STATES BANKRUPTCY
COURT FOR THE DISTRICT OF DELAWARE

IN RE:	)	CHAPTER 11
	)	
TRANS WORLD AIRLINES, INC., ET AL.,(1)	)	CASE NO. 01-0___ (___)
	)	(JOINTLY ADMINISTERED)
	)	
DEBTORS.	)	

ORDER PURSUANT TO SECTIONS 105(a), 363, 365, AND 1146(c) OF THE BANKRUPTCY CODE (i) AUTHORIZING THE DEBTORS' SALE OF SUBSTANTIALLY ALL OF THEIR ASSETS, FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES; (ii) APPROVING AN ASSET PURCHASE AGREEMENT; AND (iii) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH SUCH SALE

A HEARING HAVING BEEN HELD ON JANUARY 9, 2001 (THE "HEARING"), TO CONSIDER THE MOTION, DATED JANUARY 9, 2001 (THE "MOTION") OF THE ABOVE CAPTIONED DEBTORS AND DEBTORS IN POSSESSION (COLLECTIVELY, THE

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(1) THE DEBTORS ARE THE FOLLOWING ENTITIES: TRANS WORLD AIRLINES, INC., AMBASSADOR FUEL CORPORATION, LAX HOLDING COMPANY, INC., MEGA ADVERTISING INC., NORTHWEST 112TH STREET CORPORATION, THE TWA AMBASSADOR CLUB, INC., TRANS WORLD COMPUTER SERVICES, INC., TRANSCONTINENTAL & WESTERN AIR, INC., TWA AVIATION, INC., TWA GROUP, INC., TWA STANDARDS & CONTROLS, INC., TWA STOCK HOLDING COMPANY, TWA-D.C. GATE COMPANY, INC., TWA-LAX GATE COMPANY, INC., TWA LOGAN GATE CO., INC., TWA-NY/NJ GATE COMPANY, INC., TWA-OMNIBUS GATE COMPANY, INC., TWA-SAN FRANCISCO GATE COMPANY, INC., TWA-HANGAR 12 HOLDING COMPANY, INC., OZARK GROUP, INC., TWA NIPPON, INC., TWA EMPLOYEE SERVICES, INC, TWA GETAWAY VACATIONS, INC., TRANS WORLD EXPRESS, INC., INTERNATIONAL AVIATION SECURITY INC., GETAWAY MANAGEMENT SERVICES, INC., THE GETAWAY GROUP (U.K.) INC.

"DEBTORS") FOR AN ORDER PURSUANT TO SECTIONS 105(a), 363, 365, AND 1146(c) OF TITLE 11 OF THE UNITED STATES CODE (THE "BANKRUPTCY CODE") (i) AUTHORIZING THE DEBTORS' SALE OF SUBSTANTIALLY ALL OF THEIR ASSETS (THE "TRANSFERRED ASSETS"), IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THAT CERTAIN ASSET PURCHASE AGREEMENT, DATED AS OF JANUARY, 2001, BETWEEN THE DEBTORS, AS SELLERS ("SELLERS"), AND AMERICAN AIRLINES, INC., AS PURCHASER ("PURCHASER"), A COPY OF WHICH IS ANNEXED TO THE MOTION AS EXHIBIT A (THE "AGREEMENT"), SUBJECT TO HIGHER AND BETTER OFFERS, FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES OTHER THAN THE LIENS CREATED BY PURCHASER (COLLECTIVELY, "LIENS"), WITH SUCH LIENS TO TRANSFER, AFFIX, AND ATTACH TO THE PROCEEDS OF SUCH SALE, ALL AS MORE FULLY SET FORTH IN THE MOTION; (ii) APPROVING THE AGREEMENT; AND (iii) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES (THE "ASSUMED CONTRACTS") IN CONNECTION WITH SUCH SALE; AND THE COURT HAVING ENTERED AN ORDER, DATED FEBRUARY 7, 2001 (THE "SALE PROCEDURES ORDER"), AUTHORIZING THE DEBTORS TO CONDUCT, AND APPROVING THE TERMS AND CONDITIONS OF, AN AUCTION (THE "AUCTION") TO CONSIDER HIGHER AND BETTER OFFERS FOR THE TRANSFERRED ASSETS (AN "ALTERNATIVE TRANSACTION"), ESTABLISHING DATES FOR THE AUCTION AND THE HEARING, AND APPROVING THE PROCEDURES FOR THE SUBMISSION OF COMPETING OFFERS, THE FORM AND MANNER OF NOTICE OF THE AUCTION, THE MOTION, AND THE HEARING, AND THE PROPOSED BANKRUPTCY TERMINATION PAYMENT SET FORTH IN ARTICLE XII OF THE

AGREEMENT; AND THE COURT HAVING JURISDICTION TO CONSIDER THE MOTION AND THE RELIEF REQUESTED THEREIN IN ACCORDANCE WITH 28 U.S.C. SECTIONS 157(b)(2) AND 1334; AND CONSIDERATION OF THE MOTION, THE RELIEF REQUESTED THEREIN, AND THE RESPONSES THERETO, IF ANY, BEING A CORE PROCEEDING IN ACCORDANCE WITH 28 U.S.C. SECTION 157(b); AND THE APPEARANCES OF ALL INTERESTED PARTIES AND ALL RESPONSES AND OBJECTIONS TO THE MOTION, IF ANY, HAVING BEEN DULY NOTED IN THE RECORD OF THE HEARING; AND UPON THE RECORD OF THE HEARING, THE MOTION, SAID RESPONSES AND OBJECTIONS, IF ANY; AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFOR, THE COURT HEREBY FINDS, DETERMINES, AND CONCLUDES THAT:

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Fed. R. Bankr. Proc. 7052, made applicable to this proceeding pursuant to Fed. R. Bankr. Proc. 9014.

2. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of act, they are adopted as such.

3. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

4. Notice of the Motion, the Auction, and the Hearing has been given in accordance with Fed. R. Bankr. Proc. 2002 and 6004, the Sale Procedures Order, and the Agreement. The foregoing notice constitutes good and sufficient notice of the Motion, the

Auction, and the Hearing, and no other or further notice of the Motion, the Auction, the Hearing or the entry of this Order need be given.

5. A reasonable opportunity has been afforded any interested party to make a higher and better offer for the Transferred Assets.

6. Emergent circumstances and sound business reasons exist for Sellers' sale of the Transferred Assets pursuant to the Agreement. Entry into the Agreement and consummation of the transactions contemplated thereby constitute the exercise by the Debtors of sound business judgment and such acts are in the best interests of the Debtors, their estates, and creditors.

7. The Agreement represents the highest and best offer received by Sellers for the Transferred Assets.

8. The sale consideration to be realized by Sellers pursuant to the Agreement is fair and reasonable.

9. The transactions contemplated by the Agreement are undertaken by Sellers and Purchaser at arm's length, without collusion and in good faith within the meaning of section 363(m) of the Bankruptcy Code, and such parties are entitled to the protections of section 363(m) of the Bankruptcy Code.

10. A sale of the Transferred Assets other than one free and clear of Liens, claims, and encumbrances would impact adversely on Sellers' bankruptcy estates and would be of substantially less benefit to the estates of the Sellers.

11. The decision to assume and assign the Assumed Contracts is based on the reasonable exercise of the Debtors' business judgment and is in the best interests of the Debtors' estates.

12. Purchaser has demonstrated adequate assurance of future performance with respect to the Assumed Contracts.

For all of the foregoing and after due deliberation, the Court ORDERS, ADJUDGES, AND DECREES THAT:

1. The Motion, the Agreement and the transactions contemplated thereby are hereby approved.

2. Pursuant to section 363(b) of the Bankruptcy Code, Sellers are authorized to sell the Transferred Assets to Purchaser upon the terms and subject to the conditions set forth in the Agreement.

3. Each of Sellers and Purchaser is hereby authorized to take all actions and execute all documents and instruments that Sellers and Purchaser deem necessary or appropriate to implement and effectuate the transactions contemplated by the Agreement.

4. The sale of the Transferred Assets to Purchaser shall be free and clear of Liens (other than Liens created by Purchaser) pursuant to section 363(f) of the Bankruptcy Code whatsoever known or unknown including, but not limited to, any of the Sellers' creditors, vendors, suppliers, employees or lessors and that Purchaser shall not be liable in any way (as successor entity or otherwise) for any claims that any of the foregoing or any other third party may have against any of the Sellers, provided further that, with regard to employees' claims, the free and clear delivery of the Assets shall include, but not be limited to, all asserted or unasserted, known or unknown, employment related claims, payroll taxes, employee contracts, employee seniority accrued while employed with any of the Sellers and successorship liability, with any and all valid and enforceable Liens thereon, including those asserted by Sellers' secured lenders, to be

transferred, affixed, and attached to the net proceeds of such sale, with the same validity, priority, force, and effect as such Liens had upon the Transferred Assets immediately prior to the Closing.

5. Subject to the payment by Purchaser to Sellers pursuant to sections 363 and 365(a) of the Bankruptcy Code of the consideration provided for in the Agreement, the sale of the Transferred Assets by Sellers to Purchaser shall constitute a legal, valid, and effective transfer of the Transferred Assets and shall vest Purchaser with all right, title, and interest of Sellers in and to the Transferred Assets free and clear of all Liens pursuant to section 363(f) of the Bankruptcy Code, effective as of the Closing.

6. The sale of the Transferred Assets to Purchaser under the Agreement will constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the States of New York and Delaware.

7. Purchaser is hereby granted the protections provided to a good-faith purchaser under section 363(m) of the Bankruptcy Code.

8. All amounts to be paid to Purchaser pursuant to the Agreement shall constitute administrative expenses under sections 503(b) and 507(a)(1) of the Bankruptcy Code and shall be immediately payable if and when any such obligations of Sellers arise under the Agreement, without any further order of the Court; provided, however, that Sellers shall have the right to contest the validity and amount of such asserted claims.

9. Pursuant to sections 105(a) and 363 of the Bankruptcy Code, all Persons are hereby enjoined from taking any action against Purchaser or Purchaser's Affiliates (as they existed immediately prior to the Closing) to recover any claim which such Person has solely against Sellers or Sellers' Affiliates (as they exist immediately following the Closing).

10. Sellers are authorized to assign and transfer to Purchaser all of Sellers' rights, title and interest (including common law rights) to all of Sellers' intangible property to be assigned and transferred to Purchaser under the Agreement.

11. All objections and responses concerning the Sale Motion are resolved in accordance with the terms of this Order and as set forth in the record of the Hearing and to the extent any such objection or response was not otherwise withdrawn, waived, or settled, they are and all reservations and rights therein, are overruled and denied.

12. Purchaser has not assumed or otherwise become obligated for any of Sellers' liabilities other than as set forth in Section 3.1 of the Agreement, and Purchaser has not purchased any of the Excluded Assets. Consequently, all holders of Retained Liabilities against the Sellers are hereby enjoined from asserting or prosecuting any Claim or cause of action against Purchaser or the Purchased Assets to recover on account of any liabilities other than Assumed Liabilities pursuant to Section 2.2 of the Asset Purchase Agreement or other than pursuant to this Order. All persons having any interest in the Excluded Assets are hereby enjoined from asserting or prosecuting any claim or cause of action against Purchaser for any liability associated with the Excluded Assets.

13. The assumption and assignment of the Assumed Contracts is approved pursuant to section 365 of the Bankruptcy Code.

14. The Sellers shall pay any cure amounts payable to the other parties to the Assumed Contracts in accordance with section 365 of the Bankruptcy Code and the Agreement. Purchaser shall assume obligations of the Sellers arising from and after the Closing under the Assumed Contracts and shall not assume any obligation other than the Assumed Contracts

accruing thereunder prior to the Closing. Upon assumption and assignment of any Assumed Contract, the Sellers and the estates shall be relieved of any liability for breach of such Assumed Contract occurring after such assignment pursuant to section 365(k) of the Bankruptcy Code. Notwithstanding the foregoing, Sellers shall remain obligated to reimburse Purchaser for any amounts payable under any Assumed Contract after the Closing.

15. Purchaser has provided adequate assurance of its future performance under the Assumed Contracts and the proposed assumption and assignment of the Assumed Contracts satisfies the requirements of the Bankruptcy Code including, inter alia, sections 365(b)(1) and (3) and 365(f) to the extent applicable.

16. The Assumed Contracts are valid and binding, in full force and effect, and enforceable in accordance with their terms.

17. There shall be no rent accelerations, assignment fees, increases, or any other fees charged to Purchaser as a result of the assignment of the Assumed Contracts, and the validity of the assumption, assignment and sale to Purchaser shall not be affected by any dispute between any Seller and another party to an Assumed Contract regarding the payment of the "cure" amount.

18. All parties to the Assumed Contracts are forever barred and enjoined from raising or asserting against Purchaser any assignment fee, default or breach under, or any claim or pecuniary loss, or condition to assignment, arising under or related to the Assumed Contracts existing as of the Closing or arising by reason of the Closing.

19. The Assumed Contracts, upon assignment to Purchaser, shall be deemed valid and binding, in full force and effect in accordance with their terms, subject to the provisions of

this Order, and, pursuant to section 365(k) of the Bankruptcy Code, Sellers shall be relieved from any further liability, except for any cure obligations as herein provided.

20. Pursuant to sections 363(b), 363(f) 365(a), 365(b) and 365(f) of the Bankruptcy Code, the assumption, assignment and sale to Purchaser of the Assumed Contracts by the respective Seller thereto shall be effected by this Order.

21. The Assumed Contracts identified in Exhibit ___ annexed hereto, together with any amendments and modification of such Assumed Contracts, constitute the Assumed Contracts that are being assumed by and assigned to Purchaser by the Seller party thereto.

22. Purchaser shall not be liable for any claims of the lessors or contract parties under the Assumed Contracts in respect of any claim or breach of an Assumed Contract that accrued prior to Closing.

23. This Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing.

24. The obligations of Sellers relating to Taxes shall be fulfilled by Sellers.

25. This Court shall retain exclusive jurisdiction through the Bankruptcy Resolution Date to interpret and enforce the provisions of the Agreement, the Sale Procedures Order, and this Order in all respects and further to hear and determine any and all disputes between Sellers and/or Purchaser, as the case may be, and any non-Sellers party to, among other things, any Assumed Contracts concerning, inter alia, Sellers' assumption and assignment thereof to Purchaser under the Agreement; provided, however, that in the event the Court abstains from exercising or declines to exercise such jurisdiction or is without jurisdiction with respect to the Agreement, Sale Procedures Order, or this Order, such abstention, refusal, or lack of jurisdiction

shall have no effect upon, and shall not control, prohibit, or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter.

26. The provisions of this Order are nonseverable and mutually dependent.

27. This Order shall inure to the benefit of Purchaser, Sellers, and their respective successors and assigns, including but not limited to any chapter 11 or chapter 7 trustee that may be appointed in Sellers' cases and shall be binding upon any trustee, party, entity or fiduciary that may be appointed in connection with these cases or any other or further cases involving Sellers, whether under chapter 7 or chapter 11 of the Bankruptcy Code.

28. Pursuant to section 1146(c) of the Bankruptcy Code, the transactions contemplated by the Agreement are determined to be under or in contemplation of a plan to be confirmed under section 1129 of the Bankruptcy Code in that the net proceeds of the sale of the Transferred Assets are essential and required to fund a chapter 11 plan for Sellers, and therefore, are exempt from any transfer, stamp or similar tax or any so-called "bulk-sale" law in all necessary jurisdictions arising as a result of or in connection with Sellers' sale and transfer of the Transferred Assets to Purchaser.

29. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement and this Order.

30. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order and the Agreement.

DATED: _____, 2001

IT IS SO ORDERED:

JUDGE

EXHIBIT 10.89

AMENDMENT NO. 1

TO

AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

This Amendment No. 1 (this "Amendment") is made and entered into as of March 9, 2001, by and between American Airlines, Inc., a Delaware corporation ("AA"), and Trans World Airlines, Inc., a Delaware corporation and debtor-in-possession under Chapter 11 Case No. 01-56 (PJW), jointly administrated, in the United States Bankruptcy Court for the District of Delaware ("TWA").

RECITALS

WHEREAS, AA and TWA are parties to that certain Amended and Restated Asset Purchase Agreement, dated as of February 28, 2001 (the "Agreement");

WHEREAS, Section 13.7 of the Agreement provides that the Agreement may be amended or supplemented at any time as may mutually be determined by AA and TWA to be necessary, desirable or expedient to further the purposes of the Agreement or to clarify the intention of the parties thereto; and

WHEREAS, each of AA and TWA has determined that it is desirable to amend the Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, AA and TWA hereby agree as follows:

1. DEFINED TERMS. All capitalized terms used, but not defined, in this Amendment shall have the meanings given to such terms in the Agreement.

2. SECURITY DEPOSITS. The following words shall be inserted at the end of item 2 on Schedule 2.2:

> and all security deposits relating to Aircraft Leases in existence on the Closing Date

3. PURCHASE PRICE.

(a) Section 4.1 of the Agreement shall be replaced in its entirety with the following:

> In consideration of the conveyance to Purchaser of each Seller's right, title and interest in and to the Transferred Assets and the other rights granted to Purchaser pursuant hereto, and subject to the conditions and in accordance with

terms hereof, at Closing, Purchaser shall (i) assume the Assumed Liabilities and (ii) pay TWA an aggregate of $500,000,000 in cash, subject to adjustments as provided in Section 4.3 and Section 4.4 and including any post-Closing payments made pursuant to Section 4.9 (clauses (i) and (ii), together in the aggregate, are referred to as the "Purchase Price"), any offsets to the Purchase Price pursuant to Section 4.7 and any holdbacks of the Purchase Price pursuant to Section 4.8.

(b) The following section shall be added as Section 4.9 of the Agreement:

4.9 Post-Closing Payments. On the effective date of the confirmation of a Chapter 11 plan for Sellers' estate, Purchaser shall pay to TWA (i) up to $125,000,000 to the extent necessary to pay any claims against Sellers' estate secured by Liens and claims entitled to priority under section 507 of the Bankruptcy Code, (ii) the amount equal to any rebate or credit received by Purchaser from lessors of Leased Aircraft relating to the period of March 12, 2001 to the Closing Date and in respect of the differential in amount of lease payments between (A) the amount of such lease payments in effect on March 12, 2001 and (B) the amount of such lease payments reflected in any amended Aircraft Lease negotiated by Purchaser to be effective on the Closing Date, (iii) a pro rata amount for all unused pre-paid lease payments for Leased Aircraft calculated on a per diem basis from the Closing Date to the end of the applicable pre-payment period and (iv) up to $10,000,000 to the extent Sellers are required to pay any cure amounts to parties who have agreed with Purchaser to waive such cure amounts notwithstanding such agreement.

4. 717 DEBT. The following shall be added as item 7 to Schedule 3.1(c):

7. That certain indebtedness in the aggregate principal amount not to exceed $103,484,157 relating to the following 717 aircraft owned by Sellers: N412TW, N413TW, N415TW and N2414E

5. SECTION 5.4(q). The following words shall be inserted at the end of Section 5.4(q):

; provided, however, that any liabilities and obligations arising directly out of the proceedings set forth on Schedule 2.1(v) shall be excluded from the provisions of this Section 5.4(q)

6. EXHIBIT A. The definition of "Designated Contracts" in Exhibit A shall be amended by inserting the words "solely" after the words "in either case" in clause (A)(ii) of such definition.

7. ENTIRE AGREEMENT. This Amendment and the Agreement, together with the exhibits and schedules thereto, shall constitute the entire understanding and agreement between AA and TWA with regard to the subjects hereof and thereof.

8. NO OTHER MODIFICATION. Except as set forth in this Amendment, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first written above.

AMERICAN AIRLINES, INC.

By: _____

Name: _____

Title: _____

TRANS WORLD AIRLINES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT 10.90

SECURED DEBTOR IN POSSESSION
CREDIT AND SECURITY AGREEMENT

DATED AS OF JANUARY 10, 2001

AMONG

TRANS WORLD AIRLINES INC.,
A DEBTOR AND DEBTOR IN POSSESSION,

AS BORROWER,

AND

THE SUBSIDIARIES OF THE BORROWER PARTY HERETO,
EACH AS A DEBTOR AND A DEBTOR IN POSSESSION,

AS GUARANTORS,

AND

THE LENDERS FROM TIME TO TIME PARTY HERETO

AND

AMR FINANCE, INC.,

AS ADMINISTRATIVE AGENT

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SCHEDULES

EXHIBITS

SECURED DEBTOR IN POSSESSION CREDIT AND SECURITY AGREEMENT dated as of January 10, 2001, among TRANS WORLD AIRLINES, INC., a Delaware corporation, as debtor and debtor in possession under chapter 11 of the Bankruptcy Code (as defined below) (the "Borrower"), certain Subsidiaries (as defined below) of the Borrower listed on the signature pages hereof as Guarantors, as debtors and debtors in possession under chapter 11 of the Bankruptcy Code (the "Guarantors"), the Lenders (as defined below), and AMR FINANCE, INC., a Delaware corporation ("AMR Finance"), as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, on January 10, 2001, (the "Petition Date"), the Borrower, the Guarantors and certain other Subsidiaries of the Borrower each filed a voluntary petition for relief (collectively, the "Cases") under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"); and

WHEREAS, the Borrower, the Guarantors and certain other Subsidiaries of the Borrower are continuing to operate their respective businesses and manage their respective properties as debtors in possession under Sections 1107 and 1108 of the Bankruptcy Code; and

WHEREAS, the Borrower has requested that the Lenders provide a secured term loan and revolving credit facility in order to fund the continued operation of the Borrower's and the Guarantors' businesses as debtors and debtors in possession under the Bankruptcy Code; and

WHEREAS, the Lenders are willing to make available to the Borrower such post-petition loans and other extensions of credit upon the terms and subject to the conditions set forth herein; and

WHEREAS, each of the Guarantors has agreed to guaranty the obligations of the Borrower hereunder and each of the Borrower and the Guarantors has agreed to secure its obligations to the Lenders hereunder with, inter alia, security interests in, and liens on, all of its property and assets, whether real, personal or mixed, tangible or intangible, now existing or hereafter acquired or arising, all as more fully provided herein;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS, INTERPRETATION AND ACCOUNTING TERMS

SECTION 1.1. DEFINED TERMS. As used in this Agreement, the following terms have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Account" has the meaning specified in Article 9 of the UCC, including the Receivables.

"Account Debtor" has the meaning specified in Article 9 of the UCC.

"Additional Pledged Collateral" means all shares of, limited and/or general partnership interests in, and limited liability company interests in, and all securities convertible into, and warrants, options and other rights to purchase or otherwise acquire, stock of, either (i) any Person that, after the date of this Agreement, as a result of any occurrence, becomes a direct Subsidiary of any Grantor or (ii) any issuer of Pledged Stock that are acquired by any Grantor after the date hereof; all certificates or other instruments representing any of the foregoing; all security entitlements of any Grantor in respect of any of the foregoing; all additional indebtedness from time to time owed to any Grantor by any obligor on the Pledged Notes and the instruments evidencing such indebtedness; and all interest, cash, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing. Additional Pledged Collateral may be General Intangibles or Investment Property.

"Administrative Agent" has the meaning set forth in the preamble hereof.

"Advance Percentage" has the meaning set forth in the Receivables Indenture as those Advance Percentages applicable to each Category of Receivables after the occurrence and continuance of a Chapter 11 Case (as defined in the Receivables Indenture), as the same may be adjusted from time to time on one (1) Business Days' prior written notice to the Borrower by the Administrative Agent, in its sole and absolute discretion.

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person, each officer, director, general partner or joint-venturer of such Person, and each Person who is the beneficial owner of five percent (5%) or more of any class of Voting Stock of such Person. For the purposes of this definition, "control" means the possession of the power to direct or cause the direction of management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Secured Debtor In Possession Credit and Security Agreement.

"Aircraft" means collectively each Airframe and each Engine (whether or not such Engine at the date hereof or at any time hereafter is installed on any particular Airframe), as well as the logs and manuals maintained or required to be maintained by or for any Grantor and associated therewith, in respect of which any Grantor may have any right, title or interest from time to time, whether as owner thereof or pursuant to an Aircraft Leasehold or otherwise.

"Aircraft Leasehold" shall mean any lease or other agreement under which any Grantor holds a leasehold interest in aircraft.

"Airframe" means any airframe together with any and all Appliances incorporated or installed in, or attached to, such airframe.

"American" means American Airlines, Inc., a Delaware corporation.

"AMR Finance" has the meaning set forth in the preamble hereof.

"Appliances" means all parts, instruments, appurtenances, accessories, furnishings or other equipment of whatever nature (other than complete Engines but including any engine (other than an Engine) of less than 750 rated takeoff horse power or the equivalent

thereof) which may from time to time be incorporated or installed in, or attached to, any Airframe or Engine.

"Applicable Margin" means 4.00% per annum.

"Applicable Unused Commitment Fee Rate" means 0.50% per annum.

"AR Notes" means those certain 9.8% Airline Receivable Asset Backed Notes due 2001 issued pursuant to the Receivables Indenture.

"AR Termination Date" means that date on which all of the AR Notes have been paid in full.

"Arrangement Fee" has the meaning specified in Section 2.9(b).

"Asset Purchase Agreement" means that certain Asset Purchase Agreement dated of even date herewith by and between Borrower and American.

"Asset Sale" has the meaning specified in Section 8.4.

"Assignee" has the meaning set forth in Section 13.2.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit A.

"Availability Reserves" means, as of two Business Days after the date of written notice of any determination thereof to the Borrower by the Administrative Agent, such amounts as the Administrative Agent may from time to time establish against the Revolving Credit Commitments, in the Administrative Agent's sole discretion, in order either (a) to preserve the value of the Collateral or the Administrative Agent's Lien thereon or (b) to provide for the payment of unanticipated liabilities of any of the Loan Parties arising after the Closing Date.

"Available Credit" means, at any time, an amount equal to (a) the lesser of (i) the Revolving Credit Commitments in effect at such time and (ii) the Borrowing Base at such time, minus (b) the sum of (i) the aggregate Revolving Loans then outstanding at such time and (ii) any Availability Reserves in effect at such time.

"Aviation Act" shall mean Title 49, United States Code, formerly known as the Federal Aviation Act of 1958, as amended from time to time, or any similar legislation of the United States enacted in substitution or replacement thereof.

"Bankruptcy Code" means Title 11, United States Code, as amended from time to time.

"Bankruptcy Court" is defined in the recitals to this Agreement or shall mean any other court having competent jurisdiction over the Cases.

"Base Rate" means, for any period, a fluctuating interest rate per annum as shall be in effect from time to time, which rate per annum shall be equal at all times to the highest of:

(a) the rate of interest announced publicly by Chase in New York, New York, from time to time, as Chase's prime rate (which may not be the best or the lowest rate of interest offered by Chase); and

(b) the sum of (i) 0.5% per annum plus (ii) the Federal Funds Rate.

"Borrower" has the meaning set forth in the preamble hereof.

"Borrowing" means, as applicable, a Revolving Credit Borrowing or a Term Credit Borrowing.

"Borrowing Base" means, on any date of determination, the sum, with respect to each Category of Receivables, of (i) the product of (A) the excess of (I) the aggregate Face Amount of the Receivables of each Obligor in such Category at the end of the Business Day immediately preceding such Business Day over (II) the sum of (x) the aggregate amount by which the aggregate Face Amount of all such Receivables of each Obligor exceeded the Obligor Limit with respect to such Obligor as of such date for the Category of Receivables into which such Receivables fall, (y) the aggregate Face Amount of all such Receivables of each Obligor that were Delinquent Receivables as of the related Month-End Date for the Category of Receivables into which such Receivables fall and (z) the aggregate Face Amount of all such Receivables of each Obligor that were Ineligible Receivables as of such date for the Category of Receivables into which such Receivables fall, and (B) the Advance Percentage with respect to such Category of Receivables, minus (ii) the current Tax Lien Amount (as defined in the Servicing Agreement).

"Borrowing Base Certificate" means a certificate to be executed and delivered from time to time by the Borrower to the Administrative Agent substantially in the form of Exhibit D.

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City or Dallas, Texas.

"Business Plan" means (i) the business plan of the Borrower and its Subsidiaries attached hereto as Exhibit G-1, which contains the forecasted expenditures, revenues and pre-tax income, prepared by the management of the Borrower, and covering the period from January 1, 2001 through December 31, 2001, (ii) the three month forecast in substantially the form of Exhibit G-1, and (iii) the three month daily cash flow forecast in substantially the form of Exhibit G-2, in each case as updated from time to time pursuant to this Agreement.

"Capital Expenditures" means, with respect to any Person for any period, the aggregate of amounts that would be reflected as additions to property, plant or equipment on a consolidated balance sheet of such Person and its Subsidiaries prepared in conformity with GAAP, excluding interest capitalized during construction.

"Capital Lease" means, with respect to any Person, any lease of property by such Person as lessee which would be accounted for as a capital lease on a balance sheet of such Person prepared in conformity with GAAP.

"Capital Lease Obligations" means, with respect to any Person, the capitalized amount of all obligations of such Person or any of its Subsidiaries under Capital Leases, as determined on a consolidated basis in conformity with GAAP.

"Carve-Out" means claims of the following parties for the following amounts: (i) the unpaid fees of the U.S. Trustee or the Clerk of the Bankruptcy Court pursuant to 28 U.S.C. Section 1930(a) and (ii) the aggregate allowed unpaid fees and expenses payable under Sections 330 and 331 of the Bankruptcy Code to professional persons retained pursuant to an order of the Bankruptcy Court by the Borrower, any Subsidiary of the Borrower or any Committee not to exceed $10,000,000, plus any fees and expenses accrued and not yet paid on the date of the relevant Event of Default, in the aggregate; provided, however, that the Carve-Out shall not include, apply to or be available for any fees or expenses incurred by any party, including the Borrower, any Subsidiary of the Borrower or any Committee, in connection with (x) the investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Administrative Agent or the Lenders, including challenging the amount, validity, perfection, priority or enforceability of or asserting any defense, counterclaim or offset to, the Obligations or the security interests and Liens of the Secured Parties in respect thereof or (y) the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against American or its Affiliates, including challenging the validity or enforceability of the Asset Purchase Agreement; and provided further, however, that as long as no Default or Event of Default shall occur and be continuing, the Borrower and each Guarantor shall be permitted to pay compensation and reimbursement of expenses allowed and payable under Sections 330 and 331 of the Bankruptcy Code, as the same may be due and payable, and the same shall not reduce the Carve-Out.

"Cases" has the meaning set forth in the recitals hereof.

"Cash Collateral Account" means any deposit account or Securities Account established by the Administrative Agent in which cash and Cash Equivalents may from time to time be on deposit or held therein as provided herein.

"Cash Equivalents" means (a) securities issued or fully guaranteed or insured by the United States government or any agency thereof, (b) certificates of deposit, eurodollar time deposits, overnight bank deposits and bankers' acceptances of any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any foreign bank, or its branches or agencies (fully protected against currency fluctuations) which, at the time of acquisition, are rated at least "A-1" by Standard & Poor's Rating Services ("S&P") or "P-1" by Moody's Investors Services, Inc. ("Moody's"), (c) commercial paper of an issuer rated at least "A-1" by S&P or "P-1" by Moody's, and (d) shares of any money market fund that (i) has at least ninety-five percent (95%) of its assets invested continuously in the types of investments referred to in clauses (a) through (c) above, (ii) has net assets of not less than $500,000,000 and (iii) is rated at least "A-1" by S&P or "P-1" by Moody's; provided, however, that the maturities of all obligations of the type specified in clauses (a) through (c) above shall not exceed 180 days.

"Category" has the meaning set forth in the Receivables Indenture.

"Chase" means The Chase Manhattan Bank or such successor bank as selected by the Administrative Agent in its sole and absolute discretion.

"Chattel Paper" has the meaning specified in Article 9 of the UCC.

"Claim" has the meaning ascribed to such term in Section 101(5) of the Bankruptcy Code.

"Closing Date" means the first date on which any Loan is made.

"Code" means the Internal Revenue Code of 1986 (or any successor legislation thereto), as amended from time to time.

"Collateral" has the meaning specified in Section 11.1.

"Collateral Documents" means this Agreement, all financing statements, deeds of trust, mortgages, and any other agreement or document required by the terms of this Agreement to be entered into guaranteeing or granting a security interest or other Lien to secure payment of the Obligations.

"Commitments" means, as applicable, the Revolving Credit Commitments or the Term Credit Commitments.

"Committee" means the official statutory committee of unsecured creditors approved in the Cases pursuant to Section 1102 of the Bankruptcy Code.

"Compliance Certificate" has the meaning specified in Section 6.1(d).

"Consolidated Net Income" means, for any Person for any period, the net income (or loss) of such Person and its Subsidiaries for such period, determined on a consolidated basis in conformity with GAAP.

"Constellation" means Constellation Finance LLC, a Delaware limited liability company and wholly-owned subsidiary of the Borrower.

"Constituent Documents" means, with respect to any Person, (a) the articles/certificate of incorporation (or the equivalent organizational documents) of such Person, (b) the by-laws (or the equivalent governing documents) of such Person and (c) any document setting forth the manner of election and duties of the directors or managing members of such Person (if any) and the designation, amount and/or relative rights, limitations and preferences of any class or series of such Person's Stock.

"Contaminant" means any material, substance or waste that is classified, regulated or otherwise characterized under any Environmental Law as hazardous, toxic, a contaminant or a pollutant or by other words of similar meaning or regulatory effect, including any petroleum or petroleum-derived substance or waste, asbestos and polychlorinated biphenyls.

"Contracts" means, with respect to any Loan Party, any and all "contracts", as such term is defined in Article 1 of the UCC, of such Loan Party, including any Aircraft Leaseholds.

"Contractual Obligation" of any Person means any obligation, agreement, undertaking or similar provision of any Security issued by such Person or of any agreement, undertaking, contract, lease, indenture, mortgage, deed of trust or other instrument (excluding a Loan Document) to which such Person is a party or by which it or any of its property is bound or to which any of its properties is subject.

"Control Account" means a securities account or commodity account maintained by any Grantor with an approved securities intermediary, and includes all financial assets held therein and all certificates and instruments, if any, representing or evidencing such Control Account.

"Copyright Licenses" means any written agreement naming any Grantor as licensor or licensee granting any right under any Copyright, including the grant of rights to copy, publicly perform, create derivative works, manufacture, distribute, exploit and sell materials derived from any Copyright.

"Copyrights" means (a) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any foreign counterparts thereof and (b) the right to obtain all renewals thereof.

"Customary Permitted Liens" means, with respect to any Person, any of the following Liens:

(a) Liens with respect to the payment of taxes, assessments or governmental charges in all cases which are not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained to the extent required by GAAP;

(b) Liens of landlords arising by statute and liens of suppliers, mechanics, carriers, materialmen, warehousemen or workmen and other liens imposed by law created in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained to the extent required by GAAP;

(c) deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other types of social security benefits or to secure the performance of bids, tenders, sales, contracts (other than for the repayment of borrowed money) and surety, appeal, customs or performance bonds;

(d) encumbrances arising by reason of zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, utility easements, building restrictions and other similar encumbrances on the use of Real Property which do not materially detract from the value of such Real Property or interfere with the ordinary conduct of the business conducted and proposed to be conducted at such Real Property;

(e) encumbrances arising under leases or subleases of Real Property which do not in the aggregate materially detract from the value of such Real Property or interfere with the ordinary conduct of the business conducted and proposed to be conducted at such Real Property; and

(f) financing statements evidencing a lessor's rights in and to personal property leased to such Person pursuant to an operating lease in the ordinary course of such Person's business.

"Debt Issuance" means the incurrence of Indebtedness of the type specified in clause (a) and (b) of the definition of "Indebtedness" by the Borrower or any of its Subsidiaries.

"Default" means any event which with the passing of time or the giving of notice or both would become an Event of Default.

"Delinquent Receivables" has the meaning set forth in the Receivables Indenture.

"Delinquency Percentage" has the meaning set forth in the Receivables Indenture.

"Disclosure Documents" means, collectively, all documents filed by any Loan Party or any of its Subsidiaries with the Securities and Exchange Commission or the Bankruptcy Court.

"Dollars" and the sign "$" each mean the lawful money of the United States of America.

"DOT" shall mean the United States Department of Transportation or successor authority established in replacement thereof.

"EBITDA" means, with respect to any Person for any period, an amount equal to (a) Consolidated Net Income of such Person for such period plus (b) the sum of, in each case to the extent included in the calculation of such Consolidated Net Income but without duplication, (i) any provision for income taxes, (ii) Interest Expense, (iii) loss from extraordinary items and (iv) depreciation, depletion and amortization of intangibles or financing or acquisition costs, (v) any aggregate net loss from the sale, exchange or other disposition of capital assets by such Person, and (vi) all other non-cash charges and non-cash losses for such period, including the amount of any compensation deduction as the result of any grant of Stock or Stock Equivalents to employees, officers, directors or consultants minus (c) the sum of, in each case to the extent included in the calculation of such Consolidated Net Income but without duplication, (i) any credit for income tax, (ii) interest income, (iii) gains from extraordinary items for such period, (iv) any aggregate net gain from the sale, exchange or other disposition of capital assets by such Person, and (v) any other non-cash gains.

"Effective Date" means the date upon which a plan of reorganization in any of the Cases becomes effective.

"Eligibility Reserves" means, effective as of two Business Days after the date of written notice of any determination thereof to the Borrower by the Administrative Agent, such amounts as the Administrative Agent, in its sole discretion, may from time to time establish against the gross amount of Receivables, to reflect risks or contingencies arising after the Closing Date which may affect any one or class of such items and which have not already been taken into account in the calculation of the Borrowing Base.

"Eligible Receivable" has the meaning set forth in the Receivables Indenture.

"Engine" means any aircraft engine which is 750 rated takeoff horsepower or the equivalent thereof, together with any and all Appliances incorporated or installed in, or attached to, such aircraft engine.

"Entry Date" means the date of the entry of the Final Order.

"Environmental Laws" means all applicable Requirements of Law now or hereafter in effect, as amended or supplemented from time to time, relating to pollution or the regulation and protection of human health, safety, the environment or natural resources, including

the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.); the Hazardous Material Transportation Act, as amended (49 U.S.C. Section 180 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. Section 136 et seq.); the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901 et seq.); the Toxic Substance Control Act, as amended (42 U.S.C. Section 7401 et seq.); the Clean Air Act, as amended (42 U.S.C. Section 740 et seq.); the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251 et seq.); the Occupational Safety and Health Act, as amended (29 U.S.C. Section 651 et seq.); the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f et seq.); and their state and local counterparts or equivalents and any transfer of ownership notification or approval statute, including the Industrial Site Recovery Act (N.J. Stat. Ann. Section 13:1K-6 et seq.).

"Environmental Liabilities and Costs" means, with respect to any Person, all liabilities, obligations, responsibilities, Remedial Actions, losses, damages, punitive damages, consequential damages, treble damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim or demand by any other Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, including any thereof arising under any Environmental Law, Permit, order or agreement with any Governmental Authority or other Person, which relate to any environmental, health or safety condition or a Release or threatened Release, and result from the past, present or future operations of, or ownership of property by, such Person or any of its Subsidiaries.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities and Costs.

"Equipment" has the meaning specified in Article 9 of the UCC, including all Airframes, engines and Spare Parts and all Ground Equipment, wherever located.

"ERISA" means the Employee Retirement Income Security Act of 1974 (or any successor legislation thereto), as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control or treated as a single employer with the Borrower or any of its Subsidiaries within the meaning of Section 414 (b), (c), (m) or (o) of the Code.

"ERISA Event" means (a) a reportable event described in Section 4043(b) or 4043(c)(1), (2), (3), (5), (6), (8) or (9) of ERISA with respect to a Title IV Plan or a Multiemployer Plan; (b) the withdrawal of the Borrower, any of its Subsidiaries or any ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of the Borrower, any of its Subsidiaries or any ERISA Affiliate from any Multiemployer Plan; (d) notice of reorganization or insolvency of a Multiemployer Plan; (e) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (f) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (g) the failure to make any required contribution to a Title IV Plan or Multiemployer Plan; (h) the imposition of a lien under Section 412 of the Code or Section 302 of ERISA on the Borrower or any of its Subsidiaries or any ERISA Affiliate; or (i) any other event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA.

"Event of Default" has the meaning specified in Section 9.1.

"FAA" means the Federal Aviation Administration, or any successor thereto.

"Face Amount" has the meaning set forth in the Receivables Indenture.

"Fair Market Value" means (a) with respect to any asset or group of assets (other than a marketable Security) at any date, the value of the consideration obtainable in a sale of such asset at such date assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as reasonably determined by the Board of Directors of the Borrower or its Subsidiaries, as applicable, or, if such asset shall have been the subject of a relatively contemporaneous appraisal by an independent third party appraiser, the basic assumptions underlying which have not materially changed since its date, the value set forth in such appraisal, and (b) with respect to any marketable Security at any date, the closing sale price of such Security on the Business Day next preceding such date, as appearing in any published list of any national securities exchange or the Nasdaq Stock Market or, if there is no such closing sale price of such Security, the final price for the purchase of such Security at face value quoted on such business day by a financial institution of recognized standing which regularly deals in securities of such type selected by the Administrative Agent.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three (3) Federal funds brokers of recognized standing selected by it.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System, or any successor thereto.

"Fees" shall mean the Unused Commitment Fee, the Arrangement Fee and any and all other fees payable to the Administrative Agent, any Lender or their respective Affiliates pursuant to this Agreement or any of the other Loan Documents.

"Final Order" means an order of the Bankruptcy Court pursuant to section 364 of the Bankruptcy Code, approving this Agreement and the other Loan Documents and authorizing the incurrence by the Loan Parties of post-petition secured Indebtedness in accordance with this Agreement, and as to which no stay has been entered and which has not been reversed, modified, vacated or overturned, and which is in form and substance satisfactory to the Administrative Agent and the Requisite Lenders.

"Financial Statements" means the financial statements of the Borrower and its Subsidiaries delivered in accordance with Sections 4.4 and 6.1.

"First Day Orders" means all orders entered by the Bankruptcy Court on the Petition Date or within five (5) Business Days of the Petition Date or based on motions filed on the Petition Date.

"Fiscal Quarter" means each of the three-month periods ending on March 31, June 30, September 30 and December 31.

"Fiscal Year" means the twelve (12) month period ending on December 31.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as may be in general use by significant segments of the accounting profession, which are applicable to the circumstances as of the date of determination.

"Gates" shall mean all of the rights, title, interests and privileges, now owned or hereafter acquired, of each Grantor (or any of its Subsidiaries) in all airline passenger ground facilities at airports obtained pursuant to airport use or lease agreements (including any lease, license or other agreement or arrangement entered into between any Grantor and any Person, including an Affiliate of Grantor).

"General Intangible" has the meaning specified in Article 9 of the UCC, and includes Slot Collateral and Routes.

"Governmental Authority" means (a) any nation, sovereign or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and (b) any airport authority or operator including, without limitation, any municipal subdivision which may operate or oversee the administration of any airport and the FAA.

"Grantors" means the Borrower and each Guarantor.

"Ground Equipment" means all appliances, instruments, appurtenances, accessories, furnishings, rolling stock, vehicles and other equipment now owned or hereafter acquired by any Grantor, to the extent that the same shall constitute personal property, whether motorized or non-motorized, which are used by any Grantor (or are of a type commonly used by air carriers) to load and unload, service and/or maintain aircraft, provide ground transportation to passengers, transport materials and/or maintain airport facilities, including without limitation of the generality of the foregoing, passenger service equipment, food service equipment, cargo trailers and other cargo and baggage-handling equipment, loading bridges and other passenger-handling equipment, communications and meteorological equipment, maintenance and engineering equipment, surface transport vehicles, furnishings and other office equipment, storage and distribution equipment, medical equipment, flight training equipment and security equipment now owned or hereafter acquired by any Grantor.

"Guarantor" means each Subsidiary of the Borrower party to this Agreement.

"Guaranty" means the guaranty of the Obligations of the Borrower made by the Guarantors pursuant to Article X of this Agreement.

"Guaranty Obligation" means, as applied to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case

guaranteeing or in effect guaranteeing any Indebtedness, Leases, Contracts, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided however, that the term Guaranty Obligation shall not include endorsement of instruments for deposit or collection in the ordinary course of business. The amount of any Guaranty Obligation of any guaranteeing person shall be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made.

"Indebtedness" of any Person means without duplication (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments or which bear interest, (c) all reimbursement and all obligations with respect to letters of credit, bankers' acceptances, surety bonds and performance bonds, whether or not matured, (d) all indebtedness for the deferred purchase price of property or services, other than trade payables incurred in the ordinary course of business which are not overdue, (e) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (f) all Capital Lease Obligations of such Person and the present value of future rental payments under all synthetic leases, (g) all Guaranty Obligations of such Person, (h) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any Stock or Stock Equivalents of such Person, valued, in the case of redeemable preferred stock, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, (i) all payments that such Person would have to make in the event of an early termination on the date Indebtedness of such Person is being determined in respect of Hedging Contracts of such Person and (j) all Indebtedness of the type referred to above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including Accounts and general intangibles) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness.

"Indemnitees" has the meaning specified in Section 13.4.

"Indemnified Matters" has the meaning specified in Section 13.4.

"Ineligible Receivables" has the meaning set forth in the Receivables Indenture.

"Instrument" has the meaning specified in Article 9 of the UCC, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

"Intellectual Property" means, collectively, all rights, priorities and privileges of any Grantor or its Subsidiaries relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses and trade secrets, and all rights to sue

at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Expense" means, for any Person for any period, (a) total interest expense of such Person and its Subsidiaries for such period determined on a consolidated basis in conformity with GAAP plus (ii) any interest income of such Person and its Subsidiaries for such period determined on a consolidated basis in conformity with GAAP.

"Interim Facility" means that portion of the Facility made available to the Borrower prior to the Entry Date, as approved by the Interim Order.

"Interim Order" means that certain order issued by the Bankruptcy Court in substantially the form of Exhibit F and otherwise in form and substance satisfactory to the Administrative Agent.

"Inventory" has the meaning specified in Article 9 of the UCC, wherever located.

"Investment" means, with respect to any Person, (a) any purchase or other acquisition by that Person of (i) any Security issued by, (ii) a beneficial interest in any Security issued by, or (iii) any other equity ownership interest in, any other Person, (b) any purchase by that Person of all or a significant part of the assets conducted by another Person, or all or substantially all of the assets constituting the business of a division, branch or other unit operation of any Person, (c) any loan, advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable and similar items, in each case made or incurred in the ordinary course of business as presently conducted), or capital contribution by that Person to any other Person, including all Indebtedness of any other Person to that Person arising from a sale of property by that Person other than in the ordinary course of its business and (d) any Guaranty Obligation incurred by that Person in respect of the obligations of any other Person.

"Investment Property" means, with respect to any Person, any and all "investment property", as such term is defined in Article 9 of the UCC, of such Loan Party or its Subsidiaries, wherever located.

"IRS" means the Internal Revenue Service of the United States or any successor thereto.

"Junior Collateral" shall mean that Collateral in which Lender has a Lien that is subject, subordinate and junior to the Lien of another Person, which Junior Collateral is more fully described on Schedule 4.12.

"Leases" means, with respect to any Person, all of those leasehold estates in real property of such Person, as lessee, as such may be amended, supplemented or otherwise modified from time to time.

"Lender" means each financial institution or other entity that (a) is listed on the signature pages hereof as a "Lender" or (b) from time to time becomes a party hereto by execution of an Assignment and Acceptance.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, lien (statutory or other), security interest or

preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever intended to assure payment of any Indebtedness or the performance of any other obligation, including any conditional sale or other title retention agreement, the interest of a lessor under a Capital Lease, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC or comparable law of any jurisdiction naming the owner of the asset to which such Lien relates as debtor.

"Loan" means a Revolving Credit Loan or a Term Loan made by any Lender pursuant to this Agreement.

"Loan Account" means the following account of the Administrative Agent with Chase, which shall be entitled as follows:

The Chase Manhattan Bank
New York, New York
ABA # 021000021
Beneficiary: AMR Finance, Inc./TWA DIP Loan Account
Account # 323187250

"Loan Documents" means, collectively, this Agreement, the Notes, the Guaranty, the Collateral Documents, the Compliance Certificates, the Borrowing Base Certificate and each certificate, agreement or document executed by a Loan Party and delivered to the Administrative Agent or any Lender in connection with or pursuant to any of the foregoing.

"Loan Party" means the Borrower, each Guarantor and each other Subsidiary of the Borrower that executes and delivers a Loan Document.

"Lockbox Account" has the meaning set forth in the Receivables Indenture.

"Loss Estimate Percentage" has the meaning set forth in the Receivables Indenture.

"Material Adverse Change" means a material adverse change in any of (a) the condition (financial or otherwise), business, performance, prospects, operations or properties of the Borrower or, the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower to repay the Obligations or of the Loan Parties to perform their respective obligations under the Loan Documents, or (c) the rights and remedies of the Administrative Agent or the Lenders under the Loan Documents.

"Material Adverse Effect" means an effect that results in or causes, or could reasonably be expected to result in or cause, a Material Adverse Change.

"Material Intellectual Property" means Intellectual Property owned by or licensed to a Grantor or its Subsidiaries which is material to its business.

"Maximum Credit" means, at any time, (a) the lesser of (i) the Revolving Credit Commitments in effect at such time and (ii) the Borrowing Base at such time minus (b) the aggregate amount of any Availability Reserve in effect at such time.

"Monthly Receivables Report" has the meaning set forth in Section 6.12(b).

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Borrower, any of its Subsidiaries or any ERISA Affiliate has any obligation or liability, contingent or otherwise.

"Net Cash Proceeds" means proceeds received by any Loan Party or its respective Subsidiaries after the Closing Date in cash or Cash Equivalents from any (a) Asset Sale, other than an Asset Sale permitted under Section 8.4, net of (i) the reasonable cash costs of sale, assignment or other disposition, (ii) taxes paid or payable as a result thereof and (iii) any amount required by the Bankruptcy Court to be paid or prepaid on Indebtedness (other than the Obligations) secured by a perfected and unavoidable Lien on the assets subject to such Asset Sale; provided, however, that the evidence of each of (i), (ii) and (iii) are provided to the Administrative Agent in form and substance satisfactory to it; (b) Property Loss Event net of (i) the reasonable costs and expenses associated with settling any claim with respect to such Property Loss Event, (ii) taxes paid or payable as a result thereof, and (iii) any amount required by the Bankruptcy Court to be paid or prepaid on Indebtedness (other than the Obligations) secured by a perfected and unavoidable Lien on the assets subject to Asset Sale; provided, however, that the evidence of each of (i), (ii) and (iii) are provided to the Administrative Agent in form and substance satisfactory to it; or (c) the issuance of Stock or Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorney's fees, notarial fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses incurred in connection therewith.

"Non-Funding Lender" has the meaning specified in Section 2.2(d).

"Non-Stayed Order" means an order of the Bankruptcy Court which is in full force and effect, as to which no stay has been entered and which has not been reversed, modified, vacated or overturned.

"Non-U.S. Lender" means each Lender or Administrative Agent that is not a United States person as defined in Section 7701(a)(30) of the Code.

"Notes" means the Revolving Credit Notes and the Term Credit Notes.

"Notice of Borrowing" has the meaning specified in Section 2.2(a).

"Obligations" means the Loans and all other amounts, obligations, covenants and duties owing by the Borrower to the Administrative Agent, any Lender, any Affiliate of any of them or any Indemnitee, of every type and description (whether by reason of an extension of credit, loan, guaranty, indemnification, or otherwise), present or future, arising under this Agreement, any other Loan Document, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and whether or not evidenced by any note, guaranty or other instrument or for the payment of money, and includes all fees, interest, charges, expenses, fees, attorneys' fees and disbursements and other sums chargeable to the Borrower under this Agreement or any other Loan Document.

"Obligor" has the meaning set forth in the Receivables Indenture.

"Obligor Limit" has the meaning set forth in the Receivables Indenture.

"Orders" means the Interim Order or the Final Order, as applicable.

"Other Taxes" has the meaning specified in Section 2.12(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"PARS" means Trans World PARS, Inc., a Delaware corporation.

"Patents" means (a) all letters patent of the United States, any other country or any political subdivision thereof and all reissues and extensions thereof, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing.

"Patent License" means all agreements, whether written or oral, providing for the grant by or to any Grantor or any of its Subsidiaries of any right to manufacture, use, import, sell or offer for sale any invention covered in whole or in part by a Patent.

"Permanent Facility" means that portion of the Facility made available to the Borrower from and after the Entry Date.

"Permit" means any permit, approval, authorization, license, variance or permission required from a Governmental Authority under an applicable Requirement of Law.

"Permitted Prepetition Claim Payment" means a payment (as adequate protection or otherwise) on account of any Claim arising or deemed to have arisen prior to the Petition Date, which is made (i) pursuant to authority granted by a Non-Stayed Order of the Bankruptcy Court and (ii) which are reflected in the cash flow forecast attached as Exhibit G-2 and such other amounts as shall be approved by the Administrative Agent, in writing, in its sole and absolute discretion; provided, that no such payment shall be made after the occurrence and during the continuance of a Default or an Event of Default.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, estate, trust, limited liability company, unincorporated association, joint venture or other entity, or a Governmental Authority.

"Petition Date" has the meaning specified in the recitals to this Agreement.

"Pledged Collateral" means, collectively, the Pledged Notes and the Pledged Stock, any other Investment Property of any Grantor, all certificates or other instruments representing any of the foregoing, all dividends, interest distributions, cash, warrants, rights, instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing. Pledged Collateral may be General Intangibles or Investment Property.

"Pledged Notes" means all right, title and interest of any Grantor, in the Instruments evidencing all Indebtedness owed to such Grantor, including all Indebtedness described on Schedule 4.15, issued by the obligors named therein, and all interest, cash, Instruments and other property or Proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness.

"Pledged Stock" means the Stock owned by each Grantor and pledged hereunder as set forth on Schedule 4.15.

"Priority Collateral" shall mean that Collateral in which Lender has a first-priority security interest and which is more fully described on Schedule 4.12.

"Proceeds" means any and all "proceeds", as such term is defined in Section 9-306 of the UCC.

"Property Loss Event" means any loss of or damage to property of the Borrower or any of its Subsidiaries that results in the receipt by such Person of proceeds of insurance in excess of $250,000 or any taking or condemnation of property (or deed in lieu thereof) of the Borrower or any of its Subsidiaries that results in the receipt by such Person of a compensation payment in respect thereof in excess of $250,000.

"Protective Advances" means all expenses, disbursements and advances incurred by the Administrative Agent pursuant to the Loan Documents which the Administrative Agent, in its sole discretion, deems necessary or desirable to preserve or protect the Collateral or any portion thereof or to enhance the likelihood or maximize the amount of repayment of the Obligations, including without limitation, at the discretion of the Requisite Lender(s) and without any obligation to do so, to repay or prepay any Indebtedness which is secured in whole or in part by any of the Collateral, including the repayment of the Indebtedness of PARS or TWA Stockholding, which is secured by the Stock of TWA Stockholding.

"Purchasing Lender" has the meaning specified in Section 13.7(a).

"Ratable Portion" or "ratably" means, with respect to any Lender, the percentage obtained by dividing (a) with respect to the Revolving Credit Commitment, (x) the Revolving Credit Commitment of such Lender by (y) the aggregate Revolving Credit Commitments of all Lenders (or, at any time after the Revolving Credit Termination Date, the percentage obtained by dividing the aggregate outstanding principal balance of the Revolving Loans then owing to such Lender by the aggregate outstanding principal balance of the Revolving Loans then owing to all Lenders) and (b) with respect to the Term Credit Commitment, (x) the Term Credit Commitment of such Lender by (y) the aggregate Term Credit Commitments of all Lenders (or at any time after the Term Credit Termination Date, the percentage obtained by dividing the aggregate outstanding principal balance of the Term Loans then owing to such Lender by the aggregate outstanding principal balance of the Term Loans then owing to all Lenders).

"Real Property" means all of those plots, pieces or parcels of land now owned, leased or hereafter acquired or leased by the Borrower or any of its Subsidiaries (the "Land") including any Gate, any hanger or maintenance facilities wherever located, together with the right, title and interest of the Borrower or any of its Subsidiaries, if any, in and to the streets, the land lying in the bed of any streets, roads or avenues, opened or proposed, in front of, the air space and development rights pertaining to the Land and the right to use such air space and development rights, all rights of way, privileges, liberties, tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, all fixtures, all easements now or hereafter benefiting the Land and all royalties and rights appertaining to the use and enjoyment of the Land, including all alley, vault, drainage, mineral, water, oil and gas rights, together with all of the buildings and other improvements now or hereafter erected on the Land, and any fixtures appurtenant thereto.

"Receivables" has the meaning set forth in the Receivables Indenture.

"Receivables Indenture" means that certain Indenture, dated as of December 30, 1997 by and between Constellation, as Issuer, and The Chase Manhattan Bank, as trustee, as supplemented to date (including the Series 1997-1 Supplement dated as of December 30, 1997), pursuant to which Constellation issued $100,000,000 of AR Notes as such Receivables Indenture is in effect on the date hereof.

"Register" has the meaning specified in Section 13.2(c).

"Release" means, with respect to any Person, any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration, in each case, of any Contaminant into the indoor or outdoor environment or into or out of any property owned by such Person, including the movement of Contaminants through or in the air, soil, surface water, ground water or property.

"Remedial Action" means all actions required to (a) clean up, remove, treat or in any other way address any Contaminant in the indoor or outdoor environment, (b) prevent the Release or threat of Release or minimize the further Release so that a Contaminant does not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment or (c) perform pre-remedial studies and investigations and post-remedial monitoring and care.

"Requirement of Law" means, with respect to any Person, the common law and all federal, state, local and foreign laws, rules and regulations, orders, judgments, decrees and other legal requirements or determinations of any Governmental Authority or arbitrator, applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Requisite Lenders" means, (a) prior to the Revolving Credit Termination Date or Term Credit Termination Date, Lenders having more than fifty-one percent (51%) of the aggregate outstanding amount of the Commitments, (b) after the Term Credit Termination Date but prior to the Revolving Credit Termination Date, Lenders having more than fifty-one percent (51%) of the aggregate amount outstanding of the Revolving Credit Commitments and Term Loans, (c) after the Revolving Credit Termination Date but prior to the Term Credit Termination Date, Lenders having fifty one percent (51%) of the aggregate amount outstanding of the Revolving Loans and Term Credit Commitments, and (d) after the Term Credit Termination Date and the Revolving Credit Termination Date, Lenders having fifty-one percent (51%) of the aggregate amount outstanding of all Loans. A Non-Funding Lender shall not be included in the calculation of "Requisite Lenders."

"Requisite Revolving Credit Lenders" means, collectively, Lenders having more than fifty-one percent (51%) of the aggregate outstanding amount of the Revolving Credit Commitments or, after the Revolving Credit Termination Date, fifty-one percent (51%) of the aggregate Revolving Loans then outstanding. A Non-Funding Lender shall not be included in the calculation of "Requisite Revolving Credit Lenders."

"Requisite Term Loan Lenders" means, collectively, Lenders having more than fifty-one percent (51%) of the aggregate outstanding amount of the Term Credit Commitments or, after the Term Credit Termination Date, fifty-one percent (51%) of the aggregate Term Loans

then outstanding. A Non-Funding Lender shall not be included in the calculation of "Requisite Term Credit Lenders."

"Responsible Officer" means, with respect to any Person, any of the principal executive officers, but in any event, with respect to financial matters, the chief financial officer, treasurer or controller of such Person.

"Restricted Payment" means (a) any dividend or other distribution, or any payment on account of direct or indirect, any Stock or Stock Equivalents of the Borrower or any of its Subsidiaries now or hereafter outstanding, except a dividend payable solely in Stock or Stock Equivalents or a dividend or distribution payable solely to the Borrower and/or one or more Guarantors, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any Stock or Stock Equivalents of the Borrower or any of its Subsidiaries now or hereafter outstanding other than one payable solely to the Borrower and/or one or more Guarantors, and (c) any payment or prepayment of principal, premium (if any), interest, fees (including fees to obtain any waiver or consent in connection with any Indebtedness) or other charges on, or redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Indebtedness of the Borrower or any of its Subsidiaries or any other Loan Party, other than any required or mandatory redemptions, retirements, purchases or other payments, in each case to the extent permitted to be made by the terms of such Indebtedness after giving effect to any applicable subordination provisions.

"Revolving Credit Borrowing" means Revolving Loans made on the same day by the Lenders ratably according to their respective Revolving Credit Commitments.

"Revolving Credit Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Loans in the aggregate principal amount outstanding not to exceed the amount set forth opposite such Lender's name on Schedule I under the caption "Revolving Credit Commitment," as amended to reflect each Assignment and Acceptance executed by such Lender and as such amount may be reduced pursuant to this Agreement.

"Revolving Credit Note" means a promissory note of the Borrower payable to the order of any Lender in a principal amount equal to the amount of such Lender's Revolving Credit Commitment evidencing the aggregate Indebtedness of the Borrower to such Lender resulting from the Revolving Loans owing to such Lender.

"Revolving Credit Termination Date" shall mean the earliest of (a) the Scheduled Termination Date, (b) the date of termination of the Revolving Credit Commitments pursuant to Section 2.3 and (c) the date on which the Obligations become due and payable pursuant to Section 9.2.

"Revolving Facility" means the Revolving Credit Commitments and the provisions herein related to the Revolving Loans.

"Revolving Loan" has the meaning specified in Section 2.1(a).

"Routes" shall mean all right, title, privilege, interests and authority now or hereafter acquired or held by any Grantor or its Subsidiaries (including, without limitation, rights and authorities pursuant to all certificates and exemptions issued to each Grantor or its Subsidiaries under the provisions of Section 401 and 416 of the Aviation Act) to provide

interstate, overseas or foreign air transportation of persons, property and mail, including, without limitation: (i) all designations held by any Grantor or its Subsidiaries to serve any foreign country or point named on any route; (ii) any and all frequency allocations held by any Grantor or its Subsidiaries authorizing service to any foreign country or point named on any route; (iii) any and all rights of any Grantor or its Subsidiaries to provide scheduled or charter air transportation service to any foreign country or point named on any route that is not included in an air transport agreement or that is in addition to the rights available to United States-designated airlines under applicable air transport agreements; (iv) any and all rights to fly over any foreign country or point named on any route; (v) all right and authority of any Grantor or its Subsidiaries to operate between and beyond all foreign countries and points named on any route, including, without limitation, the right to operate between and beyond such countries and points on a fifth-freedom and blind sector basis; and (vi) any and all operating or landing authorizations (other than Slots) held by any Grantor or its Subsidiaries.

"Scheduled Termination Date" means the earlier to occur of (a) May 30, 2001, (b) the closing of the transactions contemplated by the Asset Purchase Agreement, or (c) the date on which the Obligations become due and payable pursuant to Section 9.2.

"Secured Obligations" means, in the case of the Borrower, the Obligations, and, in the case of any other Loan Party, the obligations of such Loan Party under the Guaranty and the other Loan Documents to which it is a party.

"Secured Parties" means the Lenders, the Administrative Agent, each of their respective successors and assigns, and any other holder of any of the Obligations or of any other obligations under the Loan Documents, including the beneficiaries of each indemnification obligation undertaken by the Loan Parties and the Administrative Agent.

"Securities Account" has the meaning specified in Article 8 of the UCC.

"Security" means any Stock, Stock Equivalent, voting trust certificate, bond, debenture, note or other evidence of Indebtedness, whether secured, unsecured, convertible or subordinated, or any certificate of interest, share or participation in, or any temporary or interim certificate for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing, but shall not include any evidence of the Obligations.

"Selling Lender" has the meaning specified in Section 13.7(a).

"Servicing Agreement" means that certain Sale and Servicing Agreement, dated as of December 30, 1997, between Borrower, as originator, seller and servicer, and Constellation, as purchaser, as amended from time to time.

"Slots" shall mean all of the rights, title, privilege, interests and authority now or hereafter acquired or held by any Person in and to (i) the operating authority granted by the FAA pursuant to Title 14, to conduct one Instrument Flight Rule (as defined under the federal aviation regulations) operation in a specified time period at a High Density Airport, (ii) any equivalent authority granted by a foreign Governmental Authority or (iii) the authority to takeoff and land at any airport to which any of them provide service. For the purposes of this definition, a "High Density Airport" shall mean any airport so designated pursuant to 14 C.F.R. Section 93.123 or other airport that has restrictions on flight frequencies in and out of such airport. The term "Slot" as used herein shall include all Slots created after the date hereof pursuant to Title 14 or any equivalent domestic or foreign law, regulation or order.

"Slot Collateral" means any beneficial interest or other interest, right, title, privilege and authority of a Grantor in respect of (i) any Slots, (ii) any Slot Trust Assets and (iii) any Slot Trust Interest.

"Slot Trust" means any trust created from time to time which acquires or holds any Slots (including the trusts created by (i) that Declaration of Trust dated as of March 31, 1997 between the Borrower and the Slot Trustee and (ii) that Acquired Slot Trust Agreement Declaration of Trust dated as of December 9, 1997 between the Borrower and the Slot Trustee).

"Slot Trust Assets" means any Slots which from time to time are acquired or held by a Slot Trust (including all slot trust assets as referred to in (i) Section 4.1 of that Acquired Slot Trust Agreement dated as of March 31, 1997 between the Borrower and the Slot Trustee and (ii) Section 4.01 of that Acquired Slot Trust Agreement dated as of December, 9 1997 between the Borrower and the Slot Trustee) and any interest, right, title, privilege and authority of any Grantor in respect thereof, whether arising under a license or otherwise (including pursuant to (i) that Master Sub-License Agreement dated as of March 31, 1997 between the Borrower and the Slot Trustee and (ii) that Master Sub-License Agreement dated as of December 9, 1997 between the Borrower and the Slot Trustee).

"Slot Trust Interest" means any beneficial interest or other interest, right, title, privilege and authority of a Grantor under or in respect of any Slot Trust including any such interest arising under or evidenced by any instrument or certificate of beneficial interest (including (i) that Beneficial Interest Certificate issued by the Slot Trustee to the Borrower pursuant to that Acquired Slot Trust Agreement dated as of March 31, 1997 between the Borrower and the Slot Trustee and (ii) that Beneficial Interest Certificate issued by the Slot Trustee to the Borrower pursuant to that Acquired Slot Trust Agreement dated as of December 9, 1997 between the Borrower and the Slot Trustee).

"Slot Trustee" means First Security Bank, National Association in its capacity as slot trustee of any Slot Trust.

"Spare Parts" means all appliances, spare parts, instruments, appurtenances, accessories, furnishings; all expendable parts, appliances, modules, apparatus and assemblies; all rotable and repairable nonconsumable parts, appliances, apparatus, assemblies and materials which are interchangeable for use or useable, and other equipment of whatever nature (other than engines) maintained for installation or use or useable in aircraft, airframes, engines or any appliance or propeller useable thereon, and any and all substitutions of any of the foregoing and replacements thereto. The terms "spare parts" and "appliances" (as used in this definition) shall include, but not be limited to, the definitions assigned to those terms by Section 40102 of Title 49 of the United States Code as amended from time to time or any recodification thereof in any regulation.

"Stock" means shares of capital stock (whether denominated as common stock or preferred stock), beneficial, partnership or membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity, whether voting or non-voting.

"Stock Equivalents" means all securities convertible into or exchangeable for Stock and all warrants, options or other rights to purchase or subscribe for any Stock, whether or not presently convertible, exchangeable or exercisable.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other business entity of which an aggregate of fifty percent (50%) or more of the outstanding Voting Stock is, at the time, directly or indirectly, owned or controlled by such Person and/or one or more Subsidiaries of such Person.

"Tax Affiliate" means, with respect to any Person, (a) any Subsidiary of such Person, and (b) any Affiliate of such Person with which such Person files or is eligible to file consolidated, combined or unitary tax returns.

"Tax Return" has the meaning specified in Section 6.8.

"Taxes" has the meaning specified in Section 2.12(a).

"Term Credit Borrowing" means Term Loans made on the same day by the Lenders ratably according to their respective Term Credit Commitments.

"Term Credit Commitments" means, with respect to each Lender, the commitment of such Lender to make Term Loans in the aggregate principal amount outstanding not to exceed the amount set forth opposite such Lender's name or Schedule I under the caption "Term Loan Commitment," as amended to reflect each Assignment and Acceptance executed by such Lender and as such amount may be reduced pursuant to this Agreement.

"Term Credit Note" means a promissory note of the Borrower payable to the order of any Lender in a principal amount equal to the amount of such Lender's Term Credit Commitment evidencing the aggregate Indebtedness of the Borrower to such Lender resulting from the Term Loans owing to such Lender.

"Term Credit Termination Date" shall mean the earliest of (a) May 30, 2001, (b) the date of termination of the Term Credit Commitments pursuant to Section 2.3, (c) the date on which the Obligations become due and payable pursuant to Section 9.2 or (d) the date when the aggregate outstanding amount of Term Loans is equal to the Term Credit Commitment.

"Term Loan" has the meaning specified in Section 2.1(b). "Title IV Plan" means a pension plan, other than a Multiemployer Plan, which is covered by Title IV of ERISA to which the Borrower any of its Subsidiaries or any ERISA Affiliate has any obligation or liability (contingent or otherwise).

"Title 14" shall mean Title 14 of the United States Code of Federal Regulations, Part 93, Subparts K and S, as amended from time to time or any successor or recodified regulation.

"Trademark License" means any agreement, whether written or oral, providing for the grant by or to any Grantor or its Subsidiaries of any right to use any Trademark.

"Trademarks" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision

thereof, or otherwise, and all common-law rights related thereto, and (b) the right to obtain all renewals thereof.

"Travel Agency Cash Refund Commission" has the meaning set forth in the Receivables Indenture.

"Travel Agency Cash Refund Percentage" has the meaning set forth in the Receivables Indenture.

"TWA Stockholding" means TWA Stock Holding Company, a Delaware corporation.

"UCC" means, at any time, the Uniform Commercial Code in effect in the State of New York at such time or, to the extent it may be required to apply to any item or items of Collateral, the Uniform Commercial Code as in effect in any other applicable jurisdiction.

"Unfunded Pension Liability" means, with respect to the Borrower or any of its Subsidiaries at any time, the sum of (a) the amount, if any, by which the present value of all accrued benefits under each Title IV Plan (other than any Title IV Plan subject to Section 4063 of ERISA) exceeds the fair market value of all assets of such Title IV Plan allocable to such benefits in accordance with Title IV of ERISA, as determined as of the most recent valuation date for such Title IV Plan using the actuarial assumptions in effect under such Title IV Plan, and (b) the aggregate amount of withdrawal liability that could be assessed under Section 4063 with respect to each Title IV Plan subject to such Section, separately calculated for each such Title IV Plan as of its most recent valuation date and (c) for a period of five (5) years following a transaction reasonably likely to be covered by Section 4069 of ERISA, the liabilities (whether or not accrued) that could be avoided by the Borrower, any of its Subsidiaries or any ERISA Affiliate as a result of such transaction.

"Unused Commitment Fee" has the meaning specified in Section 2.9(a).

"U.S. Trustee" means the United States Trustee for the District of Delaware.

"Vehicles" means all vehicles covered by a certificate of title law of any state.

"Voting Stock" means Stock of any Person having ordinary power to vote in the election of members of the board of directors, managers, trustees or other controlling Persons, of such Person (irrespective of whether, at the time, Stock of any other class or classes of such entity shall have or might have voting power by reason of the happening of any contingency).

"Withdrawal Liability" means, with respect to the Borrower or any of its Subsidiaries at any time, the aggregate liability incurred (whether or not assessed) with respect to all Multiemployer Plans pursuant to Section 4201 of ERISA or for increases in contributions required to be made pursuant to Section 4243 of ERISA.

"Worldspan" means Worldspan, L.P., a Delaware limited partnership.

SECTION 1.2. COMPUTATION OF TIME PERIODS. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including."

SECTION 1.3. ACCOUNTING TERMS AND PRINCIPLES.

(a) Except as set forth below, all accounting terms not specifically defined herein shall be construed in conformity with GAAP and all accounting determinations required to be made pursuant hereto shall, unless expressly otherwise provided herein, be made in conformity with GAAP.

(b) If any change in the accounting principles used in the preparation of the most recent Financial Statements referred to in Section 6.1 is hereafter required or permitted by the rules, regulations, pronouncements and opinions of the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or any successors thereto) and such change is adopted by the Borrower with the agreement of its independent public accountants and results in a change in any of the calculations required by Article V or Article VIII had such accounting change not occurred, the parties hereto agree to enter into negotiations in order to amend such provisions so as to equitably reflect such change with the desired result that the criteria for evaluating compliance with such covenants by the Borrower shall be the same after such change as if such change had not been made; provided, however, that no change in GAAP that would affect a calculation that measures compliance with any covenant contained in Article V or Article VIII shall be given effect until such provisions are amended to reflect such changes in GAAP.

SECTION 1.4. CERTAIN TERMS.

(a) The words "herein," "hereof" and "hereunder" and similar words refer to this Agreement as a whole, and not to any particular Article, Section, subsection or clause in this Agreement.

(b) References in this Agreement to an Exhibit, Schedule, Article, Section, subsection or clause refer to the appropriate Exhibit or Schedule to, or Article, Section, subsection or clause of this Agreement.

(c) Each agreement defined in this Article I shall include all appendices, exhibits and schedules thereto and all amendments, restatements, supplements or modifications thereto; provided that if the prior written consent of the Lenders is required hereunder for any amendment, restatement, supplement or other modification to any such agreement such consent shall have been obtained.

(d) References in this Agreement to any Requirement of Law shall be to such Requirement of Law as amended or modified and in effect at the time any such reference is operative.

(e) The term "including" when used in any Loan Document means "including without limitation", except when used in the computation of time periods.

(f) The terms "Lender" and "Administrative Agent" include their respective successors.

(g) Upon the appointment of any successor Administrative Agent pursuant to Section 12.6, references to AMR Finance in Section 12.3 shall be deemed to refer to the Person then acting as the Administrative Agent or one of its Affiliates if it so designates.

(h) Terms not otherwise defined herein and defined in the UCC are used herein with the meanings specified in the UCC.

ARTICLE II

THE FACILITY

SECTION 2.1. THE COMMITMENTS.

(a) On the terms and subject to the conditions contained in this Agreement, each Lender severally agrees to make revolving loans (each a "Revolving Loan") to the Borrower from time to time on any Business Day during the period from the date hereof until the Revolving Credit Termination Date in an aggregate amount not to exceed at any time outstanding for all such Revolving Loans by such Lender such Lender's Revolving Credit Commitment; provided, however, that at no time shall any Lender be obligated to make a Revolving Loan (i) in excess of such Lender's Ratable Portion of the Available Credit and (ii) to the extent that the aggregate Revolving Loans then outstanding, after giving effect to such Revolving Loan, would exceed the Maximum Credit in effect at such time. Within the limits of each Lender's Revolving Credit Commitment, amounts of Revolving Loans repaid may be reborrowed under this Section 2.1(a).

(b) On the terms and subject to the conditions contained in this Agreement, each Lender severally agrees to make term loans (each a "Term Loan") to the Borrower from time to time on any Business Day during the period from the date hereof until the Term Credit Termination Date in an aggregate amount not to exceed at any time outstanding for all such Term Loans by such Lender such Lender's Term Credit Commitment; provided, however, that at no time shall any Lender be obligated to make a Term Loan (i) in excess of such Lender's Ratable Portion of the aggregate Term Credit Commitments and (ii) to the extent that the aggregate Term Loans then outstanding, after giving effect to such Term Loan, would exceed the aggregate Term Credit Commitments in effect at such time. No amounts of Term Loans repaid may be reborrowed under this Section 2.1(b).

SECTION 2.2. BORROWING PROCEDURES.

(a) Each Borrowing shall be made on written notice given by the Borrower to the Administrative Agent not later than 11:00 A.M. (Dallas time) one Business Day prior to the date of the proposed Borrowing. Each such notice shall be in substantially the form of Exhibit C (a "Notice of Borrowing"), specifying (i) whether the proposed Borrowing consists of a Revolving Loan, a Term Loan or both, (ii) the date of such proposed Borrowing, (iii) the aggregate amount of such proposed Borrowing, and (iv) with respect to the Revolving Credit Borrowings, the Available Credit (after giving effect to the proposed Borrowing). Each Borrowing shall be in an aggregate amount of not less than $1,000,000 or an integral multiple of $1,000,000 in excess thereof. The Borrower may not request more than two Borrowings per week.

(b) The Administrative Agent shall give to each Lender prompt notice of the Administrative Agent's receipt of a Notice of Borrowing. Each Lender shall, before 10:00 A.M. (Dallas time) on the date of the proposed Borrowing, make available to the Administrative Agent by wire transfer in immediately available funds to the Loan Account, such Lender's Ratable Portion of such proposed Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Sections 3.1 and 3.2, the Administrative Agent will make such funds available to the Borrower.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any proposed Borrowing that such Lender will not make available to the Administrative Agent such Lender's Ratable Portion of such Borrowing, the Administrative Agent may assume that such Lender has made such Ratable Portion available to the Administrative Agent on the date of such Borrowing in accordance with this Section 2.2 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such Ratable Portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate for the first Business Day and thereafter at the interest rate applicable at the time to the Loans comprising such Borrowing. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement. If the Borrower shall repay to the Administrative Agent such corresponding amount, such payment shall not relieve such Lender of any obligation it may have hereunder to the Borrower.

(d) The failure of any Lender to make the Loan or any payment required by it on the date specified (a "Non-Funding Lender"), shall not relieve any other Lender of its obligations to make such Loan or payment on such date but no such other Lender shall be responsible for the failure of any Non-Funding Lender to make a Loan or payment required under this Agreement.

SECTION 2.3. REDUCTION AND TERMINATION OF THE COMMITMENTS.

(a) The Borrower may, upon at least three (3) Business Days' prior notice to the Administrative Agent, terminate in whole or reduce in part ratably the unused portions of the respective Commitments of the Lenders; provided, however, that each partial reduction shall be in the aggregate amount of not less than $1,000,000 or an integral multiple of $1,000,000 in excess thereof.

(b) The then current Revolving Credit Commitments shall be reduced on each date on which a prepayment of Revolving Loans is made pursuant to Section 2.7 or would be required to be made had the outstanding Revolving Loans equaled the Revolving Credit Commitments then in effect, in each case in the amount of such prepayment (or deemed prepayment) (and the Revolving Credit Commitment of each Lender shall be reduced by its Ratable Portion of such amount).

SECTION 2.4. REPAYMENT OF LOANS. The Borrower promises to repay the entire unpaid principal amount of the Loans and all accrued but unpaid interest thereon on the Scheduled Termination Date or such earlier date on which the Loans shall be due and payable pursuant to the Agreement.

SECTION 2.5. EVIDENCE OF DEBT.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to such Lender resulting from

each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in accordance with its usual practice in which it will record (i) the amount of each Revolving Loan and Term Loan made, (ii) the amount of any principal or interest due and payable by the Borrower to each Lender hereunder with respect to each Loan and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower, whether such sum constitutes principal or interest (and the type of the Loan to which it applies), fees, expenses or other amounts due under the Loan Documents and each Lender's share thereof, if applicable. (c) The entries made in the accounts maintained pursuant to clauses (a) and (b) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations recorded therein; provided, however, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Loans in accordance with their terms.

(d) Notwithstanding any other provision of the Agreement, in the event that any Lender requests that the Borrower execute and deliver a promissory note or notes payable to such Lender in order to evidence the Indebtedness owing to such Lender by the Borrower hereunder, the Borrower will promptly execute and deliver a Revolving Credit Note or Revolving Credit Notes to such Lender evidencing any Revolving Loans of such Lender, substantially in the form of Exhibit B-1, or a Term Credit Note or Term Credit Notes to such Lender evidencing any Term Loans of such Lender substantially in the form of Exhibit B-2.

SECTION 2.6. OPTIONAL PREPAYMENTS.

(a) The Borrower may, upon at least one Business Days' prior notice to the Administrative Agent, prepay the outstanding principal amount of the Loans in whole or in part; provided, however, that each partial prepayment of Loans shall be in an aggregate principal amount not less than $100,000. Upon the giving of such notice of prepayment, the principal amount of Loans specified to be prepaid shall become due and payable on the date specified for such prepayment.

(b) The Borrower shall have no right to prepay the principal amount of any Loan other than as provided in this Section 2.6.

SECTION 2.7. MANDATORY PREPAYMENTS.

(a) Upon receipt by the Borrower or any of its Subsidiaries of any Net Cash Proceeds, the Borrower shall immediately prepay the Loans in an amount equal to one hundred percent (100%) of such Net Cash Proceeds, provided, however, that in the case of any Net Cash Proceeds arising from a Property Loss Event, the Borrower need not prepay the Loans to the extent that such Net Cash Proceeds are actually used to repair or replace the damaged or taken property within 180 days of the receipt of such Net Cash Proceeds and, pending application of such proceeds, the Borrower has paid the same to the Administrative Agent to be held in a Cash Collateral Account designated by the Administrative Agent. Any such mandatory prepayment shall be applied in accordance with Section 2.7(c) below.

(b) Borrower shall, on the fourth day following the third consecutive day on which cash and Cash Equivalents of the Loan Parties and their respective Subsidiaries exceed the limitations set forth in Section 8.3(b), prepay the Revolving Loan (without any concommitant reduction in the Revolving Credit Commitment) in an amount equal to such excess.

(c) Any prepayments made by the Borrower required to be applied in accordance with this Section 2.7(c) shall be applied as follows: Mandatory prepayments shall be applied (i) to Term Loans ratably based upon the then outstanding principal amounts of the Term Loans and (ii) to the extent of any excess, to the automatic and permanent reduction of the Revolving Loan Credit Commitment in an amount equal to such excess and if, after giving effect to such reduction, the outstanding amount of the Revolving Loans exceeds such reduced Revolving Credit Commitment, the Borrower shall immediately repay the Revolving Loans in an amount such that, after giving effect to such repayment, the Revolving Credit Commitment is greater than or equal to the outstanding principal amount of the Revolving Loans.

(d) If, at any time, the aggregate principal amount of the aggregate Revolving Loans exceed the Maximum Credit at such time, the Borrower shall forthwith prepay the Revolving Loans then outstanding in an amount equal to such excess. If, at any time, the aggregate principal amount of the aggregate Term Loans exceed the aggregate Term Credit Commitments, the Borrower shall forthwith prepay the Term Loans then outstanding in an amount equal to such excess.

SECTION 2.8. INTEREST.

(a) Rate of Interest. All Loans and the outstanding amount of all other Obligations shall bear interest, in the case of Loans, on the unpaid principal amount thereof from the date such Loans are made and, in the case of such other Obligations, from the date such other Obligations are due and payable until, in all cases, paid in full, except as otherwise provided in Section 2.8(c), at a rate per annum equal to the sum of (i) the Base Rate as in effect from time to time, plus (ii) the Applicable Margin.

(b) Interest Payments. (i) Interest accrued on each Loan shall be payable in arrears (A) on the last day of each calendar month, commencing on the first such day following the making of such Loan, and (B) if not previously paid in full, at maturity (whether by acceleration or otherwise) of such Loan; and (ii) interest accrued on the amount of all other Obligations shall be payable on demand from and after the time such Obligation becomes due and payable (whether by acceleration or otherwise).

(c) Default Interest. Notwithstanding the rates of interest specified in Section 2.8(a) or elsewhere herein, effective immediately upon the occurrence of an Event of Default, and for as long thereafter as such Event of Default shall be continuing, the principal balance of all Loans and the amount of all other Obligations shall bear interest at a rate which is three percent (3%) per annum in excess of the rate of interest applicable to such Loans or such other Obligations from time to time.

SECTION 2.9. FEES.

(a) Unused Commitment Fee. The Borrower agrees to pay to each Lender an unused commitment fee on the average amount by which (i) in the case of a Lender holding a Revolving Credit Commitment, the Revolving Credit Commitment of such Lender exceeds such Lender's Ratable Portion of the Revolving Loans then outstanding and (ii) in the case of a Lender

holding a Term Credit Commitment, the Term Credit Commitment of such Lender exceeds such Lender's Ratable Portion of the Term Loans then outstanding (the "Unused Commitment Fee"), in each case, from the date hereof until the Revolving Credit Termination Date or the Term Credit Termination Date, as the case may be, at the Applicable Unused Commitment Fee Rate, payable in arrears on the last day of each calendar month, commencing on the first such day following the Closing Date and on the Revolving Credit Termination Date or the Term Credit Termination Date, as the case may be.

(b) Arrangement Fees. The Borrower agrees to pay to the Administrative Agent on the Closing Date an arrangement fee equal to 4.00% of the Commitment (the "Arrangement Fee").

SECTION 2.10. PAYMENTS AND COMPUTATIONS.

(a) The Borrower shall make each payment hereunder (including fees and expenses) not later than 11:00 A.M. (New York City time) on the day when due, in Dollars, to the Administrative Agent by wire transfer of immediately available funds to the Loan Account without set-off or counterclaim. The Administrative Agent will promptly thereafter cause to be distributed immediately available funds relating to the payment of principal or interest or fees to the Lenders, in accordance with the application of payments set forth in clauses (f) and (g) of this Section 2.10, as applicable; provided, however, that amounts payable pursuant to Section 2.11 or 2.12 shall be paid only to the affected Lender or Lenders. Payments received by the Administrative Agent after 11:00 A.M. (New York City time) shall be deemed to be received on the next succeeding Business Day.

(b) All computations of interest and of fees shall be made by the Administrative Agent on the basis of a year of 365 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 and fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) If and to the extent any payment owed to the Administrative Agent or any Lender is not made when due, each Loan Party hereby authorizes the Administrative Agent and such Lender, subject to any notice period provided in the Orders, to setoff and charge any amount so due against any deposit account maintained by such Loan Party with the Administrative Agent or such Lender or against other amounts due from the Administrative Agent or such Lender, in each case whether or not the deposit therein or such other amount is then due.

(d) Whenever any payment 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 such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be.

(e) Unless the Administrative Agent shall have received notice from the Borrower to the Lenders prior to the date on which any payment is due hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have made such payment in full to the Administrative Agent, each

Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon at the rate applicable to Loans, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent.

(f) Subject to the provisions of clause (g) of this Section 2.10 (and except as otherwise provided in Section 2.7), all payments and any other amounts received by the Administrative Agent from or for the benefit of the Borrower or any other Loan Party shall be applied first, ratably to such Loans as the Borrower shall designate (or in the absence of such designation, to Revolving Loans) to pay principal of and interest on any portion of the Loans which the Administrative Agent may have advanced pursuant to the express provisions of this Agreement on behalf of any Lender, for which the Administrative Agent has not then been reimbursed by such Lender or the Borrower; second, to pay all other Obligations then due and payable; and third, as the Borrower so designates. Payments in respect of Revolving Loans and Term Loans received by the Administrative Agent shall be distributed to each Lender in accordance with such Lender's Ratable Portion, as applicable; and all payments of fees and all other payments in respect of any other Obligation shall be allocated among such of the Lenders as are entitled thereto, and, if to the Lenders, in proportion to their respective Ratable Portions.

(g) After the occurrence and during the continuance of an Event of Default, the Borrower hereby irrevocably waives the right to direct the application of any and all payments in respect of the Obligations and any proceeds of Collateral, and agrees that the Administrative Agent may, and shall upon either (A) the written direction of the Requisite Lenders or (B) the acceleration of the Obligations pursuant to Section 9.2, apply all payments in respect of any Obligations and all funds on deposit in any Cash Collateral Account (including all proceeds arising from a Property Loss Event that are held in the Cash Collateral Account pending application of such proceeds as specified in a reinvestment notice) and all other proceeds of Collateral in the following order:

(i) first, to pay interest on and then principal of any portion of the Loans which the Administrative Agent may have advanced on behalf of any Lender for which the Administrative Agent has not then been reimbursed by such Lender or the Borrower;

(ii) second, to pay Obligations in respect of any expense reimbursements or indemnities then due the Administrative Agent;

(iii) third, to pay Obligations in respect of any expense reimbursements or indemnities then due to the Lenders;

(iv) fourth, to pay Obligations in respect of any fees then due to the Administrative Agent or the Lenders;

(v) fifth, to pay interest then due and payable in respect of the Loans ratably to such Loans;

(vi) sixth, to pay or prepay principal payments on the Loans ratably to the aggregate principal amount of such Loans; and

(vii) seventh, to the ratable payment of all other Obligations;

provided, however, that if sufficient funds are not available to fund all payments to be made in respect of any of the Obligations described in any of the foregoing clauses first through seventh, the available funds being applied with respect to any such Obligation (unless otherwise specified in such clause) shall be allocated to the payment of such Obligations ratably, based on the proportion of the Administrative Agent's and each Lender's interest in the aggregate outstanding Obligations described in such clauses. The order of priority set forth in clauses first through seventh of this Section 2.10(g) may at any time and from time to time be changed by the agreement of the Requisite Lenders without necessity of notice to or consent of or approval by the Borrower, any Secured Party that is not a Lender, or any other Person. The order of priority set forth in clauses first through fifth of this Section 2.10(g) may be changed only with the prior written consent of the Administrative Agent in addition to the Requisite Lenders.

(h) At the option of the Administrative Agent, interest, fees, expenses and other sums due and payable in respect of the Loans and Protective Advances may be paid from the proceeds of Term Loans or Revolving Loans. The Borrower hereby authorizes the Lenders to make Revolving Loans or Term Loans pursuant to Section 2.2(a), from time to time in such Lender's discretion, which are in the amounts of any and all interest, fees, expenses and other sums payable in respect of the Loans, and further authorizes the Administrative Agent to give the Lenders notice of any Borrowing with respect to Loans and to distribute the proceeds of such Loans to pay such amounts. The Borrower agrees that all such Loans so made shall be deemed to have been requested by it (irrespective of the satisfaction of the conditions in Section 3.2, which conditions the Lenders irrevocably waive) and directs that all proceeds thereof shall be used to pay such amounts. The Borrower further agrees that any such Loans will constitute Obligations hereunder, even if the effect of making such Loans causes the principal outstanding amount of the Loans to exceed the Commitment.

SECTION 2.11. CAPITAL ADEQUACY. If at any time any Lender determines that (a) the adoption of or any change in or in the interpretation of any law, treaty or governmental rule, regulation or order after the date of this Agreement regarding capital adequacy, (b) compliance with any such law, treaty, rule, regulation, or order, or (c) compliance with any guideline or request or directive from any central bank or other Governmental Authority (whether or not having the force of law) shall have the effect of reducing the rate of return on such Lender's (or any corporation controlling such Lender's) capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change, compliance or interpretation, then, upon demand from time to time by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender for such reduction. A certificate as to such amounts submitted to the Borrower and the Administrative Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

SECTION 2.12. TAXES.

(a) Any and all payments by any Loan Party under each Loan Document shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) in the case of each Lender and the Administrative Agent (A) taxes measured by its net income, and franchise taxes imposed on it, by the jurisdiction (or any political subdivision thereof) under the laws of which such Lender or the Administrative Agent (as the case may be) is organized and (B) any United States withholding taxes payable with respect to payments under the Loan Documents under laws (including any statute, treaty or regulation) in effect on the

Closing Date (or, in the case of an Assignee, the date of the Assignment and Acceptance) applicable to such Lender or the Administrative Agent, as the case may be, but not excluding any United States withholding payable as a result of any change in such laws occurring after the Closing Date (or the date of such Assignment and Acceptance) and (ii) in the case of each Lender, taxes measured by its net income, and franchise taxes imposed on it, as a result of a present or former connection between such Lender and the jurisdiction of the Governmental Authority imposing such tax or any taxing authority thereof or therein (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If any Taxes shall be required by law to be deducted from or in respect of any sum payable under any Loan Document to any Lender or the Administrative Agent (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.12) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the relevant Loan Party shall make such deductions, (iii) the relevant Loan Party shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law and (iv) the relevant Loan Party shall deliver to the Administrative Agent evidence of such payment.

(b) In addition, each Loan Party agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies of the United States or any political subdivision thereof or any applicable foreign jurisdiction, and all liabilities with respect thereto, which arise from any payment made under any Loan Document or from the execution, delivery or registration of, or otherwise with respect to, any Loan Document (collectively, "Other Taxes").

(c) Each Loan Party will indemnify each Lender and the Administrative Agent for the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.12) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including for penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within thirty (30) days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Within thirty (30) days after the date of any payment of Taxes or Other Taxes, the Borrower will furnish to the Administrative Agent, at its address referred to in Section 13.8, the original or a certified copy of a receipt evidencing payment thereof.

(e) Without prejudice to the survival of any other agreement of the Loan Parties hereunder, the agreements and obligations of the Loan Parties contained in this Section 2.12 shall survive the payment in full of the Obligations.

(f) Prior to the Closing Date in the case of each Non-U.S. Lender that is a signatory hereto, and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each other Non-U.S. Lender and from time to time thereafter if requested by the Borrower or the Administrative Agent, each Non-U.S. Lender that is entitled at such time to an exemption from United States withholding tax, or that is subject to such tax at a reduced rate under an applicable tax treaty, shall provide the Administrative Agent and the Borrower with two completed copies of: (i) Form W-8ECI (claiming exemption from withholding because the income is effectively connected with a U.S. trade or business) (or any successor form); (ii) Form W-8BEN (claiming exemption from, or a reduction of, withholding tax under an income tax

treaty) (or any successor form); (iii) in the case of a Non-U.S. Lender claiming exemption under Sections 871(h) or 881(c) of the Code, a Form W-8BEN (claiming exemption from withholding under the portfolio interest exemption) (or successor form); or (iv) or other applicable form, certificate or document prescribed by the IRS certifying as to such Non-U.S. Lender's entitlement to such exemption from United States withholding tax or reduced rate with respect to all payments to be made to such Non-U.S. Lender under the Loan Documents. Unless the Borrower and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments under any Loan Document to or for a Non-U.S. Lender are not subject to United States withholding tax or are subject to such tax at a rate reduced by an applicable tax treaty, the Borrower or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.12 shall use its reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its applicable lending office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts which would be payable or may thereafter accrue and would not, in the sole determination of such Lender, be otherwise disadvantageous to such Lender.

ARTICLE III

CONDITIONS TO LOANS

SECTION 3.1. CONDITIONS PRECEDENT TO INITIAL LOANS. The obligation of each Lender to make the initial Loans requested to be made by it on the Closing Date is subject to the satisfaction of all of the following conditions precedent:

(a) Bankruptcy Court Order. The Bankruptcy Court shall have entered the Interim Order, certified by the Clerk of the Bankruptcy Court as having been duly entered, and the Interim Order shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed without the prior written consent of the Administrative Agent and the Requisite Lenders.

(b) Certain Documents. The Administrative Agent shall have received on the Closing Date each of the following, each dated the Closing Date unless otherwise indicated or agreed to by the Administrative Agent, in form and substance satisfactory to the Administrative Agent and each Lender and each of their respective counsel, and in sufficient copies for each Lender:

(i) this Agreement, duly executed and delivered by each of the Loan Parties and, for the account of each Lender requesting the same, a Revolving Credit Note or Revolving Credit Notes and Term Credit Note or Term Credit Notes of the Borrower conforming to the requirements set forth herein;

(ii) copies of UCC search reports as of a recent date listing all effective financing statements that name any Loan Party as debtor, together with copies of such financing statements, none of which shall cover the Collateral (except for those Liens permitted pursuant to Section 8.2);

(iii) (A) share certificates representing all certificated Stock being pledged pursuant to this Agreement and stock powers for such share certificates executed in blank, as the Administrative Agent may require;

(B) instruments representing such of the Instruments pledged pursuant to this Agreement as shall be requested by the Administrative Agent, in each case duly endorsed in favor of the Administrative Agent or in blank;

(iv) a favorable opinion of (A) Kirkland & Ellis, counsel to the Loan Parties, in substantially the form of Exhibit E-1, and (B) in-house counsel to the Loan Parties, in substantially the form of Exhibit E-2, in each case addressed to the Administrative Agent and the Lenders and addressing such other matters as any Lender through the Administrative Agent may reasonably request;

(v) a copy of the articles or certificate of incorporation (or equivalent Constituent Document) of each Loan Party, certified as of a recent date by the Secretary of State of the state of incorporation or formation of such Loan Party, together with certificates of such official attesting to the good standing of each such Loan Party;

(vi) a certificate of the Secretary or an Assistant Secretary of each Loan Party certifying (A) the names and true signatures of each officer of such Loan Party who has been authorized to execute and deliver any Loan Document or other document required hereunder to be executed and delivered by or on behalf of such Loan Party, (B) the by-laws (or equivalent Constituent Document) of such Loan Party as in effect on the date of such certification, (C) the resolutions of such Loan Party's Board of Directors (or equivalent governing body) approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party and (D) that there have been no changes in the certificate of incorporation (or equivalent Constituent Document) of such Loan Party from the certificate of incorporation (or equivalent Constituent Document) delivered pursuant to the immediately preceding clause;

(vii) a certificate of a Responsible Officer of the Borrower to the effect that the condition set forth in Section 3.2(b) has been satisfied;

(viii) evidence satisfactory to the Administrative Agent that the insurance policies required by Section 7.5 are in full force and effect, together with endorsements naming the Administrative Agent, on behalf of the Secured Parties, as an additional insured and/or loss payee under all insurance policies to be maintained with respect to the properties of the Borrower and its Subsidiaries;

(ix) evidence satisfactory to the Administrative Agent of the receipt of the consents, authorizations and approvals, and the making of the filings, listed on Schedule 4.2;

(x) a copy of the Business Plan and the Financial Statements, all in form and substance satisfactory to the Administrative Agent and the Lenders;

(xi) a letter from Worldspan addressed to the Administrative Agent, in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion, (A) releasing that certain Lien created by PARS in favor of Worldspan in the

Stock of Worldspan owned by PARS, including the Lien perfected by UCC-1 financing statement (x) number 086951 filed with the New York Secretary of State and (y) number 3031678 filed with the Missouri Secretary of State, and (ii) acknowledging there are no Liens outstanding against the partnership interest of Worldspan; and

(xii) such other certificates, documents, agreements and information respecting the Borrower and its Subsidiaries as any Lender through the Administrative Agent may reasonably request.

(c) Fee and Expenses Paid. There shall have been paid to the Administrative Agent, for the account of the Administrative Agent and the Lenders, as applicable, all fees and expenses (including reasonable fees and expenses of counsel) due and payable on or before the Closing Date.

SECTION 3.2. CONDITIONS PRECEDENT TO EACH LOAN. The obligation of each Lender on any date (including the Closing Date) to make any Loan (including any Loan made on the Closing Date) is subject to the satisfaction of all of the following conditions precedent:

(a) Request for Borrowing. With respect to any Loan, the Administrative Agent shall have received a duly executed Notice of Borrowing dated on or before such date and the Borrower must be current in the delivery of all Compliance Certificates and Borrowing Base Certificates required to be delivered hereunder.

(b) Representations and Warranties; No Defaults. The following statements shall be true on the date of such Loan, both before and after giving effect thereto and applying the proceeds therefrom:

(i) The representations and warranties set forth in Article IV and in the other Loan Documents shall be true and correct on and as of the Closing Date and shall be true and correct in all material respects on and as of any such date after the Closing Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case, the representation and warranties were true and correct in all material respects as of such earlier date; and

(ii) no Default or Event of Default has occurred and is continuing;

(c) Availability. After giving effect to the Loans requested to be made on any such date and the use of proceeds thereof, (i) the aggregate Revolving Loans then outstanding shall not exceed the Maximum Credit at such time and (ii) the aggregate Term Loans then outstanding shall not exceed the aggregate Term Credit Commitments at such time.

(d) No Legal Impediments. The making of the Loans on such date does not violate any Requirement of Law on the date of or immediately following such Loan and is not enjoined, temporarily, preliminarily or permanently.

(e) Final Order. From and after the 21st day after the Closing Date, the Bankruptcy Court shall have entered the Final Order, certified by the Clerk of the Bankruptcy Court as having been duly entered, and the Final Order shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed without the prior written consent of the Administrative Agent and the Requisite Lenders.

(f) Asset Purchase Agreement. The Asset Purchase Agreement (i) shall not have been determined to be invalid or unenforceable and (ii) shall not have been terminated by Borrower or any of its Subsidiaries (irrespective of the reason therefor) or by American as a result of the operation of Section 12.3(b)(i) of the Asset Purchase Agreement and none of the Loan Parties or any other Subsidiaries shall have challenged the validity or enforceability thereof.

(g) Additional Matters. The Administrative Agent shall have received such additional documents, information and materials as any Lender, through the Administrative Agent, may request.

Each submission by the Borrower to the Administrative Agent of a Notice of Borrowing and the acceptance by the Borrower of the proceeds of each Loan requested therein, shall be deemed to constitute a representation and warranty by the Borrower as to the matters specified in this Section 3.2 on the date of the making of such Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Lenders and the Administrative Agent to enter into this Agreement, the Borrower represents and warrants as to itself and as to its Subsidiaries, and each other Loan Party represents and warrants as to such Loan Party, to the Lenders and the Administrative Agent that, on and as of the Closing Date, after giving effect to the making of the Loans and other financial accommodations on the Closing Date and on and as of each date as required by Section 3.2(b)(i):

SECTION 4.1. CORPORATE EXISTENCE; COMPLIANCE WITH LAW. Each of the Borrower and its Subsidiaries (a) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, as applicable; (b) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where such qualification is necessary, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect; (c) has all requisite power and authority and the legal right to own, pledge, mortgage and operate its properties, to lease the property it operates under lease and to conduct its business as now or currently proposed to be conducted; (d) is in compliance with its Constituent Documents; (e) is in compliance with all applicable Requirements of Law, except where the failure to be in compliance would not in the aggregate have a Material Adverse Effect; and (f) has all necessary licenses, permits, consents or approvals from or by, has made all necessary filings with, and has given all necessary notices to, each Governmental Authority having jurisdiction, to the extent required for such ownership, operation and conduct, except for licenses, permits, consents, approvals or filings which can be obtained or made by the taking of ministerial action to secure the grant or transfer thereof or the failure to obtain or make could not in the aggregate have a Material Adverse Effect.

SECTION 4.2. CORPORATE POWER; AUTHORIZATION; ENFORCEABLE OBLIGATIONS.

(a) The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party and the consummation of the transactions contemplated thereby, including the obtaining of the Loans and the creation and perfection of the Liens on the Collateral as security therefor:

(i) are, subject to the entry of the Orders, within such Loan Party's corporate, limited liability company, partnership or other powers;

(ii) have been or, at the time of delivery thereof pursuant to Article III will have been, duly authorized by all necessary corporate action, including the consent of shareholders where required;

(iii) subject to the entry of the Orders, do not and will not (A) contravene such Loan Party's or any of its Subsidiaries' respective Constituent Documents, (B) violate any other Requirement of Law applicable to such Loan Party (including Regulations T, U and X of the Federal Reserve Board), or any order or decree of any Governmental Authority or arbitrator applicable to such Loan Party, (C) conflict with or result in the breach of, or constitute a default under, or result in or permit the termination or acceleration of, any material Contractual Obligation of such Loan Party or any of its Subsidiaries, or (D) result in the creation or imposition of any Lien upon any of the property of such Loan Party or any of its Subsidiaries, other than those in favor of the Secured Parties pursuant to this Agreement, the other Loan Documents and the Orders; and

(iv) do not require the consent of, authorization by, approval of, notice to, or filing or registration with, any Governmental Authority or any other Person, other than those listed on Schedule 4.2 and which have been or will be, prior to the Closing Date, obtained or made, copies of which have been or will be delivered to the Administrative Agent pursuant to Section 3.1, and each of which on the Closing Date will be in full force and effect.

(b) This Agreement has been, and each of the other Loan Documents will have been upon delivery thereof pursuant to the terms of this Agreement, duly executed and delivered by each Loan Party thereto. Subject to the entry of the Orders, this Agreement is, and the other Loan Documents will be, when delivered hereunder, the legal, valid and binding obligation of each Loan Party thereto, enforceable against such Loan Party in accordance with its terms.

SECTION 4.3. OWNERSHIP OF SUBSIDIARIES. Set forth on Schedule 4.3 hereto is a complete and accurate list showing, as of the Closing Date, all Subsidiaries of the Borrower and, as to each such Subsidiary, (i) the jurisdiction of its incorporation, (ii) the number of shares of each class of Stock authorized (if applicable), (iii) the number outstanding on the Closing Date and (iv) the number and percentage of the outstanding shares of each such class owned (directly or indirectly) by the Borrower or any other Subsidiary. No Stock of any Subsidiary of the Borrower is subject to any outstanding option, warrant, right of conversion or purchase or any similar right. All of the outstanding Stock of each Subsidiary of the Borrower owned (directly or indirectly) by the Borrower or any other Subsidiary has been validly issued, is fully paid and non-assessable and is owned by the Borrower or a Subsidiary of the Borrower, free and clear of all Liens (other than Liens set forth on Schedule 4.3, the Lien in favor of the Secured Parties created pursuant to this Agreement and the Orders). Neither the Borrower nor any such Subsidiary is a party to, or has knowledge of, any agreement restricting the transfer or hypothecation of any Stock of any such Subsidiary, other than as set forth on Schedule 4.3 and the Loan Documents. Neither the Borrower nor any of its Subsidiaries owns or holds, directly or indirectly, any Stock of any Person other than such Subsidiaries and Investments permitted by Section 8.3.

SECTION 4.4. FINANCIAL STATEMENTS.

(a) The consolidated balance sheet of the Borrower and its Subsidiaries as of December 31, 1999, and the related consolidated statements of income, retained earnings and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, certified by KPMG LLP, and the consolidated balance sheets of the Borrower and its Subsidiaries as at September 30, 2000, and the related consolidated statements of income, retained earnings and cash flows of the Borrower and its Subsidiaries for the nine (9) months then ended, copies of which have been furnished to each Lender, fairly present, in all material respects, subject, in the case of said balance sheets as at September 30, 1999, and said statements of income , retained earnings and cash flows for the nine (9) months then ended, to the absence of footnote disclosure and normal recurring year-end audit adjustments, the consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its Subsidiaries for the period ended on such dates, all in conformity with GAAP.

(b) Neither the Borrower nor any of its Subsidiaries has any material obligation, contingent liability or liability for taxes, long-term Leases or Contracts or unusual forward or long-term commitment which is not reflected in the Financial Statements referred to in clause (a) above or in the notes thereto or permitted by this Agreement.

SECTION 4.5. MATERIAL ADVERSE CHANGE. Other than the filing of the Cases and the events and circumstances precipitating such filing, since September 30, 1999, there has been no Material Adverse Change and there have been no events or developments that in the aggregate have had a Material Adverse Effect.

SECTION 4.6. LITIGATION. Other than the Cases, there are no pending or, to the knowledge of the Borrower, threatened actions, investigations or proceedings affecting the Borrower or any of its Subsidiaries before any court, Governmental Authority or arbitrator other than those that in the aggregate have no reasonable risk of being determined adversely to the Borrower or the Borrower and its Subsidiaries taken as a whole, respectively and, if so determined, would not have a Material Adverse Effect. The performance of any action by any Loan Party required or contemplated by any of the Loan Documents is not restrained or enjoined (either temporarily, preliminarily or permanently). Schedule 4.6 lists all litigation pending against any Loan Party at the date hereof which, if adversely determined, would have a Material Adverse Effect.

SECTION 4.7. FULL DISCLOSURE.

(a) The written information prepared or furnished by or at the direction of any Loan Party in connection with this Agreement or the consummation of the financing taken as a whole, including the information contained in the Disclosure Document, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. All facts known to the Borrower which are material to an understanding of the financial condition, business, properties or prospects of the Borrower and its Subsidiaries taken as one enterprise have been disclosed to the Lenders.

(b) The Disclosure Documents comply as to form in all material respects with all applicable requirements of all applicable state and Federal securities laws.

SECTION 4.8. MARGIN REGULATIONS. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the

meaning of Regulation U of the Federal Reserve Board), and no proceeds of any Borrowing will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock in contravention of Regulation T, U or X of the Federal Reserve Board.

SECTION 4.9. NO BURDENSOME RESTRICTIONS; NO DEFAULTS.

(a) Neither the Borrower nor any of its Subsidiaries (i) is a party to any Contractual Obligation the compliance with which would have a Material Adverse Effect or the performance of which by any thereof, either unconditionally or upon the happening of an event, would result in the creation of a Lien enforceable against such Person (other than a Lien permitted under Section 8.2) on the property or assets of any thereof or (ii) is subject to any charter or corporate restriction which would have a Material Adverse Effect.

(b) Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation owed by it and, to the knowledge of the Borrower, no other party is in default under or with respect to any Contractual Obligation owed to any Loan Party or to any Subsidiary of a Loan Party, other than, in either case, those defaults which occurred solely as a result of the filing of the Cases or which, in the aggregate would not have a Material Adverse Effect.

(c) No Default or Event of Default has occurred and is continuing.

(d) To the best knowledge of the Borrower, there is no Requirement of Law applicable to any Loan Party or their respective Subsidiaries the noncompliance with which by such Loan Party or Subsidiary would have a Material Adverse Effect.

SECTION 4.10. INVESTMENT COMPANY ACT; PUBLIC UTILITY HOLDING COMPANY ACT. Neither the Borrower nor any of its Subsidiaries is (a) an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended or (b) a "holding company," or an "affiliate" or a "holding company" or a "subsidiary company" of a "holding company," as each such term is defined and used in the Public Utility Holding Act of 1935, as amended.

SECTION 4.11. USE OF PROCEEDS. The proceeds of the Loans are being used by the Borrower solely as follows: (a) to fund post-petition operating expenses of the Loan Parties incurred in the ordinary course of business, (b) to pay certain other costs and expenses of administration of the Cases to be specified in writing to the Administrative Agent (including by notice of application for Orders), (c) for working capital, capital expenditures and other general corporate purposes of the Loan Parties not in contravention of any Requirement of Law or the Loan Documents and (d) as long as no Default or Event of Default has occurred and is continuing and the Borrower has complied or has caused its Subsidiaries to comply with Section 8.5(b), if applicable, to pay certain Permitted Prepetition Claim Payments. The Borrower shall use the entire amount of the proceeds of each Loan in accordance with this Section 4.11, provided, however, that nothing herein shall in any way prejudice or prevent the Administrative Agent or the Lenders from objecting, for any reason, to any requests, motions or applications made in the Bankruptcy Court, including any applications for interim or final allowances of compensation for services rendered or reimbursement of expenses incurred under Sections 105(a), 330 or 331 of the Bankruptcy Code, by any party in interest, and provided, further, that the Borrower shall not use the proceeds from any Loans (x) for any purpose that is prohibited under the Bankruptcy Code, or

(y) in connection with (i) the investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Administrative Agent or the Lenders, including challenging the amount, validity, perfection, priority or enforceability of or asserting any defense, counterclaim or offset to, the Obligations or the security interests and Liens of the Secured Parties in respect thereof or (ii) the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against American or its Affiliates, including challenging the validity or enforceability of the Asset Purchase Agreement.

SECTION 4.12. SECURED, SUPER PRIORITY OBLIGATIONS.

(a) On and after the Closing Date, the provisions of the Loan Documents and the Orders are effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, legal, valid and perfected Liens on and security interests (having the priority provided for herein and in the Orders) in all right, title and interest in the Collateral, enforceable against each Loan Party that owns an interest in such Collateral.

(b) Pursuant to subsections 364(c)(2) and (3) of the Bankruptcy Code and the Orders, all amounts owing by the Borrower under this Agreement and the other Loan Documents and by the Guarantors in respect thereof will be secured by a first priority perfected Lien on the Priority Collateral and a perfected Lien on the Junior Collateral, subject only to (i) valid, perfected, nonavoidable and enforceable Liens existing as of the Petition Date in the case of the Junior Collateral and (ii) the Carve-Out in the case of the Junior Collateral and the Priority Collateral.

(c) Pursuant to Section 364(c) of the Bankruptcy Code and the Orders, all obligations of the Borrower and the obligations of the Guarantors under the Guaranty in respect thereof at all times will constitute allowed super-priority administrative expense claims in the Cases having priority over all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code, subject only to the Carve-Out.

(d) The Orders and the transactions contemplated hereby and thereby, are in full force and effect and have not been vacated, reversed, modified, amended or stayed without the prior written consent of the Administrative Agent.

SECTION 4.13. DEPOSIT ACCOUNTS; CONTROL ACCOUNTS. The only deposit accounts, Securities Accounts or commodity accounts maintained by any Grantor on the date hereof are those listed on Schedule 4.13, which sets forth such information separately for each Grantor.

SECTION 4.14. TITLE; NO OTHER LIENS. Except for the Lien granted to the Administrative Agent pursuant to this Agreement, (a) each Grantor is the record and beneficial owner of the Pledged Collateral pledged by it hereunder constituting Instruments or certificated securities and owns each other item of Collateral in which a Lien is granted by it hereunder and (b) all such Collateral is owned free and clear of any and all Liens other than Liens permitted under Section 8.2.

SECTION 4.15. PLEDGED COLLATERAL.

(a) The Pledged Stock pledged hereunder by each Grantor constitutes that percentage of the issued and outstanding equity of all classes of each issuer thereof as set forth on Schedule 4.15.

(b) All of the Pledged Stock has been duly and validly issued and is fully paid and nonassessable.

(c) Each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

(d) All Pledged Stock of such Grantor as of the date hereof are listed on Schedule 4.15.

(e) Other than with respect to the Stock set forth on Schedule 4.15, the Pledged Collateral consisting of certificated securities or Instruments has been delivered to the Administrative Agent to the extent requested by the Administrative Agent.

(f) Other than with respect to the Stock set forth on Schedule 4.15, there is no Pledged Collateral other than that represented by certificated securities or Instruments in the possession of the Administrative Agent.

(g) Other than with respect to the Stock set forth on Schedule 4.15, no Person has control over any Investment Property of such Grantor.

SECTION 4.16. GUARANTORS. No Loan Party has any Subsidiary which owns or holds (by lease, beneficially or otherwise) any material assets other than those Subsidiaries which are Guarantors hereunder and those identified on Schedule 4.16.

SECTION 4.17. PASSIVE HOLDING COMPANY. Each of TWA Stock Holding and PARS, engages in no activities or business and has incurred no Indebtedness or Guaranty Obligations other than (a) with respect to TWA Stock Holding, the ownership of the Stock of PARS, and (b) with respect to PARS, the ownership of the Stock of Worldspan.

SECTION 4.18. ASSET PURCHASE AGREEMENT REPRESENTATIONS AND WARRANTIES. Each of the representations and warranties set forth in Article VI of the Asset Purchase Agreement is true and correct and is incorporated herein by reference with the same effect as if each such representation and warranty had been restated herein (without regard to any amendment, modification or waiver of the Asset Purchase Agreement and notwithstanding the termination thereof).

SECTION 4.19. OPERATIONS. The Borrower is a "citizen of the United States" as defined in Section 101(16) of the Aviation Act. The Borrower is a duly certificated "air carrier" pursuant to Section 44750 of Title 49 of the United States Code. The Borrower is a duly certificated "air carrier" within the meaning of the Aviation Act authorized to transport passengers, property and mail in interstate, overseas and foreign air transportation and is certificated under Sections 401 and 604(b) of the Aviation Act. All such certificates or

exemptions from the requirement to possess certificates or their foreign equivalents are in force and duly issued to Borrower, as the case may be, by the DOT, the FAA or its predecessor agency or the applicable equivalent foreign Governmental Authority, and all material licenses, permits, authorizations, certificates of compliance, certificates of public convenience and necessity and other certificates (including, without limitation, air carrier operating certificates and operations specifications issued by the FAA or any applicable equivalent foreign Governmental Authority pursuant to Part 121 of the Regulations of the FAA or equivalent foreign regulation), which are required by the DOT and the FAA or any equivalent foreign Governmental Authority and which are adequate for the conduct of the business of Borrower as now conducted and as proposed to be conducted . There are no license fees due and payable on Borrower's DOT or FAA licenses or their applicable foreign equivalents. Borrower is in compliance with all material requirements of the licenses, permits, authorizations and certificates issued to it by the DOT and the FAA or any applicable equivalent foreign Governmental Authority and none of the FAA, DOT or any applicable equivalent foreign agency is taking any action or, to the knowledge of Borrower, considering the taking of any action to revoke, suspend, modify or amend such licenses, permits, authorizations or certificates which is reasonably likely to have a Material Adverse Effect.

SECTION 4.20. AIRCRAFT AND SPARE PARTS.

(a) Schedule 4.20(a) sets forth a true and complete list of all Airframes which are owned or leased by the Borrower and its Subsidiaries as of the Closing Date (including descriptions of manufacturer, model, manufacturer's serial number and U.S. registration number and whether owned or leased by the relevant Grantor and whether subject to an existing mortgage or similar Lien).

(b) Schedule 4.20(b) sets forth a true and complete list of all Engines which are owned or leased by the Borrower and its Subsidiaries as of the Closing Date (including descriptions of manufacturer, model, manufacturer's serial number and whether owned or leased by the relevant Grantor and whether subject to an existing mortgage or similar Lien). Each such Engine is capable of producing not less than 750 rated takeoff horsepower.

(c) Schedule 4.20(c) sets forth a true and complete list of all designated locations at which Spare Parts and Ground Equipment are located which are owned and maintained by the Borrower and its Subsidiaries as of the Closing Date (including general descriptions of the Spare Parts and Ground Equipment owned by the Borrower and its Subsidiaries at each such location and whether such Spare Parts and Ground Equipment are subject to an existing mortgage or similar Lien).

ARTICLE V

FINANCIAL COVENANTS

As long as any of the Obligations or Commitments remain outstanding, unless the Requisite Lenders otherwise consent in writing, the Borrower agrees with the Lenders and the Administrative Agent that:

SECTION 5.1. Minimum EBITDA. The Borrower will have, as of the last day of each fiscal month in each Fiscal Year set forth below, EBITDA for such fiscal month ending on such day of not less than the following:

FISCAL MONTH ENDING	MINIMUM EBITDA
January 2001	$(64,000,000)
February 2001	$(39,600,000)
March 2001	$ 9,900,000
April 2001	$ 12,400,000
May 2001	$ 7,600,000

SECTION 5.2. Capital Expenditures. The Borrower will not permit Capital Expenditures to be made or incurred during any fiscal month of any Fiscal Year in excess of the maximum amount set forth below for such fiscal month:

FISCAL MONTH ENDING	MAXIMUM CAPITAL EXPENDITURES
January 2001	$ 2,700,000
February 2001	$ 2,700,000
March 2001	$ 2,800,000
April 2001	$ 8,800,000
May 2001	$13,500,000

In addition to the foregoing, Borrower may incur Capital Expenditures in an amount agreed by the Administrative Agent, in writing, in its sole and absolute discretion.

ARTICLE VI

REPORTING COVENANTS

As long as any of the Obligations or Commitments remain outstanding, unless the Requisite Lenders otherwise consent in writing, the Borrower agrees with the Lenders and the Administrative Agent that:

SECTION 6.1. FINANCIAL STATEMENTS; ETC. The Borrower shall furnish to the Administrative Agent (with sufficient copies for each of the Lenders) the following:

(a) Monthly Reports. Within twenty (20) days after the end of each fiscal month in each Fiscal Year, financial information regarding the Borrower and its Subsidiaries consisting of consolidated unaudited balance sheets as of the close of such month and the related statements of income and cash flow for such month and that portion of the current Fiscal Year ending as of the close of such month, setting forth in comparative form the figures for the corresponding period in the prior year and the figures contained in the Business Plan for the current Fiscal Year, in each case certified by a Responsible Officer of the Borrower as fairly presenting, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the

periods indicated in accordance with GAAP (subject to the absence of footnote disclosure and normal year-end audit adjustments).

(b) Quarterly Reports. Within forty-five (45) days after the end of each Fiscal Quarter of each Fiscal Year, financial information regarding the Borrower and its Subsidiaries consisting of consolidated unaudited balance sheets as of the close of such quarter and the related statements of income and cash flow for such quarter and that portion of the Fiscal Year ending as of the close of such quarter, setting forth in comparative form the figures for the corresponding period in the prior year and the figures contained in the Business Plan for the current Fiscal Year, in each case certified by a Responsible Officer of the Borrower as fairly presenting, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in accordance with GAAP (subject to the absence of footnote disclosure and normal year-end audit adjustments).

(c) Annual Reports. Within ninety (90) days after the end of each Fiscal Year, financial information regarding the Borrower and its Subsidiaries consisting of consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as of the end of such year and related statements of income and cash flows of the Borrower and its Subsidiaries for such Fiscal Year, all prepared in conformity with GAAP and certified, in the case of such consolidated financial statements, without qualification as to the scope of the audit by independent public accountants acceptable to the Administrative Agent, together with the report of such accounting firm stating that (i) such financial statements fairly present, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except for changes with which such independent certified public accountants shall concur and which shall have been disclosed in the notes to the financial statements) and (ii) the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards, and accompanied by a certificate stating that in the course of the regular audit of the business of the Borrower and its Subsidiaries such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or, if in the opinion of such accounting firm, a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof.

(d) Compliance Certificate. Together with each delivery of any financial statement pursuant to clauses (a), (b) and (c) of this Section 6.1, a certificate of a Responsible Officer of the Borrower (each, a "Compliance Certificate") (i) showing in reasonable detail the calculations used in demonstrating compliance with each of the financial covenants contained in Article V which is tested on a monthly basis and (ii) stating that no Default or Event of Default has occurred and is continuing or, if a Default or an Event of Default has occurred and is continuing, stating the nature thereof and the action which the Borrower proposes to take with respect thereto.

(e) Management Letters, Etc. Within five (5) Business Days after receipt thereof by the Borrower or its Subsidiaries, copies of each management letter, exception report or similar letter or report received by such Person from its independent certified public accountants;

(f) Intercompany Loan Balances. Together with each delivery of any financial statement pursuant to clause (a) of this Section 6.1, a summary of the outstanding

balance of all intercompany Indebtedness as of the last day of the fiscal month covered by such financial statement, certified by a Responsible Officer.

SECTION 6.2. DEFAULT NOTICES. As soon as practicable, and in any event three (3) Business Days after a Responsible Officer of any Loan Party has actual knowledge of the existence of any Default, Event of Default or any other event which has had a Material Adverse Effect or which has any reasonable likelihood of causing or resulting in a Material Adverse Change, the Borrower shall give the Administrative Agent notice specifying the nature of such Default or Event of Default or other event, including the anticipated effect thereof, which notice, if given by telephone, shall be promptly confirmed in writing on the next Business Day.

SECTION 6.3. LITIGATION. Promptly after The commencement thereof, the Borrower shall give the Administrative Agent written notice of the commencement of all actions, suits and proceedings before any domestic or foreign Governmental Authority or arbitrator, affecting the Borrower or any of its Subsidiaries, which (i) seeks injunctive or similar relief, (ii) in the reasonable judgment of the Borrower, exposes the Borrower or such Subsidiary to liability not covered by insurance or (iii) is in an amount aggregating $1,000,000 or more or which, if adversely determined, would have a Material Adverse Effect.

SECTION 6.4. ASSET SALES. Prior to any Asset Sale anticipated to generate in excess of $50,000 (or its Dollar equivalent) in Net Cash Proceeds, the Borrower shall send the Administrative Agent a notice (a) describing such Asset Sale or the nature and material terms and conditions (including any payments to any Person other than the Lenders) of such transaction and (b) stating the estimated Net Cash Proceeds anticipated to be received by the Borrower or any of its Subsidiaries.

SECTION 6.5. OPERATIONS-RELATED NOTICES.

(a) Within three (3) Business Days after Borrower or any of its Subsidiaries shall (i) have determined not to use or otherwise protect any Route (other than a Dormant Route) or Slot held by it in accordance with Title 14 or any applicable foreign or domestic law or regulation, Borrower will notify the Administrative Agent of such determination, which notice shall identify such Slot or Route, the holder and operator thereof and the extent of use of such Slot or Route during the two calendar months preceding such notice, or (ii) propose to make a change in the frequency of its flights.

(b) In the event of the proposal by a Governmental Authority or the imposition of any law, rule, proceeding or regulation with respect to Routes or Slots, which law, rule or regulation is intended to or will directly (i) alter or modify in any respect the ability of the Lenders to acquire, hold, sell or otherwise transfer the right to hold or use any of the Slots or to cause the sale or transfer of the Routes or (ii) in any other respect, materially adversely affect the interest of the Lenders, Borrower will, in each case, within three (3) days of the notice of any proceeding requiring an answer within ten (10) days or less or within seven (7) days of any other event, give notice to the Administrative Agent of such proposal or imposition.

(c) Each Grantor shall notify the Administrative Agent upon the earlier to occur of (i) fifteen (15) days prior to the date such Grantor or its Subsidiaries acquire any Spare Parts with a Fair Market Value equal to or greater than $1,000,000, Airframes or Engines or (ii) execution of a term sheet or letter of intent with respect thereto.

SECTION 6.6. SEC FILINGS; PRESS RELEASES. Promptly after the sending or filing thereof, the Borrower shall send the Administrative Agent copies of (a) all reports which the Borrower sends to its security holders generally, (b) all reports and registration statements which the Borrower or any of its Subsidiaries files with the Securities and Exchange Commission or any national securities exchange, (c) all press releases and (d) all other statements concerning material changes or developments in the business of the Borrower and its Subsidiaries made available by any such Person to the public.

SECTION 6.7. LABOR RELATIONS. Promptly after becoming aware of the same, the Borrower shall give the Administrative Agent written notice of (a) any material labor dispute to which the Borrower of any of its Subsidiaries is or may become a party, including any strikes, lockouts or other disputes relating to any of such Person's plants and other facilities, and (b) any Worker Adjustment and Retraining Notification Act or related liability incurred with respect to the closing of any plant or other facility of any of such Person.

SECTION 6.8. TAX RETURNS. Upon the request of any Lender, through the Administrative Agent, the Borrower will provide copies of all federal, state, local and foreign tax returns and reports filed by the Borrower or any of its Subsidiaries in respect of taxes measured by income (excluding sales, use and like taxes).

SECTION 6.9. INSURANCE. Upon the request of the Administrative Agent, the Borrower will furnish the Administrative Agent (in sufficient copies for each of the Lenders) with (a) a report in form and substance satisfactory to the Administrative Agent and the Lenders outlining all material insurance coverage maintained as of the date of such report by the Borrower and its Subsidiaries and the duration of such coverage and (b) an insurance broker's statement that all premiums then due and payable with respect to such coverage have been paid.

SECTION 6.10. ERISA MATTERS. The Borrower shall furnish to the Administrative Agent (with sufficient copies for each of the Lenders):

(a) promptly and in any event within thirty (30) days after the Borrower, any of its Subsidiaries or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred, notice of such occurrence;

(b) promptly and in any event within ten (10) days after the Borrower, any of its Subsidiaries or any ERISA Affiliate knows or has reason to know that a request for a minimum funding waiver under Section 412 of the Code has been filed with respect to any Title IV Plan or Multiemployer Plan, a written statement of a Responsible Officer of the Borrower describing such ERISA Event or waiver request and the action, if any, which the Borrower, its Subsidiaries and ERISA Affiliates propose to take with respect thereto and a copy of any notice filed with the PBGC or the IRS pertaining thereto; and

(c) simultaneously with the date that the Borrower, any of its Subsidiaries or any ERISA Affiliate files a notice of intent to terminate any Title IV Plan, if such termination would require material additional contributions in order to be considered a standard termination within the meaning of Section 4041(b) of ERISA, a copy of each notice.

SECTION 6.11. ENVIRONMENTAL MATTERS. The Borrower shall provide the Administrative Agent promptly and in any event within ten (10) days of the Borrower or any Subsidiary learning of any of the following, written notice of any of the following:

(a) the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of a Release or threatened Release which could reasonably be expected to subject such Person to Environmental Liabilities and Costs of $100,000 or more;

(b) the receipt by the Borrower or any of its Subsidiaries of notification that any real or personal property of such Person is or is reasonably likely to be subject to any Environmental Lien;

(c) the receipt by the Borrower or any of its Subsidiaries of any notice of violation of or potential liability under, or knowledge by such Person that there exists a condition which could reasonably be expected to result in a violation of or liability under any Environmental Law, except for violations and liabilities the consequence of which in the aggregate would have no reasonable likelihood of subjecting the Loan Parties collectively to Environmental Liabilities and Costs of $100,000 or more;

(d) the commencement of any judicial or administrative proceeding or investigation alleging a violation of or liability under any Environmental Law, which in the aggregate, if adversely determined, would have a reasonable likelihood of subjecting the Loan Parties collectively to Environmental Liabilities and Costs of $100,000 or more;

(e) any proposed action by the Borrower or any of its Subsidiaries or any proposed change in Environmental Laws which in the aggregate have a reasonable likelihood of requiring the Loan Parties to obtain additional environmental, health or safety Permits or make additional capital improvements to obtain compliance with Environmental Laws that in the aggregate would cost $100,000 or more or subject the Loan Parties to additional Environmental Liabilities and Costs of $100,000 or more; and

(f) upon written request by any Lender through the Administrative Agent, a report providing an update of the status of any environmental, health or safety compliance, hazard or liability issue identified in any notice or report delivered pursuant to this Agreement.

SECTION 6.12. BORROWING BASE DETERMINATION.

(a) On each Business Day, the Borrower shall deliver to the Administrative Agent a properly completed and executed Borrowing Base Certificate to be in form and substance satisfactory to the Administrative Agent in its sole discretion with such supporting documentation as the Administrative Agent shall request.

(b) On the fourteenth (14th) day of each calendar month (or if such day is not a Business Day, the next succeeding Business Day) a Monthly Receivables Report setting forth, among other things (i) for each day in the prior month for which a Borrowing Base Certificate was produced by the Borrower, the aggregate information from such Borrowing Base Certificates, (ii) the Delinquency Percentage as of the last day of the prior month, (iii) the Loss Estimate Percentage as of the last day of the prior month, (iv) the Travel Agency Cash Refund Commission Percentage as of the last day of the prior month, (v) the Travel Agency Cash Refund Percentage as of the last day of the prior month and (vi) such other information as may be required. Such certificate shall also include a certification that (i) the information contained therein is true and correct in all material respects, (ii) the representations and warranties set forth in Article IV and in the other Loan Documents shall be true and correct on and as of the date thereof with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case the representation

and warranties were true and correct in all material respects as of such earlier date and (iii) no Default or Event of Default has occurred and is continuing.

(c) The Borrower shall conduct, or shall cause to be conducted, at its sole cost and expense, and upon request of the Administrative Agent, and present to the Administrative Agent for approval, such appraisals, investigations and reviews as the Administrative Agent shall request for the purpose of determining the Borrowing Base, all upon notice and at such times and as often as may be requested. The Borrower shall furnish to the Administrative Agent any information which the Administrative Agent may request regarding the determination and calculation of the Borrowing Base including correct and complete copies of any invoices, underlying agreements, instruments or other documents and the identity of all Account Debtors in respect of Accounts referred to therein.

(d) The Borrower shall promptly notify the Administrative Agent in writing in the event that at any time the Borrower receives or otherwise gains knowledge that (i) the Borrowing Base is less than ninety-five percent (95%) of the Borrowing Base reflected in the most recent Borrowing Base Certificate delivered pursuant to Section 6.12(a) or that (ii) the aggregate outstanding Revolving Loans exceed the Borrowing Base as a result of a decrease therein, and the amount of such excess.

(e) The Administrative Agent may, at the Borrower's sole cost and expense, make test verifications of the Accounts in any manner and through any medium that the Administrative Agent considers advisable, and the Borrower shall furnish all such assistance and information as the Administrative Agent may require in connection therewith.

SECTION 6.13. BANKRUPTCY COURT. The Loan Parties will use their best efforts to obtain the approval of the Bankruptcy Court of this Agreement and the other Loan Documents and deliver to the Administrative Agent and the Administrative Agent's counsel all pleadings, motions and other documents filed on behalf of all of the Loan Parties with the Bankruptcy Court.

SECTION 6.14. DAILY BUSINESS PLAN. The Borrower shall deliver to the Administrative Agent (i) daily, an update to the daily cash flow forecast attached as Exhibit G-2 to reflect the prior days' actual cash flows and (ii) on or before the last day of each fiscal month, an update of the three-month forecast attached as Exhibit G-1. The Borrower shall notify the Administrative Agent in writing of any material deviation in the results of operations from those contained in the Business Plan from the preceding month.

SECTION 6.15. OTHER INFORMATION. The Borrower will provide the Administrative Agent or any Lender with such other information respecting the business, properties, condition, financial or otherwise, or operations of the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time request.

ARTICLE VII

AFFIRMATIVE COVENANTS

As long as any of the Obligations or Commitments remain outstanding, unless the Requisite Lenders otherwise consent in writing, each Loan Party agrees with the Lenders and the Administrative Agent that:

SECTION 7.1. PRESERVATION OF CORPORATE EXISTENCE, ETC. (a) Such Loan Party shall, and shall cause each of its Subsidiaries to, preserve and maintain its existence, rights (charter and statutory) and franchises, (b) the Borrower shall continue to be an air carrier certified under Section 604(b) of the FAA, and (c) the Borrower shall continue to be a "citizen of the United States" as defined in Section 101(16) of the FAA.

SECTION 7.2. COMPLIANCE WITH LAWS, ETC. Such Loan Party shall, and shall cause each of its Subsidiaries to, comply with all applicable Requirements of Law, Contractual Obligations and Permits, except where the failure so to comply would not in the aggregate have a Material Adverse Effect.

SECTION 7.3. CONDUCT OF BUSINESS. Such Loan Party shall, and shall cause each of its Subsidiaries to, (a) conduct its business in the ordinary course and (b) use its reasonable efforts, in the ordinary course and consistent with past practice, to preserve its business and the goodwill and business of the customers, advertisers, suppliers and others having business relations with such Loan Party or any of its Subsidiaries.

SECTION 7.4. PAYMENT OF TAXES, ETC. Such Loan Party shall, and shall cause each of its Subsidiaries to, pay and discharge before the same shall become delinquent, all lawful governmental claims, taxes, assessments, charges and levies arising after the Petition Date, except where contested in good faith, by proper proceedings and adequate reserves therefor have been established on the books of such Loan Party or the appropriate Subsidiary in conformity with GAAP.

SECTION 7.5. MAINTENANCE OF INSURANCE. Such Loan Party shall (i) maintain, and cause to be maintained for each of its Subsidiaries, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which such Loan Party or such Subsidiary operates, and such other insurance as may be reasonably requested by the Requisite Lenders, and, in any event, all insurance required by any Loan Document and (ii) cause all such insurance to name the Administrative Agent on behalf of the Secured Parties as additional insured or loss payee, as appropriate, and to provide that no cancellation, material addition in amount or material change in coverage shall be effective until after thirty (30) days' written notice thereof to the Administrative Agent. Notwithstanding the foregoing, the Loan Parties shall, and shall cause each of their Subsidiaries to, carry the following types of insurance:

(a) Aircraft Liability Insurance. The Loan Parties will carry, or cause to be carried, at no expense to the Administrative Agent, aircraft liability insurance (including, but not limited to, bodily injury, personal injury and property damage liability, exclusive of manufacturer's product liability insurance) and contractual liability insurance with respect to the Aircraft in amounts and of the type usually carried by, and covering risks of the kind customarily insured against by, corporations engaged in the same or similar business, similarly situated with the Loan Parties and owning or operating similar aircraft and engines and that is maintained in effect with insurers of recognized responsibility. Any policies of insurance carried in accordance with this Section 7.5 and any policies taken out in substitution or replacement for any of such policies shall name the Administrative Agent (in its individual capacity and as Administrative Agent) as additional insureds.

(b) Insurance Against Loss or Damage to Aircraft. The Loan Parties shall maintain, or cause to be maintained, in effect with insurers of recognized responsibility, at no

expense to the Administrative Agent or any Secured Party, all-risk aircraft hull insurance covering each Aircraft and all-risk coverage with respect to any Engines or Spare Parts while removed from an Aircraft (including, without limitation, war risk insurance if and to the extent the same is maintained by American with respect to aircraft owned or operated by it on the same routes) that is of the type and in substantially the amount usually carried by corporations engaged in the same or similar business and similarly situated with Loan Parties. Any policies carried in accordance with this Section 7.5 and any policies taken out in substitution or replacement for any such policies shall provide that any insurance proceeds shall be paid to the Administrative Agent as long as the Agreement shall not have terminated.

SECTION 7.6. ACCESS. Such Loan Party shall from time to time (and provided no Event of Default then exists, upon one Business Day's advance notice during normal business hours) permit the Administrative Agent and the Lenders, or any agents or representatives thereof, at such Lender's request to (a) examine and make copies of and abstracts from the records and books of account of such Loan Party and each of its Subsidiaries, (b) visit the properties of such Loan Party and each of its Subsidiaries, (c) discuss the affairs, finances and accounts of such Loan Party and each of its Subsidiaries with any of their respective officers or directors and (d) communicate directly and discuss the affairs, finances and accounts of such Loan Party and each of its Subsidiaries with any other party in interest to the Cases, as lessor under any Contract or Lease to which any Loan Party or its Subsidiaries is a party, any creditor of any Loan Party or its Subsidiaries, the Committee or otherwise. Such Loan Party hereby authorizes its independent certified public accountants to disclose to the Administrative Agent or any Lender any and all financial statements and other information of any kind, as the Administrative Agent or any Lender requests from the Borrower or such Loan Party and which such accountants may have with respect to the business, financial condition, results of operations or other affairs of such Loan Party or any of its Subsidiaries.

SECTION 7.7. KEEPING OF BOOKS. Such Loan Party shall, and shall cause each of its Subsidiaries to, keep proper books of record and account, in which full and correct entries shall be made in conformity with GAAP of all financial transactions and the assets and business of such Loan Party and each such Subsidiary.

SECTION 7.8. MAINTENANCE OF PROPERTIES, ETC. Except as otherwise required by the Bankruptcy Code, such Loan Party shall, and shall cause each of its Subsidiaries to, maintain and preserve (a) all of its properties which are necessary in the conduct of its business in good working order and condition, (b) all rights, permits, licenses, approvals and privileges (including all Permits) which are used or necessary in the conduct of its business and (c) all Intellectual Property with respect to its business, which is used or necessary in the conduct of its business.

SECTION 7.9. APPLICATION OF PROCEEDS. The Borrower shall use the entire amount of the proceeds of the Loans as provided in Section 4.11.

SECTION 7.10. ENVIRONMENTAL. Except as otherwise required by the Bankruptcy Code or by a Final Order of the Bankruptcy Court, such Loan Party shall, and shall cause each of its Subsidiaries to, comply in all material respects with Environmental Laws and, without limiting the foregoing, such Loan Party shall, at its sole cost and expense, upon receipt of any notification or otherwise obtaining knowledge of any Release or other event that has any reasonable likelihood of such Loan Party and its Subsidiaries incurring Environmental Liabilities and Costs in excess of $100,000, (a) conduct, or pay for consultants to conduct, tests or assessments of environmental conditions at such operations or properties, including the

investigation and testing of subsurface conditions and (b) take such Remedial Action, investigational or other action as required by Environmental Laws or as any Governmental Authority requires or as is appropriate and consistent with good business practice to address the Release or event.

SECTION 7.11. RECEIVABLES FACILITY. Upon the occurrence of the AR Termination Date, the Borrower shall (a) cause Constellation, to (i) collect any and all proceeds of the Receivables it may receive, (ii) hold, and not distribute to any Person other than the Borrower any such proceeds, (iii) immediately (and in any event within two (2) Business Days) dividend all such proceeds to the Borrower and (iv) immediately (and in any event within five (5) Business Days dividend the Receivables to Borrower, (b) as soon as possible (but in any event not later than thirty (30) days) following the occurrence of the AR Termination Date, cause the Limited Liability Company Agreement of Constellation, dated as of December 22, 1997, to be amended to delete Sections 10.1 through and including 10.6 (concerning transfers of Membership interests) thereof and (c) as soon as possible (but in any event not later than three (3) days following the occurrence of the AR Termination Date), cause the proceeds of all Receivables to be paid into a lockbox account in the name of the Borrower.

SECTION 7.12. SLOTS AND ROUTES. Unless otherwise agreed in writing by the Administrative Agent:

(a) The Borrower will, and will cause each of its Subsidiaries to, take all actions necessary or, in the judgment of the Administrative Agent, advisable in order to maintain the right, if any, to operate their respective Slots, Routes and Gates, with the corresponding frequencies as in effect on the date hereof;

(b) The Borrower will comply or cause the compliance in all respects with all of the terms, conditions and regulations set forth in Title 14, including, without limitation, the usage and reporting requirements set forth in Section 93.227 thereof, and any equivalent foreign regulation, with respect to the Slots; and

(c) The Borrower will not permit any Slot to be designated for or limited to the provision of any type of airline passenger service, unless such Slot was so designated or restricted as of the date hereof.

SECTION 7.13. SECTION 1110 ELECTIONS. Unless otherwise agreed by the Administrative Agent, in writing, in its sole and absolute discretion, the Borrower will, and will cause each of its Subsidiaries to, take all actions necessary or, in the judgment of the Administrative Agent, advisable under Section 1110 of the Bankruptcy Code in order to maintain possession of their "equipment" as such term is defined under Section 1110(a)(2) of the Bankruptcy Code.

SECTION 7.14. SCHEDULES. Borrower shall, within twenty-one days (21) following the Closing Date, deliver to the Administrative Agent, such supplements and updates to the schedules attached to this Agreement as shall be acceptable to the Administrative Agent in its discretion, setting forth the information required therein not reasonably available on the Petition Date.

ARTICLE VIII

NEGATIVE COVENANTS

As long as any of the Obligations or Commitments remain outstanding, unless the Requisite Lenders otherwise consent in writing, each Loan Party agrees with the Lenders and the Administrative Agent that:

SECTION 8.1. INDEBTEDNESS AND GUARANTY OBLIGATIONS. Such Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly create, incur, assume or otherwise become or remain directly or indirectly liable with respect to any Indebtedness or Guaranty Obligations, except:

(a) the Obligations;

(b) Indebtedness existing prior to the Petition Date;

(c) Guaranty Obligations incurred by the Borrower or any Guarantor in respect of Indebtedness of the Borrower or any Guarantor otherwise permitted by this Section 8.1;

(d) Indebtedness arising from intercompany loans from (i) the Borrower to any Guarantor or from any Guarantor to the Borrower or any other Guarantor and (ii) a Subsidiary that is not a Guarantor to the Borrower or a Guarantor provided that such Subsidiary subordinates such intercompany loan to the prior payment in full of the Obligations on terms acceptable to the Administrative Agent in its sole and absolute discretion;

(e) Indebtedness arising under any performance or surety bond entered into in the ordinary course of business; and

(f) Capital Lease Obligations in compliance with Section 5.2.

SECTION 8.2. LIENS, ETC. Such Loan Party will not, and will not permit any of its Subsidiaries to, create or suffer to exist, any Lien upon or with respect to any of its properties or assets, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, except for:

(a) Liens created pursuant to the Loan Documents;

(b) Liens existing prior to the Petition Date;

(c) Customary Permitted Liens of the Borrower and its Subsidiaries;

(d) Liens in favor of lessors securing operating leases permitted hereunder; and

(e) Liens in respect of Capital Lease Obligations permitted under Section 8.1.

SECTION 8.3. INVESTMENTS. Such Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly make or maintain any Investment except:

(a) Investments existing prior to the Petition Date;

(b) Cash and Cash Equivalents not to exceed an aggregate amount for the Borrower and its Subsidiaries in excess of $60,000,000 for the first ten (10) days following the Petition Date and, thereafter, $60,000,000 for more than five (5) consecutive days, at which time the Borrower shall make a prepayment of the Loan as provided in Section 2.7(b);

(c) Accounts, Contract Rights and Chattel Paper, notes receivable and similar items arising in the ordinary course of business consistent with the past practice of such Loan Party and its Subsidiaries;

(d) Investments received in settlement of amounts due to such Loan Party or any Subsidiary of such Loan Party effected in the ordinary course of business; and

(e) Investments by (i) the Borrower in any Guarantor (except a Guarantor which is the owner of any Junior Collateral), or by any Guarantor in the Borrower or any other Guarantor (except a Guarantor which is the owner of any Junior Collateral), or (ii) a Subsidiary that is not a Guarantor in the Borrower or a Guarantor.

SECTION 8.4. SALE OF ASSETS. Such Loan Party will not, and will not permit any of its Subsidiaries to, sell, convey, transfer, assign, lease or otherwise dispose of, any of its assets or any interest therein (including the sale or factoring at maturity or collection of any accounts or the sale of any Accounts to Constellation but excluding sales of inventory and services in the ordinary course of business) to any Person, or permit or suffer any other Person to acquire any interest in any of its assets or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Stock or Stock Equivalent (any such disposition being an "Asset Sale"), except:

(a) the sale or disposition of equipment which have become obsolete or are replaced in the ordinary course of business, provided, however, that unless otherwise agreed in writing by the Administrative Agent in its sole and absolute discretion, the aggregate Fair Market Value of all such equipment disposed of in any fiscal month of any Fiscal Year shall not exceed $50,000; and

(b) transfers resulting from a Property Loss Event so long as the Proceeds are applied in the manner specified in Section 2.7(a);

provided further, that the foregoing limitations are not intended to prevent such Loan Party from rejecting unexpired leases or executory contracts pursuant to Section 365 of the Bankruptcy Code in connection with the Cases.

SECTION 8.5. RESTRICTED PAYMENTS; PERMITTED PREPETITION CLAIM PAYMENT.

(a) Such Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly, declare, order, pay, make or set apart any sum for any Restricted Payment except Restricted Payments in respect of Permitted Prepetition Claim Payments in respect of which such Loan Party has complied with Section 8.5(b); and

(b) Such Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly, make any payments to vendors or suppliers on account of any pre-petition Claim without the prior written consent of the Required Lenders.

SECTION 8.6. RESTRICTION ON FUNDAMENTAL CHANGES. Such Loan Party will not, and will not permit any of its Subsidiaries to, (a) merge with any Person, (b) consolidate with any Person, (c) acquire all or substantially all of the Stock or Stock Equivalents of any Person, (d) acquire all or substantially all of the assets of any Person or all or substantially all of the assets constituting the business of a division, branch or other unit operation of any Person, (e) enter into any joint venture or partnership with any Person or (f) acquire or create any Subsidiary.

SECTION 8.7. CHANGE IN NATURE OF BUSINESS. Such Loan Party will not, and will not permit any of its Subsidiaries to, (a) make any adverse change in the nature or conduct of its business as carried on at the date hereof, (b) take any action or fail to take any lawful action that could reasonably be expected to result in the loss of any Routes, Slots or Gates held by such Loan Party or its Subsidiaries or (c) make any change in the frequencies of its flights as in effect on the date hereof.

SECTION 8.8. TRANSACTIONS WITH AFFILIATES. Such Loan Party will not, and will not permit any of its Subsidiaries to, except as otherwise expressly permitted herein, do any of the following: (a) make any Investment in an Affiliate of the Borrower which is not a Guarantor; (b) sell, convey, assign, transfer, lease or otherwise dispose of any asset to any Affiliate of the Borrower which is not a Guarantor; (c) merge into or consolidate with or purchase or acquire assets from any Affiliate of the Borrower which is not a Guarantor; (d) repay any Indebtedness to any Affiliate of the Borrower which is not a Guarantor; or (e) enter into any other transaction directly or indirectly with or for the benefit of any Affiliate of the Borrower which is not a Guarantor (including guaranties and assumptions of obligations of any such Affiliate), except for (i) transactions in the ordinary course of business on a basis no less favorable to the Borrower or such Guarantor as would be obtained in a comparable arm's length transaction with a Person not an Affiliate, (ii) salaries and other employee compensation to officers or directors of the Borrower or any of its Subsidiaries in compliance with Section 8.19, (iii) transactions with Worldspan in the ordinary course of business consistent with past practice and (iv) transactions with Arinc in the ordinary course of business consistent with past practice.

SECTION 8.9. RESTRICTIONS ON SUBSIDIARY DISTRIBUTIONS; NO NEW NEGATIVE PLEDGE. Other than as a result of the commencement of the Cases pursuant to the Loan Documents and any agreements governing any purchase money Indebtedness or Capital Lease Obligations permitted by Section 8.1(b) (in which latter case, any prohibition or limitation shall only be effective against the assets financed thereby), such Loan Party will not, and will not permit any of its Subsidiaries to, (a) agree to enter into or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of such Subsidiary to pay dividends or make any other distribution or transfer of funds or assets or make loans or advances to or other Investments in, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower or (b) enter into or suffer to exist or become effective any agreement which prohibits or limits the ability of the Borrower or any Subsidiary of the Borrower to create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, including any agreement which requires other Indebtedness or material Contractual Obligation to be equally and ratably secured with the Obligations.

SECTION 8.10. MODIFICATION OF CONSTITUENT DOCUMENTS. Such Loan Party will not, and will not permit any of its Subsidiaries to, change its capital structure (including in the terms of its outstanding Stock) or otherwise amend its Constituent Documents, except for changes and amendments or except as specifically required pursuant to Section 7.11(b).

SECTION 8.11. ACCOUNTING CHANGES; FISCAL YEAR. Such Loan Party will not, and will not permit any of its Subsidiaries to, change its (a) accounting treatment and reporting practices or tax reporting treatment, except as required by GAAP or any Requirement of Law and as disclosed to the Lenders and the Administrative Agent or (b) Fiscal Year.

SECTION 8.12. MARGIN REGULATIONS. The Borrower will not use all or any portion of the proceeds of any credit extended hereunder to purchase or carry margin stock within the meaning of Regulations T, U and X of the Federal Reserve System.

SECTION 8.13. OPERATING LEASES; SALE/LEASEBACKS.

(a) Such Loan Party will not, and will not permit any of its Subsidiaries to, become or remain liable as lessee or guarantor or other surety with respect to any operating lease, other than (i) operating leases in effect on the Petition Date, (ii) operating leases entered into after the Petition Date so long as the aggregate amount of all rents paid or accrued under all such operating leases shall not exceed $50,000 in any fiscal month of any Fiscal Year and (iii) operating leases in an amount agreed in writing by the Administrative Agent, in its sole and absolute discretion.

(b) Such Loan Party will not, and will not permit any of its Subsidiaries to, enter into any sale and leaseback transaction.

SECTION 8.14. NO SPECULATIVE TRANSACTIONS. Such Loan Party will not, and will not permit any of its Subsidiaries to, engage in any speculative transaction or in any transaction involving hedging contracts.

SECTION 8.15. COMPLIANCE WITH ERISA. Such Loan Party will not, and will not permit any of its Subsidiaries to, or cause or permit any ERISA Affiliate to, cause or permit to occur (a) an event which could result in the imposition of a Lien under Section 412 of the IRC or Section 302 or 4068 of ERISA or (b) an ERISA Event (other than the Cases) that would have a Material Adverse Effect.

SECTION 8.16. ENVIRONMENTAL. Such Loan Party will not, and will not permit any of its Subsidiaries to, allow a Release of any Contaminant in violation of any Environmental Law in a manner that could reasonably be expected to have a Material Adverse Effect.

SECTION 8.17. CHAPTER 11 CLAIMS. Such Loan Party will not, and will not permit any of its Subsidiaries to, incur, create, assume, suffer to exist or permit any administrative expense, unsecured claim, or other super-priority claim or lien in each case which is pari passu with or senior to the claims of the Secured Parties against the Loan Parties hereunder, or apply to the Bankruptcy Court for authority to do so, except for the Carve-Out.

SECTION 8.18. THE ORDERS. Such Loan Party will not, and will not permit any of its Subsidiaries to, make or permit to be made any change, amendment or modification, or any application or motion for any change, amendment or modification, to either Order without the prior written consent of the Requisite Lenders.

SECTION 8.19. EMPLOYMENT EXPENSES. The Borrower shall not, and shall not permit any of its Subsidiaries to, pay to any officer, director or employee any employment wages, salary, bonus or other compensation of any type or character that is not

consistent with past practices other than "stay-pay" which has been approved as part of the Business Plan by the Bankruptcy Court and otherwise approved in writing by the Requisite Lenders.

SECTION 8.20. PASSIVE HOLDING COMPANY. The Borrower will not permit either of TWA Stockholding or PARS to engage in any activity of business or incur any Indebtedness or Guaranty Obligations other than (a) with respect to TWA Stockholding, the ownership of the Stock of PARS or (b) with respect to PARS, the ownership of Stock of Worldspan.

ARTICLE IX

EVENTS OF DEFAULT

SECTION 9.1. EVENTS OF DEFAULT. Each of the following events shall be an Event of Default:

(a) The Borrower shall fail to pay any principal of any Loan when the same becomes due and payable; or

(b) The Borrower shall fail to pay any interest on any Loan, any fee under any of the Loan Documents or any other Obligation (other than one referred to in Section 9.1 (a) above) and such non-payment continues for a period of three (3) Business Days after the due date therefor; or

(c) any representation or warranty made or deemed made by any Loan Party in any Loan Document or by any Loan Party (or any of its officers) in connection with any Loan Document shall prove to have been incorrect in any material respect when made or deemed made; or

(d) any Loan Party shall fail to perform or observe (i) any term, covenant or agreement contained in Article V, Section 6.1, 6.2, 6.12(a), 7.1, 7.6, 7.9, 7.11, 7.12 or 7.13 or Article VIII, or (ii) any other term, covenant or agreement contained in this Agreement or in any other Loan Document if such failure under this clause (ii) shall remain unremedied for ten (10) days after the earlier of the date on which (A) a Responsible Officer of the Borrower becomes aware of such failure or (B) written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(e) (i) the Borrower or any of its Subsidiaries shall fail to make any payment on any Indebtedness arising after the Petition Date other than Indebtedness of the type provided in Section 7.13 (other than the Obligations) of the Borrower or any such Subsidiary (or any Guaranty Obligation) having a principal amount of $50,000 or more, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise); or (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to any such Indebtedness, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or (iii) any such Indebtedness shall become or be declared to be due and payable, or required to be prepaid or repurchased (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; or

(f) The Loan Documents and the Orders shall, for any reason, cease to create a valid Lien on any of the Collateral purported to be covered thereby or such Lien shall cease to be a perfected Lien having the priority provided herein pursuant to Section 364 of the Bankruptcy Code against each Loan Party, or any Loan Party shall so allege in any pleading filed in any court, or any material provision of any Loan Document shall, for any reason, cease to be valid and binding on each Loan Party thereto or any Loan Party shall so state; or

(g) one or more final, non-appealable judgments or orders (or other similar process) to the extent not covered by insurance, shall be rendered against one or more of any Loan Party or its Subsidiaries, in each case the enforcement of which has not been stayed by the Bankruptcy Court; or

(h) an ERISA Event (other than the Cases) shall occur and the amount of all liabilities and deficiencies resulting therefrom, whether or not assessed, exceeds $250,000 in the aggregate; or

(i) Any of the Cases shall be dismissed (or the Bankruptcy Court shall make a ruling requiring the dismissal of the Cases), suspended or converted to a case under chapter 7 of the Bankruptcy Code, or any Loan Party shall file any pleading requesting any such relief, or an application shall be filed by any Loan Party for the approval of, or there shall arise, (i) any other Claim having priority senior to or pari passu with the claims of the Administrative Agent and the Lenders under the Loan Documents or any other claim having priority over any or all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code (other than the Carve-Out) or (ii) any Lien on the Collateral having a priority senior to or pari passu with the Liens and security interests granted herein, except as expressly provided herein; or

(j) Any Loan Party shall file a motion seeking, or the Bankruptcy Court shall enter, an order (i) approving payment of any prepetition Claim other than a Permitted Prepetition Claim Payment which has been approved pursuant to Section 8.5(b), if applicable, (ii) approving a First Day Order not approved by the Administrative Agent, (iii) granting relief from the automatic stay applicable under Section 362 of the Bankruptcy Code to any holder of any security interest to permit foreclosure on any assets (other than certain assets identified by the Borrower and agreed to in writing by the Administrative Agent) having a book value in excess of $100,000 in the aggregate, or (iv) except to the extent the same would not constitute a Default under any of the previous clauses, approving any settlement or other stipulation with any creditor of any Loan Party, other than the Administrative Agent and the Lenders, or otherwise providing for payments as adequate protection or otherwise to such creditor individually or in the aggregate in excess of $100,000 for any and all such creditors; or

(k) (i) The Interim Order shall cease to be in full force and effect and the Final Order shall not have been entered prior to such cessation, or (ii) the Final Order shall not have been entered by the Bankruptcy Court on or before the 21st day following the Closing Date, or (iii) from and after the date of entry thereof, the Final Order shall cease to be in full force and effect, or (iv) any Loan Party shall fail to comply with the terms of the Interim Order or the Final Order in any material respect, or (v) the Interim Order or the Final Order shall be amended, supplemented, stayed, reversed, vacated or otherwise modified (or any of the Loan Parties shall apply for authority to do so) without the written consent of the Requisite Lenders; or

(l) The Bankruptcy Court shall enter an order appointing a responsible officer or an examiner with powers beyond the duty to investigate and report, as set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code, in any of the Cases; or

(m) there shall occur a Material Adverse Change or any event or circumstances which could have a Material Adverse Effect; or

(n) one or more of the Borrower and its Subsidiaries shall have entered into one or more consent or settlement decrees or agreements or similar arrangements with a Governmental Authority or one or more judgments, orders, decrees or similar actions shall have been entered against one or more of the Borrower and its Subsidiaries based on or arising from the violation of or pursuant to any Environmental Law, or the generation, storage, transportation, treatment, disposal or Release of any Contaminant and, in connection with all the foregoing, the Borrower and its Subsidiaries are likely to incur Environmental Liabilities and Costs in excess of those that were reflected in the Financial Statements delivered pursuant to Section 4.4; or

(o) The earlier to occur of (i) the thirtieth (30th) day following the termination of the Asset Purchase Agreement by American or any of its Affiliates, (ii) the termination of the Asset Purchase Agreement by the Borrower or any of its Subsidiaries, (iii) the tenth (10th) day following the acceptance or endorsement by the Board of Directors of the Borrower of the sale of the Borrower (or all or substantially all of the assets of the Borrower and its Subsidiaries or of a division, branch or other unit of the Borrower or its Subsidiaries) to a Person other than American or its Affiliates, (iv) the entry by the Bankruptcy Court of an order approving the sale of the Borrower (or all or substantially all of the assets of the Borrower or its Subsidiaries or of a division, branch or other unit of the Borrower and its Subsidiaries) to any Person other than American or its Affiliates or (v) the Asset Purchase Agreement shall, for any reason, other than as set forth in clauses (i) through (iv), cease to be the valid, binding and enforceable obligation of the Borrower or its Subsidiaries party thereto or the Borrower or any of its Subsidiaries shall so state or allege the same; or

(p) The loss of any Routes, Gates, Slots or other facilities, licenses, permits, authorizations, certificates of compliance, certificates of public convenience and necessity and other certificates, including without limitation, air carrier operating certificates and operations specifications issued by the FAA pursuant to Part 121 of the Regulations of the FAA, which are required by the DOT, FAA or any corresponding foreign Governmental Authority or other assets or the rights to use same; or

(q) Except as otherwise agreed in writing by the Administrative Agent, in its sole and absolute discretion, the Borrower or any Subsidiary shall fail to (i) timely enter into and obtain approval of the Bankruptcy Court of an agreement to perform all obligations of the Borrower or any such Subsidiary that come due under any security agreement, conditional sale contract or lease with respect to any equipment defined in Section 1110(a)(2) of the Bankruptcy Code and (ii) cure any default under any such security agreement, conditional sale contract or lease in accordance with Section 1110 of the Bankruptcy Code; or

(r) Two or more of William Compton, Michael Palumbo, Kathleen Soled, Stan Henderson or Chris Deister shall no longer be employed by the Borrower in their current capacity and arrangements satisfactory to the Administrative Agent for the continued operation of the Borrower in the absence of such executive officers shall not have been implemented within ten (10) days.

SECTION 9.2. REMEDIES. During the continuance of any Event of Default, without further order of, application to, or action by, the Bankruptcy Court, the Administrative Agent (a) may, and shall at the request of the Requisite Lenders, by notice to the Borrower declare that all or any portion of the Commitments be terminated, whereupon any and all the obligations of each Lender to make any Loan shall immediately terminate, and/or (b) may, and shall at the request of the Requisite Lenders, by notice to the Borrower, declare the Loans, all interest thereon and all other amounts and Obligations payable under this Agreement to be forthwith due and payable, whereupon the Loans, all such interest and all such amounts and Obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower. In addition, subject solely to any requirement of the giving of notice by the terms of the Interim Order or the Final Order, the automatic stay provided in Section 362 of the Bankruptcy Code shall be deemed automatically vacated without further action or order of the Bankruptcy Court and the Administrative Agent and the Lenders shall be entitled to exercise all of their respective rights and remedies under the Loan Documents, including, without limitation, all rights and remedies with respect to the Collateral and the Guarantors.

SECTION 9.3. RESCISSION. If at any time after termination of the Commitments and/or acceleration of the maturity of the Loans, the Borrower shall pay all arrears of interest and all payments on account of principal of the Loans which shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified herein) and all Events of Default and Defaults (other than non-payment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to Section 13.1, then upon the written consent of the Requisite Revolving Credit Lenders (in the case of the Revolving Credit Commitments and the Revolving Loans) and written notice to the Borrower, the termination of the Requisite Term Loan Lenders (in the case of the Term Credit Commitments and the Term Loans) and the Commitments and/or the acceleration and their consequences may be rescinded and annulled; provided, however, that such action shall not affect any subsequent Event of Default or Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders to a decision which may be made at the election of the Requisite Lenders and they are not intended to benefit the Borrower and do not give the Borrower the right to require the Lenders to rescind or annul any acceleration hereunder, even if the conditions set forth herein are met.

ARTICLE X

GUARANTY

SECTION 10.1. THE GUARANTY. In order to induce the Lenders to enter into this Agreement and to extend credit hereunder and in recognition of the direct benefits to be received by each Guarantor from the proceeds of the Loans, each Guarantor hereby agrees with the Administrative Agent and the Lenders that such Guarantor hereby unconditionally and irrevocably, jointly and severally, guarantees as primary obligor and not merely as surety the full and prompt payment and performance when due, whether upon maturity, by acceleration or otherwise, of any and all of the Obligations of the Borrower to the Lenders. If any or all of the Obligations of the Borrower to the Lenders become due and payable hereunder, each Guarantor, jointly and severally, unconditionally promises to pay and perform such Obligations to the Lenders, or order, on demand, together with any and all reasonable expenses which may be incurred by the Administrative Agent or the Lenders in collecting any of the Obligations.

SECTION 10.2. NATURE OF LIABILITY. The liability of each Guarantor hereunder is exclusive and independent of any security for or other guaranty of the Obligations of the Borrower, whether executed by such Guarantor, any other Guarantor, any other guarantor or by any other party, and the liability of each Guarantor hereunder shall not be affected or impaired by (a) any direction as to application of payment by the Borrower or by any other party, or (b) any other continuing or other guaranty, undertaking or maximum liability of a guarantor or of any other party as to the Obligations of the Borrower, or (c) any payment on or in reduction of any such other guaranty or undertaking, or (d) any dissolution, termination or increase, decrease or change in personnel by the Borrower, or (e) any payment made to the Administrative Agent or the Lenders on the indebtedness which the Administrative Agent or such Lenders repay to the Borrower pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each Guarantor waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding.

SECTION 10.3. INDEPENDENT OBLIGATION. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor, any other guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor, any other guarantor or the Borrower and whether or not any other Guarantor, any other guarantor or the Borrower be joined in any such action or actions. Each Guarantor waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Borrower or other circumstance which operates to toll any statute of limitations as to the Borrower shall operate to toll the statute of limitations as to the Guarantor.

SECTION 10.4. AUTHORIZATION. Each Guarantor authorizes the Administrative Agent and the Lenders without notice or demand (except as shall be required by applicable statute and cannot be waived), and without affecting or impairing its liability hereunder, from time to time to:

(a) change the manner, place or terms of payment of, and/or change or extend the time of payment of, renew, increase, accelerate or alter, any of the Obligations (including any increase or decrease in the rate of interest thereon), any security therefor, or any liability incurred directly or indirectly in respect thereof, and the Guaranty herein made shall apply to the Obligations as so changed, extended, renewed or altered;

(b) take and hold security for the payment of the Obligations and sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset there against;

(c) exercise or refrain from exercising any rights against the Borrower or others or otherwise act or refrain from acting;

(d) release or substitute any one or more endorsers, guarantors, the Borrower or other obligors;

(e) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or

hereof, or subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Borrower to its creditors;

(f) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of the Borrower to the Lenders regardless of what liability or liabilities of such Guarantor or the Borrower remain unpaid; and/or

(g) consent to or waive any breach of, or any act, omission or default under, this Agreement or any of the instruments or agreements referred to herein, or otherwise amend, modify or supplement this Agreement or any of such other instruments or agreements.

SECTION 10.5. RELIANCE. It is not necessary for the Administrative Agent or the Lenders to inquire into the capacity or power of the Borrower or its Subsidiaries or the officers, directors, partners or agents acting or purporting to act on its behalf, and any Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

SECTION 10.6. SUBORDINATION. Any of the Indebtedness of the Borrower now or hereafter owing to any Guarantor is hereby subordinated to the Obligations of the Borrower; provided, however, that payment may be made by the Borrower on any such Indebtedness owing to such Guarantor so long as the same is not prohibited by this Agreement; and provided further, that if the Administrative Agent so requests at a time when a Default or an Event of Default exists, all such Debt of the Borrower to such Guarantor shall be collected, enforced and received by such Guarantor as trustee for the Lenders and be paid over to the Administrative Agent on behalf of the Lenders on account of the Obligations of the Borrower to Lenders, but without affecting or impairing in any manner the liability of such Guarantor under the other provisions of this Guaranty. Prior to the transfer by any Guarantor of any note or negotiable instrument evidencing any of the Indebtedness of the Borrower to such Guarantor, such Guarantor shall mark such note or negotiable instrument with a legend that the same is subject to this subordination.

SECTION 10.7. WAIVER.

(a) Each Guarantor waives any right (except as shall be required by applicable statute and cannot be waived) to require the Administrative Agent or the Lenders to (i) proceed against the Borrower, any other Guarantor, any other guarantor or any other party, (ii) proceed against or exhaust any security held from the Borrower, any other Guarantor, any other guarantor or any other party or (iii) pursue any other remedy in the Administrative Agent's or the Lenders' power whatsoever. Each Guarantor waives (except as shall be required by applicable statute and cannot be waived) any defense based on or arising out of any defense of the Borrower, any other Guarantor, any other guarantor or any other party other than payment in full of the Obligations, including, without limitation, any defense based on or arising out of the disability of the Borrower, any other Guarantor, any other guarantor or any other party, or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower other than payment in full of the Obligations. Subject to the giving of three (3) Business Days prior written notice in accordance with the Orders and except for the application of proceeds of Collateral received by the Administrative Agent, during such three (3) Business Days the Administrative Agent and the Lenders may, at their election, foreclose on any security held by the Administrative Agent or the Lenders by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy the Administrative

Agent and the Lenders may have against the Borrower, any other Guarantor, any other guarantor or any other party, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been paid. Each Guarantor waives any defense arising out of any such election by the Administrative Agent and the Lenders, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other party or any security.

(b) Each Guarantor waives all presentments, demands for performance, protests and notices, including without limitation notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this Guaranty, and notices of the existence, creation or incurring of new or additional Obligations. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and agrees that the Administrative Agent and the Lenders shall have no duty to advise such Guarantor of information known to them regarding such circumstances or risks.

SECTION 10.8. LIMITATION ON ENFORCEMENT. The Lenders agree that this Guaranty may be enforced only by the action of the Administrative Agent, in each case acting upon the instructions of the Requisite Lenders, and that no Lender shall have any right individually to seek to enforce or to enforce this Guaranty it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent for the benefit of the Lenders upon the terms of this Agreement.

ARTICLE XI

SECURITY

SECTION 11.1. SECURITY.

(a) To induce the Lenders to make Loans, each Grantor hereby grants to the Administrative Agent, for itself and for the ratable benefit of the Secured Parties, as security for the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of the obligations of such Grantor, a continuing first priority Lien and security interest (subject only to (i) valid, perfected, enforceable and nonavoidable Liens of record existing immediately prior to the Petition Date, (ii) the Carve-Out and (iii) Liens permitted under Section 8.2(c)), in accordance with Sections 364(c)(2) and (3) of the Bankruptcy Code, in and to all Collateral of such Grantor wherever located and whether real, personal or mixed, and whether now owned or hereafter acquired. For purposes of this Agreement, all of the following property now owned or at any time hereafter acquired by a Grantor or in which a Grantor now has or at any time in the future may acquire any right, title or interests is collectively referred to as the "Collateral":

(i) all Accounts;

(ii) all Inventory;

(iii) all Equipment;

(iv) all General Intangibles, including all Intellectual Property and that portion of the Pledged Collateral constituting General Intangibles;

(v) all Investment Property, including all control accounts and that portion of the Pledged Collateral constituting Investment Property;

(vi) all Documents, Instruments and Chattel Paper;

(vii) all deposit accounts;

(viii) all Vehicles;

(ix) all Real Property;

(x) without limiting any other provision of this Section 11.1, all Aircraft, including by way of mortgage (A) each Airframe described in Schedule 4.20(a) and (B) each Engine described in Schedule 4.20(b);

(xi) without limiting any other provision of this Section 11.1, all Spare Parts and Ground Equipment, including by way of mortgage, all Spare Parts and Ground Equipment located at each designated location described in Schedule 4.20(c);

(xii) all books and records pertaining to the property described in this Section 11.1;

(xiii) all other goods and personal property of such Grantor, whether tangible or intangible, wherever located, including money, letters of credit and all rights of payment or performance under letters of credit;

(xiv) all property of any Grantor held by the Administrative Agent or any Secured Party, including all property of every description, in the possession or custody of or in transit to the Administrative Agent or such Secured Party for any purpose, including safekeeping, collection or pledge, for the account of such Grantor, or as to which such Grantor may have any right or power;

(xv) to the extent not otherwise included, all monies and other property of any kind which is, after the Petition Date, received by such Grantor in connection with refunds with respect to taxes, assessments and governmental charges imposed on such Grantor or any of its property or income;

(xvi) to the extent not otherwise included, all causes of action (other than claims of the Grantors under Sections 544, 545, 547 and 548 of the Bankruptcy Code) and all monies and other property of any kind received therefrom, and all monies and other property of any kind recovered by any Grantor; and

(xvii) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, any and all proceeds of insurance, indemnity, warranty or guaranty payable to any Grantor from time to time with respect to any of the foregoing.

SECTION 11.2. PERFECTION OF SECURITY INTERESTS.

(a) Each Grantor shall, at its expense, perform any and all steps requested by the Administrative Agent at any time to perfect, maintain, protect, and enforce the Lenders' Liens against the Collateral of such Grantor, including, without limitation, (i) executing and filing mortgages, deeds of trust, or other security documents or instruments, financing or continuation statements and all relevant filings and recordations with the FAA and any other Governmental Authority, and amendments thereof, each in form and substance satisfactory to the Administrative Agent, (ii) maintaining complete and accurate stock records, (iii) using its best efforts in delivering to the Administrative Agent negotiable warehouse receipts, if any, and, upon the Administrative Agent's request therefor, non-negotiable warehouse receipts covering any portion of the Collateral located in warehouses and for which warehouse receipts are issued, (iv) placing notations on such Grantor's books of account to disclose the Administrative Agent's security interest therein, (v) delivering to the Administrative Agent all documents, certificates and Instruments necessary or desirable to perfect the Administrative Agent's Lien in letters of credit on which such Grantor is named as beneficiary and all acceptances issued in connection therewith, (vi) after the occurrence and during the continuation of an Event of Default, transferring Inventory maintained in warehouses to other warehouses designated by the Administrative Agent and (vii) taking such other steps as are deemed necessary or desirable to maintain the Administrative Agent's security interest in the Collateral, including title insurance policies, current as built surveys, zoning letters and certificates of occupancy, as shall be requested by the Administrative Agent, in each case satisfactory to the Administrative Agent, in its sole discretion.

(b) Each Grantor hereby authorizes the Administrative Agent to execute and file financing or continuation statements or other relevant filings and recordings on such Grantor's behalf covering the Collateral. The Administrative Agent may file one or more financing or continuation statements or other relevant filings and recordings disclosing the Administrative Agent's security interest under this Agreement or the other Loan Documents without the signature of such Grantor appearing thereon. Each Grantor shall pay the costs of, or incidental to, any recording or filing of any financing or continuation statements or other relevant filings and recordings concerning the Collateral. Each Grantor agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or the other Loan Documents or of a financing or continuation statement is sufficient as such statement, filing or recording. If any Collateral is at any time in the possession or control of any warehouseman, bailee or such Grantor's agents or processors, such Grantor shall notify such warehouseman, bailee, agents or processors of the Administrative Agent's security interest, which notification shall specify that such Person shall, upon the occurrence and during the continuance of an Event of Default, hold all such Collateral for the Administrative Agent's account subject to the Administrative Agent's instructions. From time to time, each Grantor shall, upon the Administrative Agent's request, execute and deliver written instruments pledging to the Administrative Agent the Collateral described in any such instruments or otherwise, but the failure of such Grantor to execute and deliver such confirmatory instruments shall not affect or limit the Administrative Agent's security interest or other rights in and to the Collateral. Until all Obligations have been fully satisfied and the Commitments shall have been terminated, the Administrative Agent's security interest in the Collateral, and all Proceeds and products thereof, shall continue in full force and effect.

(c) Notwithstanding subsections (a) and (b) of this Section 11.2, or any failure on the part of any Grantor or the Administrative Agent to take any of the actions set forth in such subsections, the Liens and security interests granted herein shall be deemed valid, enforceable and perfected by entry of the Interim Order and the Final Order, as applicable. No

financing statement, notice of lien, mortgage, deed of trust or similar instrument in any jurisdiction or filing office need be filed or any other action taken in order to validate and perfect the Liens granted by or pursuant to this Agreement, the Interim Order or the Final Order.

SECTION 11.3. RIGHTS OF LENDER; LIMITATIONS ON LENDERS' OBLIGATIONS.

(a) Subject to each Grantor's rights and duties under the Bankruptcy Code (including section 365 of the Bankruptcy Code), it is expressly agreed by each Grantor that, anything herein to the contrary notwithstanding, such Grantor shall remain liable under its Contracts to observe and perform all the conditions and obligations to be observed and performed by it thereunder. Neither the Administrative Agent nor any Secured Party shall have any obligation or liability under any Contract by reason of or arising out of this Agreement, the Loan Documents, or the granting to the Administrative Agent of a security interest therein or the receipt by the Administrative Agent or any Lender of any payment relating to any Contract pursuant hereto, nor shall the Administrative Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor under or pursuant to any Contract, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(b) Subject to Section 11.5 hereof, the Administrative Agent authorizes each Grantor to collect its Accounts, provided that such collection is performed in accordance with such Grantor's customary procedures, and the Administrative Agent may, upon the occurrence and during the continuation of any Event of Default and without notice, other than any requirement of notice provided in the Orders, limit or terminate said authority at any time.

(c) Subject to any requirement of notice provided in the Orders, the Administrative Agent may at any time, upon the occurrence and during the continuation of any Event of Default, after first notifying the Borrower of its intention to do so, notify Account Debtors, notify the other parties to the Contracts of the Borrower or any other Grantor, notify obligors of Instruments and Investment Property of the Borrower or any other Grantor and notify obligors in respect of Chattel Paper of the Borrower or any other Grantor that the right, title and interest of the Borrower or such Grantor in and under such Accounts, such Contracts, such Instruments, such Investment Property and such Chattel Paper have been assigned to the Administrative Agent and that payments shall be made directly to the Administrative Agent. Subject to any requirement of notice provided in the Orders, upon the request of the Administrative Agent, the Borrower or such other Grantor will so notify such Account Debtors, such parties to Contracts, obligors of such Instruments and Investment Property and obligors in respect of such Chattel Paper. Subject to any requirement of notice provided in the Orders, upon the occurrence and during the continuation of an Event of Default, the Administrative Agent may in its own name, or in the name of others, communicate with such parties to such Accounts, Contracts, Instruments, Investment Property and Chattel Paper to verify with such Persons to the Administrative Agent's reasonable satisfaction the existence, amount and terms of any such Accounts, Contracts, Instruments, Investment Property or Chattel Paper.

(d) The Administrative Agent shall have the right to make test verification of the Accounts in any manner and through any medium that it considers advisable, and each Grantor agrees to furnish all such assistance and information as the Administrative Agent may

require in connection therewith. Each Grantor, at its expense, will cause certified independent public accountants satisfactory to the Requisite Lenders to prepare and deliver to the Administrative Agent at any time and from time to time, promptly upon the Administrative Agent's request, the following reports: (i) a reconciliation of all Accounts of such Grantor, (ii) an aging of all Accounts of such Grantor, (iii) trial balances and (iv) a test verification of such Accounts as the Administrative Agent may request. The Administrative Agent shall have the right at any time to conduct periodic audits of the Accounts of any Grantor at the expense of the Borrower.

SECTION 11.4. COVENANTS OF THE LOAN PARTIES WITH RESPECT TO COLLATERAL. Each Grantor hereby covenants and agrees with the Administrative Agent that from and after the date of this Agreement and until the Obligations are fully satisfied:

(a) Maintenance of Records. Such Grantor will keep and maintain, at its own cost and expense, satisfactory and complete records of the Collateral, in all material respects, including, without limitation, a record of all payments received and all credits granted with respect to the Collateral and all other dealings concerning the Collateral. For the Administrative Agent's further security, each Grantor agrees that the Administrative Agent shall have a property interest in all of such Grantor's books and records pertaining to the Collateral and, upon the occurrence and during the continuation of an Event of Default, such Grantor shall deliver and turn over any such books and records to the Administrative Agent or to its representatives at any time on demand of the Administrative Agent.

(b) Indemnification With Respect to Collateral. In any suit, proceeding or action brought by the Administrative Agent relating to any Account, Chattel Paper, Contract, General Intangible, Investment Property, Instrument, Intellectual Property, Aircraft, Spare Parts or other Collateral for any sum owing thereunder or to enforce any provision of any Account, Chattel Paper, Contract, General Intangible, Investment Property, Instrument, Intellectual Property, Aircraft, Spare Parts or other Collateral, such Grantor will save, indemnify and keep the Secured Parties harmless from and against all expense, loss or damage suffered by the Secured Parties by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the obligor thereunder, arising out of a breach by such Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to, or in favor of, such obligor or its successors from such Grantor, and all such obligations of such Grantor shall be and remain enforceable against and only against such Grantor and shall not be enforceable against the Administrative Agent.

(c) Limitation on Liens on Collateral. Such Grantor will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral except Liens permitted under Section 8.2 and will defend the right, title and interest of the Administrative Agent in and to all of such Grantor's rights under the Chattel Paper, Leases, Real Estate, Contracts, Documents, General Intangibles, Instruments, Investment Property and to the Intellectual Property, Equipment, Inventory, Aircraft, Spare Parts and in and to the Proceeds thereof against the claims and demands of all Persons whomsoever other than claims or demands arising out of Liens permitted under Section 8.2.

(d) Limitations on Modifications of Accounts. Such Grantor will not, without the Administrative Agent's prior written consent, grant any extension of the time of payment of any of the Accounts, Chattel Paper or Instruments, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon other than any of the

foregoing which are done in the ordinary course of business, consistent with past practices and trade discounts granted in the ordinary course of business of such Grantor.

(e) Notices. Such Grantor will advise the Lenders promptly, in reasonable detail, (i) of any Lien asserted against any of the Collateral other than Liens permitted under Section 8.2, and (ii) of the occurrence of any other event which would result in a material adverse change with respect to the aggregate value of the Collateral or on the Liens created hereunder.

(f) Maintenance of Equipment. Such Grantor will keep and maintain the Equipment in good operating condition sufficient for the continuation of the business conducted by such Grantor on a basis consistent with past practices, ordinary wear and tear excepted.

(g) Pledged Collateral.

(i) Upon request of the Administrative Agent, such Grantor will (x) deliver to the Administrative Agent, all certificates or Instruments representing or evidencing any Pledged Collateral, whether now arising or hereafter acquired, in suitable form for transfer by delivery or, as applicable, accompanied by such Grantor's endorsement, where necessary, or duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Administrative Agent, together with a Pledge Amendment, duly executed by the Grantor, in substantially the form of Annex 3 (a "Pledge Amendment"), in respect of such Additional Pledged Collateral and authorizes the Administrative Agent to attach each Pledge Amendment to this Agreement and (y) maintain all other Pledged Collateral constituting Investment Property in a Control Account. The Administrative Agent shall have the right, at any time in its discretion and without notice to the Grantor, to transfer to or to register in its name or in the name of its nominees any or all of the Pledged Collateral. The Administrative Agent shall have the right at any time to exchange certificates or instruments representing or evidencing any of the Pledged Collateral for certificates or instruments of smaller or larger denominations.

(ii) Except as provided in Section 11.7, Section 7.11 and Section 2.7(b), such Grantor shall be entitled to receive all cash dividends paid in respect of the Pledged Collateral (other than liquidating or distributing dividends) with respect to the Pledged Collateral. Any sums paid upon or in respect of any of the Pledged Collateral upon the liquidation or dissolution of any issuer of any of the Pledged Collateral, any distribution of capital made on or in respect of any of the Pledged Collateral or any property distributed upon or with respect to any of the Pledged Collateral pursuant to the recapitalization or reclassification of the capital of any issuer of Pledged Collateral or pursuant to the reorganization thereof shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Secured Obligations. If any sums of money or property so paid or distributed in respect of any of the Pledged Collateral shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Administrative Agent, segregated from other funds of such Grantor, as additional security for the Secured Obligations.

(iii) Except as provided in Section 11.7, such Grantor will be entitled to exercise all voting, consent and corporate rights with respect to the Pledged Collateral; provided, however, that no vote shall be cast, consent given or right exercised or other action taken by such Grantor which would impair the Collateral or which would be

inconsistent with or result in any violation of any provision of this Agreement or any other Loan Document or, without prior notice to the Administrative Agent, to enable or take any other action to permit any issuer of Pledged Collateral to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of any issuer of Pledged Collateral.

(iv) Such Grantor shall not grant control over any Investment Property to any Person other than the Administrative Agent.

(v) In the case of each Grantor which is an issuer of Pledged Collateral, such Grantor agrees to be bound by the terms of this Agreement relating to the Pledged Collateral issued by it and will comply with such terms insofar as such terms are applicable to it. In the case of each Grantor which is a partner in a partnership, such Grantor hereby consents to the extent required by the applicable partnership agreement to the pledge by each other Grantor, pursuant to the terms hereof, of the pledged partnership interests in such Partnership and to the transfer of such pledged partnership interests to the Administrative Agent or its nominee and to the substitution of the Administrative Agent or its nominee as a substituted partner in such partnership with all the rights, powers and duties of a general partner or a limited partner, as the case may be. In the case of each Grantor which is a member of a limited liability company, such Grantor hereby consents to the extent required by the applicable limited liability company agreement to the pledge by each other Grantor, pursuant to the terms hereof, of the pledged limited liability company interests in such limited liability company and to the transfer of such pledged limited liability company interests to the Administrative Agent or its nominee and to the substitution of the Administrative Agent or its nominee as a substituted member of the limited liability company with all the rights, powers and duties of a member of the limited liability company in question.

(vi) Such Grantor will not agree to any amendment of a limited liability company agreement or partnership agreement that in any way adversely affects the perfection of the security interest of the Administrative Agent in the pledged partnership interests or pledged limited liability company interests pledged by such Grantor hereunder, including electing to treat the membership interest or partnership interest of such Grantor as a security under Section 8-103 of the UCC.

(h) Intellectual Property.

(i) Such Grantor (either itself or through licensees) will (i) continue to use each Trademark that is Material Intellectual Property in order to maintain such Trademark in full force and effect with respect to each class of goods for which such Trademark is currently used, free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Administrative Agent shall obtain a perfected security interest in such mark pursuant to this Agreement and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way.

(ii) Such Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any Patent which is Material Intellectual Property may become forfeited, abandoned or dedicated to the public.

(iii) Such Grantor (either itself or through licensees) (i) will not (and will not permit any licensee or sublicensee thereof to) do any act or omit to do any act whereby any portion of the Copyrights which is Material Intellectual Property may become invalidated or otherwise impaired and (ii) will not (either itself or through licensees) do any act whereby any portion of the Copyrights which is Material Intellectual Property may fall into the public domain.

(iv) Such Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any trade secret which is Material Intellectual Property may become publicly available or otherwise unprotectable.

(v) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any Material Intellectual Property to infringe the intellectual property rights of any other Person.

(vi) Such Grantor will notify the Administrative Agent immediately if it knows, or has reason to know, that any application or registration relating to any Material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, right to use, interest in, or the validity of, any Material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(vii) Whenever such Grantor, either by itself or through any agent, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency within or outside the United States, such Grantor shall report such filing to the Administrative Agent within five (5) Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Administrative Agent may request to evidence the Administrative Agent's security interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(viii) Such Grantor will take all reasonable actions necessary or requested by the Administrative Agent, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of any Copyright, Trademark or Patent that is Material Intellectual Property, including filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition and interference and cancellation proceedings.

(ix) In the event that any Material Intellectual Property is infringed upon or misappropriated or diluted by a third party, such Grantor shall notify the Administrative Agent promptly after such Grantor learns thereof. Such Grantor shall take appropriate action in response to such infringement, misappropriation of dilution, including promptly bringing suit for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation of dilution, and shall take such other actions as may be appropriate in its reasonable judgment under the circumstances to protect such Material Intellectual Property.

(i) Aircraft and Spare Parts.

(i) As long as any Aircraft is in service, the Grantors will (at their expense) (x) make such modifications in and additions to each relevant Airframe and Engine as may be required from time to time to comply, in all material respects, with the applicable requirements at such time of the FAA and any other Governmental Authority; (y) operate, inspect, maintain, service, repair, overhaul and test each relevant Airframe and Engine so as to keep the same in good operating condition, ordinary wear and tear excepted, and in compliance, in all material respects, with all applicable requirements of the FAA and any other Governmental Authority, including all airworthiness directives issued by the FAA and in the case of each Airframe, in such condition as may be necessary to enable the airworthiness certificate in respect thereof to be maintained in good standing and effective under the Aviation Act; and (z) maintain all records, logs, and other materials required by the FAA to be maintained in respect of each Airframe and each Engine.

(ii) The Grantors shall, promptly following the request of the Administrative Agent (and subject to the requirements of any prior Lien which is permitted by this Agreement), ensure that there is affixed and maintained in the cockpit of each Aircraft a plate bearing the inscription "AMR FINANCE, INC., AS ADMINISTRATIVE AGENT ON BEHALF OF CERTAIN SECURED PARTIES AND AS MORTGAGEE" and, if not prevented by applicable law and if it will not adversely affect the proper use thereof, ensure that there is marked on each Engine an appropriate plate, disk or marking bearing the same inscription.

(iii) The Grantors shall ensure that at all times all Spare Parts (other than Spare Parts that have been contributed to an interchange or pooling arrangement which is customary in the airline industry or that otherwise are in the possession of (or in transit to) third parties) are kept at a designated location referred to in Schedule 4.20(c).

(j) Possession, Operation and Use, Maintenance and Registration.

(i) Grantors shall not, without the prior written consent of the Administrative Agent, lease or otherwise in any manner deliver, transfer or relinquish possession of any Airframe or any Engine or install any Engine, or permit any Engine to be installed, on any airframe other than an Airframe; provided that, Grantors may, so long as no Default shall have occurred and be continuing and so long as the action to be taken shall not deprive the Administrative Agent of the perfected Lien of this Agreement on any Airframe or (subject to the proviso of subsection (A)(c) of this Section 11.4) any Engine, and in any event, so long as Grantors shall comply with the provisions of Section 7.5, without the consent of the Administrative Agent:

(A) subject any Airframe to normal interchange agreements or subject any Engine to normal interchange or pooling agreements or arrangements, in each case customary in the airline industry and entered into by Grantors in the ordinary course of its business with any U.S. Air Carrier or with any "foreign air carrier" (as such term is defined in the Transportation Code) as to which there is in force a permit issued pursuant to the Transportation Code (49 U.S.C. Sections 41301-41306) or any successor provision that gives like authority; provided that (a) no transfer of the registration of any Airframe shall be effected in connection therewith, (b) no such agreement or arrangement contemplates or requires the transfer of title to any Airframe and (c) if Grantors' title to any Engine shall be divested under any such agreement or arrangement, such divestiture shall be deemed to be an event of loss with respect to such Engine, and Grantors shall comply with Section 7.5 in respect thereof;

(B) deliver possession of any Airframe or any Engine to any organization for testing, service, repair, maintenance, overhaul work or other similar purposes or for alterations, modifications or additions to such Airframe or such Engine to the extent required or permitted by the terms of this Agreement;

(ii) Grantors agree that the Aircraft will not be maintained, used or operated in violation, in any material respect, of any law, rule, regulation or order of any government of any country having jurisdiction over the Aircraft or in violation of any airworthiness certificate, license or registration relating to the Aircraft issued by any such government. Grantors will not operate the Aircraft, or permit the Aircraft to be operated or located, (A) in any area excluded from coverage by any insurance required by the terms of Section 7.5 or (B) in any war zone or recognized or, in Grantors' reasonable judgment, threatened area of hostilities unless covered by war risk insurance in accordance with Section 7.5.

(iii) Grantors shall cause the Aircraft to remain duly registered, under the laws of the United States, in the name of Grantors except as otherwise required by the Transportation Code.

SECTION 11.5. PERFORMANCE BY ADMINISTRATIVE AGENT OF THE LOAN PARTIES' OBLIGATIONS. If any Grantor fails to perform or comply with any of its agreements contained herein and the Administrative Agent, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of the Administrative Agent incurred in connection with such performance or compliance, together with interest thereon at the rate then in effect in respect of the Revolving Loan, shall be payable by such Grantor to the Administrative Agent on demand and shall constitute Obligations secured by the Collateral. Performance of such Grantor's obligations as permitted under this Section 11.5 shall in no way constitute a violation of the automatic stay provided by Section 362 of the Bankruptcy Code and each Grantor hereby waives applicability thereof. Moreover, the Administrative Agent shall in no way be responsible for the payment of any costs incurred in connection with preserving or disposing of Collateral pursuant to Section 506(c) of the Bankruptcy Code and the Collateral may not be charged for the incurrence of any such cost.

SECTION 11.6. LIMITATION ON ADMINISTRATIVE AGENT'S DUTY IN RESPECT OF COLLATERAL. Neither the Administrative Agent nor any Lender shall have any duty as to any Collateral in its possession or control or in the possession or control of any agent or

nominee of it or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto, except that the Administrative Agent shall, with respect to the Collateral in its possession or under its control, deal with such Collateral in the same manner as the Administrative Agent deals with similar property for its own account. Upon request of the Borrower, the Administrative Agent shall account for any moneys received by it in respect of any foreclosure on or disposition of the Collateral of any Grantor.

SECTION 11.7. REMEDIES, RIGHTS UPON DEFAULT.

(a) If any Event of Default shall occur and be continuing, the Administrative Agent may exercise in addition to all other rights and remedies granted to it in this Agreement and in any other Loan Document, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, each Grantor expressly agrees that in any such event the Administrative Agent, without demand of performance or other demand, advertisement or notice of any kind (except the notice required by the Interim Order or Final Order or the notice specified below of time and place of public or private sale) to or upon such Grantor or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Administrative Agent's offices or elsewhere at such prices at it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent shall have the right upon any such public sale or sales to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption each Grantor hereby releases. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the proceeds of any such collection, recovery, receipt, appropriation, realization or sale (net of all expenses incurred by the Administrative Agent in connection therewith, including, without limitation, attorney's fees and expenses), to the Obligations in any order deemed appropriate by the Administrative Agent, such Grantor remaining liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Administrative Agent of any other amount required by any provision of law, including Section 9-504(l)(c) of the UCC, need the Administrative Agent account for the surplus, if any, to such Grantor. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Administrative Agent and the Lenders arising out of the repossession, retention or sale of the Collateral except such as arise out of the gross negligence or willful misconduct of the Administrative Agent. Each Grantor agrees that the Administrative Agent need not give more than seven (7) days' notice to the Grantors (which notification shall be deemed given when mailed or delivered on an overnight basis, postage prepaid, addressed to the Borrower at its address referred to in Section 13.8) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. The Grantors shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which the Administrative Agent is entitled, the Grantors also being liable for the fees and expenses of any attorneys employed by the Administrative Agent to collect such deficiency.

(b) Each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Agreement or any Collateral.

(c) Pledged Collateral.

(i) During the continuance of an Event of Default, if the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Collateral and make application thereof to the Obligations in the order set forth herein and (ii) the Administrative Agent or its nominee may exercise (A) all voting, consent, corporate and other rights pertaining to the Pledged Collateral at any meeting of shareholders, partners or members, as the case may be, of the relevant issuers of Pledged Collateral or otherwise and (B) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to the Pledged Collateral as if it were the absolute owner thereof (including the right to exchange at its discretion any and all of the Pledged Collateral upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of any issuer of Pledged Securities, the right to deposit and deliver any and all of the Pledged Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(ii) In order to permit the Administrative Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder, (i) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Administrative Agent all such proxies, dividend payment orders and other instruments as the Administrative Agent may from time to time reasonably request and (ii) without limiting the effect of clause (i) above, such Grantor hereby grants to the Administrative Agent an irrevocable proxy to vote all or any part of the Pledged Collateral and to exercise all other rights, powers, privileges and remedies to which a holder of the Pledged Collateral would be entitled (including giving or withholding written consents of shareholders, partners or members, as the case may be, calling special meetings of shareholders, partners or members, as the case may be, and voting at such meetings), which proxy shall be effective, automatically and without the necessity of any action (including any transfer of any Pledged Collateral on the record books of the issuer thereof) by any other person (including the issuer of such Pledged Collateral or any officer or agent thereof) during the continuance of an Event of Default and which proxy shall only terminate upon the payment in full of the Secured Obligations.

(iii) Each Grantor hereby expressly authorizes and instructs each issuer of any Pledged Collateral pledged hereunder by such Grantor to (i) comply with any instruction received by it from the Administrative Agent in writing that (A) states that an Event of Default has occurred and is continuing and (B) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that such issuer shall be fully protected in so complying and (ii) unless otherwise expressly permitted hereby, pay any dividends or

other payments with respect to the Pledged Collateral directly to the Administrative Agent.

SECTION 11.8. THE ADMINISTRATIVE AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT.

(a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its and its Subsidiaries true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor, or in its own name, from time to time in the Administrative Agent's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary and desirable to accomplish the purposes of this Agreement and the transactions contemplated hereby, and, without limiting the generality of the foregoing, hereby give the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor to do the following:

(i) to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any Collateral and, in the name of such Grantor, its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other Instruments for the payment of moneys due under any Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Collateral whenever payable and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Collateral whenever payable;

(ii) to pay or discharge taxes, Liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iii) (A) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due, and to become due thereunder, directly to the Administrative Agent or as the Administrative Agent shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due, and to become due at any time, in respect of or arising out of any Collateral; (C) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts and other documents constituting or relating to the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against any Grantor with respect to any Collateral of such Grantor; (F) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Administrative Agent may deem appropriate; (G) to license or, to the extent permitted by an applicable license, sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any trademarks, throughout the world for such term or terms, on such conditions, and in such manner, as

the Administrative Agent shall in its sole discretion determine; and (H) generally to sell, transfer, pledge, make any agreement with . respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and to do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent reasonably deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's Lien therein, in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

(b) The Administrative Agent agrees that it will forbear from exercising the power of attorney or any rights granted to the Administrative Agent pursuant to this Section 11.8, except upon the occurrence or during the continuation of an Event of Default. The Grantors hereby ratify, to the extent permitted by law, all that said attorneys shall lawfully do or cause to be done by virtue hereof. Exercise by the Administrative Agent of the powers granted hereunder is not a violation of the automatic stay provided by Section 362 of the Bankruptcy Code and each Grantor waives applicability thereof. The power of attorney granted pursuant to this Section 11.8 is a power coupled with an interest and shall be irrevocable until the Obligations are indefeasibly paid in full.

(c) The powers conferred on the Administrative Agent hereunder are solely to protect the Administrative Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Administrative Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act, except for its own gross negligence or willful misconduct.

(d) Each Grantor also authorizes the Administrative Agent, at any time and from time to time upon the occurrence and during the continuation of any Event of Default or as otherwise expressly permitted by this Agreement, (i) to communicate in its own name or the name of its Subsidiaries with any party to any Contract with regard to the assignment of the right, title and interest of such Grantor in and under the Contracts hereunder and other matters relating thereto and (ii) to execute any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(e) All Obligations shall constitute, in accordance with Section 364(c)(1) of the Bankruptcy Code, claims against the Borrower and each other Grantor in its Case which are administrative expense claims having priority over any all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code.

SECTION 11.9. MODIFICATIONS.

(a) The Liens, lien priority, administrative priorities and other rights and remedies granted to the Administrative Agent for the benefit of the Lenders pursuant to this Agreement, the Interim Order and/or the Final Order (specifically, including, but not limited to, the existence, perfection and priority of the Liens provided herein and therein and the administrative priority provided herein and therein) shall not be modified, altered or impaired in any manner by any other financing or extension of credit or incurrence of Indebtedness by any of the Grantors (pursuant to Section 364 of the Bankruptcy Code or otherwise), or by any dismissal or conversion of any of the Cases, or by any other act or omission whatsoever. Without limitation, notwithstanding any such order, financing, extension, incurrence, dismissal, conversion, act or omission:

(i) except for the Carve-Out having priority over the Obligations, no costs or expenses of administration which have been or may be incurred in any of the Cases or any conversion of the same or in any other proceedings related thereto, and no priority claims, are or will be prior to or on a parity with any claim of the Administrative Agent or the Lenders against the Grantors in respect of any Obligation;

(ii) the Liens granted herein shall constitute valid and perfected first priority liens and security interests (subject only to (A) the Carve-Out, (B) valid, perfected, enforceable and nonavoidable Liens of record existing immediately prior to the Petition Date and (C) Liens permitted under Section 8.2(d)) in accordance with Sections 364(c)(2) and (3) of the Bankruptcy Code, and shall be prior to all other Liens , now existing or hereafter arising, in favor of any other creditor or any other Person whatsoever; and

(iii) the Liens granted hereunder shall continue valid and perfected without the necessity that financing statements be filed or that any other action be taken under applicable nonbankruptcy law.

(b) Notwithstanding any failure on the part of any Grantor or the Administrative Agent or the Lenders to perfect, maintain, protect or enforce the Liens in the Collateral granted hereunder, the Interim Order and the Final Order (when entered) shall automatically, and without further action by any Person, perfect such Liens against the Collateral.

ARTICLE XII

THE ADMINISTRATIVE AGENT

SECTION 12.1. AUTHORIZATION AND ACTION.

(a) Each Lender hereby appoints AMR Finance as the Administrative Agent hereunder and each Lender authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party and to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents and that under such Loan Documents the Administrative Agent is acting as agent for the Lenders and the other Secured Parties.

(b) As to any matters not expressly provided for by this Agreement and the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders, and such instructions shall be binding upon all Lenders; provided, however, that the Administrative Agent shall not be required to take any action which (i) the Administrative Agent in good faith believes exposes it to personal liability unless the Administrative Agent receives an indemnification satisfactory to it from the Lenders with respect to such action or (ii) is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by any Loan Party pursuant to the terms of this Agreement or the other Loan Documents.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and its duties are entirely administrative in nature. The Administrative Agent does not assume and shall not be deemed to have assumed any obligation other than as expressly set forth herein and in the other Loan Documents or any other relationship as the Administrative Agent, fiduciary or trustee of or for any Lender or holder of any other Obligation. The Administrative Agent may perform any of its duties under any of the Loan Documents by or through its agents or employees.

SECTION 12.2. ADMINISTRATIVE AGENT'S RELIANCE, ETC. Neither the Administrative Agent nor any of its Affiliates or any of the respective directors, officers, agents or employees of the Administrative Agent or any such Affiliate shall be liable for any action taken or omitted to be taken by it, him, her or them under or in connection with this Agreement or the other Loan Documents, except for its, his, her or their own gross negligence or willful misconduct. Without limiting the foregoing, the Administrative Agent (a) may treat the payee of any Revolving Credit Note or Term Credit Note as its holder until such Revolving Credit Note or Term Credit Note, as applicable has been assigned in accordance with Section 13.2; (b) may rely on the Register to the extent set forth in Section 13.2(c); (c) may consult with legal counsel (including counsel to the Borrower or any other Loan Party), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (d) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made by or on behalf of the Borrower or any of its Subsidiaries in or in connection with this Agreement or any of the other Loan Documents; (e) shall not have any duty to ascertain or to inquire either as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any of the other Loan Documents or the financial condition of any Loan Party, or the existence or possible existence of any Default or Event of Default; (f) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (g) shall incur no liability under or in respect of this Agreement or any of the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopy) or any telephone message believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 12.3. THE ADMINISTRATIVE AGENT INDIVIDUALLY. With respect to its Ratable Portion, the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender. The terms "Lenders" or "Requisite Lenders" or any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender or as one of the Requisite Lenders. AMR Finance and its Affiliates may engage in any kind of business with any Loan Party as if it were not acting as the Administrative Agent or a Lender.

SECTION 12.4. LENDER CREDIT DECISION. Each Lender acknowledges that it shall, independently and without reliance upon the Administrative Agent or any other Lender conduct its own independent investigation of the financial condition and affairs of the Borrower and each other Loan Party in connection with the making and continuance of the Loans and with the issuance of the Letters of Credit. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its

own credit decisions in taking or not taking action under this Agreement and other Loan Documents.

SECTION 12.5. INDEMNIFICATION. Each Lender agrees to indemnify the Administrative Agent and each of its Affiliates, and each of their respective directors, officers, employees, agents and advisors (to the extent not reimbursed by the Borrower), from and against such Lender's aggregate Ratable Portion of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements (including fees and disbursements of legal counsel) of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against, the Administrative Agent or any of its Affiliates, directors, officers, employees, agents and advisors in any way relating to or arising out of this Agreement or the other Loan Documents or any action taken or omitted by the Administrative Agent under this Agreement or the other Loan Documents; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or such Affiliate's gross negligence or willful misconduct. Without limiting the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including fees and disbursements of legal counsel) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of its rights or responsibilities under, this Agreement or the other Loan Documents, to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower or another Loan Party.

SECTION 12.6. SUCCESSOR ADMINISTRATIVE AGENT. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower; provided that so long as no Event of Default then exists, Borrowers shall have consented thereto. Upon any such resignation, the Requisite Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Requisite Lenders, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, selected from among the Lenders. Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents. After such resignation, the retiring Administrative Agent shall continue to have the benefit of this Article XII as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.1. AMENDMENTS, WAIVERS, ETC.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document nor consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be in writing and signed by the Requisite Lenders, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by each Lender affected thereby, in addition to the Requisite Lenders, do any of the following:

(i) waive any of the conditions specified in Sections 3.1 or 3.2 except with respect to a condition based upon another provision hereof, the waiver of which requires only the concurrence of the Requisite Lenders;

(ii) increase the Commitments of the Lenders or subject the Lenders to any additional obligations; provided, however, that any such increase with respect to the Term Loan Commitments or the Revolving Loan Commitments shall require the consent of the Requisite Term Loan Lenders or the Requisite Revolving Credit Lenders, as the case may be;

(iii) extend the scheduled final maturity of any Loan, or waive, reduce or postpone any scheduled date fixed for the payment or reduction of principal (it being understood that Section 2.7 does not provide for scheduled dates fixed for payment) or of the Commitments;

(iv) reduce the principal amount of any Loan (other than by the payment or prepayment thereof);

(v) reduce the rate of interest on any Loan or any fee payable hereunder;

(vi) postpone any scheduled date fixed for payment of such interest or fees;

(vii) change the aggregate Ratable Portions of the Lenders which shall be required for the Lenders or any of them to take any action hereunder;

(viii) release all or substantially all of the Collateral except as provided in Section 10.7(b) or release any Guarantor from its obligations under the Guaranty except in connection with sale or other disposition permitted by this Agreement (or permitted pursuant to a waiver or consent of a transaction otherwise prohibited by this Agreement); or

(ix) amend Section 10.7(b) or this Section 13.1 or the definition of the terms "Requisite Lenders" or "Requisite Revolving Credit Lenders" or "Requisite Term Loan Lenders" or "Ratable Portion";

and provided, further, (A) that any modification of the application of payments to the Term Loans pursuant to Section 2.7 shall require the consent of the Requisite Term Loan Lenders and any such modification of the application of payments to the Revolving Loans pursuant to Section 2.7 or the reduction of the Revolving Credit Commitments pursuant to Section 2.3(b) shall require the consent of the Requisite Revolving Credit Lenders and (B) that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or the other Loan Documents.

(b) The Administrative Agent may, but shall have no obligation to, with the written concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of that Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Loan Parties in any case shall entitle such Loan Party to any other or further notice or demand in similar or other circumstances.

SECTION 13.2. ASSIGNMENTS AND PARTICIPATIONS.

(a) Each Lender, with the consent of the Administrative Agent, may sell, transfer, negotiate or assign to one or more Persons (an "Assignee") all or a portion of its rights and obligations hereunder; provided, however, that (A) if any such assignment shall be of the assigning Lender's Revolving Loans then outstanding and Revolving Credit Commitment, such assignment shall cover the same percentage of such Lender's Revolving Loans then outstanding and Revolving Credit Commitment, and (B) if any such assignment shall be of the assigning Lender's Term Loans and Term Credit Commitment, such assignment shall cover the same percentage of such Lender's Term Loans and Term Credit Commitment.

(b) The parties to each assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording, an Assignment and Acceptance, together with any Note subject to such assignment. Upon such execution, delivery, acceptance and recording and the receipt by the Administrative Agent from the assignee of an assignment fee in the amount of $3,500 from and after the effective date specified in such Assignment and Acceptance, (i) the assignee thereunder shall become a party hereto and, to the extent that rights and obligations under the Loan Documents have been assigned to such assignee pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender, and (ii) the assignor thereunder shall, to the extent that rights and obligations under this Agreement have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except those which survive the payment in full of the Obligations) and be released from its obligations under the Loan Documents, other than those relating to events or circumstances occurring prior to such assignment (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto).

(c) The Administrative Agent shall maintain at its address referred to in Section 13.8 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recording of the names and addresses of the Lenders and the Commitments of and principal amount of the Loans owing to each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Loan Parties, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender for all purposes of this Agreement. The Register shall be

available for inspection by the Borrower, the Administrative Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee, the Administrative Agent shall, if such Assignment and Acceptance has been completed, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. Within five (5) Business Days after its receipt of such notice, the Borrower, at its own expense, shall, if requested by such assignee, execute and deliver to the Administrative Agent, new Notes to the order of such assignee in an amount equal to the Commitments assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has surrendered any Note for exchange in connection with the assignment and has retained Commitments hereunder, new Notes to the order of the assigning Lender in an amount equal to the Commitments retained by it hereunder. Such new Notes shall be dated the same date as the surrendered Notes and be in substantially the form of Exhibit B-1 or Exhibit B-2 hereto, as applicable.

(e) In addition to the other assignment rights provided in this Section 13.2, each Lender may assign, as collateral or otherwise, any of its rights under this Agreement (including rights to payments of principal or interest on the Loans).

(f) Each Lender may sell participations to one or more Persons in or to all or a portion of its rights and obligations under the Loan Documents (including all its rights and obligations with respect to the Term Loans and Revolving Loans). The terms of such participation shall not, in any event, require the participant's consent to any amendments, waivers or other modifications of any provision of any Loan Documents, the consent to any departure by any Loan Party therefrom, or to the exercising or refraining from exercising any powers or rights which such Lender may have under or in respect of the Loan Documents (including the right to enforce the obligations of the Loan Parties), except if any such amendment, waiver or other modification or consent would (i) reduce the amount, or postpone any date fixed for, any amount (whether of principal, interest or fees) payable to such participant under the Loan Documents, to which such participant would otherwise be entitled under such participation or (ii) result in the release of all or substantially all of the Collateral other than in accordance with Section 10.7(b). In the event of the sale of any participation by any Lender, (A) such Lender's obligations under the Loan Documents shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties for the performance of such obligations, (C) such Lender shall remain the holder of such Obligations for all purposes of this Agreement and (D) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Each participant shall be entitled to the benefits of Sections 2.11 and 2.12 as if it were a Lender; provided, however, that anything herein to the contrary notwithstanding, the Borrower shall not, at any time, be obligated to pay to any participant of any interest of any Lender, under Section 2.11 or 2.12, any sum in excess of the sum which the Borrower would have been obligated to pay to such Lender in respect of such interest had such participation not been sold.

SECTION 13.3. COSTS AND EXPENSES.

(a) The Loan Parties agree upon demand to pay, or reimburse the Administrative Agent for, all of the Administrative Agent's reasonable internal and external audit, legal, appraisal, valuation, filing, document duplication and reproduction and investigation expenses and for all other reasonable out-of-pocket costs and expenses of every type and nature (including, without limitation, the reasonable fees, expenses and disbursements of the

Administrative Agent's counsel, Weil, Gotshal & Manges LLP, local legal counsel, auditors, accountants, appraisers, printers, insurance and environmental advisers, and other consultants and agents) incurred by the Administrative Agent in connection with (i) the Administrative Agent's audit and investigation of the Borrower and its Subsidiaries in connection with the preparation, negotiation and execution of the Loan Documents and the Administrative Agent's periodic audits of the Borrower and its Subsidiaries, as the case may be; (ii) the preparation, negotiation, execution and interpretation of this Agreement (including, without limitation, the satisfaction or attempted satisfaction of any of the conditions set forth in Article III), the Loan Documents and any proposal letter or commitment letter issued in connection therewith and the making of the Loans hereunder; (iii) the creation, perfection or protection of the Liens under the Loan Documents (including, without limitation, any reasonable fees and expenses for local counsel in various jurisdictions); (iv) the ongoing administration of this Agreement and the Loans, including consultation with attorneys in connection therewith and with respect to the Administrative Agent's rights and responsibilities hereunder and under the other Loan Documents; (v) the protection, collection or enforcement of any of the Obligations or the enforcement of any of the Loan Documents; (vi) the commencement, defense or intervention in any court proceeding relating in any way to the Obligations, any Loan Party, any of the Borrower's Subsidiaries, the Asset Purchase Agreement, this Agreement or any of the other Loan Documents; (vii) the response to, and preparation for, any subpoena or request for document production with which the Administrative Agent is served or deposition or other proceeding in which the Administrative Agent is called to testify, in each case, relating in any way to the Obligations, any Loan Party, any of the Borrowers' Subsidiaries, the Asset Purchase Agreement, this Agreement or any of the other Loan Documents; and (viii) any amendments, consents, waivers, assignments, restatements, or supplements to any of the Loan Documents and the preparation, negotiation, and execution of the same, in each case without further order of the Bankruptcy Court.

(b) The Loan Parties further agree to pay or reimburse the Administrative Agent and each of the Lenders upon demand for all out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees (including allocated costs of internal counsel and costs of settlement), incurred by the Administrative Agent and such Lenders (i) in enforcing any Loan Document or Obligation or any security therefor or exercising or enforcing any other right or remedy available by reason of an Event of Default; (ii) in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out"; (iii) in commencing, defending or intervening in any litigation or in filing a petition, complaint, answer, motion or other pleadings in any legal proceeding relating to the Obligations, any Loan Party, any of the Borrowers' Subsidiaries and related to or arising out of the transactions contemplated hereby or by any of the other Loan Documents or the Asset Purchase Agreement; and (iv) in taking any other action in or with respect to any suit or proceeding described in clauses (i) through (iii) above.

SECTION 13.4. INDEMNITIES.

(a) The Loan Parties agree to indemnify and hold harmless the Administrative Agent, each Lender and each of their respective Affiliates, and each of the directors, officers, employees, agents, representative, attorneys, consultants and advisors of or to any of the foregoing (including those retained in connection with the satisfaction or attempted satisfaction of any of the conditions set forth in Article III) (each such Person being an "Indemnitee") from and against any and all claims, damages, liabilities, obligations, losses, penalties, actions, judgments, suits, costs, disbursements and expenses of any kind or nature (including fees and disbursements of counsel to any such Indemnitee) which may be imposed on, incurred by or asserted against any such Indemnitee in connection with or arising out of any

investigation, litigation or proceeding, whether or not any such Indemnitee is a party thereto, whether direct, indirect, or consequential and whether based on any federal, state or local law or other statutory regulation, securities or commercial law or regulation, or under common law or in equity, or on contract, tort or otherwise, in any manner relating to or arising out of this Agreement, any other Loan Document, any Obligation, any Disclosure Document, or any act, event or transaction related or attendant to any thereof, or the use or intended use of the proceeds of the Loans or in connection with any investigation of any potential matter covered hereby (collectively, the "Indemnified Matters"); provided, however, that the Loan Parties shall not have any obligation under this Section 13.4 to an Indemnitee with respect to any Indemnified Matter caused by or resulting from the gross negligence or willful misconduct of that Indemnitee, as determined by a court of competent jurisdiction in a final non-appealable judgment or order. Without limiting the foregoing, Indemnified Matters include (i) all Environmental Liabilities and Costs arising from or connected with the past, present or future operations of the Borrower or any of its Subsidiaries involving any property subject to a Collateral Document, or damage to real or personal property or natural resources or harm or injury alleged to have resulted from any Release of Contaminants on, upon or into such property or any contiguous real estate; (ii) any costs or liabilities incurred in connection with any Remedial Action concerning the Borrower or any of its Subsidiaries; (iii) any costs or liabilities incurred in connection with any Environmental Lien; (iv) any costs or liabilities incurred in connection with any other matter under any Environmental Law, including CERCLA and applicable state property transfer laws, whether, with respect to any of such matters, such Indemnitee is a mortgagee pursuant to any leasehold mortgage, a mortgagee in possession, the successor in interest to the Borrower or any of its Subsidiaries, or the owner, lessee or operator of any property of the Borrower or any of its Subsidiaries by virtue of foreclosure, except, with respect to those matters referred to in clauses (i), (ii), (iii) and (iv) above, to the extent incurred following (A) foreclosure by the Administrative Agent or any Lender, or the Administrative Agent or any Lender having become the successor in interest to the Borrower or any of its Subsidiaries, and (B) attributable solely to acts of the Administrative Agent or such Lender or any agent on behalf of the Administrative Agent or such Lender.

(b) The Borrower shall indemnify the Administrative Agent and the Lenders for, and hold the Administrative Agent and the Lenders harmless from and against, any and all claims for brokerage commissions, fees and other compensation made against the Administrative Agent and the Lenders for any broker, finder or consultant with respect to any agreement, arrangement or understanding made by or on behalf of any Loan Party or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

(c) The Loan Parties agree that any indemnification or other protection provided to any Indemnitee pursuant to this Agreement (including pursuant to this Section 13.4) or any other Loan Document shall (i) survive payment in full of the Obligations and (ii) inure to the benefit of any Person who was at any time an Indemnitee under this Agreement or any other Loan Document.

SECTION 13.5. LIMITATION OF LIABILITY. THE LOAN PARTIES AGREE THAT NO INDEMNITEE SHALL HAVE ANY LIABILITY (WHETHER DIRECT OR INDIRECT, IN CONTRACT, TORT OR OTHERWISE) TO ANY LOAN PARTY OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR ANY OF THEIR EQUITY HOLDERS OR CREDITORS FOR OR IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY AND IN THE OTHER LOAN DOCUMENTS AND ASSET PURCHASE AGREEMENT, EXCEPT TO THE EXTENT SUCH LIABILITY IS FOUND IN A FINAL JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNITEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. IN

NO EVENT, HOWEVER, SHALL ANY INDEMNIFIED PARTY BE LIABLE ON ANY THEORY OF LIABILITY FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES AND EACH OF THE LOAN PARTIES HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY SUCH CLAIM FOR ANY SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

SECTION 13.6. RIGHT OF SET-OFF. Upon the occurrence and during the continuance of any Event of Default each Lender and each Affiliate of a Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or its Affiliates to or for the credit or the account of any Loan Parties against any and all of the Obligations now or hereafter existing whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such Obligations may be unmatured. The rights of each Lender under this Section 13.6 are in addition to the other rights and remedies (including other rights of set-off) which such Lender may have.

SECTION 13.7. SHARING OF PAYMENTS, ETC.

(a) If any Lender shall receive any payment (whether voluntary, involuntary, through the exercise of any right of set-off or otherwise) of the Loans owing to it, any interest thereon, fees in respect thereof or amounts due pursuant to Section 13.3 or 13.4 (other than payments pursuant to Section 2.11 or 2.12) in excess of its Ratable Portion of all payments of such Obligations obtained by all the Lenders, such Lender (a "Purchasing Lender") shall forthwith purchase from the other Lenders (each, a "Selling Lender") such participations in their Loans or other Obligations as shall be necessary to cause such Purchasing Lender to share the excess payment ratably with each of them.

(b) If all or any portion of any payment received by a Purchasing Lender is thereafter recovered from such Purchasing Lender, such purchase from each Selling Lender shall be rescinded and such Selling Lender shall repay to the Purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Selling Lender's ratable share (according to the proportion of (i) the amount of such Selling Lender's required repayment to (ii) the total amount so recovered from the Purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. (c) The Borrower agrees that any Purchasing Lender so purchasing a participation from a Selling Lender pursuant to this Section 13.7 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 13.8. NOTICES, ETC. All notices, demands, requests and other communications provided for in this Agreement shall be given in writing, or by any telecommunication device capable of creating a written record and addressed to the party to be notified, as follows:

(a) if to the Loan Parties:

Trans World Airlines, Inc.
One City Centre
515 North 6th Street
St. Louis, Missouri 63101
Attention: Kate Soled
Facsimile: (314) 589-3461

with a copy to:

Kirkland & Ellis
Aon Center
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Andrew M. Kaufman
Facsimile: (312) 861-2200

(b) if to any Lender, at the address specified opposite its name on Schedule II or on the signature page of any applicable Assignment and Acceptance;

(c) if to the Administrative Agent:

AMR Finance, Inc.
4333 Amon Carter Boulevard
Mail Drop 5618
Fort Worth, Texas 76155
Attention: General Counsel
Facsimile: (817) 967-2501

with a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Thomas A. Roberts
Facsimile: (212) 310-8007

or at such other address as shall be notified in writing (i) in the case of the Borrower and the Administrative Agent, to the other parties and (ii) in the case of all other parties, to the Borrower and the Administrative Agent. All such notices and communications shall be effective upon personal delivery (if delivered by hand, including any overnight courier service), when deposited in the mails (if sent by mail), or when properly transmitted (if sent by a telecommunications device); provided, however, that notices and communications to the Administrative Agent pursuant to Article II or X shall not be effective until received by the Administrative Agent.

SECTION 13.9. NO WAIVER; REMEDIES. No failure on the part of any Lender or the Administrative Agent 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 such right 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 13.10. BINDING EFFECT. Upon entry of the Interim Order, this Agreement shall become effective when it shall have been executed by the Loan Parties and the Administrative Agent and when the Administrative Agent shall have been notified by each Lender that such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that none of the Loan Parties shall have the right to assign their respective rights or obligations hereunder or any interest herein without the prior written consent of the Lenders.

SECTION 13.11. GOVERNING LAW. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

SECTION 13.12. SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.

(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE BANKRUPTCY COURT OR IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE LOAN PARTIES HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH ANY OF THEM MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

(b) EACH OF THE LOAN PARTIES HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS IN ANY SUIT, ACTION OR PROCEEDING BROUGHT IN THE UNITED STATES OF AMERICA ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS BY THE MAILING (BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID) OR DELIVERING OF A COPY OF SUCH PROCESS TO EACH LOAN PARTY AT ITS ADDRESS SPECIFIED IN SECTION 13.8. THE LOAN PARTIES AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) Nothing contained in this Section 13.12 shall affect the right of the Administrative Agent or any Lender to serve process in any other manner permitted by law or commence legal proceedings or otherwise proceed against the Borrower or any other Loan Party in any other jurisdiction.

(d) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase Dollars with such other currency at the spot rate of exchange quoted by the Administrative Agent at 11:00

a.m. (Dallas time) on the Business Day preceding that on which final judgment is given, for the purchase of Dollars, for delivery two (2) Business Days thereafter.

SECTION 13.13. WAIVER OF JURY TRIAL. EACH OF THE ADMINISTRATIVE AGENT, THE LENDERS AND THE LOAN PARTIES IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT.

SECTION 13.14. MARSHALING; PAYMENTS SET ASIDE. None of the Administrative Agent or any Lender shall be under any obligation to marshal any assets in favor of the Loan Parties or any other party or against or in payment of any or all of the Obligations. To the extent that any of the Loan Parties make a payment or payments to the Administrative Agent or the Lenders or any of such Persons receives payment from the proceeds of the Collateral or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, right and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

SECTION 13.15. SECTION TITLES. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

SECTION 13.16. EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties 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. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document.

SECTION 13.17. ENTIRE AGREEMENT. This Agreement, together with all of the other Loan Documents and all certificates and documents delivered hereunder or thereunder, embodies the entire agreement of the parties and supersedes all prior agreements and understandings relating to the subject matter hereof. Delivery of an executed signature page of this Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 13.18. CONFIDENTIALITY. Each Lender and the Administrative Agent agree to keep all material non-public information obtained by it pursuant hereto and the other Loan Documents confidential in accordance with such Lender's or the Administrative Agent's, as the case may be, customary practices and agrees that it will only use such information in connection with the transactions contemplated by this Agreement and not disclose any of such information other than (a) to such Lender's or the Administrative Agent's, as the case may be, employees, representatives and agents who are or are expected to be involved in the evaluation of such information in connection with the transactions contemplated by this Agreement and who are advised of the confidential nature of such information, (b) to the extent such information presently is or hereafter becomes available to such Lender or the Administrative Agent, as the case may be, on a non-confidential basis from a source other than the Borrower and its Subsidiaries, (c) to the extent disclosure is required by law, regulation or judicial order, (d) to

assignees or participants or potential assignees or participants who agree to be bound by the provisions of this Section 13.18, or (e) to the extent permitted pursuant to Section 7.6.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

TRANS WORLD AIRLINES, INC.,
as Borrower

By:

Name: William F. Compton
Title: President and Chief Executive Officer

AMBASSADOR FUEL CORPORATION,
as a Guarantor

By:

Name: Michael Palumbo
Title: President

MEGA ADVERTISING INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

NORTHWEST 112TH STREET CORPORATION,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

THE TWA AMBASSADOR CLUB, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

[SIGNATURE PAGE TO SECURED DEBTOR IN POSSESSION CREDIT AND SECURITY AGREEMENT]

TRANS WORLD COMPUTER SERVICES, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

TRANSCONTINENTAL & WESTERN AIR, INC.,
as a Guarantor

By:

Name: William F. Compton
Title: President

TWA AVIATION, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

TWA GROUP, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

TWA STANDARDS & CONTROLS, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Assistant Secretary

OZARK GROUP, INC.,
as a Guarantor

By:

Name: Michael Palumbo
Title: President

[SIGNATURE PAGE TO SECURED DEBTOR IN POSSESSION
CREDIT AND SECURITY AGREEMENT]

TWA NIPPON, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

TWA EMPLOYEE SERVICES, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

TWA GETAWAY VACATIONS, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Assistant Secretary

TRANS WORLD EXPRESS, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

INTERNATIONAL AVIATION SECURITY, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

[SIGNATURE PAGE TO SECURED DEBTOR IN POSSESSION
CREDIT AND SECURITY AGREEMENT]

GETAWAY MANAGEMENT SERVICES, INC., as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

THE GETAWAY GROUP (UK), INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

AMR FINANCE, INC.,
as Administrative Agent and Lender

By:

Name:
Title:

[SIGNATURE PAGE TO SECURED DEBTOR IN POSSESSION
CREDIT AND SECURITY AGREEMENT]

EXHIBIT A

ASSIGNMENT AND ACCEPTANCE AGREEMENT

This Assignment and Acceptance Agreement (this "Agreement") is made as of _____, ____ by and between _____ (the "Assignor Lender") and _____ (the "Assignee Lender") and acknowledged and consented to by AMR Finance, Inc., as administrative agent for the Lenders party to the Credit Agreement referred to below (the "Administrative Agent"). All capitalized terms used in this Agreement and not otherwise defined herein will have the respective meanings set forth in the Credit Agreement as hereinafter defined.

RECITALS:

WHEREAS, Trans World Airlines, Inc., a Delaware corporation (the "Borrower"), the Subsidiaries of the Borrower party thereto, as Guarantors, the Lenders from time to time party thereto and the Administrative Agent, have entered into that certain Secured Debtor In Possession Credit and Security Agreement dated as of January __, 2001 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

WHEREAS, the Assignor Lender desires to assign to the Assignee Lender [all/a portion] of its interest in the Loan (as described below) and the Collateral and to delegate to the Assignee Lender [all/a portion] of its Commitments and other duties with respect to the Loan and the Collateral; and

WHEREAS, the Assignee Lender desires to become a Lender under the Credit Agreement and to accept such assignment and delegation from the Assignor Lender; and

WHEREAS, the Assignee Lender desires to appoint the Administrative Agent as agent for the Assignee Lender under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the Assignor Lender and the Assignee Lender agree as follows:

1. ASSIGNMENT, DELEGATION, AND ACCEPTANCE

1.1 Assignment. The Assignor Lender hereby transfers and assigns to the Assignee Lender, without recourse and without any representation or warranty of any kind (except as set forth in Section 3.2 hereof), [all/such percentage] of the Assignor Lender's right, title and interest in the Loan, the Loan Documents and the Collateral as will result in the Assignee Lender having as of the Effective Date (as hereinafter defined) a Pro Rata Share thereof, as set forth below:

Principal Amount	Pro Rata Share
$	%

1.2 Delegation. The Assignor Lender hereby irrevocably assigns and delegates to the Assignee Lender [all/a portion] of its Commitments and its other duties and obligations as a Lender under the Loan Documents equivalent to [100%/___%] of the Assignor Lender's [Revolving/Term] Credit Commitment (such percentage representing a commitment of $ _____).

1.3 Acceptance by the Assignee Lender. By its execution of this Agreement, the Assignee Lender irrevocably purchases, assumes and accepts such assignment and delegation and agrees to be a Lender with respect to the delegated interest under the Loan Documents and to be bound by the terms and conditions thereof. By its execution of this Agreement, the Assignor Lender agrees, to the extent provided herein, to relinquish its rights and be released from its obligations and duties under the Credit Agreement.

1.4 Effective Date. Such assignment and delegation by the Assignor Lender and acceptance by the Assignee Lender will be effective and the Assignee Lender will become a Lender under the Loan Documents as of [no earlier than the date of this Agreement] (the "Effective Date") and upon payment of the Assigned Amount and the Assignment Fee (as each term is defined below). [Interest and Fees accrued prior to the Effective Date are for the account of the Assignor Lender, and interest and Fees accrued from and after the Effective Date are for the account of the Assignee Lender.]

2. INITIAL PAYMENT AND DELIVERY OF NOTES

2.1 Payment of the Assigned Amount. The Assignee Lender will pay to the Assignor Lender, in immediately available funds, not later than 12:00 noon (New York time) on the Effective Date, an amount equal to its Pro Rata Share of the then outstanding principal amount of the Loans as set forth above in Section 1.1 [together with accrued interest, Fees and other amounts as set forth on Schedule 2.1] (the "Assigned Amount").

2.2 Payment of Assignment Fee. The Assignor Lender will pay to the Administrative Agent, for its own account in immediately available funds, not later than 12:00 noon (New York time) on the Effective Date, the assignment fee in the amount of $3,500 (the "Assignment Fee") as required pursuant to Section 13.2(b) of the Credit Agreement.

2.3 Execution and Delivery of Notes. Following payment of the Assigned Amount and the Assignment Fee, the Assignor Lender will deliver to the Administrative Agent the [Revolving/Term] Credit Note previously delivered to the Assignor Lender for redelivery to the Loan Parties and the Administrative Agent will obtain from the Borrower for delivery to [the Assignor Lender and] the Assignee Lender, new executed [Revolving/Term] Credit Note[s] evidencing the Assignee Lender's [and

the Assignor Lender's respective] Pro Rata Share[s] in the Loans after giving effect to the assignment described in Section 1. Each new [Revolving/Term] Credit Note will be issued in the aggregate maximum principal amount of the [applicable] Commitment [of the Lender to whom such [Revolving/Term] Credit Note is issued] OR [the Assignee Lender].

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Assignee Lender's Representations, Warranties and Covenants. The Assignee Lender hereby represents, warrants and covenants the following to the Assignor Lender and the Administrative Agent:

(a) This Agreement is a legal, valid and binding agreement of the Assignee Lender, enforceable according to its terms;

(b) The execution and performance by the Assignee Lender of its duties and obligations under this Agreement and the Loan Documents will not require any registration with, notice to, or consent or approval by any Governmental Authority;

(c) The Assignee Lender is familiar with transactions of the kind and scope reflected in the Loan Documents and in this Agreement;

(d) The Assignee Lender has made its own independent investigation and appraisal of the financial condition and affairs of each Loan Party, has conducted its own evaluation of the Loan, the Loan Documents and each Loan Party's creditworthiness, has made its decision to become a Lender to the Loan Parties under the Credit Agreement independently and without reliance upon the Assignor Lender or the Administrative Agent, and will continue to do so;

(e) The Assignee Lender is entering into this Agreement in the ordinary course of its business, and is acquiring its interest in the Loan for its own account and not with a view to or for sale in connection with any subsequent distribution; provided, however, that at all times the distribution of the Assignee Lender's property shall, subject to the terms of the Credit Agreement, be and remain within its control;

(f) No future assignment or participation granted by the Assignee Lender pursuant to Section 13.2 of the Credit Agreement will require the Assignor Lender, the Administrative Agent or any Loan Party to file any registration statement with the Securities and Exchange Commission or to apply to qualify under the blue sky laws of any state;

(g) The Assignee Lender has no loans to, written or oral agreements with, or equity or other ownership interest in any Loan Party;

(h) The Assignee Lender will not enter into any written or oral agreement with, or acquire any equity or other ownership interest in, any Loan Party without the prior written consent of the Administrative Agent; and

(i) As of the Effective Date, the Assignee Lender (i) is entitled to receive payments of principal and interest in respect of the Obligations without deduction for or on account of any taxes imposed by the United States of America or any political subdivision thereof [, (ii) is not subject to capital adequacy or similar requirements under Section 2.11 of the Credit Agreement, and (iii) does not require the payment of any increased costs under Section 2.12 of the Credit Agreement,] and the Assignee Lender will indemnify the Administrative Agent from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs or expenses that result from the Assignee Lender's failure to fulfill its obligations under the terms of Section 12.5 of the Credit Agreement [or from any other inaccuracy in the foregoing].

3.2. Assignor Lender's Representations, Warranties and Covenants. The Assignor Lender hereby represents, warrants and covenants the following to the Assignee Lender:

(a) The Assignor Lender is the legal and beneficial owner of the Assigned Amount;

(b) This Agreement is a legal, valid and binding agreement of the Assignor Lender, enforceable according to its terms;

(c) The execution and performance by the Assignor Lender of its duties and obligations under this Agreement and the Loan Documents will not require any registration with, notice to or consent or approval by any Governmental Authority;

(d) The Assignor Lender has full power and authority, and has taken all action necessary to execute and deliver this Agreement and to fulfill the obligations hereunder and to consummate the transactions contemplated hereby;

(e) The Assignor Lender is the legal and beneficial owner of the interests being assigned hereby, free and clear of any adverse claim, Lien, restriction on transfer, purchase option, call or similar right of a third party; and

(f) This Assignment by the Assignor Lender to the Assignee Lender complies, in all material respects, with the terms of the Loan Documents.

4. LIMITATIONS OF LIABILITY

Neither the Assignor Lender (except as provided in Section 3.2 hereof) nor the Administrative Agent makes any representations or warranties of any kind, nor assumes any responsibility or liability whatsoever, with regard to (a) the Loan Documents or any other document or instrument furnished pursuant thereto or the Loan or other Obligations, (b) the creation, validity, genuineness, enforceability, sufficiency, value or collectibility of any of them, (c) the amount, value or existence of the Collateral, (d) the perfection or priority of any Lien upon the Collateral, or (e) the financial condition of any Loan Party or other obligor or the performance or observance by any Loan Party of its Obligations under any of the Loan Documents. Neither the Assignor Lender nor the Administrative Agent has or will have any duty, either initially or on a continuing basis, to make any investigation, evaluation, appraisal of, or any responsibility or liability with respect to the accuracy or completeness of, any information provided to the Assignee Lender which has been provided to the Assignor Lender or the Administrative Agent by any Loan Party. Nothing in this Agreement or in the Loan Documents shall impose upon the Assignor Lender or the Administrative Agent any fiduciary relationship in respect of the Assignee Lender.

5. FAILURE TO ENFORCE

No failure or delay on the part of the Administrative Agent or the Assignor Lender in the exercise of any power, right or privilege hereunder or under any Loan Document will impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein. No single or partial exercise of any such power, right, or privilege will preclude further exercise thereof or of any other right, power, or privilege. All rights and remedies existing under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available.

6. NOTICES

Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given will be in writing and addressed to the respective party as set forth below its signature hereunder, or to such other address as the party may designate in writing to the other.

7. AMENDMENTS AND WAIVERS

No amendment, modification, termination or waiver of any provision of this Agreement will be effective without the written concurrence of the Assignor Lender, the Administrative Agent and the Assignee Lender.

8. SEVERABILITY

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. In the event any provision of this Agreement is or is held to be invalid, illegal, or unenforceable under applicable law, such provision will be ineffective only to the extent of such invalidity,

illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of the Agreement. In addition, in the event any provision of or obligation under this Agreement is or is held to be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations in any other jurisdictions will not in any way be affected or impaired thereby.

9. SECTION TITLES

Section and Subsection titles in this Agreement are included for convenience of reference only, do not constitute a part of this Agreement for any other purpose, and have no substantive effect.

10. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11. APPLICABLE LAW

THIS AGREEMENT WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE.

12. COUNTERPARTS

This Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, will be deemed an original and all of which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above,

ASSIGNEE LENDER:	ASSIGNOR LENDER:
By: ----------	By: ----------
Name: ----------	Name: ----------
Title: ----------	Title: ----------
Notice Address:	Notice Address:

ACKNOWLEDGED AND CONSENTED TO:

AMR FINANCE, INC.,
as the Administrative Agent

By: _____
Name: _____
Title: _____

SCHEDULE 2.1

Assignor Lender's Loans

Principal Amount	
Loan	$ -------
Accrued Interest	$ -------
Other + or -	$ -------
Total	$ =======

All determined as of the Effective Date.

EXHIBIT B - 1

REVOLVING CREDIT NOTE

Lender: [_____]
Principal Amount: [$_____]

New York, New York
January __, 2001

FOR VALUE RECEIVED, the undersigned, Trans World Airlines, Inc., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of the Lender set forth above (the "Lender") the Principal Amount set forth above, or, if less, the aggregate unpaid principal amount of all Revolving Loans (as defined in the Credit Agreement referred to below) of the Lender to the Borrower, payable at such times, and in such amounts, as are specified in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of the Revolving Loans from the date made until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in Dollars to the Loan Account in immediately available funds.

This Note is one of the Revolving Credit Notes referred to in, and is entitled to the benefits of, that certain Secured Debtor In Possession Credit and Security Agreement, dated as of January __, 2001 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Subsidiaries of the Borrower party thereto, as Guarantors, the Lenders from time to time party thereto and AMR Finance, Inc., as Administrative Agent. Capitalized terms used herein and not defined herein are used herein as defined in the Credit Agreement.

The Credit Agreement, among other things, (i) provides for the making of Revolving Loans by the Lender to the Borrower in an aggregate amount not to exceed at any time outstanding the Principal Amount set forth above, the indebtedness of the Borrower resulting from such Revolving Loans being evidenced by this Note and (ii) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

This Note is entitled to the benefits of the Guaranty and is secured as provided in the Credit Agreement.

Demand, diligence, presentment, protest and notice of non-payment and protest are hereby waived by the Borrower.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place set forth above.

TRANS WORLD AIRLINES, INC.

By: ----------

Name: ----------

Title: ----------

EXHIBIT B - 2

TERM LOAN NOTE

Lender: [_____]
Principal Amount: [$_____]

New York, New York
January __, 2001

FOR VALUE RECEIVED, the undersigned, Trans World Airlines, Inc., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of the Lender set forth above (the "Lender") the Principal Amount set forth above, or, if less, the aggregate unpaid principal amount of the Term Loans (as defined in the Credit Agreement referred to below) of the Lender to the Borrower, payable at such times, and in such amounts, as are specified in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of such Term Loan from the date made until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in Dollars to the Loan Account in immediately available funds.

This Note is one of the Term Loan Notes referred to in, and is entitled to the benefits of, that certain Secured Debtor In Possession Credit and Security Agreement, dated as of January __, 2001 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Subsidiaries of the Borrower party thereto, as Guarantors, the Lenders from time to time party thereto and AMR Finance, Inc., as Administrative Agent. Capitalized terms used herein and not defined herein are used herein as defined in the Credit Agreement.

The Credit Agreement, among other things, (i) provides for the making of Term Loans by the Lender to the Borrower in an aggregate amount not to exceed at any time outstanding the Principal Amount set forth above, the indebtedness of the Borrower resulting from such Term Loans being evidenced by this Note and (ii) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

This Note is entitled to the benefits of the Guaranty and is secured as provided in the Credit Agreement.

Demand, diligence, presentment, protest and notice of non-payment and protest are hereby waived by the Borrower.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place set forth above.

TRANS WORLD AIRLINES, INC.

By: ----------

Name: ----------

Title: ----------

EXHIBIT C

NOTICE OF BORROWING

AMR Finance, Inc.,
as Administrative Agent under the
Credit Agreement referred to below
4333 Amon Carter Boulevard
Fort Worth, Texas 76155

January __, 2001

Attention:

Re: Trans World Airlines, Inc. (the "Borrower")

Reference is made to the Secured Debtor in Possession Credit and Security Agreement, dated as of January __, 2001 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Subsidiaries of the Borrower party thereto, as Guarantors, the Lenders from time to time party thereto and AMR Finance, Inc., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrower hereby gives you notice, pursuant to Section 2.2 of the Credit Agreement that the undersigned hereby requests a Borrowing of [Revolving Loans/Term Loans] under the Credit Agreement and, in that connection, sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 2.2 of the Credit Agreement:

(i) The date of the Proposed Borrowing is _____, ____ (the "Funding Date").

(ii) The aggregate amount of the Revolving Credit Borrowing is $_____. After giving effect to the proposed Revolving Credit Borrowing, Borrower's Available Credit is $_____.

(iii) The aggregate amount of the Term Loan Borrowing is $_____.

The undersigned hereby certifies that the following statements are true on the date hereof and shall be true on the Funding Date both before and after giving effect thereto and to the application of the proceeds therefrom:

(i) the representations and warranties set forth in Article IV of the Credit Agreement and in the other Loan Documents are true and correct in all material respects on and as of the Funding Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case, such representations and warranties were true and correct in all material respects as of such earlier date; and

(ii) no Default or Event of Default has occurred and is continuing on the Funding Date.

TRANS WORLD AIRLINES, INC.

By: ----------

Name: ----------

Title: ----------

EXHIBIT D

FORM OF BORROWING BASE CERTIFICATE

Pursuant to the Secured Debtor In Possession Credit and Security Agreement dated as of January __, 2001, among Trans World Airlines, Inc., a Delaware corporation, as debtor and debtor in possession under chapter 11 of the Bankruptcy Code (the "Borrower"), the Subsidiaries of the Borrower listed on the signature pages thereof as guarantors, as debtors and debtors in possession under chapter 11 of the Bankruptcy Code (the "Guarantors"), the Lenders from time to time party thereto and AMR Finance, Inc., a Delaware corporation, as administrative agent for the Lenders (the "Administrative Agent") (including all annexes, exhibits or schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, (the "Credit Agreement"), the undersigned certifies that as of the close of business on the date set forth below, the Borrowing Base is computed as set forth below.

The undersigned represents and warrants that this Borrowing Base Certificate is a true and correct statement of, and that the information attached hereto is true and correct in all material respects regarding, the status of Receivables, Eligible Receivables and the Borrowing Base and that the amounts reflected herein are in compliance with the provisions of the Credit Agreement. The undersigned further represents and warrants that there is no Default or Event of Default and the representations and warranties set forth in Article IV of the Credit Agreement and in the other Loan Documents are true and correct in all material respects on and as of the date hereof with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case, such representations and warranties were true and correct in all material respects as of such earlier date. The undersigned understands that the Lenders will extend loans in reliance upon the information contained herein. In the event of a conflict between the following summary of eligibility criteria and the Credit Agreement, the Credit Agreement shall govern. Capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Credit Agreement

TRANS WORLD AIRLINES, INC.

By:

Duly Authorized Signatory

EXHIBIT E-1

January 10, 2001

The Lenders party to the Credit Agreement
referred to below, and AMR Finance, Inc.,
as Administrative Agent for the Lenders

Re: Trans World Airlines Inc.

Ladies and Gentlemen:

We have acted as counsel to Trans World Airlines Inc., a Delaware corporation ("Borrower"), and a debtor and debtor-in-possession under the Bankruptcy Code, the subsidiaries of the Borrower listed on Schedule A to this letter (collectively, the "Subsidiaries", and together with Borrower, each a "Loan Party" and collectively the "Loan Parties"), subsidiaries of the Borrower acting as guarantors and as debtors and debtors-in-possession, in connection with the preparation, authorization, execution and delivery of, and the consummation of the transactions contemplated by that certain Secured Debtor in Possession Credit and Security Agreement, dated as of January 10, 2001, among Borrower, Subsidiaries, the lenders from time to time party thereto, as Lenders, and AMR Finance, Inc., as Administrative Agent (the "Credit Agreement"). This opinion is being delivered to you pursuant to Section 3.1 of the Credit Agreement. Capitalized terms defined in the Credit Agreement used herein, and not otherwise defined herein, shall have the meanings given them in the Credit Agreement.

For purposes of this opinion letter, we have examined originals or copies (certified or otherwise identified to our satisfaction) of the following documents:

(a) the Credit Agreement and the Exhibits and Schedules annexed thereto; and

(b) the Interim Order.

Subject to the assumptions, qualifications, exclusions and other limitations identified in this letter, we are of the opinion that:

1. Upon entry of the Interim Order by the Bankruptcy Court and subject thereto, the Credit Agreement will be duly executed and delivered on behalf of each Loan Party that is a party thereto and (assuming the due authorization, execution and delivery thereof by the parties thereto other than the Loan Parties) will constitute a valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms. No opinion is expressed in this opinion as to the creation, perfection or priority of any Liens, and we note that the enforcement of any Liens may require filings with and the approval of the Bankruptcy Court.

2. Upon entry of the Interim Order by the Bankruptcy Court and subject thereto, the execution and delivery of the Credit Agreement, the consummation of the transactions contemplated thereby, and the compliance by each Loan Party, as applicable, with any of the provisions thereof pertaining to such Loan Party will not

conflict with, constitute a default under or violate any applicable provision of existing New York, Delaware general corporate or federal statutory law or rule or regulation covered by this letter.

3. Other than the entry of the Interim Order of the Bankruptcy Court, no approval, authorization, consent, permit, order or other action of any New York, Delaware or federal Governmental Authority is required in connection with (i) the execution, delivery or performance by any Loan Party of the Credit Agreement, or (ii) the legality, validity, binding effect or enforceability of the Credit Agreement, except for the filings required by the terms of the Credit Agreement in connection with the Liens created in favor of the Administrative Agent by the Credit Agreement and except that (a) we express no opinion regarding actions or filings required in connection with the ordinary course conduct by each Loan Party of its business and ownership or operation by each Loan Party of its assets, to the extent that the same may be required by the Credit Agreement, and (b) enforcement of any liens with respect to the Loan Parties may require filing with and approval of the Bankruptcy Court.

4. The making of the extensions of credit to the Borrower under the Credit Agreement does not violate Regulations T, U or X of the Board of Governors of the Federal Reserve System under the Securities Exchange Act of 1934, as amended.

5. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

6. The Interim Order has been entered, is in full force and effect in accordance with its terms, and, to our knowledge based on the review of the docket of the Reorganization Cases, no order amending, staying, vacating or rescinding the Interim Order has been entered by the Bankruptcy Court.

For purposes of this letter, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents we have reviewed, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies and the authenticity of the originals of such latter documents. We have further assumed that each of the Loan Parties is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, with full right, power and authority to execute and deliver the Credit Agreement and to carry out the terms thereof, that each Loan Party has all requisite power and authority to execute and deliver the Credit Agreement and to perform its respective obligations thereunder, and that the execution, delivery and performance by each Loan Party of the Credit Agreement, and the consummation of the transactions under the Credit Agreement, have been duly authorized by all necessary corporate action on the part of each such Loan Party. We understand that you have received and are satisfied with the opinion of Kathleen A. Soled, Senior Vice President and General Counsel of the Borrower, as to the matters assumed in the preceding sentence.

We have further assumed that the Credit Agreement and every other agreement we have examined for purposes of this letter constitutes a valid and binding obligation of each party to that document and that each such party has satisfied all legal requirements that are applicable to such party to the extent necessary to entitle such party to enforce such agreement (except that we make no such assumptions with respect to the Loan Parties).

For purposes of our opinions in paragraph 1, we have also assumed that the Credit Agreement constitutes or will constitute the valid and binding obligations of each party thereto other than the Loan Parties, enforceable against each such party in accordance with its respective terms.

For purposes of (a) our opinions in paragraphs 2 and 3, we have also assumed that the Loan Parties will in the future obtain all permits and governmental approvals required, and will in the future take all actions required, relevant to the consummation of transactions or the performance under the Credit Agreement and (b) our opinions in paragraph 2, will not in the future take any discretionary action (including a decision not to act) permitted under the Credit Agreement that would result in a violation of law or governmental regulation to which the Loan Parties may be subject.

For purposes of our opinion in paragraph 4, we have assumed that none of the proceeds of the Loans will be used for the purpose of buying, carrying or trading in securities or buying or carrying any part of an investment contract security which shall be deemed credit for the purpose of buying or carrying the entire security (in each case within the meaning of the definition of "purpose credit" in Regulation T of the Board of Governors of the Federal Reserve System) or for the purpose, whether immediate, incidental, or ultimate, of buying or carrying margin stock (within the meaning of the definition of "purpose credit" in Regulation U of the Board of Governors of the Federal Reserve System) and that all required statements that the credits extended or to be extended under the Credit Agreement are not "purpose credit" will be obtained on a timely basis.

In preparing this letter we have relied without independent verification upon: (i) factual information represented to be true in the Credit Agreement and other documents specifically identified at the beginning of this letter as having been read by us; (ii) factual information provided to us by the Loan Parties or their representatives; and (iii) factual information we have obtained from such other sources as we have deemed reasonable. We have assumed that there has been no relevant change or development between the dates as of which the information cited in the preceding sentence was given and the date of this letter and that the information upon which we have relied is accurate and does not omit disclosures necessary to prevent such information from being misleading. In rendering our opinions in paragraphs 1, 2 and 3 above, we have relied upon the terms of the Interim Order and we express no opinion with respect to any amendment, modification, vacation or stay with respect to the Interim Order after the date hereof.

We confirm that we do not have knowledge that has caused us to conclude that our reliance and assumptions cited in the six immediately preceding paragraphs are unwarranted. Whenever this letter provides advice about (or based upon) our knowledge or awareness of any particular information or about any information which has or has not come to our attention such advice is based entirely on the conscious awareness at the time this letter is delivered on the date it bears by the lawyers with Kirkland & Ellis at that time who spent substantial time representing the Loan Parties in negotiating the transactions contemplated by the Credit Agreement or in representing the Loan Parties in the Reorganization Cases.

Each opinion (an "enforceability opinion") in this letter that any particular contract is a valid and binding obligation or is enforceable in accordance with its terms is subject to: (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and judicially developed doctrines in this area such as substantive consolidation and equitable subordination; (ii) the effect of general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity); and (iii) other commonly recognized statutory and judicial constraints on

enforceability including statutes of limitations. "General principles of equity" include but are not limited to: principles limiting the availability of specific performance and injunctive relief; principles which limit the availability of a remedy under certain circumstances where another remedy has been elected; principles requiring reasonableness, good faith and fair dealing in the performance and enforcement of an agreement by the party seeking enforcement; and principles affording equitable defenses such as waiver, laches and estoppel. It is possible that certain terms in a particular contract covered by our enforceability opinion may not prove enforceable for reasons other than those explicitly cited in this letter should an actual enforcement action be brought, but (subject to all the exceptions, qualifications, exclusions and other limitations contained in this letter) such unenforceability would not in our opinion prevent the party entitled to enforce that contract from realizing the principal benefits purported to be provided to that party by the terms in that contract which are covered by our enforceability opinion.

Our advice on every legal issue addressed in this letter is based exclusively on the Delaware General Corporation Law, the internal laws of the State of New York and the federal law of the United States (including Federal bankruptcy laws), and represents our opinion as to how that issue would be resolved were it to be considered by the highest court in the jurisdiction which enacted such law. We express no opinion as to what law might be applied by any other courts to resolve any issue addressed by our opinion and we express no opinion as to whether any relevant difference exists between the laws upon which our opinions are based and any other laws which may actually be applied to resolve issues which may arise under the Credit Agreement. The manner in which any particular issue would be treated in any actual court case would depend in part on facts and circumstances particular to the case. This letter is not intended to guarantee the outcome of any legal dispute which may arise in the future.

This letter does not cover any law which in our experience would generally not be considered by lawyers in New York for purposes of the opinions contained in this letter. We express no opinion with respect to any federal or state securities (or "blue sky") laws or regulations or laws and regulations administered by the United States Securities and Exchange Commission, federal or state antitrust or unfair competition laws or any laws, statutes, governmental rules or regulations which in our experience are not applicable generally to credit transactions of the kind covered by the Credit Agreement when undertaken by general business corporations which are not engaged in any material respect in regulated activities or businesses. We express no opinion regarding the enforceability of any provision providing for indemnification for liabilities arising under securities laws.

This letter speaks as of the time of its delivery on the date it bears. We do not assume any obligation to provide you with any subsequent opinion or advice by reason of any fact about which we did not have knowledge at that time, by reason of any change subsequent to that time in any law other governmental requirement or interpretation thereof covered by any of our opinions or advice, or for any other reason.

You may rely upon this letter only for the purpose served by the provision in the Credit Agreement cited in the initial paragraph of this opinion letter in response to which it has been delivered. Without our written consent: (i) no person other than you or the Loan Parties may rely on this opinion letter for any purpose; (ii) this opinion letter may not be cited or quoted in any financial statement, prospectus, private placement memorandum or other similar document; (iii) this opinion letter may not be cited or quoted in any other document or communication which might encourage reliance upon this opinion letter by any person or for any purpose excluded by the restrictions in this paragraph; and (iv) copies of this opinion letter may not be furnished to anyone for purposes of encouraging such reliance; provided, however, that financial institutions which become assignees in accordance with the provisions of section 13.2 of the Credit Agreement may rely on this opinion as of the time of its delivery on the date hereof as if such assignees were addressees hereof.

Sincerely,

Kirkland & Ellis

[Form of Opinion of TWA In-house Counsel] EXHIBIT E-2

January 10, 2001

The Lenders party to the Credit Agreement
referred to below, and AMR Finance, Inc.,
as Administrative Agent for the Lenders

Re: Trans World Airlines Inc.

Ladies and Gentlemen:

I am [Senior Vice President and General Counsel] of Trans World Airlines Inc., a Delaware corporation ("Borrower"), and a debtor and debtor-in-possession under the Bankruptcy Code, the subsidiaries of the Borrower listed on Schedule A to this letter (collectively, the "Subsidiaries", and together with Borrower, each a "Loan Party" and collectively the "Loan Parties"), subsidiaries of the Borrower acting as guarantors and as debtors and debtors-in-possession, and in that capacity I have participated in the preparation, authorization, execution and delivery of, and the consummation of the transactions contemplated by that certain Secured Debtor in Possession Credit and Security Agreement, dated as of January 10, 2001, among Borrower, Subsidiaries, the lenders from time to time party thereto, as Lenders, and AMR Finance, Inc., as Administrative Agent (the "Credit Agreement"). This opinion is being delivered to you pursuant to Section 3.1 of the Credit Agreement. Capitalized terms defined in the Credit Agreement used herein, and not otherwise defined herein, shall have the meanings given them in the Credit Agreement.

For purposes of this opinion letter, I have examined originals or copies (certified or otherwise identified to our satisfaction) of the following documents:

(a) the Credit Agreement and the Exhibits and Schedules annexed thereto;

(b) the Interim Order;

(c) the certificates or articles of incorporation and bylaws of each of the Loan Parties, as amended to date; and

(d) all records of proceedings and actions of the Boards of Directors of the Loan Parties relating to the Credit Agreement and the transactions contemplated thereby.

Subject to the assumptions, qualifications, exclusions and other limitations identified in this letter, I am of the opinion that:

1. Each Loan Party is a corporation validly existing and in good standing under the laws of its state of incorporation, with full right, power and authority to carry on its business, to own or hold under lease its properties, and to execute and deliver the Credit Agreement and to carry out the terms thereof.

2. Each Loan Party has all requisite power and authority to execute and deliver the Credit Agreement and to perform its respective obligations thereunder. The execution, delivery and performance by each Loan Party of the Credit Agreement, and the consummation of the transactions under the Credit Agreement, have been duly authorized by all necessary corporate action on the part of each such Loan Party, and the Credit Agreement has been duly executed and delivered on behalf of each Loan Party that is a party thereto.

3. Upon entry of the Interim Order by the Bankruptcy Court and subject thereto, the execution and delivery of the Credit Agreement, the consummation of the transactions contemplated thereby, and the compliance by each Loan Party, as applicable, with any of the provisions thereof pertaining to such Loan Party will not conflict with, constitute a default under or violate (i) any applicable provision of existing Missouri statutory law or rule or regulation covered by this letter, (ii) any of the terms, conditions or provisions of its Constituent Documents, or (iii) any judgment, writ, injunction, decree, order, or ruling of any court or Governmental Authority binding on any Loan Party of which I am aware.

For purposes of this letter, I have assumed the genuineness of all signatures (other than those on behalf of any Loan Party), the legal capacity of all natural persons, the accuracy and completeness of all documents I have reviewed, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies and the authenticity of the originals of such latter documents.

For purposes of my opinions in paragraph 3, I have also assumed that the Loan Parties will in the future obtain all permits and governmental approvals required, and will in the future take all actions required, relevant to the consummation of transactions or the performance under the Credit Agreement and will not in the future take any discretionary action (including a decision not to act) permitted under the Credit Agreement that would result in a violation of law or governmental regulation to which the Loan Parties may be subject.

I confirm that I do not have knowledge that has caused me to conclude that my reliance and assumptions cited in the preceding paragraphs are unwarranted.

My advice on every legal issue addressed in this letter is based exclusively on the Delaware General Corporation Law and the internal laws of the State of Missouri, and represents my opinion as to how that issue would be resolved were it to be considered by the highest court in the jurisdiction which enacted such law. I express no opinion as to what law might be applied by any other courts to resolve any issue addressed by my opinion and I express no opinion as to whether any relevant difference exists between the laws upon which my opinions are based and any other laws which may actually be applied to resolve issues which may arise under the Credit Agreement. The manner in which any particular issue would be treated in any actual court case would depend in part on facts and circumstances particular to the case. This letter is not intended to guarantee the outcome of any legal dispute which may arise in the future.

This letter speaks as of the time of its delivery on the date it bears. I do not assume any obligation to provide you with any subsequent opinion or advice by reason of any fact about which I did not have knowledge at that time, by reason of any change subsequent to that time in any law other governmental requirement or interpretation thereof covered by any of my opinions or advice, or for any other reason.

You may rely upon this letter only for the purpose served by the provision in the Credit Agreement cited in the initial paragraph of this opinion letter in response to which it has been delivered. Without my written consent: (i) no person other than you or the Loan Parties may rely on this opinion letter for any purpose; (ii) this opinion letter may not be cited or quoted in any financial statement, prospectus, private placement memorandum or other similar document; (iii) this opinion letter may not be cited or quoted in any other document or communication which might encourage reliance upon this opinion letter by any person or for any purpose excluded by the restrictions in this paragraph; and (iv) copies of this opinion letter may not be furnished to anyone for purposes of encouraging such reliance; provided, however, that financial institutions which become assignees in accordance with the provisions of section 13.2 of the Credit Agreement may rely on this opinion as of the time of its delivery on the date hereof as if such assignees were addressees hereof.

Sincerely,

EXHIBIT F

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

IN RE:	:	
	:	CHAPTER 11
TRANS WORLD AIRLINES, INC. ET AL.,(1)	:	
	:	CASE NOS. 01-[___] (___)
	:	THROUGH 01-[___] (___)
	:	
DEBTORS.	:	(JOINTLY ADMINISTERED)

INTERIM ORDER (i) AUTHORIZING DEBTORS TO ENTER INTO POSTPETITION FINANCING AGREEMENT AND OBTAIN POSTPETITION FINANCING PURSUANT TO SECTION 364(c) OF THE BANKRUPTCY CODE, (ii) GRANTING LIENS AND SUPER-PRIORITY CLAIMS AND (iii) SCHEDULING THE HEARING ON THE DEBTORS' MOTION TO INCUR SUCH FINANCING ON A PERMANENT BASIS AND APPROVING THE FORM AND METHOD OF NOTICE THEREOF

Upon the motion, dated January 10, 2001 (the "Motion"), of Trans World Airlines, Inc. ("TWA") and the other above-captioned debtors (collectively, the "Guarantors"), each as debtor and debtor in possession (TWA and the Guarantors each, individually, a "Debtor" and, collectively, the "Debtors"), (a) for authorization and approval, pursuant to section 364(c) of title 11 of the United States Code (the "Bankruptcy Code") and rule 4001(c)(2) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to (i) enter into and perform their obligations under that certain $200,000,000 Secured Debtor In Possession Credit Agreement, dated as of January 10, 2001 (as the same may be amended, supplemented or otherwise modified from time to

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(1) The Debtors are the following entities: Trans World Airlines, Inc., Ambassador Fuel Corporation, LAX Holding Company, Inc., Mega Advertising Inc., Northwest 112th Street Corporation, The TWA Ambassador Club, Inc., Trans World Computer Services, Inc., Transcontinental & Western Air, Inc., TWA Aviation, Inc., TWA Group, Inc., TWA Standards & Controls, Inc., TWA Stock Holding Company, TWA-D.C. Gate Company, Inc., TWA-LAX Gate Company, Inc., TWA Logan Gate Co., Inc., TWA-NY/NJ Gate Company, Inc., TWA-Omnibus Gate Company, Inc., TWA-San Francisco Gate Company, Inc., TWA-Hangar 12 Holding Company,

time, the "DIP Credit Agreement"(2), by and among TWA, as Borrower, the Guarantors, the Lenders, and AMR Finance, Inc. ("AMR"), as Administrative Agent (the "Agent"), substantially in the form of Exhibit "A" to the Motion, and obtain postpetition financing pursuant to the terms and provisions thereof (ii) grant security interests, liens, encumbrances and super-priority administrative expense claims to the Agent and the Lenders pursuant to section 364(c) of the Bankruptcy Code, and (iii) pending a final hearing on the Motion (the "Final Hearing"), obtain emergency postpetition loans under the DIP Credit Agreement to and including the date on which the Final Order (as hereinafter defined) is entered (the "Interim Facility"), and (b) in accordance with Bankruptcy Rule 4001(c)(2), requesting that this Court schedule the Final Hearing and approve notice with respect thereto; and the Court having considered the Motion, the Exhibits thereto, including, without limitation, the DIP Credit Agreement, the Affidavit of Michael J. Palumbo in Support of First Day Motions filed contemporaneously herewith, and all other pleadings and papers filed in these Cases in support of the First Day Orders; and in accordance with Bankruptcy Rule 4001(c)(1) and (2), due and proper notice of the Motion having been given; and a hearing to consider approval of the Interim Facility having been held and concluded on the date hereof (the "Interim Hearing"); and upon all of the pleadings filed with the Court and all of the proceedings held before the Court; and after due deliberation and consideration and good and sufficient cause appearing therefor,

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Inc., Ozark Group, Inc. , TWA Nippon, Inc. , TWA Employee Services, Inc, TWA Getaway Vacations, Inc., Trans World Express, Inc., International Aviation Security Inc., Getaway Management Services, Inc., and The Getaway Group (U.K.) Inc.

(2) Unless otherwise defined herein, all capitalized terms used herein have the meanings ascribed to such terms in the DIP Credit Agreement.

IT IS HEREBY FOUND:

A. On January 10, 2001 (the "Petition Date"), the Debtors each commenced in this Court a case under chapter 11 of the Bankruptcy Code. The Debtors are continuing to operate their respective businesses and manage their respective properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

B. Pursuant to an Order of this Court, these chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.

C. This Court has jurisdiction over this proceeding and the parties in interest and properties and interests in properties affected hereby under sections 157(b) and 1334 of title 28 of the United States Code (the "Judiciary Code"). Consideration of the Motion constitutes a core proceeding under section 157(b)(2) of the Judiciary Code. The statutory predicates for the relief granted herein are sections 105 and 364 of the Bankruptcy Code and Bankruptcy Rules 4001(c)(1) and (c)(2). Venue of the Debtors' Cases and this Motion in this district is proper pursuant to sections 1408 and 1409 of the Judiciary Code.

D. An immediate and critical need exists for the Debtors to obtain funds in order to continue the operation of their businesses. Without such funds, the Debtors will not be able to pay their employees and other direct operating expenses, resulting in an immediate cessation of the Debtors' businesses and causing irreparable harm to the Debtors' estates. At this time, the ability of the Debtors to finance their operations and the availability to them of sufficient working capital and liquidity through the incurrence of new indebtedness for borrowed money, and other financial

accommodations, are essential to the ability of the Debtors to meet their financial obligations and thereby maintain the confidence of the Debtors' vendors, suppliers and customers, and to the preservation and maintenance of the going concern value of the Debtors' estates.

E. The Debtors have attempted, but have been unable, to obtain interim financing from sources other than the Lenders on terms more favorable than under the Post-Petition Loan Documents (as hereinafter defined). The Debtors have been unable to obtain unsecured credit or unsecured debt allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense pursuant to section 364(a) or (b) of the Bankruptcy Code. New credit is unavailable to the Debtors without their (a) granting to the Agent and the Lenders claims having priority over that of other administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code (other than the Carve-Out (as hereinafter defined)) and (b) securing such loans and other obligations with liens on and security interests in all the prepetition and postpetition assets, properties and interests in property of the Debtors as provided herein and in the Post-Petition Loan Documents.

F. The Lenders have indicated a willingness to consent and agree to provide financing to the Debtors subject to (i) the entry of this Order, (ii) the terms and conditions of the DIP Credit Agreement and the other Post-Petition Loan Documents, and (iii) findings by the Court that such financing is essential to the Debtors' estates, is being incurred and provided in good faith, and that the Agent's and the Lenders' security interests, liens, encumbrances, claims, super-priority administrative expense claims and other protections granted pursuant to this Order, the DIP Credit Agreement and the other

Post-Petition Loan Documents will not be affected by any subsequent reversal, modification, vacatur or amendment of this Order or any other order, as provided in section 364(e) of the Bankruptcy Code.

G. Telephonic or facsimile notice of the Interim Hearing and the entry of this Order has been given to the twenty (20) largest creditors listed in the Debtors' consolidated list of creditors, the Agent, the Lenders and the Office of the United States Trustee for the District of Delaware. Under these urgent circumstances, requisite notice of the Motion and the relief requested thereby has been provided in accordance with Bankruptcy Rule 4001, which notice is adequate and sufficient for all purposes under the Bankruptcy Code, including, without limitation, sections 102(1) and 364 of the Bankruptcy Code, and no other notice need be given for entry of this Order.

H. Good cause has been shown for entry of this Order. The ability of the Debtors to finance the continuation of their respective operations and the availability to them of sufficient working capital through the incurrence of new indebtedness for borrowed money and other financial accommodations is in the best interests of the Debtors and their respective creditors and estates. Among other things, entry of this Order will minimize any disruption of the Debtors' businesses and operations and permit them to meet payroll and other operating expenses, obtain needed supplies, and thereby retain customer, supplier and employee confidence by demonstrating that they have the financial ability and wherewithal to maintain normal operations. The interim financing authorized hereunder is vital to avoid immediate irreparable harm to the Debtors' estates and to allow the orderly continuation of the Debtors' businesses.

I. The DIP Credit Agreement and the other Post-Petition Loan Documents have been negotiated in good faith and at arm's length between the Debtors, the Agent and the Lenders and any credit extended, loans made and other financial accommodations extended to the Debtors by the Lenders shall be deemed to have been extended or made, as the case may be, in good faith within the meaning of section 364(e) of the Bankruptcy Code.

J. The terms of the Post-Petition Loan Documents are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and are supported by reasonably equivalent value and fair consideration.

K. The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(c)(2). Such relief is necessary to avoid immediate and irreparable harm to the Debtors. This Court concludes that entry of this Order is in the best interest of the Debtors, their estates and creditors as its implementation will, among other things, allow for the continuous operation and rehabilitation of the Debtors' businesses.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. The Motion is granted.

2. The Debtors are hereby authorized to enter into, execute and deliver the DIP Credit Agreement and any and all documents and instruments delivered pursuant thereto or in connection therewith (collectively, the "Post-Petition Loan Documents"), and to perform their respective obligations thereunder on the terms and

subject to the conditions thereof. The DIP Credit Agreement and the other Post-Petition Loan Documents are hereby approved.

3. Upon execution and delivery of the DIP Credit Agreement and the other Post-Petition Loan Documents, such agreements, documents and instruments shall constitute valid, binding obligations of the Debtors, enforceable against each of the Debtors in accordance with their terms; provided, however, that notwithstanding any other provision hereof or of the Post-Petition Loan Documents, pending the entry of a final order approving the DIP Credit Agreement (the "Final Order"), the aggregate amount of the Loans outstanding shall not exceed $175,000,000.

4. Each of the Debtors is authorized and directed to take and effect all actions, to execute and deliver all agreements, instruments and documents and to pay all present and future fees, costs, expenses and taxes (including, without limitation, all fees and expenses of professionals engaged by the Agent or any Lender, in accordance with the terms of the DIP Credit Agreement), that may be provided for under or required or necessary for its performance under the DIP Credit Agreement and the other Post-Petition Loan Documents, including, without limitation, the execution and delivery of the DIP Credit Agreement, each Term Credit Note and each Revolving Credit Note, all in substantially the forms attached to the DIP Credit Agreement, and the performance of all of its obligations thereunder, in each case without further order of this Court other than the Final Order for the purpose of accessing borrowings in the maximum amount provided under the DIP Credit Agreement.

5. As security for the payment and performance of all Obligations, including under the DIP Credit Agreement and the other Post-Petition Loan Documents,

and all obligations and liabilities hereunder (collectively, the "Post-Petition Obligations"), the Agent and the Lenders shall be, and hereby are, granted, effective immediately and without any further act or deed, including the necessity of the execution by the Debtors, or the filing, recording or noticing, of financing statements, mortgages, deeds of trust, aircraft mortgages, security agreements, other filings or recordations customarily made with the FAA or other Governmental Authority, or otherwise, in accordance with sections 364(c) (2) and (3) of the Bankruptcy Code, a first priority, fully and immediately perfected security interest in and lien on all of the property and assets of each of the Debtors and their estates of every kind or type whatsoever, tangible, intangible, real, personal and mixed, whether now owned or existing or hereafter acquired or arising, and regardless of where located, and, including, without limitation,

(i) all Accounts;

(ii) all Inventory;

(iii) all Equipment;

(iv) all Contract rights, rights under Contracts and other General Intangibles, including all Intellectual Property and that portion of the Pledged Collateral constituting General Intangibles;

(v) all Investment Property, including all Control Accounts and that portion of the Pledged Collateral constituting Investment Property;

(vi) all Documents, Instruments and Chattel Paper;

(vii) all Cash Collateral Accounts, Blocked Accounts and other deposit accounts;

(viii) all Vehicles;

(ix) all Real Property, including all Gates, hangars and maintenance facilities;

(x) all Aircraft, including each Airframe and each Engine;

(xi) all Spare Parts;

(xii) all books and records pertaining to the Collateral, as hereinafter defined;

(xiii) all other goods and personal property of the Debtors, whether tangible or intangible, wherever located, including money, letters of credit and all rights of payment or performance under letters of credit;

(xiv) all property of any Debtor held by the Administrative Agent or any Secured Party, including all property of every description, in the possession or custody of or in transit to the Administrative Agent or such Secured Party for any purpose, including safekeeping, collection or pledge, for the account of such Debtor, or as to which such Debtor may have any right or power;

(xv) January 10, 2001 to the extent not otherwise included, all monies and other property of any kind which is, after the Petition Date, received by such Debtor in connection with refunds with respect to taxes, assessments and governmental charges imposed on such Debtor or any of its property or income;

(xvi) to the extent not otherwise included, all causes of action (other than claims of the Debtors under sections 544, 545, 547 and 548 of the Bankruptcy Code) and all monies and other property of any kind received therefrom, and all monies and other property of any kind recovered by any Debtor;

(xvii) to the extent not otherwise included, all Proceeds of or from Collateral and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, any and all proceeds of insurance, indemnity, warranty or guaranty payable to any Debtor from time to time with respect to any of the foregoing; and

(xviii) all property of the estates of each of the Debtors within the meaning of section 541 of the Bankruptcy Code

(collectively, the "Collateral"), subject only to (a) valid, perfected, enforceable, and nonavoidable liens of record as of the Petition Date, (b) the Carve-Out, and (c) Customary Permitted Liens of the Debtors. The security interests and liens granted to the Agent and the Lenders hereunder shall not be subject to any security interest or lien that

is avoided and preserved for the benefit of the estates of any of the Debtors under section 551 of the Bankruptcy Code. Except as specifically provided herein, the security interests and liens granted to the Agent and the Lenders shall not be made on a parity with, or subordinated to, any other security interest or lien under section 364(d) of the Bankruptcy Code or otherwise.

6. The "Carve-Out" shall include only claims of the following parties for the following amounts: (i) the unpaid fees of the United States Trustee or the Clerk of the Court payable pursuant to 28 U.S.C. Section 1930(a), and (ii) the aggregate allowed unpaid fees and expenses payable under sections 330 and 331 of the Bankruptcy Code to professional persons (the "Estate Professionals") retained pursuant to an order of this Court by the Debtors or a statutory committee of unsecured creditors appointed in these Cases (the "Committee") not to exceed $10,000,000, plus any fees and expenses accrued and not yet paid on the date of the relevant Event of Default, in the aggregate; provided, however, that the Carve-Out shall not include, apply to or be available for any fees or expenses incurred by any party, including the Debtors or the Committee, in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against (i) the Agent or the Lenders, including without limitation, challenging the amount, validity, perfection, priority or enforceability of, or asserting any defense, counterclaim or offset to, the Post-Petition Obligations or the security interests and liens of the Agent and the Lenders in respect thereof or (ii) the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against AMR or its Affiliates, including American Airlines, Inc. ("American"), including challenging the validity or enforceability of that certain Asset Purchase Agreement dated

as of even date herewith by and between TWA and American (the "Asset Purchase Agreement") or any provision thereof. So long as no Default or Event of Default shall have occurred and be continuing, the Debtors shall be permitted to pay compensation and reimbursement of expenses allowed and payable under sections 330 and 331 of the Bankruptcy Code, as the same may be due and payable, and the same shall not reduce the Carve-Out. The foregoing shall not be construed as a consent to the allowance of any fees and expenses referred to above and shall not affect the right of the Debtors, the Agent or the Lenders to object to the allowance and payment of such amounts.

7. The Post-Petition Obligations shall constitute, in accordance with section 364(c)(1) of the Bankruptcy Code, claims against each of the Debtors in its Chapter 11 Case which are administrative expense claims having priority over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, Bankruptcy Code sections 105, 326, 328, 330, 331, 503(b), 507(a), 507(b) and 546(c), subject only to the Carve-Out. Except for the Carve-Out, no costs or administrative expenses which have been or may be incurred in the Debtors' chapter 11 Cases or in subsequent cases under chapter 7 of the Bankruptcy Code as a result of a conversion pursuant to section 1112 of the Bankruptcy Code, and no priority claims, are or will be prior to or on a parity with the claims of the Agent and the Lenders with respect to the Post-Petition Obligations to the maximum extent permitted by law. Except for the Carve-Out, no other claim having a priority superior to or pari passu with that granted by this Order to the Agent and the Lenders shall be granted while any portion of the Post-Petition Obligations remains outstanding.

8. The Debtors may use the proceeds of the loans and advances made pursuant to the DIP Credit Agreement only for the purposes specifically set forth in the DIP Credit Agreement. Notwithstanding anything contained herein or in the DIP Credit Agreement to the contrary, no such loans or advances or any proceeds of the Collateral may be used by the Debtors or any other person or entity, directly or indirectly, to object to or contest in any manner, or raise any defenses to, the amount, validity, extent, perfection, priority or enforceability of the Post-Petition Obligations or any liens or security interests granted with respect thereto or any other rights or interests of the Agent or the Lenders, or to assert any claims or causes of action, including, without limitation, any actions under chapter 5 of the Bankruptcy Code, or the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Agent, Lenders or American or to challenge in any manner the validity or enforceability of the Asset Purchase Agreement or any provision thereof.

9. The Post-Petition Obligations shall be due and payable, without notice or demand, on the Scheduled Termination Date.

10. The Agent and the Lenders shall not be required to file financing statements, mortgages, deeds of trust, notices of lien, aircraft mortgages, security agreements, other filings or recordations customarily made with the FAA or other Governmental Authority, or otherwise, or similar instruments in any jurisdiction or with any regulatory authority or effect any other action to immediately and without any further act or deed to attach or perfect the security interests and liens granted under this Order, the DIP Credit Agreement or any other Post-Petition Loan Documents. Notwithstanding the foregoing, the Agent and the Lenders may, in their sole discretion, file such financing

statements, mortgages, deeds of trust, notices of lien or similar instruments or otherwise confirm perfection of such liens, security interests and mortgages without seeking modification of the automatic stay under section 362 of the Bankruptcy Code and all such documents shall be deemed to have been filed or recorded at the time and on the date of the commencement of the Chapter 11 Cases.

11. Upon the occurrence and during the continuance of any Event of Default, the DIP Credit Agreement shall be subject to termination in the sole discretion of the Lenders as provided therein, and upon three business days' prior written notice by the Agent to TWA, any Committee and the United States Trustee, the Agent and the Lenders shall have immediate relief from the automatic stay of section 362(a) of the Bankruptcy Code, without further order of the Court, to enforce their liens and security interests in any manner provided in the DIP Credit Agreement, the other Post-Petition Loan Documents or herein, or otherwise to take any enforcement or remedial action provided by such agreements or applicable law. Notwithstanding the occurrence of an Event of Default or the Termination Date or anything herein, all of the rights, remedies, benefits and protections provided to the Agent and the Lenders under this Order and the Post-Petition Loan Documents shall survive the Termination Date.

12. If it becomes necessary for the Agent or the Lenders, at any time, to exercise any of their rights and remedies hereunder or under applicable law in order to effect repayment of the Post-Petition Obligations or to receive any amounts or remittances due in connection therewith, including, without limitation, foreclosing upon and selling all or a portion of the

Collateral, the Agent and the Lenders may, without further order of this Court, exercise such rights and remedies as to all or such part of the Collateral as the Agent and the Lenders may elect in their sole discretion, subject to the Agent having given three business days' notice to TWA, the Committee and the United States Trustee. The Agent and Lenders shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any Collateral; provided, however, that upon and during the continuation of an Event of Default, the Lenders shall have no further obligations to make any additional Loans to the Debtors and may terminate their obligations to do so without further order of this Court or notice to any other party, including the Borrowers, as may be provided for under the DIP Credit Agreement.

13. The Debtors shall execute and deliver to the Agent and the Lenders all such agreements, financing statements, instruments and other documents as the Agent or any of the Lenders may reasonably request to evidence, confirm, validate or perfect the liens granted pursuant hereto.

14. The Debtors shall promptly reimburse the Agent and the Lenders for their costs and expenses as provided for in section 13.3 of the DIP Credit Agreement. None of the costs and expenses payable pursuant to such section are subject to the approval of this Court, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with this Court.

15. Nothing contained herein shall limit or expand the rights of the Agent or the Lenders with respect to any prepetition claims they have against the Debtors including, without limitation, the right to (i) seek adequate protection under sections 362, 363 or 364 of the Bankruptcy Code, (ii) seek relief from the automatic stay of section 362 of the Bankruptcy Code, (iii) request a conversion of any or all of the Debtors' Chapter

11 Cases to chapter 7 or the appointment of a trustee or an examiner under section 1104 of the Bankruptcy Code, or (iv) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans in any or all of these Chapter 11 Cases.

16. The provisions of this Order shall be binding upon and inure to the benefit of the Agent, the Lenders, the Debtors, and their respective successors and assigns. This Order shall bind any trustee hereafter appointed for the estate of any of the Debtors, whether in the Chapter 11 Cases or in the event of the conversion of any Chapter 11 Case to a liquidation under chapter 7 of the Bankruptcy Code. Such binding effect is an integral part of this Order.

17. The provisions of this Order and any actions taken pursuant hereto shall survive the entry of any order (a) confirming any plan of reorganization in any of the Chapter 11 Cases (and, to the extent not satisfied in full, the Post-Petition Obligations shall not be discharged by the entry of any such order, or pursuant to Bankruptcy Code section 1141(d)(4), each of the Debtors having hereby waived such discharge), (b) converting any of the Chapter 11 Cases to a chapter 7 case, or (c) dismissing any of the Chapter 11 Cases, and the terms and provisions of this Order as well as the super-priority claims and liens granted pursuant to this Order and the Post-Petition Loan Documents shall continue in full force and effect notwithstanding the entry of any such order, and such super-priority claims and liens shall maintain their priority as provided by this Order and to the maximum extent permitted by law until all of the Post-Petition Obligations are indefeasibly paid in full and discharged.

18. Except as expressly permitted by the DIP Credit Agreement, the Debtors will not, at any time during these Chapter 11 Cases, grant mortgages, security

interests or liens in the Collateral or any portion thereof to any other parties pursuant to section 364(d) of the Bankruptcy Code or otherwise or on a parity with or superior to those granted pursuant to this Order.

19. Except as otherwise provided in this Order, pursuant to Section 552(a) of the Bankruptcy Code, all property acquired by the Debtors after the Petition Date, including, without limitation, all Collateral pledged to the Agent and the Lenders pursuant to the DIP Credit Agreement and this Order, is not and shall not be subject to any lien of any entity resulting from any security agreement entered into by the Debtors prior to the Petition Date, except to the extent that such property constitutes proceeds of property of the Debtors that is subject to a valid, perfected, enforceable, and nonavoidable liens of record as of the Petition Date.

20. Without limiting the rights of access and information afforded the Agent and the Lenders under the Post-Petition Loan Documents, each of the Debtors shall permit representatives, agents and/or employees of the Agent and the Lenders to have reasonable access to such entity's premises and its records during normal business hours (without unreasonable interference with the proper operation of the Debtors' businesses) and shall cooperate, consult with, and provide to such persons all such non-privileged information as they may reasonably request.

21. The obligations of the Debtors hereunder and under the Post-Petition Loan Documents shall be joint and several.

22. Upon entry of this Order, the Agent and the Lenders shall be and shall be deemed to be, without any further action or notice, named as additional insureds

on each insurance policy maintained by the Debtors which in any way relates to the Collateral.

23. If any or all of the provisions of this Order or the DIP Credit Agreement or any other Post-Petition Loan Document are hereafter modified, vacated, amended or stayed by subsequent order of this Court or any other Court, such modification, vacatur, amendment or stay shall not affect the validity of any obligation to the Agent or the Lenders that is or was incurred prior to the effective date of such modification, vacatur, amendment or stay, or the validity and enforceability of any security interest, lien or priority authorized or created by this Order, the DIP Credit Agreement or any other Post-Petition Loan Document and, notwithstanding any such modification, vacatur, amendment or stay, any obligations of the Debtors pursuant to this Order or the DIP Credit Agreement or any other Post-Petition Loan Document arising prior to the effective date of such modification, vacatur, amendment or stay shall be governed in all respects by the original provisions of this Order and the DIP Credit Agreement and the other Post-Petition Loan Documents, and the validity of any such credit extended or security interest or lien granted pursuant to this Order or the DIP Credit Agreement or the other Post-Petition Loan Documents is subject to the protection accorded under section 364(e) of the Bankruptcy Code.

24. This Order constitutes findings of fact and conclusions of law and takes effect and becomes enforceable immediately upon execution hereof.

25. This matter is set for a Final Hearing at [_:00 _].m. (Eastern Time) on January [__], 2001 in this Court, at which time any party-in-interest may appear and state its objections, if any, to future borrowings by the Debtors. Immediately, and in no

event later than January [__], 2001, the Debtors shall mail, first class postage prepaid, copies of the Motion, this Order, the proposed Final Order and a notice of hearing (the "Final Hearing Notice") to (i) the Office of the United States Trustee, (ii) the attorneys for any Committee appointed in the Cases, (iii) the attorneys for the Agent and the Lenders, (iv) the District Director for Internal Revenue for the District of Delaware, (v) the Securities and Exchange Commission, (vi) the Pension Benefit Guaranty Corporation, (vii) the Office of the United States Attorney for the District of Delaware, (viii) the twenty (20) largest unsecured creditors of the Debtors on a consolidated basis, (ix) any indenture trustees with respect to any indebtedness issued by the Debtors, (x) the FAA, (xi) the Air Line Pilots Association, (xii) the International Association of Machinists and Aerospace Workers, (xiii) counsel to the Debtors' secured lenders and (xiv) any parties in interest that have filed notices of appearance and requests for service of papers pursuant to Bankruptcy Rule 2002. Objections shall be in writing, shall specify the ground(s) for and facts on which each such objection is based and shall be filed with the Clerk of the Bankruptcy Court with a copy served by hand-delivery, telecopy or overnight delivery service upon and received by Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601, Attention: James H.M. Sprayregen, Esq.; Pachulski, Stang, Ziehl, Young & Jones P.C., 919 N. Market Street, Wilmington, Delaware, 19899, Attention: Laura Davis Jones, Esq.; Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attention: Alan B. Miller, Esq. and Shai Y. Waisman, Esq.; and Richards, Layton & Finger, One Rodney Square, Wilmington, Delaware 19899, Attention: Mark D. Collins, Esq., so that such objections are received on or before 4:00 p.m. on January [__], 2001; any objections by creditors or other parties-in-interest to any of the

provisions of this Order shall be deemed waived unless filed and received in accordance with the notice on or before the close of business on such date.

Dated: Wilmington, Delaware
January 10, 2001

Judge

EXHIBIT G-1

2001 Business Plan

[TWA LOGO]

Trans World Airlines, Inc.
2001 Financial Plan

	JAN	FEB	MAR	APR	MAY	JUN	JUL
Passenger							
Domestic	222,200	232,600	291,000	286,500	292,300	317,600	319,100
Trans Atlantic	17,000	13,400	18,800	18,500	20,400	22,900	22,900
Ttl Passenger Revenue	239,200	246,000	309,800	305,000	312,700	340,500	342,000
Cargo	7,951	7,827	8,997	8,052	9,455	8,259	8,807
Charter & Other Transport	8,251	7,612	11,847	11,108	10,885	11,794	11,827
Getaway Tours Revenue	389	562	1,157	1,651	1,488	1,885	2,340
Contract Work for Others	1,595	1,541	1,519	1,574	1,548	1,557	1,603
Other Transport Related	4,326	4,129	4,978	4,300	4,582	4,745	5,125
RJ Segment Revenue	6,121	6,340	8,375	8,789	9,671	11,283	12,712
Ttl other revenue	26,662	28,012	36,873	35,973	37,628	39,303	42,418
TOTAL OPERATING REVENUE	267,862	273,012	346,673	340,973	350,528	379,803	384,418
OPERATING EXPENSES							
Salaries, Wages & Benefits	116,050	112,270	115,251	112,890	118,571	112,518	114,852
Fuel & Oil	46,882	44,233	50,138	48,606	50,475	50,485	52,189
Passenger Food & Beverages	6,779	8,415	7,827	7,441	7,750	7,867	7,956
Passenger Sales Commissions	10,676	9,768	11,878	12,037	12,405	13,153	13,674
Advertising	3,763	3,791	4,451	4,049	4,522	4,855	4,814
Direct Materials & Svcs.	11,658	10,079	12,967	9,659	12,771	9,858	11,062
Outside Services Purchased	22,265	21,674	23,347	22,198	22,921	22,202	21,733
Depreciation & Amortization	10,606	10,588	10,619	10,557	10,694	10,621	10,571
Aircraft Rentals	49,280	49,289	49,586	50,108	50,373	60,835	50,832
Facilities & Equip. Rentals	9,948	9,978	10,020	10,069	9,959	9,853	9,865
Landing Fees & Nav Chgs.	7,380	6,608	7,257	7,070	7,603	7,411	7,665
Getaway Tours Expense	330	485	1,017	1,459	1,311	1,488	2,072
RJ Expense	7,731	8,175	9,728	9,697	10,766	11,582	12,789
All Other Airlines Expenses	19,722	19,389	22,407	20,184	21,552	20,887	20,519
Special Charges							
TOTAL OPERATING EXPENSES	325,258	312,864	338,465	327,123	341,604	333,281	340,292
OPERATING INCOME(LOSS)	(57,394)	(38,888)	10,179	13,848	9,024	46,542	44,126
AIRLINE NONOP. (INC.)/EXP.							
Interest Expense	6,696	6,674	6,665	6,621	6,603	6,569	6,512
Interest & Investment Income	(710)	(845)	(1,020)	(1,024)	(1,112)	(1,283)	(1,188)
Disposition of Assets	--	--	--	--	--	--	--
Equity Interest in Worldspan	(2,769)	(3,684)	(4,120)	(2,976)	(2,961)	(2,192)	(1,950)
Other Charges (Credits)-Net	(781)	(882)	(858)	(843)	(728)	(661)	(588)
TOTAL NONOP. CHARGES	2,433	1,483	657	1,778	1,602	2,213	2,506
P/(L) BEFORE INCOME TAXES	(59,827)	(40,369)	9,522	12,068	7,222	44,329	41,620

	AUG	SEP	OCT	NOV	DEC	TOTAL
Passenger						
Domestic	311,400	275,600	298,900	281,000	274,500	3,400,700
Trans Atlantic	22,100	20,700	20,000	15,600	16,200	228,500
Ttl Passenger Revenue	333,500	296,300	318,900	296,600	290,700	3,629,200
Cargo	8,449	8,241	8,526	8,249	6,585	101,400
Charter & Other Transport	12,075	11,686	12,017	9,049	9,349	127,500
Getway Tours Revenue	2,181	3,016	2,035	1,613	1,134	19,250
Contract Work for Others	1,633	1,622	1,584	1,588	1,548	18,893
Other Transport Related	4,636	4,874	4,775	4,445	4,448	55,860
RJ Segment Revenue	12,718	11,781	12,888	12,335	13,178	126,366
Ttl other revenue	41,693	41,222	41,821	37,258	38,238	449,299
TOTAL OPERATING REVENUE	375,193	337,522	358,721	333,858	328,838	4,078,499
OPERATING EXPENSES						
Salaries, Wages & Benefits	116,189	113,523	113,951	117,493	115,088	1,376,546
Fuel & Oil	51,700	46,637	48,706	48,021	45,908	585,981
Passenger Food & Beverages	7,905	7,209	7,757	7,308	7,204	89,457
Passenger Sales Commissions	12,420	10,777	11,916	10,413	10,238	139,757
Advertising	4,610	4,370	4,536	4,245	4,090	52,500
Direct Materials & Svcs.	14,513	12,179	11,370	11,409	10,506	138,176
Outside Services Purchased	21,911	22,362	22,478	20,003	19,961	263,274
Depreciation & Amortization	10,644	10,589	10,823	10,585	10,740	127,437

Aircraft Rentals	50,653	50,716	51,108	51,477	51,742	606,059
Facilities & Equip. Rentals	9,815	9,811	9,870	9,788	9,762	118,769
Landing Fees & Nav Chgs.	7,544	7,356	7,531	7,342	7,406	88,205
Getway Tours Expense	1,929	2,871	1,801	1,424	997	16,987
RJ Expense	12,784	12,322	13,880	13,775	14,671	138,103
All Other Airlines Expenses	21,372	20,942	21,342	20,190	19,018	247,636
Special Charges						--
TOTAL OPERATING EXPENSES	345,520	333,592	336,750	331,575	327,931	3,981,201
OPERATING INCOME(LOSS)	30,873	3,931	21,971	2,282	1,008	87,299
AIRLINE NONOP. (INC.)/EXP.						
Interest Expense	6,476	6,446	5,410	5,958	5,921	77,551
Interest & Investment Income	(1,125)	(1,185)	(1,266)	(1,192)	(1,143)	(13,076)
Disposition of Assets	--	--	--	--	--	--
Equity Interest in Worldspan	(2,400)	(3,067)	(3,878)	(1,135)	140	(30,992)
Other Charges (Credits)-Net	(756)	(827)	(853)	(693)	(790)	(9,650)
TOTAL NONOP. CHARGES	2,195	1,377	413	2,938	4,128	23,923
P/(L) BEFORE INCOME TAXES	28,476	2,554	21,558	(856)	(3,122)	63,176

EXHIBIT G-2

Three Month Business Plan

JAN 1

1-JAN THROUGH 17-JAN ESTIMATED CASH FLOW AT CITIBANK

	1-Jan	2-Jan	3-Jan	4-Jan	5-Jan	8-Jan	9-Jan
INVESTED CASH AT CITIBANK	0.0	0.0	(26.4)	(31.0)	(36.8)	(44.1)	(47.1)
IATA/ACH PYMTS	H						
W/H & FICA PYMTS		(4.0)				(3.2)	
EXCISE TAX PYMTS	O						
TRANS STATES W/T		(1.8)		(0.5)	(1.5)	(1.7)	
AETNA MED/DENTAL	L	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CREDIT UNION					(1.5)		
FUEL	I	(0.2)	(7.8)	(3.0)	(0.2)	(0.7)	
A/C LEASES		(5.4)	(1.0)	(4.3)	(4.9)	(6.8)	(10.3)
PRINC + INTEREST	D	(0.8)			(0.5)	(0.3)	(0.4)
OTHER W/TRANSFERS		(11.1)	(0.2)	(2.7)	(1.3)	(0.3)	(1.5)
EST OF REFUND/LOD/ETC. CLEARINGS	A	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
EST OF PAYROLL CKS CLEARING		(2.5)	(1.7)	(1.0)	(1.7)	(1.7)	(0.5)
EST OF A/P CKS CLEARING	Y	(6.3)	(3.0)	(3.0)	(3.0)	(3.5)	(2.5)
TTL CASH OUT	0.0	(33.0)	(14.5)	(15.3)	(15.4)	(19.0)	(18.0)
TTL RECEIPTS/CASH IN		7.4	12.0	8.8	7.9	18.0	6.1
SPECIAL RECEIPTS		(0.8)	(2.1)	2.9			
INCREASE/(DECREASE) CASH	0.0	(26.4)	(4.6)	(5.6)	(7.5)	(3.0)	(9.9)
INVESTED CASH AT CITIBANK	0.0	(26.4)	(31.0)	(36.8)	(44.1)	(47.1)	(57.0)
OTHER OVERNIGHT INVESTMENTS							
TWA STOCK							
TWA STOCK VOLUME							

	10-Jan	11-Jan	12-Jan	15-Jan	16-Jan	17-Jan
INVESTED CASH AT CITIBANK	(57.0)	(60.9)	(73.6)	(75.4)	(75.4)	(73.4)
IATA/ACH PYMTS		(0.5)		H		
W/H & FICA PYMTS					(4.8)	(0.8)
EXCISE TAX PYMTS		(9.7)		O		
TRANS STATES W/T	(1.6)		(8.4)		(1.5)	
AETNA MED/DENTAL	(0.6)	(0.6)	(0.5)	L	(0.5)	(0.5)
CREDIT UNION			(2.9)			
FUEL	(7.8)	(3.0)		I	(0.7)	(8.9)
A/C LEASES	(2.7)	(2.3)	(5.4)		(2.7)	(2.8)
PRINC + INTEREST		(0.9)		D		
OTHER W/TRANSFERS	(1.5)	(1.4)	(0.2)		(0.3)	(0.2)
EST OF REFUND/LOD/ETC. CLEARINGS	(0.3)	(0.3)	(0.3)	A	(0.3)	(0.6)
EST OF PAYROLL CKS CLEARING	(2.5)	(0.3)	(2.4)		(4.3)	(1.7)
EST OF A/P CKS CLEARING	(2.5)	(2.5)	(2.5)	Y	(3.5)	(2.5)
TTL CASH OUT	(19.4)	(21.7)	(14.6)	0.0	(18.6)	(18.0)
TTL RECEIPTS/CASH IN	16.5	9.0	12.8		20.8	18.6
SPECIAL RECEIPTS						
INCREASE/(DECREASE) CASH	(3.9)	(12.7)	(1.8)	0.0	2.0	0.6
INVESTED CASH AT CITIBANK	(60.9)	(73.6)	(75.4)	(75.4)	(73.4)	(72.8)
OTHER OVERNIGHT INVESTMENTS						
TWA STOCK						
TWA STOCK VOLUME						

JAN 18

18-JAN THROUGH 31-JAN ESTIMATED CASH FLOW AT CITIBANK

	18-Jan	19-Jan	22-Jan	23-Jan	24-Jan	25-Jan	28-Jan
INVESTED CASH AT CITIBANK	(72.8)	(70.9)	(68.2)	(63.7)	(59.9)	(65.5)	(65.5)
IATA/ACH PYMTS							
W/H & FICA PYMTS			(2.6)				(6.4)
EXCISE TAX PYMTS						(9.7)	
TRANS STATES W/T		(0.5)	(3.1)			(1.8)	0.0
AETNA MED/DENTAL	(0.5)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CREDIT UNION		(1.5)					(2.0)
FUEL	(2.6)		(0.7)		(6.7)	(3.1)	
A/C LEASES	(0.8)	(1.1)		(1.4)	(2.5)	(1.0)	(1.8)
PRINC + INTEREST							
OTHER W/TRANSFERS	(1.4)	(0.2)	(1.9)	(0.2)	(0.2)	(1.4)	(0.2)
EST OF REFUND/LOD/ETC. CLEARINGS	(0.6)	(0.6)	(0.8)	(0.6)	(0.8)	(0.3)	(0.3)
EST OF PAYROLL CKS CLEARING	(1.0)	(7.3)	(1.3)	(4.5)	(0.6)	(1.6)	(3.2)
EST OF A/P CKS CLEARING	(2.0)	(2.0)	(2.0)	(2.0)	(3.0)	(2.6)	(2.5)
TTL CASH OUT	(8.9)	(7.7)	(12.7)	(9.2)	(14.1)	(21.3)	(16.9)
TTL RECEIPTS/CASH IN	10.8	10.4	17.2	13.0	18.2	11.6	12.7
SPECIAL RECEIPTS							
INCREASE/(DECREASE) CASH	1.9	2.7	4.5	3.8	4.1	(9.7)	(4.2)
INVESTED CASH AT CITIBANK	(70.9)	(68.2)	(63.7)	(59.9)	(65.5)	(65.5)	(69.7)
OTHER OVERNIGHT INVESTMENTS							
TWA STOCK							
TWA STOCK VOLUME							

	29-Jan	30-Jan	31-Jan	TOTAL 1-Jan	TOTAL MONTH
INVESTED CASH AT CITIBANK	(69.7)	(79.7)	(74.2)	0.0	0.0
IATA/ACH PYMTS	(18.0)			0.0	(15.5)
W/H & FICA PYMTS	(4.3)			0.0	(28.4)
EXCISE TAX PYMTS				0.0	(19.4)
TRANS STATES W/T	(1.6)			0.0	(15.3)
AETNA MED/DENTAL	(0.5)	(0.5)	(0.5)	0.0	(10.5)
CREDIT UNION			(0.3)	0.0	(8.8)
FUEL	(0.2)		(8.0)	0.0	(53.8)
A/C LEASES	(0.1)			0.0	(87.1)
PRINC + INTEREST	(2.1)		(0.4)	0.0	(5.2)
OTHER W/TRANSFERS	(0.2)	(0.2)	(2.3)	0.0	(28.9)
EST OF REFUND/LOD/ETC. CLEARINGS	(0.3)	(0.3)	(0.3)	0.0	(8.1)
EST OF PAYROLL CKS CLEARING	(4.5)	(2.2)	(2.0)	0.0	(42.8)
EST OF A/P CKS CLEARING	(2.8)	(1.5)	(3.1)	0.0	(58.1)
TTL CASH OUT	(31.4)	(4.7)	(17.5)	0.0	(349.9)
TTL RECEIPTS/CASH IN	20.1	10.2	23.2	0.0	280.1
SPECIAL RECEIPTS	1.3		14.0	0.0	15.3
INCREASE/(DECREASE) CASH	(10.0)	5.5	19.7	0.0	(54.5)
INVESTED CASH AT CITIBANK	(79.7)	(74.2)	(54.5)	0.0	(54.5)
OTHER OVERNIGHT INVESTMENTS					
TWA STOCK					
TWA STOCK VOLUME					

FEB 1

1-FEB THROUGH 19-FEB ESTIMATED CASH FLOW AT CITIBANK

	1-Feb	2-Feb	5-Feb	6-Feb	7-Feb	8-Feb	9-Feb
INVESTED CASH AT CITIBANK	0.0	(15.8)	(12.1)	(12.5)	(21.4)	(15.0)	(18.0)
IATA/UATP/ACH PYMTS							
W/H & FICA PYMTS			(2.6)			(0.6)	
EXCISE TAX PYMTS							
TRANS STATES W/T			(4.4)				
AETNA MED/DENTAL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CREDIT UNION		(1.5)					(2.0)
FUEL	(2.7)	(0.5)			(8.0)	(3.7)	
A/C LEASES	(11.1)	(0.9)	(3.8)	(15.3)	(0.3)	(4.3)	(0.6)
PRINC + INTEREST	(0.9)	(0.5)				(0.4)	
OTHER W/TRANSFERS	(7.6)	(0.3)	(1.5)	(1.0)	(0.4)	(1.5)	(1.7)
EST OF REFUND/LOD/ETC CLEARINGS	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
EST OF PAYROLL CKS CLEARING	(0.6)	(1.5)	(1.9)	(0.5)	(1.9)	(0.4)	(2.5)
EST OF A/P CKS CLEARING	(4.0)	(3.0)	(4.0)	(3.0)	(3.6)	(3.0)	(3.0)
TTL CASH OUT	(27.7)	(9.1)	(19.1)	(20.6)	(15.0)	(14.7)	(10.8)
TTL RECEIPTS/CASH IN	11.9	12.8	18.7	11.7	21.4	11.7	12.7
SPECIAL RECEIPTS							
INCREASE/(DECREASE) CASH	(15.8)	3.7	(0.4)	(8.9)	8.4	(3.0)	2.1
INVESTED CASH AT CITIBANK	(15.8)	(12.1)	(12.5)	(21.4)	(15.0)	(18.0)	(15.9)
OTHER OVERNIGHT INVESTMENTS							
TWA STOCK							
TWA STOCK VOLUME							

	12-Feb	13-Feb	14-Feb	15-Feb	16-Feb	19-Feb
INVESTED CASH AT CITIBANK	(15.9)	(28.1)	(28.1)	(19.5)	(19.8)	(10.0)
IATA/UATP/ACH PYMTS						H
W/H & FICA PYMTS	(4.3)			(0.8)	(0.5)	
EXCISE TAX PYMTS	(9.7)					0
TRANS STATES W/T	(3.9)				(0.2)	
AETNA MED/DENTAL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	L
CREDIT UNION				(0.8)	(1.5)	
FUEL	(0.7)		(8.0)	(1.8)		I
A/C LEASES	(1.9)	(0.9)	(0.9)	(1.5)		
PRINC + INTEREST		(0.9)		(3.0)		D
OTHER W/TRANSFERS	(2.1)	(0.3)	(0.4)	(1.5)	(0.3)	
EST OF REFUND/LOD/ETC CLEARINGS	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	A
EST OF PAYROLL CKS CLEARING	(3.2)	(2.8)	(1.8)	(1.4)	(1.5)	
EST OF A/P CKS CLEARING	(5.0)	(4.0)	(3.0)	(2.0)	(2.0)	Y
TTL CASH OUT	(31.6)	(9.7)	(14.7)	(13.6)	(6.8)	0.0
TTL RECEIPTS/CASH IN	19.4	11.7	21.3	12.2	16.4	
SPECIAL RECEIPTS				1.3		
INCREASE/(DECREASE) CASH	(12.2)	2.0	6.6	(0.1)	9.6	0.0
INVESTED CASH AT CITIBANK	(28.1)	(28.1)	(19.6)	(19.6)	(10.0)	(10.0)
OTHER OVERNIGHT INVESTMENTS						
TWA STOCK						
TWA STOCK VOLUME						

Feb 20

20-FEB THROUGH 28-FEB ESTIMATED CASH FLOW AT CITIBANK

	20-Feb	21-Feb	22-Feb	23-Feb	28-Feb	27-Feb	28-Feb
INVESTED CASH AT CITIBANK	(10.0)	(9.3)	(3.9)	(3.3)	1.5	(6.1)	(10.2)
IATA/ACH PYMTS							(20.0)
W/H & FICA PYMTS	(2.8)				(10.7)		
EXCISE TAX PYMTS						(9.7)	
TRANS STATES W/T	(3.9)				(3.3)		
AETNA MED/DENTAL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CREDIT UNION				(2.0)			(0.9)
FUEL	(0.7)	(8.0)	(3.7)		(0.4)		(6.0)
A/C LEASES	(7.0)	(0.8)	(2.5)	(0.6)	(0.2)	(0.1)	
PRINC + INTEREST							
OTHER W/TRANSFERS	(1.7)	(0.4)	(1.6)	(0.3)	(1.0)	(0.9)	(0.5)
EST OF REFUND/LOD/ETC CLEARINGS	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
EST OF PAYROLL CKS CLEARING	(2.1)	(5.9)	(0.7)	(3.0)	(6.8)	(1.7)	(2.4)
EST OF A/P CKS CLEARING	(5.0)	(3.0)	(2.0)	(2.0)	(5.5)	(3.0)	(3.3)
TTL CASH OUT	(23.8)	(18.9)	(11.5)	(8.6)	(28.7)	(15.7)	(33.9)
TTL RECEIPTS/CASH IN	24.5	24.3	12.1	13.4	21.1	11.8	28.8
SPECIAL RECEIPTS							20.0
INCREASE/(DECREASE) CASH	0.7	5.4	0.6	4.8	(7.9)	(4.1)	14.9
INVESTED CASH AT CITIBANK	(9.3)	(3.9)	(3.3)	1.5	(8.1)	(10.2)	4.7
OTHER OVERNIGHT INVESTMENTS							
TWA STOCK							
TWA STOCK VOLUME							

				TOTAL 1-Feb	TOTAL MONTH
INVESTED CASH AT CITIBANK				0.0	0.0
IATA/ACH PYMTS				0.0	(20.0)
W/H & FICA PYMTS				0.0	(22.1)
EXCISE TAX PYMTS				0.0	(19.4)
TRANS STATES W/T				0.0	(15.7)
AETNA MED/DENTAL				(0.5)	(9.5)
CREDIT UNION				0.0	(8.7)
FUEL				(2.7)	(44.3)
A/C LEASES				(11.1)	(52.6)
PRINC + INTEREST				(0.9)	(5.7)
OTHER W/TRANSFERS				(7.6)	(24.8)
EST OF REFUND/LOD/ETC CLEARINGS				(0.3)	(5.7)
EST OF PAYROLL CKS CLEARING				(0.6)	(42.4)
EST OF A/P CKS CLEARING				(4.0)	(63.4)
TTL CASH OUT				(27.7)	(334.3)
TTL RECEIPTS/CASH IN				11.9	317.7
SPECIAL RECEIPTS				0.0	21.3
INCREASE/(DECREASE) CASH	0.0	0.0	0.0	(15.8)	4.7
INVESTED CASH AT CITIBANK	0.0	0.0	0.0	(15.8)	4.7
OTHER OVERNIGHT INVESTMENTS					
TWA STOCK					
TWA STOCK VOLUME					

Mar 1

1-MAR THROUGH 19-MAR ESTIMATED CASH FLOW AT CITIBANK

	1-Mar	2-Mar	5-Mar	6-Mar	7-Mar	8-Mar	9-Mar
INVESTED CASH AT CITIBANK	0.0	(22.9)	(21.8)	(25.6)	(24.4)	(16.7)	(19.4)
(IATA)UATP/ACH PYMTS							
W/H & FICA PYMTS			(2.6)			(0.6)	
EXCISE TAX PYMTS							
TRANS STATES W/T			(4.4)				
AETNA MED/DENTAL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CREDIT UNION		(1.5)					(2.0)
FUEL	(4.5)		(0.7)		(8.0)	(3.4)	
A/C LEASES	(6.1)	(3.1)	(5.2)	(4.1)	(1.8)	(4.3)	(1.9)
PRINC + INTEREST	(9.1)		(0.6)			(0.4)	
OTHER W/TRANSFERS	(8.3)	(0.4)	(1.5)	(0.9)	(0.3)	(1.4)	(1.8)
EST OF REFUND/LOD/ETC. CLEARINGS	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
EST OF PAYROLL CKS CLEARING	(0.9)	(1.8)	(1.9)	(0.5)	(1.9)	(0.4)	(2.5)
EST OF A/P CKS CLEARING	(5.8)	(4.8)	(5.8)	(4.6)	(3.6)	(3.6)	(3.6)
TTL CASH OUT	(35.3)	(12.2)	(23.5)	(10.9)	(10.2)	(14.9)	(11.8)
TTL RECEIPTS/CASH IN	12.4	13.3	19.7	12.1	23.9	12.2	13.2
SPECIAL RECEIPTS							
INCREASE/(DECREASE) CASH	(22.9)	1.1	(3.8)	1.2	7.7	7.7	1.4
INVESTED CASH AT CITIBANK	(22.9)	(21.8)	(25.5)	(24.4)	(16.7)	(19.4)	(18.0)
OTHER OVERNIGHT INVESTMENTS							
TWA STOCK							
TWA STOCK VOLUME							

	12-Mar	13-Mar	14-Mar	15-Mar	16-Mar	19-Mar
INVESTED CASH AT CITIBANK	(18.0)	(29.2)	(27.3)	(18.8)	(23.0)	(18.9)
(IATA)UATP/ACH PYMTS						
W/H & FICA PYMTS	(4.3)			(0.8)	(0.5)	(2.8)
EXCISE TAX PYMTS	(9.7)					
TRANS STATES W/T	(3.9)				(0.2)	(2.2)
AETNA MED/DENTAL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CREDIT UNION				(0.8)	(1.5)	
FUEL	(0.7)		(8.0)	(3.7)		(0.7)
A/C LEASES	(1.2)	(0.9)	(1.0)	(3.2)	(0.6)	(0.6)
PRINC + INTEREST		(0.9)		(2.1)	(0.2)	
OTHER W/TRANSFERS	(2.0)	(0.3)	(0.3)	(1.4)	(0.3)	(1.6)
EST OF REFUND/LOD/ETC. CLEARINGS	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
EST OF PAYROLL CKS CLEARING	(3.2)	(2.8)	(1.8)	(1.4)	(1.5)	(2.1)
EST OF A/P CKS CLEARING	(5.6)	(4.6)	(3.6)	(3.6)	(3.6)	(5.6)
TTL CASH OUT	(31.4)	(10.3)	(15.3)	(17.8)	(9.2)	(16.2)
TTL RECEIPTS/CASH IN	20.2	12.2	23.8	12.3	13.3	10.7
SPECIAL RECEIPTS				1.3		
INCREASE/(DECREASE) CASH	(11.2)	1.9	8.5	(4.2)	4.1	0.5
INVESTED CASH AT CITIBANK	(29.2)	(27.3)	(18.8)	(23.0)	(18.9)	(14.4)
OTHER OVERNIGHT INVESTMENTS						
TWA STOCK						
TWA STOCK VOLUME						

Mar 20

20-MAR THROUGH 30-MAR ESTIMATED CASH FLOW AT CITIBANK

	20-Mar	21-Mar	22-Mar	23-Mar	26-Mar	27-Mar	28-Mar
INVESTED CASH AT CITIBANK	(14.4)	(13.5)	(9.3)	(9.3)	(1.2)	(6.4)	(10.6)
IATA/ACH PYMTS							(23.0)
W/H & FICA PYMTS					(10.7)		
EXCISE TAX PYMTS						(9.7)	
TRANS STATES W/T	(1.7)				(3.3)		
AETNA MED/DENTAL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CREDIT UNION				(2.0)			
FUEL		(8.0)	(2.8)		(0.7)	(8.0)	(4.4)
A/C LEASES	(5.4)	(2.5)	(1.5)	(0.4)	(0.9)	(1.1)	(0.6)
PRINC & INTEREST			(2.1)		(0.1)		
OTHER W/TRANSFERS	(0.3)	(0.6)	(1.5)	(0.3)	(0.4)	(0.3)	(0.3)
EST OF REFUND/LOD/ETC. CLEARINGS	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
EST OF PAYROLL CKS CLEARING	(0.5)	(5.7)	(0.4)	(3.0)	(4.8)	(1.4)	(5.8)
EST OF A/P CKS CLEARING	(2.0)	(2.1)	(1.5)	(1.8)	(4.0)	(3.3)	(3.0)
TTL CASH OUT	(11.3)	(19.7)	(10.5)	(8.1)	(25.7)	(16.6)	(41.3)
TTL RECEIPTS/CASH IN	12.2	23.9	12.2	13.2	20.5	12.4	24.1
SPECIAL RECEIPTS			1.3				
INCREASE/(DECREASE) CASH	0.9	4.2	3.0	5.1	(5.2)	(4.2)	(17.2)
INVESTED CASH AT CITIBANK	(13.5)	(9.3)	(8.3)	(1.2)	(8.4)	(10.6)	(27.8)
OTHER OVERNIGHT INVESTMENTS							
TWA STOCK							
TWA STOCK VOLUME							

	29-Mar	30-Mar	TOTAL 1-Mar	TOTAL MONTH
INVESTED CASH AT CITIBANK	(27.8)	(24.9)	0.0	0.0
IATA/ACH PYMTS			0.0	(23.0)
W/H & FICA PYMTS			0.0	(22.1)
EXCISE TAX PYMTS			0.0	(19.4)
TRANS STATES W/T			0.0	(15.7)
AETNA MED/DENTAL	(0.5)	(0.5)	(0.5)	(11.0)
CREDIT UNION		(2.4)	0.0	(10.2)
FUEL	(4.4)		(4.5)	(63.4)
A/C LEASES	(0.6)		(6.3)	(46.2)
PRINC & INTEREST			(9.1)	(15.7)
OTHER W/TRANSFERS	(1.4)	(0.7)	(8.3)	(26.1)
EST OF REFUND/LOD/ETC. CLEARINGS	(0.3)	(0.3)	(0.3)	(6.5)
EST OF PAYROLL CKS CLEARING	(1.6)	(1.5)	(0.9)	(47.0)
EST OF A/P CKS CLEARING	(2.5)	(2.5)	(5.8)	(61.0)
TTL CASH OUT	(14.3)	(7.9)	(35.3)	(377.4)
TTL RECEIPTS/CASH IN	14.2	18.3	12.4	366.3
SPECIAL RECEIPTS		12.0	0.0	14.5
INCREASE/(DECREASE) CASH	2.9	22.4	(22.9)	(2.5)
INVESTED CASH AT CITIBANK	(24.9)	(2.5)	(22.9)	(2.5)
OTHER OVERNIGHT INVESTMENTS				
TWA STOCK				
TWA STOCK VOLUME				

EXHIBIT 10.91

AMR FINANCE, INC.
4333 Amon Carter Boulevard
Mail Drop 5618
Fort Worth, Texas 76155

January 11, 2001

Trans World Airlines, Inc.
One City Centre
515 North 6th Street
St. Louis, Missouri 63101
Attn: William P. Compton

Re: Secured Debtor in Possession Credit and Security Agreement dated as of January 10, 2001 (the "Credit Agreement") among Trans World Airlines, Inc., as borrower, certain of its subsidiaries, as guarantors, the Lenders from time to time party thereto and AMR Finance, Inc., as Administrative Agent

Dear Bill:

This letter is to evidence our agreement that Section 2.9(b) of the Credit Agreement is hereby amended, in accordance with the Interim Order, to read as follows:

"(b) Arrangement Fees. The Borrower agrees to pay to the Administrative Agent an arrangement fee equal to 4.0% of the Commitments (the "Arrangement Fee"), payable incrementally on the date of the funding of each Borrowing; provided, however, the Arrangement Fee shall only be payable on that portion of such Borrowing equal to the amount (if any) by which (i) the total outstanding amount of the Loans (after giving effect to the Borrowing) on the date of such Borrowing, exceeds (ii) the maximum amount of the Loans outstanding on any date prior to the date of such Borrowing."

If the terms hereof accurately reflect your understanding of our agreement and the Interim Order, please acknowledge this letter by signing below, and return the same to me.

AMR Finance, Inc.

By: ----------
Name: ----------
Title: ----------

Acknowledged and Accepted
this 11th day of January, 2001:

TRANS WORLD AIRLINES, INC.,
as Borrower

By: _____
Name: William P. Compton
Title: President and Chief Executive Officer

AMBASSADOR FUEL CORPORATION,
as a Guarantor

By: _____
Name: Michael Palumbo
Title: President

MEGA ADVERTISING, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

NORTHWEST 112TH STREET
CORPORATION, as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

THE TWA AMBASSADOR CLUB, INC.,
SERVICES, as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TRANS WORLD COMPUTER
INC., as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TRANSCONTINENTAL & WESTERN AIR,
INC., as a Guarantor

By: _____
Name: William P. Compton
Title: President

TWA AVIATION, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TWA GROUP, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TWA STANDARDS & CONTROLS, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Assistant Secretary

OZARK GROUP, INC.,
as a Guarantor

By: _____
Name: Michael Palumbo
Title: President

TWA NIPPON, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TWA EMPLOYEE SERVICES, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TWA GETAWAY VACATIONS, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Assistant Secretary

TRANS WORLD EXPRESS, INC.,
SECURITY, as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

INTERNATIONAL AVIATION
INC., as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

GETAWAY MANAGEMENT SERVICES, INC., as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

THE GETAWAY GROUP (UK), INC., as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

EXHIBIT 10.92

AMR FINANCE, INC.
4333 Amon Carter Boulevard
Mail Drop 5618
Fort Worth, Texas 76155

January 26, 2001

Trans World Airlines, Inc.
One City Centre
515 North 6th Street
St. Louis, Missouri 63101
Attn: William P. Compton

Re: Secured Debtor in Possession Credit and Security Agreement dated as of January 10, 2001 (as amended from time to time, the "Credit Agreement") among Trans World Airlines, Inc., as borrower, certain of its subsidiaries, as guarantors, the Lenders from time to time party thereto and AMR Finance, Inc., as Administrative Agent. Terms used herein but not defined herein shall have the meanings set forth in the Credit Agreement.

Dear Bill:

This letter is to evidence our agreement as to the following:

1. The last sentence of Section 2.2(a) of the Credit Agreement is hereby deleted in its entirety and the following inserted in lieu thereof:

"The Borrower may not request more than one Borrowing per Business Day."

2. The Borrower transferred and sold Receivables to Constellation on January 10, 11, 12, 15 and 16, 2001, and in exchange therefore, received cash in an amount equal to approximately $30,000,000 (the "Transaction"). The Lenders hereby waive any Default or Event of Default arising solely from the consummation of the Transaction; provided, however, such transferred Receivables shall not be included as "Receivables" or "Eligible Receivables" for purposes of calculating the Borrowing Base.

3. The following sentence is hereby added as the last sentence to Section 6.1(a) of the Credit Agreement:

"Notwithstanding the foregoing and with respect to the monthly financial information of the Borrower and it Subsidiaries for the fiscal month ended December 31, 2000 only, the Borrower shall be permitted to deliver such information to the Administrative Agent no later than February 15, 2001."

4. Section 7.11(b) of the Credit Agreement is hereby deleted in its entirety and following inserted in lieu thereof:

"(b) as soon as possible (but in any event not later than thirty (30) days) following the occurrence of the AR Termination Date, (x) cause the Limited Liability Company Agreement of Constellation, dated as of December 22, 1997, to be amended to delete Sections 10.1 through and including 10.6 (concerning transfers of Membership interests) thereof and to amend or delete, at the direction of the Administrative Agent, any other provision of Constellation's Constituent Documents to permit Constellation to become a Guarantor and Grantor hereunder and to pledge its assets to the Administrative Agent, (y) take all actions as the Administrative Agent may request to evidence the Borrower's pledge of its interest in Constellation to the Administrative Agent, and (z) cause Constellation to become a Guarantor and a Grantor hereunder and in connection therewith, grant to the Administrative Agent, for the benefit of the Lenders, a security interest in all of Constellation's assets, and"

If the terms hereof accurately reflect your understanding of our agreement, please acknowledge this letter by signing below, and return the same to me. This Letter Agreement is executed as of the date written above and will be effective for all purposes as of January 10, 2001.

AMR Finance, Inc.

By: ---

Name: ---

Title: ---

Acknowledged and Accepted
this 26th day of January, 2001:

TRANS WORLD AIRLINES, INC.,
as Borrower

By: _____
Name: William P. Compton
Title: President and Chief Executive Officer

AMBASSADOR FUEL CORPORATION,
as a Guarantor

By: _____
Name: Michael Palumbo
Title: President

MEGA ADVERTISING, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

NORTHWEST 112TH STREET
CORPORATION, as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

THE TWA AMBASSADOR CLUB, INC.,
INC., as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TRANS WORLD COMPUTER SERVICES,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TRANSCONTINENTAL & WESTERN AIR,
INC., as a Guarantor

By: _____
Name: William P. Compton
Title: President

TWA AVIATION, INC.,
as a Guarantor

By: _____
Name: Paul J.M. Rutterer
Title: Secretary

TWA GROUP, INC.,
as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

TWA STANDARDS & CONTROLS, INC.,
as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Assistant Secretary

OZARK GROUP, INC.,
as a Guarantor

By: ----------
Name: Michael Palumbo
Title: President

TWA NIPPON, INC.,
as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

TWA EMPLOYEE SERVICES, INC.,
as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

TWA GETAWAY VACATIONS, INC.,
as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Assistant Secretary

TRANS WORLD EXPRESS, INC.,
SECURITY, as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

INTERNATIONAL AVIATION
INC., as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

GETAWAY MANAGEMENT SERVICES, INC., as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

THE GETAWAY GROUP (UK), INC., as a Guarantor

By: ----------
Name: Paul J.M. Rutterer
Title: Secretary

EXHIBIT 10.93

AMR FINANCE, INC.
4333 Amon Carter Boulevard
Mail Drop 5618
Fort Worth, Texas 76155

March 7, 2001

VIA FACSIMILE (314) 589-3461

Trans World Airlines, Inc.
One City Centre
515 North 6th Street
St. Louis, Missouri 63101
Attn: Kate Soled

Re: Secured Debtor in Possession Credit and Security Agreement dated as of January 10, 2001, by and among Trans World Airlines, Inc., as Borrower, certain of Subsidiaries of Borrower, as Guarantors, the Lenders from time to time party thereto and AMR Finance, Inc., as Administrative Agent (as may be amended, extended, renewed, or restated from time to time, the "Credit Agreement"; terms defined in the Credit Agreement and not otherwise defined herein shall be used herein as defined in the Credit Agreement)

Dear Kate:

This letter is to evidence our agreement that the phrase "thirty (30) days" set forth in Section 7.11(b) of the Credit Agreement is hereby deleted and replaced with the phrase "sixty (60) days".

As a material inducement to the Lenders to execute this letter, Borrower hereby represents and warrants to the Lenders that, after giving effect to this letter and the waiver contained herein: (a) all of the representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct as of the date hereof as though made as of such date (unless they speak to a specific date or are based upon facts which have changed by transactions expressly contemplated or permitted by the Credit Agreement); and (b) no Default or Event of Default exists.

By execution of this letter in the space provided below, Borrower consents to the foregoing and ratifies and confirms that the Credit Agreement and all other Loan Documents, and all renewals, extensions, and restatements of, and amendments and supplements to, any of the foregoing, are and remain in full force and effect in accordance with their respective terms.

The waiver hereby granted by the Lenders does not (a) constitute a waiver or modification of any other terms or provisions set forth in the Credit Agreement or any other Loan Document and shall not impair any right that any Lender may now or hereafter have under or in connection with the Credit Agreement or any other Loan Document, and (b) impair any

Lender's rights to insist upon strict compliance with the Credit Agreement, as amended or otherwise modified hereby, or the other Loan Documents. The Loan Documents continue to bind and inure to Borrower and the Lender and their respective successors and permitted assigns.

This letter, when countersigned by the Required Lenders, shall be a "Loan Document" as defined and referred to in the Credit Agreement and the other Loan Documents, and may be signed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. THIS LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

This letter, the Credit Agreement, and the other Loan Documents embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto, there are no oral agreements among the parties hereto.

AMR Finance, Inc., as Administrative Agent and Lender

By: ----------

Name: ----------

Title: ----------

cc: Andrew M. Kaufman
Kirkland & Ellis
(312) 861-2200 fax

Acknowledged and Accepted this _____ day of March, 2001:

TRANS WORLD AIRLINES, INC.,
as Borrower

By:

Name: William P. Compton
Title: President and Chief
Executive Officer

EXHIBIT 10.94

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of the 12th day of March, 2001, by and among Trans World Airlines, Inc. (the "Borrower"), as a debtor and debtor in possession under chapter 11 of the Bankruptcy Code, certain Subsidiaries of the Borrower listed on the signature pages hereto, as Guarantors, as debtors and debtors in possession under chapter 11 of the Bankruptcy Code, the Lenders and AMR Finance, Inc. (the "Administrative Agent"), as administrative agent for the Lenders.

BACKGROUND

A. The Borrower, the Guarantors, the Lenders, and the Administrative Agent are parties to that certain Secured Debtor In Possession Credit and Security Agreement dated as of January 10, 2001 (as amended by those certain letter agreements dated January 11, 2001, January 26, 2001 and March 7, 2001 and as may be further amended, extended, renewed, or restated from time to time, the "Credit Agreement"; terms defined in the Credit Agreement and not otherwise defined herein shall be used herein as defined in the Credit Agreement).

B. The Borrower, the Guarantors, the Lenders and the Administrative Agent desire to amend the Credit Agreement to (i) increase the Revolving Credit Commitment from $100,000,000 (such Original Revolving Credit Commitment together with the Term Credit Commitment the "Original Commitment") to $230,000,000 (such increase, the "Incremental Commitment") and (ii) permit Overadvances (defined below).

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

1. AMENDMENTS TO THE CREDIT AGREEMENT. The Credit Agreement is hereby amended as follows:

(a) Section 1.1 is amended to add the following definitions:

"'Overadvances' has the meaning specified in Section 2.1(c)."

"'Post-Petition Obligation Credit' has the meaning set forth in Section 2.10(a)."

(b) Section 2.1 is hereby amended by adding the following new paragraph as Section 2.1(c):

"(c) Any provision of this Agreement to the contrary notwithstanding, at the request of the Borrower, the Administrative Agent may, in its sole and absolute discretion (but shall have absolutely no obligation to), make a Revolving Loan to Borrower on behalf of the

Lenders in amounts that cause the outstanding balance of the aggregate Revolving Loans then outstanding, after giving effect to such Revolving Loan, to exceed the amount equal to the Borrowing Base less Availability Reserves, in each case then in effect at such time (any such excess Revolving Loan is herein referred to collectively as an "Overadvance" and collectively, the "Overadvances"); provided, however (i) no such event or occurrence shall cause or constitute a waiver of the Administrative Agent's or any Lender's right to refuse to make any further Overadvance, or to make any Revolving Loans or Term Loans in accordance with this Agreement and the other Loan Documents, and (ii) no Overadvance shall result in a Default or Event of Default due to Borrower's failure to comply with Section 2.7(d), but solely with respect to the amount of such Overadvance. Overadvances may be made notwithstanding the condition set forth in Section 3.2(c)(i). All Overadvances shall bear interest at the rates and be payable on the dates set forth in Section 2.8. Any Overadvance made pursuant to this Section 2.1(c) shall be repaid on the Revolving Credit Termination Date. The authority of the Administrative Agent to make Overadvances is limited to an aggregate principal amount not to exceed $130,000,000 at any time outstanding and shall not cause the aggregate principal amount of the Revolving Loan outstanding at any time to exceed the Revolving Credit Commitment."

(c) Section 2.2(a)(i) is hereby deleted and replaced with the following:

"(i) whether the proposed Borrowing consists of a Revolving Loan, a Term Loan or both and if the Borrowing of Revolving Loans constitutes a request for an Overadvance, the intended use of the proceeds thereof,"

(d) The first sentence of Section 2.6(a) is hereby deleted and replaced with the following:

"The Borrower may, upon at least one Business Day's prior notice to the Administrative Agent, prepay the outstanding principal amount of the Loans in whole or in part; provided, however, that each partial prepayment of Loans shall be in an aggregate principal amount not less than $100,000; provided further that all prepayments of the Revolving Loans shall first be applied to Overadvances then outstanding."

(e) Section 2.7(d) is hereby deleted and replaced with the following:

"(d) If, at any time, the aggregate principal amount of the aggregate Revolving Loans then outstanding (excluding Overadvances) exceeds by more than $10,000,000 the amount equal to the Borrowing Base less Availability Reserves, in each case then in effect at such time, the Borrower shall forthwith prepay the Revolving Loans then outstanding in an amount equal to such excess. Overadvances made pursuant to Section 2.1(c) shall be repaid on the Revolving Credit Termination Date. If, at any time, the aggregate principal amount of the aggregate Revolving Loans (including Overadvances) exceeds the aggregate Revolving Credit Commitments, the Borrower shall forthwith prepay the Revolving Loans then outstanding in an amount equal to such excess. If, at any time, the aggregate principal amount of the aggregate Term Loans exceeds the aggregate Term Credit Commitments, the Borrower shall forthwith prepay the Term Loans then outstanding in an amount equal to such excess."

(f) Section 2.7 is hereby amended by adding the following new paragraph as Section 2.7(e):

"(e) Notwithstanding anything to the contrary set forth in Section 2.7, except with respect to the first sentence of Section 2.7(d), any payments of the Revolving Loans pursuant to this Section 2.7 shall first be applied to Overadvances then outstanding."

(g) Section 2.9(b) is hereby deleted and replaced with the following:

"(b) The Borrower agrees to pay to the Administrative Agent an arrangement fee equal to four percent (4%) of the Original Commitment and two percent (2%) of the Incremental Commitment (collectively, the "Arrangement Fee"), payable on the date of the funding of each Borrowing; provided, however, that the Arrangement Fee shall only be payable on that portion of such Borrowing equal to the amount (if any) by which (i) the total outstanding amount of the Loans (after giving effect to the Borrowing) on the date of such Borrowing, exceeds (ii) the maximum amount of the Loans outstanding on any date prior to the date of such Borrowing; provided further that all Borrowings outstanding at any time up to $200 million shall be deemed to be Borrowings of the Original Commitment and; provided further, that in the event that

American shall make the Final Accepted Offer (as defined in the Asset Purchase Agreement) for the Transferred Assets (as defined in the Asset Purchase Agreement) or the Non-Worldspan Assets (as defined in the Asset Purchase Agreement) then one-half of the Arrangement Fee paid to Administrative Agent shall be returned and refunded to the Borrower on the closing date for such asset purchase."

(h) Section 2.10 is hereby amended to add the following language at the end of Section 2.10(a):

"Notwithstanding any provision in this Agreement to the contrary, in the event AMR Finance or any of its Affiliates purchases any asset or assets of the Borrower or its Subsidiaries, whether pursuant to the Asset Purchase Agreement or otherwise, or incurs any other obligation to any of the Borrower or any of its Subsidiaries or any trustee or examiner for the Borrower or any of its Subsidiaries appointed under chapter 7 or chapter 11 of the Bankruptcy Code, AMR Finance and its Affiliates shall be entitled to pay the purchase price or satisfy any such obligation by a credit of the amount of such purchase price or other obligation against the Obligations owing to AMR Finance, without further order of the Bankruptcy Court or notice to any other party, whether or not such Obligations are then due and payable (the "Post-Petition Obligation Credit") and the Obligations owing to AMR Finance shall be reduced by the amount of the Post-Petition Obligation Credit owing to AMR Finance."

(i) Section 3.2 is hereby amended to re-letter clause (g) thereof as clause (h) and insert the following new clause (g):

"(g) Arrangement Fee. The Administrative Agent shall have received (or shall receive simultaneously with the funding of any Borrowing) the Arrangement Fee (if any) due and owing in respect of such Borrowing pursuant to Section 2.9(b)."

(j) Section 4.11 is hereby amended to add the following language at the end of Section 4.11:

"Notwithstanding the foregoing, the proceeds of the Overadvances shall be used only for the purpose detailed in the Notice of Borrowing requesting such Overadvance and which is approved by the Administrative Agent in writing prior to the date of such Overadvance."

(k) Schedule I is hereby deleted and replaced with Schedule I attached hereto.

(l) Exhibit C is hereby deleted and replaced with Exhibit C attached hereto.

2. ACKNOWLEDGMENT OF THE BORROWER. The Borrower acknowledges and agrees that the Lenders executing this Amendment have done so in their sole discretion and without any obligation.

3. SUBSIDIARIES ACKNOWLEDGMENT. By signing below, each of the Subsidiaries which has executed the Credit Agreement (a) consents and agrees to the execution and delivery of this Amendment, (b) ratifies and confirms its obligations under the Credit Agreement and the other Loan Documents, (c) acknowledges and agrees that its obligations under the Credit Agreement and the other Loan Documents are not released, diminished, impaired, reduced, or otherwise adversely affected by this Amendment, and (d) acknowledges and agrees that it has no claims or offsets against, or defenses or counterclaims to, its obligations under the Credit Agreement or any of the other Loan Documents.

4. REPRESENTATIONS AND WARRANTIES TRUE, NO EVENT OF DEFAULT. By its execution and delivery hereof, the Borrower represents and warrants, as to itself and as to its Subsidiaries, to the Administrative Agent and the Lenders that, as of the date hereof:

(a) the representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the date hereof as made on and as of such date, except for any representations and warranties made as of a specific date, which shall be true and correct in all material respects as of such specific date; and

(b) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default.

5. CONDITIONS OF EFFECTIVENESS. This Amendment shall not be effective until each of the following conditions precedent shall have been satisfied:

(a) This Amendment has been executed by Borrower, the Guarantors, the Administrative Agent and the Lenders; and

(b) The Administrative Agent shall have received such documents, certificates and instruments as the Administrative Agent shall reasonably require, including an order of the Bankruptcy Court approving this Amendment; and

(c) Borrower shall have paid to the Administrative Agent the reasonable fees and expenses of the Administrative Agent's counsel.

6. REFERENCE TO CREDIT AGREEMENT. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement," "hereunder," or

words of like or similar import shall mean and be a reference to the Credit Agreement, as affected and amended by this Amendment.

7. COUNTERPARTS; EXECUTION VIA FACSIMILE. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Amendment may be validly executed and delivered by facsimile or other electronic transmission.

8. GOVERNING LAW: BINDING EFFECT. This Amendment shall be governed by and construed in accordance with the laws of the State of New York and shall be binding upon the Borrower, the Guarantors, the Administrative Agent, each Lender and their respective successors and assigns.

9. HEADINGS. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

10. LOAN DOCUMENT. This Amendment is a Loan Document and is subject to all provisions of the Credit Agreement applicable to Loan Documents, all of which are incorporated in this Amendment by reference as if set forth in this Amendment verbatim.

11. NO ORAL AGREEMENTS. THIS WRITTEN AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

TRANS WORLD AIRLINES, INC.,
as Borrower

By:

Name: William P. Compton
Title: President and Chief Executive Officer

AMBASSADOR FUEL CORPORATION,
as a Guarantor

By:

Name: Michael Palumbo
Title: President

MEGA ADVERTISING INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

NORTHWEST 112TH STREET CORPORATION,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

THE TWA AMBASSADOR CLUB, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

TRANS WORLD COMPUTER SERVICES, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

TRANSCONTINENTAL & WESTERN AIR, INC.,
as a Guarantor

By:

Name: William P. Compton
Title: President

TWA AVIATION, INC.,
as a Guarantor

By:

Name: Paul J.M. Rutterer
Title: Secretary

TWA GROUP, INC.,
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Title: Secretary

TWA GETAWAY VACATIONS, INC.,
as a Guarantor

By:

Name: Paul J. M. Rutterer
Title: Assistant Secretary

TRANS WORLD EXPRESS, INC.,
as a Guarantor

By:

Name: Paul J. M. Rutterer
Title: Secretary

INTERNATIONAL AVIATION SECURITY, INC.,
as a Guarantor

By:

Name: Paul J. M. Rutterer
Title: Secretary

GETAWAY MANAGEMENT SERVICES, INC.,
as a Guarantor

By:

Name: Paul J. M. Rutterer
Title: Secretary

THE GETAWAY GROUP (UK), INC.,
as a Guarantor

By:

Name: Paul J. M. Rutterer
Title: Secretary

AMR FINANCE, INC.,
as Agent and Lender

By:

Name: Thomas Horton
Title: Senior Vice President &
Chief Financial Officer

Schedule I

LENDER	REVOLVING CREDIT COMMITMENT	TERM CREDIT COMMITMENT
AMR Finance, Inc.	$230,000,000	$100,000,000

EXHIBIT 12

AMR CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(IN MILLIONS)

	1996	1997	1998	1999	2000
Earnings:					
Earnings from continuing operations before income taxes and extraordinary loss	$1,295	$1,336	$1,833	$1,006	$1,287
Add: Total fixed charges (per below)	1,281	1,166	1,117	1,227	1,313
Less: Interest capitalized	10	20	104	118	151
Total earnings	$2,566	$2,482	$2,846	$2,115	$2,449
Fixed charges:					
Interest	$ 514	$ 420	$ 369	$ 383	$ 450
Portion on rental expense representative of the interest factor	763	744	743	832	844
Amortization of debt expense	4	2	5	12	19
Total fixed charges	$1,281	$1,166	$1,117	$1,227	$1,313
Ratio of earnings to fixed charges	2.00	2.13	2.55	1.72	1.87

EXHIBIT 21

AMR CORPORATION
SUBSIDIARIES OF THE REGISTRANT
AS OF DECEMBER 31, 2000

Subsidiary companies of the Registrant are listed below. With respect to the companies named, all voting securities are owned directly or indirectly by the Registrant, except where otherwise indicated.

NAME OF SUBSIDIARY	STATE OR SOVEREIGN POWER OF INCORPORATION
Subsidiaries included in the Registrant's consolidated financial statements	
Airline Management Services, Inc.	Delaware
American Airlines, Inc.	Delaware
Admirals Club, Inc. (Massachusetts only)	Massachusetts
AEROSAN S.A. (50%)	Chile
AEROSAN Airport Services S.A. (50%)	Chile
American Airlines Australian Tours, Inc.	Delaware
American Airlines de Mexico, S.A.	Mexico
American Airlines de Venezuela, S.A.	Venezuela
American Airlines Deutschland Holding GmbH	Germany
American Airlines Holding Company, Inc.	Delaware
American Holidays Limited (50/50 AA/AMR)	United Kingdom
American Airlines Overseas Finance, N.V.	Neth. Antilles
AMR Aircraft Sales & Leasing Company	Delaware
AMR Training Group, Inc.	Delaware
AMR Ventures III, Inc.	Delaware
ONEworld Management Company Ltd. (34.6%)	British Columbia
Texas Aero Engine Services, L.L.C, dba TAESL (50/50 AA/Rolls-Royce)	Delaware
Americas Ground Services, Inc.	Delaware
Aerodespachos Colombia, S.A.	Colombia
Caribbean Dispatch Services, Ltd.	St. Lucia
Dispatch Services 93, S.A.	Venezuela
DSA	Dominican Republic
International Ground Services, S.A. de C.V.	Mexico
Panama Dispatch	Panama
Peru Dispatch Company	Peru
AMR/American Airlines Foundation	Texas
American Airlines Center Foundation, Inc.	Texas
American Airlines/American Eagle Family Fund, Inc.	Texas

NAME OF SUBSIDIARY	STATE OR SOVEREIGN POWER OF INCORPORATION
AMR Eagle Holding Corporation	Delaware
American Eagle Airlines, Inc.	Delaware
AMR Leasing Corporation	Delaware
Wings West Aviation Services, Inc.	Delaware
AMR Eagle Maintenance Services Group, Inc.	Delaware
AMR Eagle Regional Aircraft Maintenance Center, Inc.	Delaware
Aero Perlas (20%)	Panama
Eagle Aviation Leasing, Inc.	Delaware
Eagle Aviation Services, Inc.	Delaware
Executive Airlines, Inc.	Delaware
AMR Financial Services, Inc.	Delaware
AMR Foreign Sales Corporation, Ltd.	Bermuda
AMR Holding Company, Inc.	Delaware
AMR Investment Services, Inc.	Delaware
American Private Equity Management, L.L.C.	Delaware
Avion Assurance Ltd.	Bermuda
Cargo Services, Inc.	Delaware
SC Investment, Inc.	Delaware
The C.R. Smith Aviation Museum Foundation	Delaware

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statements (Form S-8 No. 2-68366, Form S-8 No. 33-60725, Form S-8 No. 33-60727, Form S-8 No. 333-13751, Form S-8 No. 333-19325, Form S-8 No. 333-70239, Form S-8 No. 33-27866, Form S-8 No. 333-56947, Form S-4 No. 33-55191, Form S-3 No. 33-02633, Form S-3 No. 33-42027, Form S-3 No. 33-46325, Form S-3 No. 33-52121, and Form S-3 No. 333-68211) of AMR Corporation, and in the related Prospectuses, of our reports dated January 16, 2001, except for Note 15, for which the date is March 19, 2001, with respect to the consolidated financial statements and schedule of AMR Corporation included in this Annual Report (Form 10-K) for the year ended December 31, 2000.

ERNST & YOUNG LLP

Dallas, Texas
March 22, 2001