Table of Contents

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

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended June 30, 2013.

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

For the Transition Period From to .

Commission file number 1-2691.

American Airlines, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-1502798**
(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

Not Applicable
(Former name, former address and former fiscal year , if changed since last report)

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 ☐ No

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

☐ Large Accelerated Filer ☐ Accelerated Filer ☒ Non-accelerated Filer

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $1 par value – 1,000 shares as of July 10, 2013.

INDEX

American Airlines, Inc
DEBTOR AND DEBTOR IN POSSESSION

Forward-Looking Information

Statements in this report 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,” “estimates,” “plans,” “anticipates,” “indicates,” “believes,” “projects,” “forecast,” “guidance,” “outlook,” “may,” “will,” “could,” “should,” "would," "continue," “seeks,” "intends," “targets” and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe the Company's objectives, plans or goals, or actions the Company may take in the future, are forward-looking statements. Forward-looking statements include, without limitation, the Company's expectations concerning its anticipated Merger with US Airways Group, Inc., and the challenges and costs of such Merger (including integrating operations and achieving anticipated synergies), the Chapter 11 Cases and the Company's business plan; the Company's operations and financial conditions, including changes in capacity, revenues, and costs; future financing plans and needs; the amounts of its unencumbered assets and other sources of liquidity; fleet plans; overall economic and industry conditions; plans and objectives for future operations; regulatory approvals and actions; and the impact on the Company of its results of operations in recent years and the sufficiency of its financial resources to absorb that impact. Guidance given in this report regarding capacity, fuel consumption, fuel prices, fuel hedging and unit costs constitutes forward-looking statements. Other forward-looking statements include statements which do not relate solely to historical facts, such as, without limitation, statements which discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this 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 the Company's actual results to differ materially from the Company's expectations. The following factors, in addition to other possible factors not listed, could cause the Company's actual results and financial position, and the timing of certain events, to differ materially from those expressed in forward-looking statements: risks related to the Merger, including fulfillment of conditions, receipt of consents and approvals, and the inability to realize the contemplated benefits of the Merger; risks arising from the Chapter 11 Cases, including reorganization risks, liquidity risks, and common stock risks; the materially weakened financial condition of the Company, resulting from its significant losses in recent years; the potential impact on the demand for air travel resulting from downturns in economic conditions; the Company's ability to secure financing for all of its scheduled aircraft deliveries; the potential requirement for the Company to maintain reserves under its credit card processing agreements, which could materially adversely impact the Company's liquidity; the ability of the Company to generate additional revenues and reduce its costs; continued high and volatile fuel prices and further increases in the price of fuel, and the availability of fuel; reliance on third-party distribution channels for distribution of a significant portion of the Company's airline tickets; the Company's substantial indebtedness and other obligations; the ability of the Company to satisfy certain covenants and conditions in certain of its financing and other agreements; changes in economic and other conditions beyond the Company's control, and the volatile results of the Company's operations; the fiercely and increasingly competitive business environment faced by the Company; industry consolidation and alliance changes; low fare levels by historical standards and the Company's reduced pricing power; changes in the Company's corporate or business strategy; delays in scheduled aircraft deliveries or failure of new aircraft to perform as expected; dependence on a limited number of suppliers for aircraft, aircraft engines and parts; extensive government regulation of the Company's business; increasingly stringent environmental regulations; conflicts overseas or terrorist attacks; uncertainties with respect to the Company's international operations; outbreaks of a disease (such as SARS, avian flu or the H1N1 virus) that affects travel behavior; uncertainties with respect to the Company's relationships with unionized and other employee work groups; higher than normal numbers of pilot retirements and a potential shortage of pilots; increased insurance costs and potential reductions of available insurance coverage; the Company's ability to retain key management personnel; potential failures or disruptions of the Company's computer, communications or other technology systems; losses and adverse publicity resulting from any accident involving the Company's aircraft; interruptions or disruptions in service at one or more of the Company's primary market airports; the heavy taxation of the airline industry; inability to realize the full value of intangible assets or long-lived assets, resulting in material impairment charges; and interruptions or disruptions in relationships with third-party regional airlines or other third-party service providers. The Risk Factors contained in the Company's Securities and Exchange Commission filings, including the Company's Annual Report on Form 10-K filed on February 20, 2013, as amended (2012 Form 10-K), could cause the Company's actual results to differ materially from historical results and from those expressed in forward-looking statements.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN AIRLINES, INC.
DEBTOR AND DEBTOR IN POSSESSION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited) (In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues				
Passenger	$ 4,888	$ 4,837	$ 9,502	$ 9,394
Regional Affiliates	752	790	1,431	1,460
Cargo	167	175	322	343
Other revenues	630	645	1,267	1,282
Total operating revenues	6,437	6,447	12,522	12,479
Expenses				
Aircraft fuel	2,139	2,209	4,338	4,374
Wages, salaries and benefits	1,286	1,619	2,599	3,234
Regional payments to AMR Eagle	261	288	531	573
Other rentals and landing fees	338	328	680	652
Maintenance, materials and repairs	310	291	628	570
Commissions, booking fees and credit card expense	257	263	533	529
Depreciation and amortization	244	257	485	513
Aircraft rentals	179	130	343	273
Food service	149	130	288	255
Special charges and merger related	12	105	40	116
Other operating expenses	784	705	1,532	1,369
Total operating expenses	5,959	6,325	11,997	12,458
Operating Income (Loss)	478	122	525	21
Other Income (Expense)				
Interest income	5	7	9	13
Interest expense (contractual interest expense equals $(158) and $(339) for the three and six months ended June 30, 2013, respectively, and $(169) and $(353) for the three and six months ended June 30, 2012, respectively)	(152)	(164)	(326)	(342)
Interest capitalized	12	12	25	24
Related party interest — net	(3)	(4)	(5)	(8)
Miscellaneous — net	12	(7)	—	(17)
	(126)	(156)	(297)	(330)
Income (Loss) Before Reorganization Items, Net	352	(34)	228	(309)
Reorganization Items, Net	(124)	(230)	(283)	(1,631)
Income (Loss) Before Income Taxes	228	(264)	(55)	(1,940)
Income tax (benefit)	—	—	(30)	—
Net Earnings (Loss)	$ 228	$ (264)	$ (25)	$ (1,940)

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

AMERICAN AIRLINES, INC.
DEBTOR AND DEBTOR IN POSSESSION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited) (In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net Earnings (Loss)	$ 228	$ (264)	$ (25)	$ (1,940)
Other Comprehensive Income (Loss), Before Tax:				
Defined benefit pension plans and retiree medical:				
Amortization of actuarial (gain) loss and prior service cost	(33)	57	(66)	113
Current year change	—	—	—	—
Benefit plan modifications	—	—	—	—
Derivative financial instruments:				
Change in fair value	(41)	(104)	(56)	(56)
Reclassification into earnings	13	1	12	(25)
Unrealized gain (loss) on investments				
Net change in value	1	—	—	2
Other Comprehensive Income (Loss) Before Tax	(60)	(46)	(110)	34
Income tax expense on other comprehensive income	—	—	—	—
Comprehensive Income (Loss)	$ 168	$ (310)	$ (135)	$ (1,906)

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

AMERICAN AIRLINES, INC.
DEBTOR AND DEBTOR IN POSSESSION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (In millions)

	June 30, 2013	December 31, 2012
Assets		
Current Assets		
Cash	$ 599	$ 474
Short-term investments	5,604	3,408
Restricted cash and short-term investments	863	850
Receivables, net	1,357	1,105
Inventories, net	561	550
Fuel derivative contracts	21	65
Other current assets	582	559
Total current assets	9,587	7,011
Equipment and Property		
Flight equipment, net	10,391	10,185
Other equipment and property, net	2,065	2,081
Purchase deposits for flight equipment	696	710
	13,152	12,976
Equipment and Property Under Capital Leases		
Flight equipment, net	201	222
Other equipment and property, net	58	60
	259	282
International slots and route authorities	710	708
Domestic slots and airport operating and gate lease rights, less accumulated amortization, net	149	161
Other assets	2,132	2,126
	$ 25,989	$ 23,264

AMERICAN AIRLINES, INC.
DEBTOR AND DEBTOR IN POSSESSION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (In millions)

	June 30, 2013	December 31, 2012
Liabilities and Stockholder's Equity (Deficit)		
Current Liabilities		
Accounts payable	$ 1,475	$ 1,212
Accrued liabilities	2,073	2,010
Air traffic liability	5,665	4,524
Payable to affiliates, net	2,770	2,753
Current maturities of long-term debt	1,298	1,388
Current obligations under capital leases	28	31
Total current liabilities	13,309	11,918
Long-term debt, less current maturities	8,014	6,762
Obligations under capital leases, less current obligations	367	381
Pension and postretirement benefits	6,702	6,780
Other liabilities, deferred gains and deferred credits	1,859	1,691
Liabilities Subject to Compromise	5,834	5,694
Stockholder's Equity (Deficit)		
Common stock	—	—
Additional paid-in capital	4,472	4,469
Accumulated other comprehensive income (loss)	(3,198)	(3,088)
Accumulated deficit	(11,370)	(11,343)
	(10,096)	(9,962)
	$ 25,989	$ 23,264

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

AMERICAN AIRLINES, INC.
DEBTOR AND DEBTOR IN POSSESSION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (In millions)

	Six Months Ended June 30,	
	2013	2012
Net Cash Provided by (used in) Operating Activities	$ 1,825	$ 1,652
Cash Flow from Investing Activities:		
Capital expenditures, including aircraft lease deposits	(1,799)	(728)
Net decrease (increase) in short-term investments	(2,196)	(891)
Net decrease (increase) in restricted cash and short-term investments	(13)	(34)
Proceeds from sale of equipment, property, and investments/subsidiaries	22	56
Net cash provided by (used in) investing activities	(3,986)	(1,597)
Cash Flow from Financing Activities:		
Payments on long-term debt and capital lease obligations	(551)	(602)
Proceeds from:		
Issuance of debt	1,684	—
Sale-leaseback transactions	1,132	568
Funds transferred to affiliates, net	16	66
Other	5	—
Net cash provided by (used in) financing activities	2,286	32
Net increase (decrease) in cash	125	87
Cash at beginning of period	474	280
Cash at end of period	$ 599	$ 367

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

AMERICAN AIRLINES, INC.
DEBTOR AND DEBTOR IN POSSESSION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Chapter 11 Reorganization

Overview

On November 29, 2011 (the Petition Date), AMR Corporation (AMR), its principal subsidiary, American Airlines, Inc. (the Company) and certain of AMR's other direct and indirect domestic subsidiaries (collectively, the Debtors) filed voluntary petitions for relief (the Chapter 11 Cases) under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code), in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). The Chapter 11 Cases are being jointly administered under the caption "In re AMR Corporation, et al., Case No. 11-15463-SHL."

The Company and the other Debtors are operating as "debtors in possession" under the jurisdiction of the Bankruptcy Court and the applicable provisions of the Bankruptcy Code. In general, as debtors in possession under the Bankruptcy Code, we are authorized to continue to operate as an ongoing business but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. The Bankruptcy Code enables the Company to continue to operate its business without interruption, and the Bankruptcy Court has granted additional relief covering, among other things, obligations to (i) employees, (ii) taxing authorities, (iii) insurance providers, (iv) independent contractors for improvement projects, (v) foreign vendors, (vi) other airlines pursuant to certain interline agreements, and (vii) certain vendors deemed critical to the Debtors' operations.

While operating as debtors in possession under Chapter 11 of the Bankruptcy Code, the Debtors may sell or otherwise dispose of or liquidate assets or settle liabilities, subject to the approval of the Bankruptcy Court or otherwise as permitted in the ordinary course of business. On April 15, 2013, the Company and other Debtors filed with the Bankruptcy Court a proposed Plan of Reorganization (as amended on June 5, 2013, the Plan) and related Disclosure Statement (herein so called). On June 7, 2013, the Bankruptcy Court entered an order approving the Disclosure Statement for the Plan dated June 5, 2013. The Plan contains provisions for the treatment of equity interests in, and prepetition claims against, AMR and the other Debtors. The Plan also contemplates a business combination of AMR and US Airways Group, Inc. (referred to herein as the Merger). See Note 12 to the Condensed Consolidated Financial Statements for further information. The Plan has been submitted to the Debtors' stakeholders and is subject to acceptance by the requisite majorities of empowered stakeholders under the Bankruptcy Code and approval by the Bankruptcy Court. See below for further information on the plan of reorganization. The Plan and Disclosure Statement and the information contained therein are not incorporated in this Form 10-Q.

The Company's Chapter 11 Cases followed an extended effort by the Company to restructure its business to strengthen its competitive and financial position. However, the Company's substantial cost disadvantage compared to its larger competitors, all of which restructured their costs and debt through Chapter 11, became increasingly untenable given the accelerating impact of global economic uncertainty and resulting revenue instability, volatile and rising fuel prices, and intensifying competitive challenges.

Notwithstanding any indications of value that may be contained in the Plan, no assurance can be given as to the value that ultimately may be ascribed to the Debtors' various prepetition liabilities and other securities. The Company cannot predict what the ultimate value of any of any of its securities may be.

General Information

Notices to Creditors; Effect of Automatic Stay. The Debtors have notified all known current or potential creditors that the Chapter 11 Cases were filed. Subject to certain exceptions under the Bankruptcy Code, the filing of the Debtors' Chapter 11 Cases automatically enjoined, or stayed, the continuation of most judicial or administrative proceedings or filing of other actions against the Debtors or their property to recover on, collect or secure a claim arising prior to the Petition Date. Thus, for example, most creditor actions to obtain possession of property from the Debtors, or to create, perfect or enforce any lien against the property of the Debtors, or to collect on monies owed or otherwise exercise rights or remedies with respect to a prepetition claim, are enjoined unless and until the Bankruptcy Court lifts the automatic stay as to any such claim. Vendors are being paid for goods furnished and services provided after the Petition Date in the ordinary course of business.

Appointment of Creditors' Committee. On December 5, 2011, the U.S. Trustee appointed the Creditors' Committee (Creditors' Committee) for the Chapter 11 Cases.

Retirement and Life Insurance Benefits. See Note 8 to the Condensed Consolidated Financial Statements for information regarding modifications to retirement and life insurance benefits.

Rejection of Executory Contracts. Under section 365 and other relevant sections of the Bankruptcy Code, the Debtors may assume, assume and assign, or reject certain executory contracts and unexpired leases, including, without limitation, agreements relating to aircraft and aircraft engines (collectively, Aircraft Property) and leases of real property, subject to the approval of the Bankruptcy Court and certain other conditions. As of June 30, 2013, the Bankruptcy Court had entered orders granting the Debtors' motions to assume 543, assume and assign one, terminate one, and reject 12 unexpired leases of non-residential real property and had entered various orders extending, by the Debtors' agreement with certain landlords, the date by which the Debtors must assume or reject an additional 14 unexpired leases of non-residential real property.

On April 3, 2013, the Bankruptcy Court entered an order approving a stipulation providing that, among other things, (i) the 1990 and 1994 series of special facility revenue bonds that financed certain improvements at John F. Kennedy International Airport (JFK) will be treated as general unsecured claims, (ii) the Debtors may continue to use any premises and improvements at JFK or LaGuardia Airport financed by the 1990 or 1994 series of special facility revenue bonds, (iii) the Debtors will assume the leases at JFK that currently relate to the 2002 and 2005 series of special facility revenue bonds, and (iv) the Debtors' use of premises at JFK will continue to be governed by those leases as well as any other leases that may apply (including leases with the Port Authority of New York and New Jersey). As a result, the Company expects a claim of approximately $171 million relating to the 1990 and 1994 series of special facility revenue bonds, of which $124 million has been previously accrued, plus post-petition interest.

In general, rejection of an executory contract or unexpired lease is treated as a prepetition breach of the executory contract or unexpired lease in question and, subject to certain exceptions, relieves the Debtors from performing their future obligations under such executory contract or unexpired lease but entitles the contract counterparty or lessor to a prepetition general unsecured claim for damages caused by such deemed breach. Counterparties to such rejected contracts or leases have the right to file claims against the Debtors' estate for such damages. Generally, the assumption of an executory contract or unexpired lease requires the Debtors to cure existing defaults under such executory contract or unexpired lease.

Any description of an executory contract or unexpired lease elsewhere in these Notes or in the report to which these Notes are attached, including where applicable the Debtors' express termination rights or a quantification of their obligations, must be read in conjunction with, and is qualified by, any rights the Debtors or counterparties have under section 365 of the Bankruptcy Code.

The Debtors expect that liabilities subject to compromise and resolution in the Chapter 11 Cases will arise in the future as a result of damage claims created by the Debtors' rejection of various executory contracts and unexpired leases. Due to the uncertain nature of many of the potential rejection claims, the magnitude of such claims is not reasonably estimable at this time. Such claims may be material (see "Liabilities Subject to Compromise" in Note 1 to the Condensed Consolidated Financial Statements).

Special Protection Applicable to Leases and Secured Financing of Aircraft and Aircraft Equipment. Notwithstanding the general discussion above of the impact of the automatic stay, under section 1110 of the Bankruptcy Code, beginning 60 days after filing a petition under Chapter 11, certain secured parties, lessors and conditional sales vendors may have a right to take possession of certain qualifying Aircraft Property that is leased or subject to a security interest or conditional sale contract, unless the Debtors, subject to approval by the Bankruptcy Court, agree to perform under the applicable agreement, and cure any defaults as provided in section 1110 (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code). Taking such action does not preclude the Debtors from later rejecting the applicable lease or abandoning the Aircraft Property subject to the related security agreement, or from later seeking to renegotiate the terms of the related financing.

The Debtors may extend the 60-day period by agreement of the relevant financing party, with Bankruptcy Court approval. In the absence of an agreement or cure as described above or such an extension, the financing party may take possession of the Aircraft Property and enforce its contractual rights or remedies to sell, lease or otherwise retain or dispose of such equipment.

The 60-day period under section 1110 in the Chapter 11 Cases expired on January 27, 2012. In accordance with the Bankruptcy Court's Order Authorizing the Debtors to (i) Enter into Agreements Under Section 1110(a) of the Bankruptcy Code, (ii) Enter into Stipulations to Extend the Time to Comply with Section 1110 of the Bankruptcy Code and (iii) File Redacted Section 1110(b) Stipulations, dated December 23, 2011, the Debtors have entered into agreements to extend the automatic stay or agreed to perform and cure defaults under financing agreements with respect to certain aircraft in their fleet and other Aircraft Property. The Debtors have reached agreement on revised terms with respect to substantially all of the aircraft for which the Debtors expect to negotiate revised terms, subject in a number of instances to certain conditions, including reaching agreement on definitive documentation. The ultimate outcome of these negotiations cannot be predicted with certainty. To the extent the Debtors are unable to reach definitive agreements with Aircraft Property financing parties, those parties may seek to repossess the subject Aircraft Property.

Magnitude of Potential Claims. On February 27, 2012, the Debtors filed with the Bankruptcy Court schedules and statements of financial affairs setting forth, among other things, the assets and liabilities of the Debtors, subject to the assumptions filed in connection therewith. All of the schedules are subject to further amendment or modification.

Bankruptcy Rule 3003(c)(3) requires the Bankruptcy Court to fix the time within which proofs of claim must be filed in a Chapter 11 case pursuant to section 501 of the Bankruptcy Code. This Bankruptcy Rule also provides that any creditor who asserts a claim against the Debtors that arose prior to the Petition Date and whose claim (i) is not listed on the Debtors' schedules or (ii) is listed on the schedules as disputed, contingent, or unliquidated, must file a proof of claim. On May 4, 2012, the Bankruptcy Court entered an order that established July 16, 2012 at 5:00 p.m. (Eastern Time) (the Bar Date) as the deadline to file proofs of claim against any Debtor. More information regarding the filing of proofs of claim can be obtained at www.amrcaseinfo.com. Information on this website is not incorporated into or otherwise made a part of this report.

As of July 10, 2013, approximately 13,500 claims totaling about $290 billion have been filed with the Bankruptcy Court against the Debtors. Of those claims, approximately 360 claims aggregating approximately $66 million were filed after the Bar Date. We expect new and amended claims to be filed in the future, including claims amended to assign values to claims originally filed with no designated value. We intend to dispute the claims filed after the Bar Date as not having been filed timely and in accordance with the Bankruptcy Code. We have identified, and we expect to continue to identify, many claims that we believe should be disallowed by the Bankruptcy Court because they are duplicative, are without merit, are overstated or for other reasons. As of July 10, 2013, the Bankruptcy Court has disallowed approximately $116 billion of claims and has not yet ruled on our other objections to claims, the disputed portions of which aggregate to an additional $1.1 billion. We expect to continue to file objections in the future. Because the process of analyzing and objecting to claims is ongoing, the amount of disallowed claims may increase significantly in the future. The Debtors have recorded amounts for claims for which there was sufficient information to estimate the claim.

Differences between amounts scheduled by the Debtors and claims by creditors will be investigated and resolved in connection with the claims resolution process. In light of the expected number of creditors, the claims resolution process may take considerable time to complete. Accordingly, the ultimate number and amount of allowed claims is not presently known, nor can the ultimate recovery with respect to allowed claims be presently ascertained.

Collective Bargaining Agreements. Section 1113(c) of the Bankruptcy Code provides a process for the modification and/or rejection of collective bargaining agreements (CBAs). Through this process, American was able to achieve new CBAs with each of its unions (TWU, APFA and APA), covering nine unionized work groups.

In September 2012, the Bankruptcy Court authorized American to reject its pilot CBA, and thereafter American began implementing certain terms and conditions of employment for pilots. American and the APA continued to negotiate in good faith toward a new pilot agreement, and those negotiations resulted in a new pilot CBA that was approved by the Bankruptcy Court on December 19, 2012. A small group of American pilots is appealing the Bankruptcy Court's decisions granting American's request to reject the pilot CBA and approving the new pilot CBA, and those appeals are pending in the U.S. District Court for the Southern District of New York.

American Eagle Airlines, Inc. (AMR Eagle) also engaged in the Section 1113(c) process with its unions, and ultimately achieved new CBAs with its unions, including AFA, ALPA and all four TWU-represented work groups.

In addition, American's pilots, flight attendants, and ground employee unions and the US Airways, Inc. pilots union have agreed to new terms for CBAs, effective upon the closing of the proposed Merger with US Airways Group Inc. (see Note 12 to the Condensed Consolidated Financial Statements for further information regarding the Merger). Separately, US Airways entered into a new CBA with the Association of Flight Attendants-CWA (the “AFA”) that includes support for the Merger. American's unions representing pilots and flight attendants are working with their counterparts at US Airways, Inc. to determine representation and single agreement protocols to be used to integrate the pilots and flight attendants workforces after the Merger. The TWU reached agreement with its counterpart at US Airways (the International Association of Machinists and Aerospace Workers (IAM)) to jointly represent three groups of ground employees (Mechanic and Related, Fleet Service and Stores) following the Merger (subject to certification by NMB), and on a process for integrating these workgroups, and one other, following the Merger.

Filing of Plan of Reorganization, Disclosure Statement and Form S-4. On April 15, 2013, the Company and other Debtors filed with the Bankruptcy Court the Plan and Disclosure Statement , which contemplate that AMR will emerge from Chapter 11 and engage in the Merger (as further described in Note 12 to the Condensed Consolidated Financial Statements). The Plan addresses various subjects with respect to the Debtors, including the resolution of pre-petition obligations as well as the capital structure and corporate governance after exit from the Chapter 11 Cases. The Plan further provides that, upon the effectiveness of the Plan and the Merger, which are anticipated to occur contemporaneously, all shares of existing AMR common stock and other equity interests in AMR will be canceled and any rights with respect thereto will cease to exist, subject to the right to receive distributions pursuant to the Plan. The Bankruptcy Court entered an order approving the Disclosure Statement on June 7, 2013, as discussed more fully below.

Generally, for purposes of the Plan, all 20 Debtors will be “substantively consolidated” into three nodes, consisting of: (i) AMR Debtors, (ii) American Debtors, and (iii) Eagle Debtors. As among the AMR Debtors, the American Debtors, and the Eagle Debtors, the Plan will separately classify creditor claims. However, pursuant to the compromises incorporated into the Plan relating to certain inter-creditor issues and the treatment of intercompany claims among the Debtors, general unsecured claims of similar rank and priority will be treated the same under the Plan regardless of the Debtor against which such claim was filed.

The Plan contains provisions related to the treatment of prepetition unsecured claims against the Debtors and equity interests in AMR as described in the Plan and Disclosure Statement and in Note 12 to the Condensed Consolidated Financial Statements under "Support Agreement and Term Sheet."

On June 7, 2013, the Bankruptcy Court entered the order approving the Disclosure Statement. The Court also authorized the Debtors to begin soliciting votes on the Plan from creditors and stockholders. Solicitation packages were distributed by June 20, 2013. The Company and the other Debtors have until July 29, 2013 to solicit and obtain acceptances for the Plan. The hearing before the Court to consider confirmation of the Plan is scheduled for August 15, 2013. To be accepted by holders of claims against the Debtors, the Plan must be approved by at least one-half in number and two-thirds in dollar amount of claims actually voting in each impaired class. Under certain circumstances set forth in Section 1129(b) of the Bankruptcy Code, the Bankruptcy Court may confirm a plan even if the plan has not been accepted by all impaired classes of claims and equity interests. A class of claims or equity interest that does not receive or retain any property under the plan on account of such claims or interest is deemed to have voted to reject the plan. The precise requirements and evidentiary showing for confirming a plan notwithstanding its rejection by one or more impaired classes of claims or equity interests depends upon a number of factors, including the status and seniority of the claims or equity interests in the rejecting class (i.e. secured claims or unsecured claims, subordinated or senior claims, preferred or common stock).

On April 15, 2013, AMR filed a Form S-4 registration statement (the Form S-4 Registration Statement) with the SEC to register the shares of common stock of AMR, which following the Merger will be renamed American Airlines Group Inc. (herein, the AAG Common Stock), to be issued to stockholders of US Airways Group, Inc. (US Airways Group) as consideration in the Merger in exchange for their US Airways Group common stock. The SEC declared the Form S-4 Registration Statement, as amended, effective on June 10, 2013. The AAG Common Stock cannot be issued to US Airways Group stockholders until the US Airways Group stockholders vote to approve the Merger, the Plan is confirmed and the Plan and Merger are consummated.

Nothing contained in this Form 10-Q is intended to be, nor should it be construed as, a solicitation for a vote on the Plan. The Plan will become effective only if it receives the requisite approval and is confirmed by the Bankruptcy Court. There can be no assurance that the Bankruptcy Court will confirm the Plan or that the Plan will be implemented successfully. See “Additional Information” below.

Merger Agreement. See Note 12 to the Condensed Consolidated Financial Statements for information regarding the Merger Agreement.

Availability and Utilization of Net Operating Losses. A discussion of the potential impact of the Plan on the availability and utilization of net operating losses (and alternative minimum tax credits) after the Debtors' emergence from Chapter 11 is contained in the Disclosure Statement. As described therein, the Debtors reasonably anticipate taking advantage of the special bankruptcy rule in section 382(l)(5) of the U.S. Internal Revenue Code, which generally applies to an ownership change in bankruptcy that involves the retention or receipt of at least half of the stock of the reorganized debtor by its shareholders and/or qualified creditors.

On April 11, 2013, the Bankruptcy Court issued a Revised Final Order Establishing Notification Procedures for Substantial Claimholders and Equity Security Holders and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates (the "Revised Order"), which restricts trading in the Company's common stock and establishes certain procedures and potential restrictions with respect to the transfer of claims (the “Revised Procedures”). The order is intended to prevent, or otherwise institute procedures and notification requirements with respect to, certain transfers of AMR common stock and unsecured claims against the Debtors that could impair the ability of the Debtors to use their net operating loss carryovers and certain other tax attributes on a reorganized basis.

In accordance with the Revised Procedures, the Debtors established in the Debtors' proposed Disclosure Statement as filed on April 15, 2013, an initial date by which holders of unsecured claims (or in certain cases, group of holders) that beneficially owned in excess of a threshold amount as of May 24, 2013 were required to file a Notice of Substantial Claim Ownership. The reporting deadline was May 31, 2013, and the threshold amount was $190 million of unsecured claims or such lesser amount as set forth in the proposed Disclosure Statement. The Disclosure Statement as approved on June 7, 2013 establishes in accordance with the Revised Procedures a second (final) date by which holders of unsecured claims (or in certain cases, group of holders) that beneficially

own in excess of a threshold amount as of July 1, 2013 must file a Notice of Substantial Claim Ownership (regardless of whether such holder(s) filed a Notice as of the first reporting deadline). The final reporting deadline was July 8, 2013. The threshold amount is $190 million of unsecured claims or such lesser amount as set forth in the approved Disclosure Statement, namely such lesser amount which, when added to certain specified interests, including stock, in AMR or US Airways Group, would result in such holder holding the "Applicable Percentage," generally 4.5 percent, of the reorganized Debtors. In connection with the filing of a Notice of Substantial Claim Ownership, a holder must indicate if it will agree to refrain from acquiring additional AMR and US Airways Group common stock and such other specified interests until after the effective date of the Debtors' Chapter 11 plan of reorganization, and to dispose of any such interests acquired since February 22, 2013. This can affect the manner in which the Revised Procedures apply to certain holders. Based, in part, on the Notices of Substantial Claim Ownership received, the Debtors thereafter will evaluate whether it will be necessary for them to seek an order in accordance with the "sell-down" procedures of the Revised Order, potentially requiring any "Substantial Claimholder" to sell down a portion of its unsecured claims to reasonably ensure that the requirements of section 382(l)(5) will be satisfied.

After July 1, 2013, any acquisition of unsecured claims by a Substantial Claimholder or a person (or in certain cases, group of persons) that would become a Substantial Claimholder as a result of the contemplated transaction is not permitted unless the potential transferee files a Claims Acquisition Request at least 10 business days prior to the proposed transfer date and receives written approval from the Debtors.

The Revised Procedures did not alter the procedures applicable with respect to "Substantial Equityholders," namely persons who are, or as a result of a transaction would become, the beneficial owner of approximately 4.5 percent of the outstanding shares of AMR common stock.

Any acquisition, disposition, or other transfer of equity or claims in violation of the restrictions set forth in the Revised Order will be null and void *ab initio* and/or subject to sanctions as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code. A further explanation of the Revised Procedures is contained in the Disclosure Statement.

Liabilities Subject to Compromise

The following table summarizes the components of liabilities subject to compromise included on the Condensed Consolidated Balance Sheet as of June 30, 2013 and December 31, 2012:

(in millions)

	June 30, 2013	December 31, 2012
Long-term debt	$ 335	$ 358
Estimated allowed claims on aircraft lease and debt obligations and facility lease and bond obligations	3,963	3,716
Pension and postretirement benefits	1,219	1,250
Accounts payable and other accrued liabilities	317	370
Other	—	—
Total liabilities subject to compromise	$ 5,834	$ 5,694

Long-term debt, including undersecured debt, classified as subject to compromise as of June 30, 2013 and December 31, 2012 consisted of (in millions):

	June 30, 2013	December 31, 2012
Secured variable and fixed rate indebtedness due through 2023 (effective rates from 1.00% - 10.00% at June 30, 2013)	$ 149	$ 172
6.00%—8.50% special facility revenue bonds due through 2036	186	186
	$ 335	$ 358

Liabilities subject to compromise refers to prepetition obligations which may be impacted by the Chapter 11 reorganization process. These amounts represent the Debtors' current estimate of known or potential prepetition obligations to be resolved in connection with the Chapter 11 Cases.

In accordance with ASC 852, substantially all of the Company's unsecured debt has been classified as liabilities subject to compromise. Additionally, certain of the Company's undersecured debt instruments have also been classified as liabilities subject to compromise.

As a result of the modifications to the retirement benefits as discussed in Note 8 to the Condensed Consolidated Financial Statements, a portion of the pension and postretirement benefits liability, primarily relating to retiree medical and other benefits, was classified as liabilities subject to compromise.

Differences between liabilities the Debtors have estimated and the claims filed, or to be filed, will be investigated and resolved in connection with the claims resolution process. The Company will continue to evaluate these liabilities throughout the Chapter 11 Cases and adjust amounts as necessary. Such adjustments may be material. In light of the expected number of creditors, the claims resolution process may take considerable time to complete. Accordingly, the ultimate number and amount of allowed claims is not presently known.

Reorganization Items, net

Reorganization items refer to revenues, expenses (including professional fees), realized gains and losses and provisions for losses that are realized or incurred in the Chapter 11 Cases. The following table summarizes the components included in reorganization items, net on the Consolidated Statements of Operations for the three months and six months ended June 30, 2013 and June 30, 2012:

(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Aircraft and facility financing renegotiations and rejections[1][2][3]	83	158	219	1,514
Professional fees	40	72	78	117
Other	1	—	(14)	—
Total reorganization items, net	$ 124	$ 230	283	1,631

(1) Amounts include allowed claims (claims approved by the Bankruptcy Court) and estimated allowed claims relating to the rejection or modification of financings related to aircraft. The Debtors record an estimated claim associated with the rejection or modification of a financing when the applicable motion is filed with the Bankruptcy Court to reject or modify such financing and the Debtors believe that it is probable the motion will be approved, and there is sufficient information to estimate the claim. Modifications of the financings related to certain aircraft remain subject to conditions, including reaching agreement on definitive documentation. See above, "Special Protection Applicable to Leases and Secured Financing of Aircraft and Aircraft Equipment," for further information.

(2) Amounts include allowed claims (claims approved by the Bankruptcy Court) and estimated allowed claims relating to entry of orders treating as unsecured claims with respect to facility agreements supporting certain issuances of special facility revenue bonds. The Debtors record an estimated claim associated with the treatment of claims with respect to facility agreements when the applicable motion is filed with the Bankruptcy Court and the Debtors believe that it is probable that the motion will be approved, and there is sufficient information to estimate the claim. See above, "Rejection of Executory Contracts," for further information.

(3) Pursuant to the Support Agreement, as defined and further described in Note 12 to the Condensed Consolidated Financial Statements, the Debtors agreed to allow certain post-petition unsecured claims on obligations. As a result, during the first six months of 2013, the Company recorded reorganization charges to adjust estimated allowed claim amounts previously recorded on rejected special facility revenue bonds of $143 million and allowed general unsecured claims related to the 1990 and 1994 series of special facility revenue bonds that financed certain improvements at John F. Kennedy International Airport, which is included in the table above.

Claims related to reorganization items are reflected in liabilities subject to compromise on the Condensed Consolidated Balance Sheet as of June 30, 2013.

2. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with United States (U.S.) generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Results of operations for the periods presented herein are not necessarily indicative of results of operations for the entire year. American is a wholly owned subsidiary of AMR. The Condensed Consolidated Financial Statements also include the accounts of variable interest entities for which the Company is the primary beneficiary. For further information, refer to the consolidated financial statements and footnotes included in American's Annual Report on Form 10-K filed on February 20, 2013, as amended by the Form 10-K/A filed on April 16, 2013 (2012 Form 10-K).

In accordance with GAAP, the Debtors have applied ASC 852 "Reorganizations" (ASC 852), in preparing the Condensed Consolidated Financial Statements. ASC 852 requires that the financial statements, for periods subsequent to the Chapter 11 Cases, distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, certain revenues, expenses (including professional fees), realized gains and losses and provisions for losses that are realized or incurred in the Chapter 11 Cases are recorded in reorganization items, net on the accompanying Consolidated Statement of Operations. In addition, prepetition obligations that may be impacted by the Chapter 11 reorganization process have been classified on the Condensed Consolidated Balance Sheet in liabilities subject to compromise. These liabilities are reported at the amounts expected to be allowed by the Bankruptcy Court, even if they may be settled for lesser amounts.

Certain of our non-U.S. subsidiaries were not part of the Chapter 11 filings. Since the non-US subsidiaries not part of the bankruptcy filing do not have significant transactions, we do not separately disclose the condensed combined financial statements of such non-U.S. subsidiaries in accordance with the requirements of reorganization accounting.

These Condensed Consolidated Financial Statements have also been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business. Accordingly, the Condensed Consolidated Financial Statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Debtors be unable to continue as a going concern.

As a result of the Chapter 11 Cases, the satisfaction of our liabilities and funding of ongoing operations are subject to uncertainty and, accordingly, there is a substantial doubt of the Company's ability to continue as a going concern.

The accompanying Condensed Consolidated Financial Statements do not purport to reflect or provide for the consequences of the Chapter 11 Cases, other than as set forth under "liabilities subject to compromise" on the accompanying Condensed Consolidated Balance Sheet and "income (loss) before reorganization items" and "reorganization items, net" on the accompanying Consolidated Statement of Operations (see Note 1 to the Condensed Consolidated Financial Statements). In particular, the financial statements do not purport to show (1) as to assets, their realizable value on a liquidation basis or their availability to satisfy liabilities; (2) as to prepetition liabilities, the amounts that may be allowed for claims or contingencies, or the status and priority thereof; or (3) as to operations, the effect of any changes that may be made to the Debtors' business.

3. Commitments, Contingencies and Guarantees

American had total aircraft acquisition commitments as of June 30, 2013 as follows:

		Boeing				Airbus		
		737 Family	737 MAX	777-300 ER	787 Family	A320 Family	A320 NEO	Total
Remainder of 2013	Purchase	13	—	2	—	—	—	15
	Lease	—	—	—	—	20	—	20
2014	Purchase	20	—	6	2	—	—	28
	Lease	—	—	—	—	35	—	35
2015	Purchase	—	—	2	11	—	—	13
	Lease	20	—	—	—	30	—	50
2016	Purchase	—	—	2	13	—	—	15
	Lease	20	—	—	—	25	—	45
2017	Purchase	—	3	—	9	—	10	22
	Lease	20	—	—	—	20	—	40
2018 and beyond	Purchase	—	97	—	7	—	120	224
	Lease	—	—	—	—	—	—	—
Total	Purchase	33	100	12	42	—	130	317
	Lease	60	—	—	—	130	—	190

As of June 30, 2013, and subject to assumption of certain of the related agreements, payments for the above purchase commitments and certain engines will approximate $0.8 billion in the remainder of 2013, $2.0 billion in 2014, $1.7 billion in 2015, $2.0 billion in 2016, $2.1 billion in 2017, and $12.2 billion for 2018 and beyond. These amounts are net of purchase deposits currently held by the manufacturers. American has granted Boeing a security interest in American's purchase deposits with Boeing. The Company's purchase deposits totaled $696 million as of June 30, 2013.

As of June 30, 2013, and subject to assumption of certain of the related agreements, total future lease payments for all leased aircraft, including aircraft not yet delivered, will approximate $427 million in the remainder of 2013, $979 million in 2014, $1.2 billion in 2015, $1.4 billion in 2016, $1.6 billion in 2017, and $12.2 billion in 2018 and beyond.

Capacity Purchase Agreements with Third Party Regional Airlines

During 2012, American entered into capacity purchase agreements with SkyWest Airlines, Inc. (SkyWest) and with ExpressJet Airlines, Inc. (ExpressJet), both wholly owned subsidiaries of SkyWest, Inc., to provide 50-seat regional jet feed. Both airlines operate the services under the American Eagle® brand. SkyWest began service from Los Angeles International Airport on November 15, 2012, and ExpressJet began service from Dallas-Ft. Worth International Airport on February 14, 2013. In addition, Chautauqua Airlines, Inc. (Chautauqua) continues to operate under the brand AmericanConnection® under a capacity purchase agreement with American.

On January 23, 2013, American entered into a 12 year capacity purchase agreement with Republic Airline Inc. (Republic), a subsidiary of Republic Airways Holdings, to provide large regional jet flying. Through the agreement, Republic will acquire 47 Embraer E-175 aircraft featuring a two-class cabin with 12 first class seats and 64 seats in the main cabin. The aircraft, which will fly under the American Eagle® brand, will begin phasing into operation at approximately two to three aircraft per month beginning in August 2013. All 47 aircraft are expected to be in operation by the first quarter of 2015.

As of June 30, 2013, American's minimum fixed obligations under its capacity purchase agreements with third party regional airlines were approximately $200 million in the remainder of 2013, $522 million in 2014, $671 million in 2015, $671 million in 2016, $515 million in 2017 and $4.3 billion in 2018 and beyond. These obligations contemplate minimum levels of flying by the third party airlines under the respective agreements and also reflect assumptions regarding certain costs associated with the minimum levels of flying such as the cost of fuel, insurance, catering, property tax and landing fees. Accordingly, actual payments under these agreements could differ materially from the minimum fixed obligations set forth above.

Other

As a result of the filing of the Chapter 11 Cases, attempts to prosecute, collect, secure or enforce remedies with respect to prepetition claims against the Debtors are subject to the automatic stay provisions of Section 362(a) of the Bankruptcy Code, except in such cases where the Bankruptcy Court has entered an order modifying or lifting the automatic stay. Notwithstanding the general application of the automatic stay described above, governmental authorities, both domestic and foreign, may determine to continue actions brought under their regulatory powers. Therefore, the automatic stay may have no effect on certain matters, and the Debtors cannot predict the impact, if any, that its Chapter 11 Cases might have on its commitments and obligations.

4. Depreciation and Amortization

Accumulated depreciation of owned equipment and property at June 30, 2013 and December 31, 2012 was $10.8 billion and $10.4 billion, respectively. Accumulated amortization of equipment and property under capital leases at June 30, 2013 and December 31, 2012 was $232 million and $205 million, respectively.

5. Income Taxes

The Company provides a valuation allowance for deferred tax assets when it is more likely than not that some portion, or all, of its deferred tax assets will not be realized. The Company's deferred tax asset valuation allowance was $5.1 billion as of December 31, 2012 and $5.1 billion as of June 30, 2013, including the impact of comprehensive income for the six months ended June 30, 2013 and changes from other adjustments. These other adjustments include the realization of an income tax expense credit of approximately $30 million recorded for the six months ended June 30, 2013 by the Company as a result of passage of the American Taxpayer Relief Act of 2012. There was no amount of adjustment recorded by the Company during the six months ended June 30, 2012.

Under current accounting rules, the Company is required to consider all items (including items recorded in other comprehensive income) in determining the amount of tax benefit that results from a loss from continuing operations and that should be allocated to continuing operations. Due to the significant volatility of items impacting other comprehensive income on a quarterly basis, the Company generally does not record any such tax benefit allocation until all items impacting other comprehensive income are known for the annual period. Thus, any such interim tax benefit allocation may subsequently be subject to reversal.

6. Indebtedness and Leases

Long-term debt classified as not subject to compromise consisted of (in millions):

	June 30, 2013	December 31, 2012
Secured variable and fixed rate indebtedness due through 2023 (effective rates from 1.00%-13.00% at June 30, 2013)	$ 2,925	$ 3,297
Enhanced equipment trust certificates (EETC) due through 2025 (rates from 4.00%-10.375% at June 30, 2013)	2,308	1,741
6.00%-8.50% special facility revenue bonds due through 2031	1,314	1,313
7.50% senior secured notes due 2016	1,000	1,000
Senior secured credit facility due 2019 (rate of 4.75% at June 30, 2013)	1,045	—
AAdvantage Miles advance purchase (net of discount of $46 million) (effective rate 8.3%)	693	772
Other	27	27
	9,312	8,150
Less current maturities	1,298	1,388
Long-term debt, less current maturities	$ 8,014	$ 6,762

The financings listed in the table above are considered not subject to compromise. For information regarding the liabilities subject to compromise, see Note 1 to the Condensed Consolidated Financial Statements.

The Company's future long-term debt and operating lease payments have changed as its ordered aircraft are delivered and such deliveries have been financed. As of June 30, 2013, maturities of long-term debt (including sinking fund requirements) for the next five years are:

Years Ending December 31 (in millions)	Principal Not Subject to Compromise	Principal Subject to Compromise	Total Principal Amount
Remainder of 2013	$ 867	$ 89	$ 956
2014	897	150	1,047
2015	796	4	800
2016	1,790	4	1,794
2017	530	28	558

Principal Not Subject to Compromise and Subject to Compromise includes payments not made due to the Chapter 11 Cases of $451 million and $69 million, respectively.

Future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of a year as of June 30, 2013, were: remainder of 2013 – $578 million, 2014 – $1.1 billion, 2015 – $1.0 billion, 2016 – $946 million, 2017 – $902 million, and 2018 and beyond – $5.7 billion. As of June 30, 2013, $95 million and $302 million are included on the accompanying balance sheet in Liabilities Subject to Compromise and Accrued liabilities and other liabilities and deferred credits, respectively, relating to rent expense being recorded in advance of future operating lease payments.

As of June 30, 2013, AMR had issued guarantees covering approximately $1.5 billion of American's tax-exempt bond debt (and interest thereon) and $5.1 billion of American's secured debt (and interest thereon). American had issued guarantees covering approximately $842 million of AMR's unsecured debt (and interest thereon).

Financing Transactions

On March 12, 2013, American closed its private offering of two tranches of enhanced equipment trust certificates (the Series 2013-1A/B EETCs) in the aggregate face amount of $664 million. The Series 2013-1A/B EETCs are comprised of a senior tranche of Class A Certificates with an interest rate of 4.00% per annum and a final expected distribution date of July 15, 2025, and a junior tranche of Class B Certificates with an interest rate of 5.625% per annum and a final expected distribution date of January 15, 2021. The Series 2013-1A/B EETCs represent an interest in the assets of two separate pass through trusts, each of which hold equipment notes issued or expected to be issued by American. Interest on the issued and outstanding equipment notes will be payable semiannually on January 15 and July 15 of each year, commencing on July 15, 2013, and principal on such equipment notes is scheduled for payment on January 15 and July 15 of certain years, commencing on January 15, 2014. As of June 30, 2013, the equipment notes are secured by eight currently owned Boeing 737-823 aircraft, one currently owned Boeing 777-223ER aircraft, and three currently owned Boeing 777-323ER aircraft and are expected to be secured by one new Boeing 777-323ER aircraft currently scheduled for delivery to American during July 2013. The certificates were offered in the U.S. to qualified institutional buyers, as defined in, and in reliance on, Rule 144A under the Securities Act of 1933, as amended (the Securities Act).

On June 5, 2013, American closed its private offering of Class C enhanced equipment trust certificates (the Series 2013-1C EETCs) in the aggregate face amount of $120 million. The Series 2013-1C EETCs generally rank junior to the Series 2013-1A/B EETCs. The Series 2013-1C EETCs were issued with an interest rate of 6.125% per annum and a final expected distribution date of July 15, 2018. The 2013-1C EETCs represent an interest in the assets of a separate pass through trust, which will hold certain equipment notes issued or expected to be issued by American. The Series 2013-1C EETCs are secured by the same aircraft securing the Series 2013-1A/B EETCs. The certificates were offered in the U.S. to qualified institutional buyers, as defined in, and in reliance on, Rule 144A under the Securities Act.

On June 27, 2013 American Airlines and AMR Corporation entered into a Credit and Guaranty Agreement (the "Credit Agreement") with certain lenders. The Credit Agreement provides for a $1.05 billion term loan facility (the "Term Loan Facility") and a $1 billion revolving credit facility (the "Revolving Facility" and, together with the Term Loan Facility, the "Credit Facilities"). The Credit Facilities are secured obligations of American and guaranteed by AMR. As of June 30, 2013, American had borrowed $1.05 billion under the Term Loan Facility. The Revolving Facility provides that American may from time to time borrow, repay and reborrow loans thereunder and have letters of credit issued thereunder in an aggregate amount outstanding at any time of up to $1 billion.

Upon consummation of the Merger, US Airways Group and US Airways, Inc. will be required to join the Credit Facilities as guarantors. Following the joinder, certain minimum dollar-thresholds under the negative and financial covenants in the Credit Facilities automatically will be increased.

Except under certain circumstances, American may not make drawings under the Revolving Facility until the date (the "Plan Effective Date") on which certain conditions set forth in the Credit Agreement have been satisfied and the effective date has occurred under (i) a Chapter 11 plan of reorganization that does not differ from the plan of reorganization filed with the Bankruptcy Court on April 15, 2013 in any manner adverse to the lenders without consent (the "Approved Plan of Reorganization") or (ii) an alternative plan of reorganization that satisfies certain financial metrics set forth in the Credit Agreement (an "Alternative Plan").

The Term Loan Facility and Revolving Facility mature on June 27, 2019 and June 27, 2018, respectively, unless otherwise extended by the applicable parties, except that if the Plan Effective Date has not occurred on or before June 27, 2014 under the Approved Plan of Reorganization or an Alternative Plan, then the Term Loan Facility and Revolving Facility mature on June 27, 2014, and if the effective date under a Chapter 11 plan of reorganization occurs under a plan of reorganization that is neither the Approved Plan of Reorganization nor an Alternative Plan, then the Term Loan Facility and Revolving Facility mature on such date.

Voluntary prepayments may be made by American at any time, with a premium of 1.00% applicable to certain prepayments made prior to the date that is six months following June 27, 2013. Mandatory prepayments at par of term loans and revolving loans are required to the extent necessary to comply with American's covenants regarding the collateral coverage ratio and certain dispositions of collateral. In addition, if a "change of control" (as defined in the Credit Agreement) occurs with respect to AMR, American will be required to repay at par the loans outstanding under the Credit Facilities and terminate the Revolving Facility. The Merger would not constitute a change of control.

The Credit Facilities bear interest at an index rate plus an applicable index margin or, at American's option, LIBOR (subject to a floor of 1.00%) plus an applicable LIBOR margin. The applicable LIBOR margins are 3.75% and 3.50% for borrowings under the Term Loan Facility and the Revolving Facility, respectively. Subject to certain limitations and exceptions, the Credit Facilities are secured by certain route authorities, slots and foreign gate leaseholds utilized by American in providing scheduled air carrier service between the United States and South America countries, specifically Argentina, Bolivia, Brazil, Chile, Columbia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

The Credit Facilities contain events of default customary for similar financings, including cross-acceleration to other material indebtedness. Upon the occurrence of an event of default, the outstanding obligations under the Credit Facilities may be accelerated and become due and payable immediately. The Credit Facilities also include affirmative, negative, and financial covenants that, among other things, limit the ability of AMR and its restricted subsidiaries to pay dividends and make certain other payments, make certain investments, incur additional indebtedness, incur liens on the collateral, dispose of the collateral, enter into certain affiliate transactions and engage in certain business activities, in each case subject to certain exceptions. In addition, AMR must maintain a minimum aggregate liquidity (as defined in the Credit Agreement) of $1.5 billion prior to the Merger and $2.0 billion on and following the Merger.

In June 2013, American also remarketed approximately $216 million of Tulsa Municipal Airport Revenue Refunding Bonds Trust Series 2001A, 2001B, and 2000B due June 1, 2035 (Series 2000B) and December 1, 2035 (Series 2001 A&B).

The Company filed a motion with the Bankruptcy Court on October 9, 2012, requesting entry of an order authorizing American to, among other things: (i) obtain postpetition financing in an amount of up to $1.5 billion secured on a first priority basis by, among other things, up to 41 Boeing 737-823 aircraft, 14 Boeing 757-223 aircraft, one Boeing 767-323ER aircraft and 19 Boeing 777-223ER aircraft as part of a new enhanced equipment trust certificate (EETC) financing (the Refinancing EETC) to be offered pursuant to Rule 144A under the Securities Act, and (ii) use cash on hand (including proceeds of the Refinancing EETC) to indefeasibly repay the existing prepetition obligations secured by such aircraft, as applicable, which are currently financed through, as the case may be, an EETC financing entered into by American in July 2009 (the Series 2009-1 Pass Through Certificates), a secured notes financing entered into by American in July 2009 (the 2009-2 Senior Secured Notes) and an EETC financing entered into by American in October 2011 (the Series 2011-2 Pass Through Certificates and, together with the Series 2009-1 Pass Through Certificates and the 2009-2 Senior Secured Notes, the Existing Financings), in each case without the payment of any make-whole amount or other premium or prepayment penalty. American expects the Refinancing EETC structure to be substantially similar to the structure of the Series 2011-2 Pass Through Certificates, other than the economic terms (such as the interest rate) and certain terms and conditions to be in effect during the Chapter 11 Cases.

The Bankruptcy Court approved the motion on January 17, 2013 and entered an order (the EETC Order) to such effect on February 1, 2013. The trustees for the Existing Financings have appealed the EETC Order and judgments rendered in certain related adversary proceedings. The appeals have been briefed and fully submitted and oral arguments were heard on June 20, 2013. The Company intends to continue to assert vigorously its rights to repay the Existing Financings without the payment of any make-whole amount or other premium or prepayment penalty, and is considering all of its options, including the payment of the Existing Financings and closing the Refinancing EETC notwithstanding such appeal. There can be no assurance that the Refinancing EETC will be completed on acceptable terms, if at all, and, although the Company can opt to reinstate the Existing Financings prior to emergence, if the Company determines to repay rather than reinstate the Existing Financings prior to emergence, it is possible that

it could lose the appeal and be required to pay make-whole amounts with respect to the Existing Financings. As of June 30, 2013, such make-whole amounts would have exceeded $400 million in the aggregate.

On June 27, 2013, American commenced tender offers to purchase for cash any and all of the Series 2009-1 Pass Through Certificates, the Series 2009-2 Senior Secured Notes and the Series 2011-2 Pass Through Certificates (collectively, the Existing Securities). The tender offers expire on August 2, 2013, unless extended or earlier terminated. There can be no assurance that any such tender offers will be successful.

Sale-leaseback Arrangements

American has arranged sale-leaseback financings with certain leasing companies for 33 Boeing 737-800 aircraft scheduled to be delivered from July 2013 through 2014. The financings of each aircraft under these arrangements are subject to certain terms and conditions. In addition, in some instances, they are also subject to collaboration with the Creditors' Committee and other key stakeholders and to the approval of the Bankruptcy Court.

During the second quarter, American financed 9 Boeing 737-800 aircraft under sale-leaseback arrangements, which are accounted for as operating leases. These sale-leaseback transactions resulted in gains which are being amortized over the respective remaining lease terms.

Collateral Related Covenants

Certain of American’s debt financing agreements contain loan to value ratio covenants and require American to periodically appraise the collateral. Pursuant to such agreements, if the loan to value ratio exceeds a specified threshold, American is required, as applicable, to subject additional qualifying collateral (which in some cases may include cash collateral), or pay down such financing, in whole or in part, with premium (if any), or pay additional interest on the related indebtedness, as described below.

Specifically, American is required to meet certain collateral coverage tests on a periodic basis on three financing transactions: (1) 10.5% $450 million Senior Secured Notes due 2012 (the 10.5% Notes), (2) 7.5% Senior Secured Notes due 2016 (the Senior Secured Notes) and (3) Credit Facilities, as described below:

	10.5% Notes	Senior Secured Notes	Credit Facilities
Frequency of Appraisals	Semi-Annual (April and October)	Semi-Annual (June and December)	Semi-Annual (June and December)
LTV Requirement	43%; failure to meet collateral test requires posting of additional collateral	1.5x Collateral valuation to amount of debt outstanding (67% LTV); failure to meet collateral test results in American paying 2% additional interest until the ratio is at least 1.5x; additional collateral can be posted to meet this requirement	1.6x Collateral valuation to amount of debt outstanding (62.5% LTV); failure to meet collateral test results in American either providing additional collateral or repay a portion of the Credit Facilities till the ratio is met
LTV as of Last Measurement Date	56.6%	38.7%	18.5%
Collateral Description	143 aircraft consisting of: Type / # of Aircraft MD-80 74 B757-200 41 B767-200ER 3 B767-300ER 25 TOTAL 143	Generally, certain route authorities, take-off and landing slots, and rights to airport facilities used by American to operate certain services between the U.S. and London Heathrow, Tokyo Narita/Haneda, and China	Generally, certain route authorities, take-off and landing slots, and rights to airport facilities used by American to operate all services between the U.S. and South America

At June 30, 2013, the Company was in compliance with the most recently completed collateral coverage tests for the Senior Secured Notes and the Credit Facilities. As of June 30, 2013, American had $41 million of cash collateral posted with respect to the 10.5% Notes, which matured in 2012. The Company has not satisfied the debt with respect to the 10.5% Notes due to the ongoing Chapter 11 Cases.

Other

Almost all of the Company's aircraft assets (including aircraft and aircraft-related assets eligible for the benefits of section 1110 of the Bankruptcy Code) are encumbered, and the Company has a very limited quantity of assets which could be used as collateral in financing.

The Chapter 11 Cases triggered defaults on substantially all debt and lease obligations of the Debtors. However, under section 362 of the Bankruptcy Code, the commencement of a Chapter 11 case automatically stays most creditor actions against the Debtors' estates.

As discussed in Note 1 to the Condensed Consolidated Financial Statements, the Company has been using the benefits afforded by the Bankruptcy Code to restructure the terms of much of its indebtedness and lease obligations. The Company cannot predict at this time the outcome of its efforts to restructure its indebtedness and lease obligations. It is possible that holders of the Company's unsecured indebtedness may lose a portion of their investment depending on the outcome of the Chapter 11 Cases.

7. Fair Value Measurements

The Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The Company's short-term investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of

these securities. The Company's fuel derivative contracts, which consist primarily of collars (consisting of a purchased call option and a sold put option) and call spreads (consisting of a purchased call option and a sold call option), are valued using energy and commodity market data which is derived by combining raw inputs with quantitative models and processes to generate forward curves and volatilities. Heating oil, jet fuel and crude oil are the primary underlying commodities in the hedge portfolio. No changes in valuation techniques or inputs occurred during the six months ended June 30, 2013.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

(in millions)	Fair Value Measurements as of June 30, 2013			
Description	Total	Level 1	Level 2	Level 3
Short-term investments [1, 2]				
Money market funds	$ 1,306	$ 1,306	$ —	$ —
Government agency investments	1,475	—	1,475	—
Repurchase investments	235	—	235	—
Corporate obligations	2,017	—	2,017	—
Bank notes / Certificates of deposit / Time deposits	571	—	571	—
	5,604	1,306	4,298	—
Restricted cash and short-term investments [1]	863	863	—	—
Fuel derivative contracts, net [1]	5	—	5	—
Total	$ 6,472	$ 2,169	$ 4,303	$ —

[1] Unrealized gains or losses on short-term investments, restricted cash and short-term investments and derivatives qualifying for hedge accounting are recorded in Accumulated other comprehensive income (loss) at each measurement date.

[2] The Company's short-term investments mature in one year or less except for $350 million of Bank notes, $1.4 billion of U.S. Government obligations and $782 million of Corporate obligations which have maturity dates exceeding one year.

No significant transfers between Level 1 and Level 2 occurred during the six months ended June 30, 2013. The Company's policy regarding the recording of transfers between levels is to reflect any such transfers at the end of the reporting period.

As of June 30, 2013, the Company had no exposure to European sovereign debt.

The fair values of the Company's long-term debt classified as Level 2 were estimated using quoted market prices or discounted cash flow analyses, based on the Company's current estimated incremental borrowing rates for similar types of borrowing arrangements. All of the Company's long term debt not classified as subject to compromise is classified as Level 2.

The carrying value and estimated fair values of the Company's long-term debt, including current maturities, not classified as subject to compromise, were (in millions):

	June 30, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured variable and fixed rate indebtedness	$ 2,925	$ 2,873	$ 3,297	$ 3,143
Enhanced equipment trust certificates	2,308	2,379	1,741	1,811
6.0%—8.5% special facility revenue bonds	1,314	1,454	1,313	1,308
7.50% senior secured notes	1,000	1,159	1,000	1,074
Senior secured credit facility due 2019 (rate of 4.75% at June 30, 2013)	1,045	1,050	—	—
AAdvantage Miles advance purchase	693	699	772	779
Other	27	27	27	27
	$ 9,312	$ 9,641	$ 8,150	$ 8,142

The carrying value and estimated fair value of the Company's long-term debt, including current maturities, classified as subject to compromise, were (in millions):

	June 30, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured variable and fixed rate indebtedness	$ 149	$ 131	$ 172	$ 154
6.0%—8.5% special facility revenue bonds	186	194	186	186
	$ 335	$ 325	$ 358	$ 340

All of the Company's long term debt classified as subject to compromise is classified as Level 2.

8. Retirement Benefits

The following tables provide the components of net periodic benefit cost for the three months and six months ended June 30, 2013 and 2012 (in millions):

	Pension Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Components of net periodic benefit cost				
Service cost	$ 1	$ 104	$ 2	$ 208
Interest cost	163	191	326	382
Expected return on assets	(180)	(166)	(360)	(332)
Amortization of:				
Prior service cost	7	3	14	7
Unrecognized net (gain) loss	23	63	46	124
Net periodic benefit cost	$ 14	$ 195	$ 28	$ 389

	Retiree Medical and Other Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Components of net periodic benefit cost				
Service cost	$ —	$ 15	$ —	$ 30
Interest cost	13	38	26	76
Expected return on assets	(4)	(4)	(8)	(8)
Amortization of:				
Prior service cost	(61)	(7)	(122)	(14)
Unrecognized net (gain) loss	(2)	(2)	(4)	(4)
Net periodic benefit cost	$ (54)	$ 40	$ (108)	$ 80

The Company is required to make minimum contributions to its defined benefit pension plans under the minimum funding requirements of ERISA, the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006, and the Pension Relief Act of 2010. As a result of the Chapter 11 Cases, American contributed $44 million to its U.S. defined benefit pension plans during the first six months of 2013 covering post-petition periods. On July 15, 2013, the Company contributed an additional $11 million to its defined benefit pension plans. The Company's remaining 2013 contributions to its defined benefit pension plans are subject to the Chapter 11 proceedings. Prior to the closing of the Merger (see Note 12 to the Condensed Consolidated Financial Statements for further information), AMR and/or its subsidiaries will make all minimum required contributions to each AMR compensation and benefit plan that are required to have been made and were not made prior to the effective date of the Merger. As a result of the Company contributing only the post-petition portion of required contributions, the PBGC filed a lien against certain assets of the Company in 2012.

Recent Modifications to Pension and Other Post-Employment Benefits

The Company's defined benefit pension plans were frozen effective November 1, 2012. Eligible employees began to receive a replacement benefit under the $super $aver 401(k) Plan on November 1, 2012.

In December 2012, the Pilot A Plan, a defined benefit plan, was amended to remove the lump-sum option and the installment option forms of benefit effective December 31, 2012. A small group of American pilots is appealing the Bankruptcy Court's decision authorizing American to eliminate the lump sum option and installment option forms of benefit. This is the same group of pilots that is appealing the Bankruptcy Court's decisions authorizing American to reject the pilot CBA and approving the new pilot CBA. All of these appeals have been consolidated, and are pending in the U.S. District Court for the Southern District of New York.

The Pilot B Plan, a defined contribution plan, was terminated on November 30, 2012. Plan B assets will be distributed to pilots in mid-2013.

On July 6, 2012, the Company commenced an adversary proceeding in the Bankruptcy Court seeking a determination on the issue of vesting for former employees who retired before November 1, 2012 and were eligible for certain retiree medical coverage. The Court held a hearing on January 23, 2013 and has not ruled on this matter as of the date of this report. The Company has been negotiating with the retiree committee since July 2012, seeking a consensual agreement to terminate subsidized retiree medical coverage and life insurance coverage.

As a result of the modifications to the retirement benefits as discussed above, a portion of the pension and postretirement benefits liability, primarily relating to retiree medical and other benefits, was classified as liabilities subject to compromise. See Note 1 to the Condensed Consolidated Financial Statements for the breakout of liabilities subject to compromise, including that related to pension and postretirement benefits.

9. Special Charges and Merger Related Expenses

Special Charges

Based on agreements reached with various workgroups in 2012, the Company expects to reduce a total of approximately 10,500 positions. Consequently, during 2012, the Company recorded charges for severance related costs associated with the voluntary and involuntary reductions in certain work groups. The severance charges will be paid through the end of 2013.

The following table summarizes the components of the Company’s special charges and the remaining accruals for these charges (in millions) as of June 30, 2013:

	Facility Exit Costs	Employee Charges	Total
Remaining accrual at December 31, 2012	$ 4	$ 192	$ 196
Special charges	6	13	19
Non-cash charges	(3)	—	(3)
Adjustments	(4)	—	(4)
Payments	(3)	(138)	(141)
Remaining accrual at June 30, 2013	$ —	$ 67	$ 67

Merger Related Expenses

Merger related expenses for the three and six months ended June 30, 2013 were $6.2 million and $21.6 million, respectively. See Note 12 to the Condensed Consolidated Financial Statements for information on the Merger Agreement.

10. Financial Instruments and Risk Management

As part of the Company’s risk management program, it uses a variety of financial instruments, primarily heating oil, jet fuel, and Brent crude collars (consisting of a purchased call option and a sold put option) and call spreads (consisting of a purchased call option and a sold call option), as cash flow hedges to mitigate commodity price risk. The Company does not hold or issue derivative financial instruments for trading purposes. As of June 30, 2013, the Company had fuel derivative contracts outstanding covering 22 million barrels of jet fuel that will be settled over the next 18 months. A deterioration of the Company’s liquidity position and its Chapter 11 filing may negatively affect the Company’s ability to hedge fuel in the future.

For the three and six months ended June 30, 2013, the Company recognized an increase of approximately $31 million and $23 million, respectively, in fuel expense on the accompanying consolidated statements of operations related to its fuel hedging agreements, including the ineffective portion of the hedges. For the three and six months ended June 30, 2012, the Company recognized an increase of approximately $9 million and a decrease of approximately $20 million, respectively, in fuel expense on the accompanying consolidated statements of operations related to its fuel hedging agreements, including the ineffective portion of the hedges.The net fair value of the Company's fuel hedging agreements at June 30, 2013 and December 31, 2012, representing the amount the Company would receive upon termination of the agreements (net of settled contract assets), totaled $5 million and $62 million, respectively. As of June 30, 2013, the Company estimates that during the next twelve months it will reclassify from Accumulated other comprehensive loss into earnings approximately $36 million in net losses.

The impact of cash flow hedges on the Company's Condensed Consolidated Financial Statements is depicted below (in millions):

Fair Value of Aircraft Fuel Derivative Instruments (all cash flow hedges)

Asset Derivatives as of				Liability Derivatives as of			
June 30, 2013		December 31, 2012		June 30, 2013		December 31, 2012	
Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Fuel derivative contracts	$ 21	Fuel derivative contracts	$ 65	Accrued liabilities	$ 16	Accrued liabilities	$ —

Effect of Aircraft Fuel Derivative Instruments on Statements of Operations (all cash flow hedges)

Amount of Gain (Loss) Recognized in OCI on Derivative [1] as of June 30		Location of Gain (Loss) Reclassified from Accumulated OCI into Income [1]	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income [1] for the six months ended June 30,		Location of Gain (Loss) Recognized in Income on Derivative [2]	Amount of Gain (Loss) Recognized in Income on Derivative [2] for the six months ended June 30,	
2013	2012		2013	2012		2013	2012
$ (70)	$ (56)	Aircraft Fuel	$ (12)	$ 25	Aircraft Fuel	$ (11)	$ (5)

Amount of Gain (Loss) Recognized in OCI on Derivative [1] for the quarter ended June 30,		Location of Gain (Loss) Reclassified from Accumulated OCI into Income [1]	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income [1] for the quarter ended June 30,		Location of Gain (Loss) Recognized in Income on Derivative [2]	Amount of Gain (Loss) Recognized in Income on Derivative [2] for the quarter ended June 30,	
2013	2012		2013	2012		2013	2012
$ (56)	$ (104)	Aircraft Fuel	$ (13)	$ (1)	Aircraft Fuel	$ (18)	$ (8)

1. Effective portion of gain (loss)
2. Ineffective portion of gain (loss)

The Company is party to certain interest rate swap agreements that are accounted for as cash flow hedges. Ineffectiveness for these instruments is required to be measured at each reporting period. The ineffectiveness and fair value associated with all of the Company's interest rate cash flow hedges for all periods presented was not material.

While certain of the Company's fuel derivatives are subject to enforceable master netting agreements with its counterparties, the Company does not offset its fuel derivative assets and liabilities in its Condensed Consolidated Balance Sheets. Certain of these agreements would also allow for the offsetting of fuel derivatives with interest rate derivatives. The impact of offsetting derivative instruments is depicted below (in millions):

As of June 30, 2013:

				Gross asset (liability) not offset in Balance Sheet		
	Gross asset (liability)	Gross asset (liability) offset in Balance Sheet	Net recognized asset (liability) in Balance Sheet	Financial Instruments	Cash Collateral Received (Posted)	Net Amount
Fuel derivatives	$ 21	$ 16	$ 5	$ —	$ —	$ 5

As of December 31, 2012:

	Gross asset (liability)	Gross asset (liability) offset in Balance Sheet	Net recognized asset (liability) in Balance Sheet	Gross asset (liability) not offset in Balance Sheet: Financial Instruments	Gross asset (liability) not offset in Balance Sheet: Cash Collateral Received (Posted)	Net Amount
Fuel derivatives	$ 65	$ —	$ 65	$ —	$ —	$ 65

As of June 30, 2013, the Company had posted cash collateral of an immaterial amount.

The Company is also exposed to credit losses in the event of non-performance by counterparties to these financial instruments, and although no assurances can be given, the Company 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 a number of its counterparties which may require the Company or the counterparty to post collateral if the value of selected instruments exceed specified mark-to-market thresholds or upon certain changes in credit ratings.

11. Accumulated Other Comprehensive Income (Loss)

The following table sets forth the changes in accumulated other comprehensive income (loss) by component (in millions):

	Pension and retiree medical liability	Unrealized gain (loss) on investments	Derivative financial instruments	Income tax benefit (expense)	Total
Balance at December 31, 2012	$ (2,322)	$ 2	$ 13	$ (781)	$ (3,088)
Other comprehensive income (loss) before reclassifications	—	—	(56)	—	(56)
Amounts reclassified from accumulated other comprehensive income (loss)	(66)	—	12	—	(54)
Net current-period other comprehensive income (loss)	$ (66)	$ —	$ (44)	$ —	$ (110)
Balance at June 30, 2013	$ (2,388)	$ 2	$ (31)	$ (781)	$ (3,198)

Reclassifications out of accumulated other comprehensive income (loss) for the three and six months ended June 30, 2013 are as follows (in millions):

Details about accumulated other comprehensive income (loss) components	Amount reclassified from accumulated other comprehensive income (loss): Three Months Ended June 30, 2013	Amount reclassified from accumulated other comprehensive income (loss): Six Months Ended June 30, 2013	Affected line item in the statement where net income (loss) is presented
Amortization of pension and retiree medical liability			
Prior service cost	$ (54)	$ (108)	Wages, salaries and benefits
Actuarial loss	21	42	Wages, salaries and benefits
Derivative financial instruments			
Cash flow hedges	13	12	Aircraft fuel
Total reclassifications for the period	$ (20)	$ (54)	

12. Merger Agreement

Description of Agreement and Plan of Merger

On February 13, 2013, AMR, US Airways Group and AMR Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of AMR (Merger Sub), entered into an Agreement and Plan of Merger (as amended, the Merger Agreement), providing for a business combination of AMR and US Airways Group. The Merger Agreement provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into US Airways Group (the Merger), with US Airways Group surviving as a wholly owned subsidiary of AMR. It is anticipated that immediately following the merger closing, AMR will change its name to American Airlines Group Inc. (AAG). Following the Merger, AAG will own, directly or indirectly, all of the equity interests of American, US Airways Group and their direct and indirect subsidiaries. The Merger Agreement and the transactions contemplated thereby, including the Merger, were subject to the approval of the Bankruptcy Court, and are to be effected pursuant to the Plan, which is subject to confirmation and consummation in accordance with the requirements of the Bankruptcy Code.

Subject to the terms and conditions of the Merger Agreement, which has been approved by the boards of directors of the respective parties, upon completion of the Merger, US Airways Group stockholders will receive one share of common stock of AAG (AAG Common Stock) for each share of US Airways Group common stock. The aggregate number of shares of AAG Common Stock issuable to holders of US Airways Group equity instruments (including stockholders and holders of convertible notes, options, stock appreciation rights and restricted stock units) will represent 28% of the diluted equity of AAG after giving effect to the Plan. The remaining 72% diluted equity ownership of AAG will be distributable, pursuant to the Plan, to the Debtors' stakeholders, labor unions and certain employees.

All of the equity interests in AAG will be issued initially solely pursuant to the Merger Agreement or the Plan. Pursuant to the Plan, holders of AMR equity interests are expected to receive a recovery on such interests in the form of a distribution of AAG common stock. On June 7, 2013, the Bankruptcy Court authorized American to begin soliciting votes on the Plan from creditors and stockholders. The hearing before the Court to consider confirmation of the Plan is scheduled for August 15, 2013. Implementation of the Plan and the making of any distributions thereunder are subject to confirmation thereof in accordance with the provisions of the Bankruptcy Code, the occurrence of the effective date under the Plan and the consummation of the Merger.

The Merger is intended to qualify, for federal income tax purposes, as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

AMR and US Airways Group have each made customary representations, warranties and covenants in the Merger Agreement, including, among others, covenants to conduct their businesses in the ordinary and usual course between the execution of the Merger Agreement and the consummation of the Merger, subject to certain restrictions as set forth in the Merger Agreement. In addition, the Merger Agreement contains “no shop” provisions that restrict each party's ability to initiate, solicit or knowingly encourage or facilitate competing third-party proposals for any transaction involving a merger of such party or the acquisition of a significant portion of its stock or assets, although each party may consider competing, unsolicited proposals and enter into discussions or negotiations regarding such proposals, if its board of directors determines that any such acquisition proposal constitutes, or is reasonably likely to lead to, a superior proposal and that the failure to take such action is reasonably likely to be inconsistent with its fiduciary duties under applicable law.

US Airways Group has agreed to certain additional customary covenants in the Merger Agreement, including, among others, subject to certain exceptions, (i) to cause a stockholder meeting to be held to consider adoption of the Merger Agreement and (ii) for its board of directors to recommend adoption of the Merger Agreement by US Airways Group stockholders. AMR has also agreed to certain additional customary covenants in the Merger Agreement, including, among others, subject to certain exceptions, (i) to pursue confirmation of the Plan and (ii) for its board of directors to recommend adoption of the Merger Agreement by the Debtors' stakeholders.

Consummation of the Merger is subject to customary conditions, including, among others: (i) approval by the stockholders of US Airways Group; (ii) expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the receipt of certain other regulatory approvals; (iii) absence of any order or injunction prohibiting the consummation of the Merger; (iv) Bankruptcy Court confirmation of the Plan, which must contain certain specified provisions defined in the Merger Agreement; (v) subject to certain exceptions, the accuracy of representations and warranties with respect to the business of AMR or US Airways Group, as applicable; (vi) each of AMR and US Airways Group having performed their respective obligations pursuant to the Merger Agreement; and (vii) receipt by each of the Company and US Airways Group of a customary tax opinion.

The Merger Agreement contains certain termination rights for AMR and US Airways Group, and further provides that, upon termination of the Merger Agreement under specified circumstances, (i) AMR may be required to pay US Airways Group a termination fee of $135 million in the event it terminates the agreement to enter into a superior proposal and $195 million if US Airways Group terminates the Merger Agreement in the event of a knowing and deliberate breach of the Merger Agreement by AMR and (ii) US Airways Group may be required to pay AMR a termination fee of $55 million in the event it terminates the agreement to enter into a superior proposal and $195 million if AMR terminates the Merger Agreement in the event of a knowing and deliberate breach of the Merger Agreement by US Airways Group.

On May 10, 2013, the Bankruptcy Court entered the Merger Support Order. Pursuant to the Merger Agreement, upon entry of the Merger Support Order by the Bankruptcy Court, the Merger Agreement became effective and binding on, and enforceable against each of the parties thereto retroactive to February 13, 2013.

At the meeting of stockholders of US Airways Group, Inc. held on July 12, 2013, US Airways Group's stockholders approved the adoption of the Merger Agreement.

Support Agreement and Term Sheet

On February 13, 2013, AMR and the other Debtors entered into a Support and Settlement Agreement (the Support Agreement) with certain significant holders of certain prepetition claims against one or more of the Debtors (such holders of claims, the Consenting Creditors), aggregating approximately $1.2 billion of prepetition unsecured claims. Pursuant to the terms of the Support Agreement, each Consenting Creditor has agreed, among other things, and subject to certain conditions, to (a) vote in favor of a plan of reorganization, which must include certain terms specified in a Term Sheet attached to the Support Agreement (the Term Sheet), (b) generally support confirmation and consummation of such plan and (c) not to support or solicit any plan in opposition to such plan. The Plan contains the terms specified in the Term Sheet.

The Support Agreement may be terminated upon the occurrence of certain events, including: (a) certain breaches by the Debtors or Consenting Creditors under the Support Agreement; (b) termination of the Merger Agreement or the announcement by AMR or US Airways Group of their intent to terminate the Merger Agreement (in which case the Support Agreement would terminate automatically); (c) the failure to meet certain milestones with respect to achieving confirmation and consummation of the Plan; (d) the filing, amendment or modification of certain documents, including the Plan, in a manner materially inconsistent with the Support Agreement and materially adverse to a Consenting Creditor (in which case the Support Agreement can be terminated by such Consenting Creditor solely with respect to itself); (e) the amendment or modification of the Merger Agreement in a manner that is materially adverse to a Consenting Creditor (in which case the Support Agreement can be terminated by such Consenting Creditor solely with respect to itself); and (f) if the volume weighted average price of US Airways Group common stock for the thirty trading days ending on the last trading day immediately prior to the date of termination is less than $10.40. Termination of the Support Agreement would give the Consenting Creditors the right to withdraw their support of the Plan.

As described in the Term Sheet, the Plan implements the Merger, incorporates a compromise and settlement of certain intercreditor and intercompany claim issues, and is to contain the following provisions relating to the treatment of prepetition unsecured claims against the Debtors and equity interests in AMR:

- Unless they elect to receive alternative treatment, holders of prepetition unsecured claims against AMR or American that also are guaranteed by either such company (Double-Dip Unsecured Claims) will receive shares of preferred stock of AAG (the AAG Preferred Stock) that will be mandatorily convertible into shares of AAG Common Stock on each of the 30th, 60th, 90th and 120th day after the effective date of the Plan. Upon the conversion of the remaining AAG Preferred Stock on the 120th day after the effective date of the Plan, all AAG Preferred Stock will have been converted to AAG Common Stock and no AAG Preferred Stock will remain outstanding. The conversion price of the AAG Preferred Stock will vary on each conversion date, based on the volume weighted average price of the shares of the AAG Common Stock on the five trading days immediately preceding each conversion date, at a 3.5% discount, subject to a cap and a floor price. The AAG Preferred Stock allocable to the Double-Dip Unsecured Claims will have a face amount equal to the allowed amount of their claims, including post-petition interest at the non-default rate;
- Holders of prepetition unsecured claims (other than claims of the Debtors' unions) that are not Double-Dip Unsecured Claims (and holders of Double-Dip Unsecured Claims that elect to receive such treatment) will receive shares of AAG Preferred Stock, as well as shares of AAG Common Stock;
- Holders of existing AMR equity interests (including stock, warrants, restricted stock units and options) will receive a distribution of shares of AAG Common Stock representing 3.5% of the total number of shares of AAG Common Stock (on an as-converted basis) in addition to the potential to receive shares of AAG Common Stock above such amount; and
- The satisfaction of certain labor-related claims through the allocation to such claims of shares of AAG Common Stock representing 23.6% of the total number of such shares of AAG Common Stock ultimately distributed to holders of prepetition general unsecured claims against the Debtors.

In each case, the distributions made to each of the foregoing stakeholders will be adjusted to take into account any reserves made for disputed claims under the Plan. The Debtors filed a motion with the Bankruptcy Court seeking approval of the Support Agreement and the Court entered an order approving the Support Agreement on June 4, 2013.

13. Subsequent Events

In connection with preparation of the condensed consolidated financial statements and in accordance U.S. GAAP, the Company evaluated subsequent events after the balance sheet date of June 30, 2013 and determined that no additional disclosure to that presented in this Form 10-Q was necessary.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Second Quarter Developments

During the second quarter of 2013, the Company achieved several key milestones on its path to emergence from Chapter 11, including filing the Plan and the Disclosure Statement with the Bankruptcy Court. The Bankruptcy Court entered the order approving the Disclosure Statement on June 7, 2013. The Plan and Disclosure Statement contemplate that AMR will emerge from Chapter 11 and merge with US Airways Group (as further described in Notes 1 and 13 to the Condensed Consolidated Financial Statements).

Other second quarter highlights include the following:

- On April 15, 2013, AMR filed the Form S-4 Registration Statement with the SEC to register the shares of AAG Common Stock that will be issued to stockholders of US Airways Group as consideration in the Merger in exchange for their US Airways Group common stock. The SEC declared the Form S-4 Registration Statement, as amended, effective on June 10, 2013.
- On June 7, 2013, the Court authorized American to begin soliciting votes on the Plan from creditors and stockholders. Solicitation packages were distributed by June 20, 2013. The Company and the other Debtors have until July 29, 2013 to solicit and obtain acceptances for the Plan. The hearing before the Court to consider confirmation of the Plan is scheduled for August 15, 2013.
- In the second quarter of 2013, American completed several financing transactions. In May 2013, American closed its private offering of the Series 2013-1C EETCs in the aggregate face amount of $120 million. In June 2013, American obtained secured credit facilities, comprised of a $1.05 billion term loan and a $1 billion revolving credit facility, secured by certain route authorities, slots and foreign gate leaseholds utilized by American in providing its scheduled air carrier services between the United States and South America. In June 2013, American also remarketed $216 million of Tulsa Municipal Airport Revenue Refunding Bonds Trust Series 2001A, 2001B, and 2000B due June 1, 2035 (Series 2000B) and December 1, 2035 (Series 2001 A&B). See Note 6 to the Condensed Consolidated Financial Statements for further information.
- In the second quarter of 2013, American continued its fleet renewal and took delivery of 12 new aircraft (nine B737-800s and three B777-300ERs).
- As part of the AMR and US Airways merger, an announcement was made in June, 2013 naming the members of the Board of Directors and senior leadership team responsible for managing the new combined company, American Airlines Group Inc., effective after the closing of the companies' expected merger.

The Company continues to move forward with a carefully designed, step-by-step transformation plan and currently expects to emerge from Chapter 11, and the Merger to close, in the third quarter of 2013.

Financial Highlights

The Company recorded a consolidated net income of $228 million in the second quarter of 2013 compared to a net loss of $264 million in the same period last year. The Company's consolidated net income reflects $124 million of charges to reorganization items. Consolidated passenger revenue increased by $13 million to $5.6 billion for the second quarter of 2013 compared to the same period last year. Cargo and other revenues decreased by $23 million to $797 million for the second quarter of 2013 compared to the same period last year. Mainline passenger unit revenues were flat in the second quarter of 2013 compared to the same period last year, reflecting a 0.2 percent increase in passenger yield year-over-year and a decrease in load factor of approximately 0.3 points compared to the second quarter of 2012.

Operating expenses decreased $366 million during the second quarter primarily due to lower wages, salaries and benefits costs and lower fuel costs. The Company's operating expenses for the second quarter also include special items and merger related expenses of $12 million (see Note 9 to the Condensed Consolidated Financial Statements for further information) compared to $105 million of special items in the second quarter of 2012.

Charges to reorganization items, net, of $124 million for the second quarter of 2013 consist primarily of estimated claims associated with restructuring certain special facility revenue bonds and professional fees. See Note 1 to the Condensed Consolidated Financial Statements for further information.

Contingencies

The Company has certain contingencies resulting from litigation and claims incident to the ordinary course of business. Management believes, after considering a number of factors, including (but not limited to) the information currently available, the views of legal counsel, the nature of contingencies to which the Company is subject and prior experience, that the ultimate disposition of the litigation (please see Part II, Item 1, "Legal Proceedings") and claims will not materially affect the Company's consolidated financial position or results of operations. When appropriate, the Company accrues for these contingencies based on its assessments of the likely outcomes of the related matters. The amounts of these contingencies could increase or decrease in the near term, based on revisions to those assessments. See also Note 2 to the Condensed Consolidated Financial Statements for information on the claims resolution process.

As a result of the Chapter 11 Cases, virtually all prepetition pending litigation against the Company is stayed.

LIQUIDITY AND CAPITAL RESOURCES

The matters described herein, to the extent that they relate to future events or expectations, may be significantly affected by the Chapter 11 Cases. Those proceedings will involve, or may result in, various restrictions on our activities, limitations on financing, the need to consult with the Creditors' Committee and other key stakeholders and to obtain Bankruptcy Court approval for various matters, and uncertainty as to relationships with vendors, suppliers, customers, labor and others with whom we may conduct or seek to conduct business. The Debtors cannot predict the impact, if any, that its Chapter 11 Cases might have on these obligations. For further information regarding the Chapter 11 Cases, see Note 1 to the Condensed Consolidated Financial Statements.

Cash, Short-Term Investments and Restricted Assets

At June 30, 2013, the Company had $6.2 billion in unrestricted cash and short-term investments and $863 million in restricted cash and short-term investments, both at fair value, versus $3.9 billion in unrestricted cash and short-term investments and $850 million in restricted cash and short-term investments at December 31, 2012.

The Company has restricted cash and short-term investments related primarily to collateral held to support projected workers' compensation obligations and funds held for certain tax obligations.

The Company's unrestricted short-term investment portfolio consists of a variety of what the Company believes are highly liquid, lower risk instruments including money market funds, government agency investments, repurchase agreements, short-term obligations, corporate obligations, bank notes, certificates of deposit and time deposits. AMR's objectives for its investment portfolio are (1) the safety of principal, (2) liquidity maintenance, (3) yield maximization, and (4) the full investment of all available funds. The Company's risk management policy further emphasizes superior credit quality (primarily based on short-term ratings by nationally recognized statistical rating organizations) in selecting and maintaining investments in its portfolio and enforces limits on the proportion of funds invested with one issuer, one industry, or one type of instrument. The Company regularly assesses the market risks of its portfolio, and believes that its established policies and business practices adequately limit those risks. As a result, the Company does not anticipate any material adverse impact from these risks.

Certain of the Company's debt financing agreements contain loan to value ratio covenants and require the Company to periodically appraise the collateral. Pursuant to such agreements, if the loan to value ratio exceeds a specified threshold, the Company may be required to subject additional qualifying collateral (which in some cases may include cash collateral) or, in the alternative, to pay down such financing, in whole or in part, with premium (if any). Two such agreements also include covenants that, among other things, limit the ability of the Company and its subsidiaries to merge, consolidate, sell assets, incur additional indebtedness, issue preferred stock, make investments and pay dividends. In addition, under one such agreement, if American fails to maintain certain collateral ratios of 1.5 to 1.0, American must pay additional interest on the related notes (which bear interest at 7.5% per annum) at the rate of 2% per annum until the collateral coverage ratio equals at least 1.5 to 1.0. See Note 6 to the Condensed Consolidated Financial Statements for further information.

Significant Indebtedness and Future Financing

Our indebtedness and our ability to obtain sufficient financing are significant risks to the Company as discussed more fully in the Risk Factors included under Item 1A of the 2012 Form 10-K.

The Chapter 11 Cases triggered defaults on substantially all debt and lease obligations of the Debtors. However, under section 362 of the Bankruptcy Code, the commencement of a Chapter 11 case automatically stays most creditor actions against the Debtors' estates. The outcome of the Chapter 11 Cases, which cannot be determined at this time, could further increase the Company's borrowing or other costs and further restrict the availability of future financing.

The Company currently has financing commitments that, subject to certain conditions, cover all of its scheduled aircraft deliveries through 2016, except 18 Boeing 787 aircraft and 11 Boeing 777-300ER aircraft, which the Company may finance in the future.

In the remainder of 2013, including liabilities subject to compromise, the Company will be contractually required to make approximately $1.0 billion of principal payments on long-term debt and approximately $17 million in principal payments on capital leases, and the Company expects to spend approximately $1.3 billion on capital expenditures, including aircraft commitments.

At emergence from Chapter 11, the Company will be required to or may deem it desirable to settle in cash certain obligations that matured during the Chapter 11 Cases. The Company cannot predict the amount of cash that would be required to settle such obligations, but its present estimate is that such costs will be approximately $1.4 billion. In addition, the Company anticipates that transition costs to integrate the business of the Company and US Airways Group will be approximately $1.2 billion.

During the first six months of 2013, American closed its private offerings of three tranches of EETCs in the aggregate face amount of $664 million (Series 2013-1A/B EETC) and $120 million (Series 2013-1C EETC). In June 2013, American obtained $2.0

billion in secured credit facilities, comprised of a $1.05 billion term loan and a $1 billion revolving credit facility, secured by route authorities, slots and foreign gate leaseholds utilized by American in providing its scheduled air carrier services between the United States and South America. In June 2013, American also remarketed $216 million of Tulsa Municipal Airport Revenue Refunding Bonds Trust Series 2001A, 2001B, and 2000B due June 1, 2035 (Series 2000B) and December 1, 2035 (Series 2001 A&B). See Note 6 to the Condensed Consolidated Financial Statements for further information.

As discussed in Note 1 to the Condensed Consolidated Financial Statements, the Company has been using the benefits afforded by the Bankruptcy Code to restructure the terms of much of its indebtedness and lease obligations. The Company cannot predict at this time the outcome of its efforts to restructure its indebtedness and lease obligations. It is possible that holders of the Company's unsecured indebtedness may lose a portion of their investment depending on the outcome of the Chapter 11 Cases.

See Note 3 to the Condensed Consolidated Financial Statements for further information on the Company's aircraft acquisition commitments, payments, options and financing agreements.

Credit Card Processing and Other Reserves

American has agreements with a number of credit card companies and processors to accept credit cards for the sale of air travel and other services. Under certain of these agreements, the credit card processor may hold back a reserve from American’s credit card receivables following the occurrence of certain events, including the failure of American to maintain certain levels of liquidity (as specified in each agreement).

Under such agreements, the amount of the reserve that may be required generally is based on the processor’s exposure to the Company under the applicable agreement and, in the case a reserve is required because of AMR’s failure to maintain a certain level of liquidity, the amount of such liquidity. As of June 30, 2013, the Company was not required to maintain any reserve under such agreements. If circumstances were to occur that would allow the credit card processor to require the Company to maintain a reserve, the Company’s liquidity would be negatively impacted.

Pension Funding Obligation

The Company is required to make minimum contributions to its defined benefit pension plans under the minimum funding requirements of ERISA, the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006, and the Pension Relief Act of 2010. As a result of the Chapter 11 Cases, AMR contributed $44 million to its U.S. defined benefit pension plans during the first six months of 2013 covering post-petition periods. On July 15, 2013, the Company contributed an additional $11 million to its defined benefit pension plans. The Company’s remaining 2013 contributions to its defined benefit pension plans are subject to the Chapter 11 proceedings. Prior to the closing of the Merger (see Note 12 to the Condensed Consolidated Financial Statements for further information), AMR and/or its subsidiaries will make all minimum required contributions to each AMR compensation and benefit plan that are required to have been made and were not made prior to the effective date of the Merger. As a result of the Company contributing only the post-petition portion of required contributions, the PBGC filed a lien against certain assets of the Company in 2012.

Cash Flow Activity

At June 30, 2013, the Company had $6.2 billion in unrestricted cash and short-term investments, which is an increase of $2.3 billion from the balance as of December 31, 2012. Net cash provided by operating activities in the six month period ended June 30, 2013 was $1.8 billion, as compared to $1.7 billion over the same period in 2012. In addition, as described above, the Company obtained a $1.05 billion term loan, increasing the Company's liquidity position.

The Company made debt and capital lease payments of $551 million and invested $1.8 billion in capital expenditures in the first six months of 2013. Capital expenditures primarily consisted of new aircraft and certain aircraft modifications.

Due to the current value of the Company’s derivative contracts, some agreements with counterparties require collateral to be deposited by the counterparty or the Company. As of June 30, 2013 and December 31, 2012, the Company had posted cash collateral of an immaterial amount. As a result of movements in fuel prices, the cash collateral amounts held by the Company or the counterparties to such contracts, as the case may be, can vary significantly.

War-Risk Insurance

The U.S. government has agreed to provide commercial war-risk insurance for U.S. based airlines through September 30, 2013, covering losses to employees, passengers, third parties and aircraft. If the U.S. government were to cease providing such insurance in whole or in part, it is likely that the Company could obtain comparable coverage in the commercial market, but the Company would incur substantially higher premiums and more restrictive terms. There can be no assurance that comparable war-risk coverage will be available in the commercial market. If the Company is unable to obtain adequate war-risk coverage at commercially reasonable rates, the Company would be adversely affected.

RESULTS OF OPERATIONS

For the Three Months Ended June 30, 2013 and 2012

REVENUES

The Company's revenues decreased approximately $10 million to $6.4 billion in the second quarter of 2013 from the same period last year. American's passenger revenues increased by 1.1 percent, or $51 million, on 1.1 percent higher capacity of 38.7 billion available seat miles (ASM). American's passenger load factor decreased 0.3 points while passenger yield increased by 0.2 percent to 14.9 cents. This resulted in a decrease in mainline passenger revenue per available seat mile (RASM) of 0.1 percent to 12.6 cents. American derived approximately 60 percent of its passenger revenues from domestic operations and approximately 40 percent from international operations (flights serving international destinations). Following is additional information regarding American's domestic and international RASM and capacity:

	Three Months Ended June 30, 2013			
	RASM (cents)	Y-O-Y Change	ASMs (billions)	Y-O-Y Change
DOT Domestic	12.7	(0.1)%	22.4	(1.4)%
International	12.5	0.1	16.3	4.8
DOT Latin America	13.2	(3.0)	8.0	9.2
DOT Atlantic	12.6	6.8	5.9	(1.9)
DOT Pacific	9.9	(7.0)	2.5	8.2

In the second quarter of 2013, the airlines providing American with regional feed (Regional Affiliates) included one wholly owned subsidiary, AMR Eagle, and three third party regional airlines, Chautauqua Airlines, Inc. (Chautauqua), SkyWest, and ExpressJet.

Regional Affiliates' passenger revenues decreased $38 million, or 4.8 percent, to $752 million as a result of lower yield. Regional Affiliates' traffic increased 0.1 percent to 2.7 billion revenue passenger miles (RPMs), on a capacity increase of 1.0 percent to 3.5 billion ASMs, resulting in a 0.7 point decrease in passenger load factor to 77.1 percent.

Cargo revenues decreased 4.6 percent, or $8 million, to $167 million primarily as a result of decreased freight and mail yields.

Other revenues decreased 2.3 percent, or $15 million, to $630 million due to a decrease in ancillary fees.

OPERATING EXPENSES

The Company's total operating expenses decreased 5.8 percent, or $366 million, to $6.0 billion in the second quarter of 2013 compared to the same period last year. American's mainline operating expenses per ASM decreased 7.5 percent to 13.5 cents. The decrease in operating expense was largely due to lower wages, salaries and benefits costs.

(in millions) Operating Expenses	Three Months Ended June 30, 2013	Change from 2012	Percentage Change	
Aircraft fuel	$ 2,139	$ (70)	(3.2)%	
Wages, salaries and benefits	1,286	(333)	(20.6)	(a)
Regional payments to AMR Eagle	261	(27)	(9.4)	(b)
Other rentals and landing fees	338	10	3.0	
Maintenance, materials and repairs	310	19	6.5	(c)
Commissions, booking fees and credit card expense	257	(6)	(2.3)	
Depreciation and amortization	244	(13)	(5.1)	
Aircraft rentals	179	49	37.7	(d)
Food service	149	19	14.6	(e)
Special charges and merger related	12	(93)	(88.6)	(f)
Other operating expenses	784	79	11.2	(g)
Total operating expenses	$ 5,959	$ (366)	(5.8)%	

(a) Wages, salaries and benefits decreased primarily as a result of modifications to pension and other post-employment benefits and reductions in certain work groups during 2012. See Note 8 and Note 9 to the Condensed Consolidated Financial Statements for further information, respectively.

(b) Regional payments to AMR Eagle decreased primarily due to more flying by third party regional carriers.

(c) Maintenance, materials and repairs increased primarily due to timing of materials and repairs expenses.

(d) Aircraft rental expense increased primarily due to new aircraft deliveries in 2013.

(e) Food service increased primarily as a result of increased passengers boarded and enhanced product offerings.

(f) Special charges decreased primarily as a result of severance related charges incurred in 2012.

(g) Other operating expenses increased primarily due to increases in outsourced services and volatility in foreign exchange rates.

OTHER INCOME (EXPENSE)

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

A decrease in short-term investment rates caused a decrease in interest income of $2 million, or 28.6 percent, to $5 million for the second quarter 2013 compared to the same period last year. Interest expense decreased $12 million, or 7.3 percent, to $152 million primarily as a result of lower interest rates on indebtedness.

REORGANIZATION ITEMS, NET

Reorganization items refer to revenues, expenses (including professional fees), realized gains and losses and provisions for losses that are realized or incurred as a direct result of the Chapter 11 Cases. The following table summarizes the components included in reorganization items, net on the Consolidated Statements of Operations for the three months ended June 30, 2013 and June 30, 2012:

(in millions)

	Three Months Ended June 30,	
	2013	2012
Aircraft and facility financing renegotiations and rejections [1][2]	83	158
Professional fees	40	72
Other	1	—
Total reorganization items, net	$ 124	$ 230

(1) Amounts include allowed claims (claims approved by the Bankruptcy Court) and estimated allowed claims relating to the rejection or modification of financings related to aircraft. The Debtors record an estimated claim associated with the rejection or modification of a financing when the applicable motion is filed with the Bankruptcy Court to reject or modify such financing and the Debtors believe that it is probable the motion will be approved, and there is sufficient information to estimate the claim. Modifications of the financings related to certain aircraft remain subject to conditions, including reaching agreement on definitive documentation. See Note 1 to the Condensed Consolidated Financial Statements, “Special Protection Applicable to Leases and Secured Financing of Aircraft and Aircraft Equipment,” for further information.

(2) Amounts include allowed claims (claims approved by the Bankruptcy Court) and estimated allowed claims relating to entry of orders treating as unsecured claims with respect to facility agreements supporting certain issuances of special facility revenue bonds. The Debtors record an estimated claim associated with the treatment of claims with respect to facility agreements when the applicable motion is filed with the Bankruptcy Court and the Debtors believe that it is probable that the motion will be approved, and there is sufficient information to estimate the claim. See Note 1 to the Condensed Consolidated Financial Statements, “Rejection of Executory Contracts,” for further information.

Claims related to reorganization items are reflected in liabilities subject to compromise on the Condensed Consolidated Balance Sheet as of June 30, 2013.

INCOME TAX

The Company did not record a net tax provision (benefit) associated with its net earnings for the three months ended June 30, 2013 or June 30, 2012 due to the Company providing a valuation allowance, as discussed in Note 5 to the Condensed Consolidated Financial Statements.

OPERATING STATISTICS

The following table provides statistical information for American and Regional Affiliates for the three months ended June 30, 2013 and 2012.

	Three Months Ended June 30,	
	2013	2012
American Airlines, Inc. Mainline Jet Operations		
Revenue passenger miles (millions)	32,851	32,586
Available seat miles (millions)	38,723	38,289
Cargo ton miles (millions)	470	456
Passenger load factor	84.8%	85.1%
Passenger revenue yield per passenger mile (cents)	14.88	14.84
Passenger revenue per available seat mile (cents)	12.62	12.63
Cargo revenue yield per ton mile (cents)	35.57	38.34
Operating expenses per available seat mile, excluding Regional Affiliates (cents) (*)	13.46	14.55
Fuel consumption (gallons, in millions)	623	604
Fuel price per gallon (dollars)	3.02	3.24
Operating aircraft at period-end	629	608
Regional Affiliates		
Revenue passenger miles (millions)	2,686	2,683
Available seat miles (millions)	3,482	3,447
Passenger load factor	77.1%	77.8%

(*)Excludes $748 million and $756 million of expense incurred related to Regional Affiliates in 2013 and 2012, respectively.

Operating aircraft at June 30, 2013, included:

American Airlines Aircraft		**AMR Eagle Aircraft**	
Boeing 737-800	213	Bombardier CRJ-700	47
Boeing 757-200	106	Embraer RJ-135	11
Boeing 767-200 ER	14	Embraer RJ-140	59
Boeing 767-300 ER	58	Embraer RJ-145	118
Boeing 777-200 ER	47	Super ATR	—
Boeing 777-300 ER	8	Total	235
McDonnell Douglas MD-80	183		
Total	629		

The average aircraft age for American's and AMR Eagle's aircraft is 14.7 years and 10.4 years, respectively.

Almost all of the Company's owned aircraft are encumbered by liens granted in connection with financing transactions entered into by the Company.

Of the operating aircraft listed above, ten Boeing 757-200 aircraft, three McDonnell Douglas MD-80 aircraft, and two Boeing 767-200 Extended Range aircraft were in temporary storage as of June 30, 2013.

Owned and leased aircraft not operated by the Company at June 30, 2013, included:

American Airlines Aircraft		**AMR Eagle Aircraft**	
Boeing 737-800	1	Saab 340B	41
Boeing 757-200	2	Total	41
McDonnell Douglas MD-80	39		
Total	42		

The following table summarizes the aircraft contractually obligated to American under capacity purchase agreements with third party regional airlines at June 30, 2013:

	Fleet Type		
Carrier	Bombardier CRJ-200	Embraer RJ-140	Total
SkyWest	12	—	12
ExpressJet	11	—	11
Chautauqua	—	15	15
Total	23	15	38

Of the aircraft listed above, one SkyWest CRJ-200 aircraft was on operational reserve as of June 30, 2013.

See Note 3 to the Condensed Consolidated Financial Statements for additional information on the Company's capacity purchase agreements with third party regional airlines.

All aircraft, excluding the SAAB 340B aircraft and aircraft operated by third party regional airlines, are owned or leased by American as of June 30, 2013.

See Note 1 to the Condensed Consolidated Financial Statements for information on the Company's activities under section 1110 of the Bankruptcy Code. See Note 3 to the Condensed Consolidated Financial Statements for information on the Company's acquisition commitments, payments and options.

REGIONAL AFFILIATES

The following table summarizes the combined capacity purchase activity for Regional Affiliates for the three months ended June 30, 2013 and 2012 (in millions):

	Three Months Ended June 30,	
	2013	2012
Revenues:		
Regional Affiliates	752	790
Other	43	45
	795	835
Expenses:		
Regional payments	306	319
Other incurred expenses	442	436
	748	755

In addition, passengers connecting to American's flights from Regional Affiliates' flights generated passenger revenues for American flights of $482 million and $498 million in the three months ended June 30, 2013 and 2012, respectively, which are included in Revenues - Passenger in the consolidated statements of operations.

For the Six Months Ended June 30, 2013 and 2012

REVENUES

The Company's revenues increased approximately $43 million, or 0.3 percent, to $12.5 billion in the first six months of 2013 from the same period last year driven by an increase in yield and an increase in international load factor. American's passenger revenues increased by 1.2 percent, or $108 million, on capacity reduction of 0.1 percent to 76.1 billion available seat miles (ASM). American's passenger load factor increased 0.7 points while passenger yield increased by 0.4 percent to 15.09 cents. This resulted in an increase in passenger revenue per available seat mile (RASM) of 1.3 percent to 12.48 cents. American derived approximately 60 percent of its passenger revenues from domestic operations and approximately 40 percent from international operations (flights serving international destinations). Following is additional information regarding American's domestic and international RASM and capacity:

	Six Months Ended June 30, 2013			
	RASM (cents)	Y-O-Y Change	ASMs (billions)	Y-O-Y Change
DOT Domestic	12.5	1.3 %	44.4	(1.8)%
International	12.5	1.3	31.8	2.4
DOT Latin America	13.6	(1.5)	16.8	6.9
DOT Atlantic	11.8	7.7	10.3	(4.2)
DOT Pacific	9.6	(4.5)	4.7	2.3

Regional Affiliates' passenger revenues, which are based on industry standard proration agreements for flights connecting to American flights, decreased $29 million, or 2.0 percent, to $1.4 billion as a result of lower yield. Regional Affiliates' traffic increased 0.5 percent to 5.1 billion revenue passenger miles (RPMs), on a capacity increase of 0.3 percent to 6.8 billion ASMs, resulting in a 0.1 point increase in passenger load factor to 74.7 percent. For the six months ended June 30, 2013, Regional Affiliates' revenues include the results of Executive Airlines, Inc. which ceased operations at the end of the first quarter of 2013.

Cargo revenues decreased 6.1 percent, or $21 million, to $322 million primarily as a result of decreased freight and mail yields.

Other revenues decreased 1.2 percent, or $15.0 million, to $1.3 billion due to a decrease in ancillary fees.

OPERATING EXPENSES

The Company's total operating expenses decreased 3.7 percent, or $461 million, to $12 billion in the first six months of 2013 compared to the same period in 2012. The Company's operating expenses per ASM decreased 4.1 percent to 13.8 cents. The decrease in operating expense was largely due to lower wages, salaries and benefits costs.

(in millions) Operating Expenses	Six Months Ended June 30, 2013	Change from 2012	Percentage Change	
Aircraft fuel	$ 4,338	$ (36)	(0.8)%	
Wages, salaries and benefits	2,599	(635)	(19.6)	(a)
Regional payments to AMR Eagle	531	(42)	(7.3)	(b)
Other rentals and landing fees	680	28	4.3	
Maintenance, materials and repairs	628	58	10.2	(c)
Commissions, booking fees and credit card expense	533	4	0.8	
Depreciation and amortization	485	(28)	(5.5)	
Aircraft rentals	343	70	25.6	(d)
Food service	288	33	12.9	(e)
Special charges and merger related	40	(76)	(65.5)	(f)
Other operating expenses	1,532	163	11.9	(g)
Total operating expenses	$ 11,997	$ (461)	(3.7)%	

(a) Wages, salaries and benefits decreased primarily as a result of modifications to pension and other post-employment benefits and reductions in certain work groups during 2012. See Note 8 and Note 9 to the Condensed Consolidated Financial Statements for further information, respectively.

(b) Regional payments to AMR Eagle expense decreased primarily due to new capacity purchase agreements under which the Company absorbs certain operating expenses of the regional airline.

(c) Maintenance, materials and repairs increased primarily due to timing of materials and repairs expenses.

(d) Aircraft rental expense increased primarily due to new aircraft deliveries in 2013.

(e) Food service increased primarily as a result of increased passengers boarded and enhanced product offerings.

(f) Special charges decreased primarily as a result of severance related charges incurred in 2012.

(g) Other operating expenses increased primarily due to increases in outsourced services and volatility in foreign exchange rates.

OTHER INCOME (EXPENSE)

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

A decrease in short-term investment rates caused a decrease in interest income of $4 million, or 31 percent, to $9 million for the first six months of 2013 compared to the same period last year. Interest expense decreased $16 million, or 5 percent, to $326 million as a result of lower interest rates on indebtedness.

REORGANIZATION ITEMS, NET

Reorganization items refer to revenues, expenses (including professional fees), realized gains and losses and provisions for losses that are realized or incurred as a direct result of the Chapter 11 Cases. The following table summarizes the components included in reorganization items, net on the Consolidated Statements of Operations for the six months ended June 30, 2013 and June 30, 2012.

	Six Months Ended June 30,	
(in millions)	2013	2012
Aircraft and facility financing renegotiations and rejections [1][2][3]	219	1,514
Professional fees	78	117
Other	(14)	—
Total reorganization items, net	283	1,631

(1) Amounts include allowed claims (claims approved by the Bankruptcy Court) and estimated allowed claims relating to the rejection or modification of financings related to aircraft. The Debtors record an estimated claim associated with the rejection or modification of a financing when the applicable motion is filed with the Bankruptcy Court to reject or modify such financing and the Debtors believe that it is probable the motion will be approved, and there is sufficient information to estimate the claim. Modifications of the financings related to certain aircraft remain subject to conditions, including reaching agreement on definitive documentation. See Note 1 to the Condensed Consolidated Financial Statements, “Special Protection Applicable to Leases and Secured Financing of Aircraft and Aircraft Equipment,” for further information.

(2) Amounts include allowed claims (claims approved by the Bankruptcy Court) and estimated allowed claims relating to entry of orders treating as unsecured claims with respect to facility agreements supporting certain issuances of special facility revenue bonds. The Debtors record an estimated claim associated with the treatment of claims with respect to facility agreements when the applicable motion is filed with the Bankruptcy Court and the Debtors believe that it is probable that the motion will be approved, and there is sufficient information to estimate the claim. See Note 1 to the Condensed Consolidated Financial Statements, “Rejection of Executory Contracts,” for further information.

(3) Pursuant to the Support Agreement, as defined and further described in Note 12 to the Condensed Consolidated Financial Statements, the Debtors agreed to allow certain post-petition unsecured claims on obligations. As a result, the Company

recorded reorganization charges to adjust estimated allowed claim amounts previously recorded on rejected special facility revenue bonds of $143 million, which is included in the table above.

INCOME TAX

The Company recorded a net tax (benefit) of approximately $30 million associated with its net loss for the six months ended June 30, 2013 due to the Company realizing a valuation allowance release for refundable credits allowed as a result of passage of the American Taxpayer Relief Act of 2012. See Note 5 to the Condensed Consolidated Financial Statements. The Company did not record a net tax provision (benefit) associated with its net loss for the six months ended June 30, 2013 or June 30, 2012 due to the Company providing a valuation allowance, as discussed in Note 5 to the Condensed Consolidated Financial Statements.

OPERATING STATISTICS

The following table provides statistical information for American and Regional Affiliates for the six months ended June 30, 2013 and 2012

	Six Months Ended June 30,	
	2013	2012
American Airlines, Inc. Mainline Jet Operations		
Revenue passenger miles (millions)	62,990	62,546
Available seat miles (millions)	76,115	76,207
Cargo ton miles (millions)	880	901
Passenger load factor	82.8%	82.1%
Passenger revenue yield per passenger mile (cents)	15.09	15.02
Passenger revenue per available seat mile (cents)	12.48	12.33
Cargo revenue yield per ton mile (cents)	36.57	38.07
Operating expenses per available seat mile, excluding Regional Affiliates (cents) (*)	13.79	14.38
Fuel consumption (gallons, in millions)	1,215	1,196
Fuel price per gallon (dollars)	3.14	3.24
Operating aircraft at period-end		
Regional Affiliates		
Revenue passenger miles (millions)	5,079	5,054
Available seat miles (millions)	6,801	6,781
Passenger load factor	74.7%	74.5%

(*)Excludes $1.5 billion and$1.5 billion of expense incurred related to Regional Affiliates in 2013 and 2012, respectively.

REGIONAL AFFILIATES

The following table summarizes the combined capacity purchase activity for Regional Affiliates for the six months ended June 30, 2013 and 2012 (in millions):

	Six Months Ended June 30,	
	2013	2012
Revenues:		
Regional Affiliates	1,431	1,460
Other	82	85
	1,513	1,545
Expenses:		
Regional payments	609	631
Other incurred expenses	893	867
	1,502	1,498

In addition, passengers connecting to American's flights from Regional Affiliates' flights generated passenger revenues for American flights of $915 million and $924 million in the six months ended June 30, 2013 and 2012, respectively, which are included in Revenues - Passenger in the consolidated statements of operations.

Critical Accounting Policies and Estimates

The preparation of the Company’s financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. The Company believes its estimates and assumptions are reasonable; however, actual results and the timing of the recognition of such amounts could differ from those estimates. The Company has identified the following critical accounting policies and estimates used by management in the preparation of the Company’s financial statements: claims resolution process, long-lived assets, international slots and route authorities, passenger revenue, frequent flyer program, stock compensation, pensions and retiree medical and other benefits, income taxes and derivatives accounting. These policies and estimates are described in the 2012 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in market risk from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk of the Company's 2012 Form 10-K. The change in market risk for aircraft fuel is discussed below for informational purposes.

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 the Company's exposure to such changes. Therefore, actual results may differ. The Company does not hold or issue derivative financial instruments for trading purposes. See Note 10 to the Condensed Consolidated Financial Statements for further information.

Aircraft Fuel The Company's earnings are substantially 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 through the use of hedging contracts, which consist primarily of collars (consisting of a purchased call option and a sold put option) and call spreads (consisting of a purchased call option and a sold call option). Heating oil, jet fuel and crude oil are the primary underlying commodities in the hedge portfolio. Market risk is estimated as a hypothetical 10 percent increase in the June 30, 2013 and 2012 cost per gallon of fuel. Based on projected fuel usage for the next twelve months, such an increase would result in an increase to Aircraft fuel expense of approximately $580 million, inclusive of the impact of effective fuel hedge instruments outstanding at June 30, 2013, and assumes the Company's fuel hedging program remains effective. Such an increase would have resulted in an increase to projected Aircraft fuel expense of approximately $658 million in the twelve months ended December 31, 2012, inclusive of the impact of fuel hedge instruments outstanding at December 31, 2011.

As of June 30, 2013, the Company had cash flow hedges covering approximately 34 percent of its estimated remaining 2013 fuel requirements. Comparatively, as of June 30, 2012, the Company had hedged approximately 40 percent of its estimated remaining 2012 fuel requirements. The consumption hedged for the remainder of 2013 is capped at an average price of approximately $2.94 per gallon of jet fuel. Seven percent of estimated remaining 2013 fuel requirements is hedged using call spreads with protection capped at an average price of approximately $3.19 per gallon of jet fuel. Twenty-seven percent of estimated remaining 2013 fuel requirements is hedged using collars with an average floor price of approximately $2.56 per gallon of jet fuel. The capped and floor prices exclude taxes and transportation costs. A deterioration of the Company's financial position could negatively affect the Company's ability to hedge fuel in the future.

Ineffectiveness is inherent in hedging jet fuel with derivative positions based in crude oil or other crude oil related commodities. The Company assesses, both at the inception of each hedge and on an ongoing basis, whether the derivatives that are used in its hedging transactions are highly effective in offsetting changes in cash flows of the hedged items. In doing so, the Company uses a regression model to determine the correlation of the change in prices of the commodities used to hedge jet fuel (e.g., NYMEX Heating oil) to the change in the price of jet fuel. The Company also monitors the actual dollar offset of the hedges' market values as compared to hypothetical jet fuel hedges. The fuel hedge contracts are generally deemed to be "highly effective" if the R-squared is greater than 80 percent and the dollar offset correlation is within 80 percent to 125 percent. The Company discontinues hedge accounting prospectively if it determines that a derivative is no longer expected to be highly effective as a hedge or if it decides to discontinue the hedging relationship.

Item 4. Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the Exchange Act). This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission. An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the Company's disclosure controls and procedures as of December 31, 2012. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of June 30, 2013. During the quarter ending on June 30, 2013, there was no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

As previously discussed, on November 29, 2011 the Debtors filed voluntary petitions for relief under the Bankruptcy Code. Each of the Debtors continues to operate its business and manage its property as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As a result of the current Chapter 11 Cases, attempts to prosecute, collect, secure or enforce remedies with respect to prepetition claims against the Debtors are subject to the automatic stay provisions of section 362(a) of the Bankruptcy Code, including, except in such cases where the Bankruptcy Court has entered an order modifying or lifting the automatic stay, the litigation described below. Notwithstanding the general application of the automatic stay described above, governmental authorities, both domestic and foreign, may determine to continue actions brought under their regulatory powers. Therefore, the automatic stay may have no effect on certain matters described below.

On February 22, 2006, the Company received a letter from the Swiss Competition Commission informing the Company that it is investigating whether the Company and certain other cargo carriers entered into agreements relating to fuel surcharges, security surcharges, war-risk surcharges, and customs clearance surcharges. On March 11, 2008, the Company received a request for information from the Swiss Competition Commission concerning, among other things, the scope and organization of the Company's activities in Switzerland. On November 8, 2012, the Swiss Competition Commission issued a preliminary order finding that the Company participated in an illegal conspiracy to set cargo fuel, security, and war risk surcharges, and recommending that the Company should be fined 2,225,310 Swiss Francs. A hearing on those alleged charges has been set for September 9 and 16. The Company disputes the allegation in the Swiss order and intends to vigorously defend itself under Swiss law. On January 23, 2007, the Brazilian competition authorities, as part of an ongoing investigation, conducted an unannounced search of the Company's cargo facilities in Sao Paulo, Brazil. On April 24, 2008, the Brazilian competition authorities charged the Company with violating Brazilian competition laws. On December 31, 2009, the Brazilian competition authorities made a non-binding recommendation to the Brazilian competition tribunal that it find the Company in violation of competition laws and levy a fine in an unspecified amount. The Brazilian authorities are investigating whether the Company and certain other foreign and domestic airlines violated Brazilian competition laws by illegally conspiring to set fuel surcharges on cargo shipments. The Company is vigorously contesting the allegations and the preliminary findings of the Brazilian competition authorities. The Company intends to cooperate fully with all pending investigations.

In addition, the Company has received inquiries from a number of other jurisdictions, including Australia and South Korea, regarding the Company's practices relating to setting fuel charges. The Company has timely responded to all such inquiries.

On April 12, 2011, American filed an antitrust lawsuit against Travelport and Orbitz in Federal District Court for the Northern District of Texas. On October 20, 2011, American sought leave to file new antitrust claims against the defendants based on facts learned through discovery. The lawsuit, as amended, alleged, among other things, that (i) the defendants engaged in anticompetitive practices to preserve their monopoly power over American's ability to distribute its products through their subscribers and (ii) such actions have prevented American from employing new competing technologies and allowed the defendants to continue to charge American supracompetitive fees.

On December 22, 2011, Travelport brought counterclaims against American alleging that American's direct connect efforts violate the antitrust laws. On August 16, 2012, the federal district court dismissed Travelport's counterclaims. On February 5, 2013, Travelport filed a motion for reconsideration of the federal district court's August 16, 2012 order dismissing its counterclaims and to amend its counterclaims to assert a new claim against American. The proposed new counterclaim alleged that American participated in a conspiracy with rival airlines and Farelogix, Inc., a technology provider to American, to reduce and eliminate competition from Travelport and other GDSs and to coordinate their negotiations with Travelport and other GDSs.

American settled its disputes with Travelport and Orbitz on March 12, 2013 and March 29, 2013, respectively, subject to approval of the Bankruptcy Court. Under the terms of the settlement between American and Travelport, (i) the parties amended their current distribution and content agreements and extended such agreements for multiple years, (ii) Travelport agreed to provide certain monetary payments to American, and (iii) the parties released one another from any and all claims asserted, or that could have been asserted, in connection with the lawsuit and in a separate case pending between American and Travelport in Illinois state court. Under the terms of the settlement between American and Orbitz, the parties released one another from any and all claims asserted, or that could have been asserted, in connection with the lawsuit. The Bankruptcy Court approved the settlement on April 25, 2013.

The Company is engaged in other legal proceedings from time to time. Legal proceedings can be complex and take many months, or even years, to reach resolution, with the final outcome depending on a number of variables, some of which are not within the control of the Company. Therefore, although the Company will vigorously defend itself in each of the actions described above and such other legal proceedings, the ultimate resolution and potential financial impact on the Company is uncertain.

Item 6. Exhibits

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.

The following exhibits are included herein:

10.1	Supplemental Agreement No. 1 to Purchase Agreement No. 03735 by and between American Airlines, Inc. and The Boeing Company, dated as of April 15, 2013. Portions of the Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.
10.2	Amendment No. 2 to A320 Family Aircraft Purchase Agreement by and between American Airlines, Inc. and Airbus S.A.S., dated as of May 30, 2013. Portions of the Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.
10.3	Credit and Guaranty Agreement, dated as of June 27, 2013, among American Airlines, Inc., as the borrower, AMR, as parent and guarantor, the subsidiaries of AMR from time to time party thereto, as guarantors, the lenders party thereto from time to time, Deutsche Bank AG New York Branch, as administrative agent, collateral agent and issuing lender, Citigroup Global Markets Inc., as left lead arranger for the Revolving Facility (as defined in the Credit and Guaranty Agreement) and syndication agent, Barclays Bank PLC, Goldman Sachs Bank USA, J.P. Morgan Securities LLC and Morgan Stanley Senior Funding, Inc., as documentation agents, Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Barclays Bank PLC, Goldman Sachs Bank USA, J.P. Morgan Securities LLC and Morgan Stanley Senior Funding, Inc., as joint lead arrangers and joint bookrunners, and Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint bookrunners.
12	Computation of ratio of earnings to fixed charges for the three and six months ended June 30, 2013 and 2012.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a).
32	Certification pursuant to Rule 13a-14(b) and section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code).
101	The following materials from AMR Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Operations, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text.*
*	Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

ADDITIONAL INFORMATION

AMR files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these reports, statements or other information filed by AMR at the SEC's Public Reference Room at Room 1580, 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The SEC filings of AMR are also available to the public from commercial document retrieval services and at the website maintained by the SEC at www.sec.gov. You can also find the SEC filings of AMR on its website, www.aa.com.

The SEC allows AMR to incorporate information by reference into this Form 10-Q. This means that AMR can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this Form 10-Q, except for any information that is superseded by information that is included directly in this Form 10-Q or incorporated by reference subsequent to the date of this Form 10-Q. AMR does not incorporate the contents of its website into this Form 10-Q.

AMR has made and expects to make public disclosures of certain information regarding AMR and its subsidiaries, including, but not limited to, disclosures regarding the Merger, to investors and the general public by means of certain social media sites, including, but not limited to, Facebook and Twitter and by means of a joint Merger website maintained by AMR and US Airways Group. Investors are encouraged to (i) follow American (@AmericanAir) on Twitter, (ii) “like” American (www.facebook.com/AmericanAirlines) on its Facebook page and (iii) visit www.aaarriving.com for updated information regarding AMR, US Airways Group, and the Merger. AMR does not incorporate the contents of its social media posts or the joint Merger website into this Form 10-Q.

Signature

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

AMR CORPORATION

Date: July 18, 2013

BY: [/s/ Isabella D. Goren]

Isabella D. Goren

Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

SUPPLEMENTAL AGREEMENT NO. 1

to

Purchase Agreement No. 03735

between

THE BOEING COMPANY

and

AMERICAN AIRLINES, INC.

Relating to Boeing Model 737 MAX Aircraft

This SUPPLEMENTAL AGREEMENT No. 1(***SA-1)***, entered into as of April 15, 2013 (***SA-1 Effective Date***), by and between THE BOEING COMPANY, a Delaware corporation with offices in Seattle, Washington (***Boeing***) and AMERICAN AIRLINES, INC. a Delaware corporation with offices in Fort Worth Texas, together with its successors and permitted assigns (***Customer***);

WHEREAS, Boeing and Customer entered into Purchase Agreement No. 03735 dated February 1, 2013 relating to Boeing Model 737 MAX Aircraft, as amended and supplemented (***Purchase Agreement***) and capitalized terms used herein without definitions shall have the meanings specified therefore in such Purchase Agreement;

WHEREAS, Customer and Boeing desire to amend the Purchase Agreement to reflect the terms and conditions applicable to the [*CTR] of the Nominal Delivery Month and the corresponding [*CTR] resulting from such [*CTR] of five (5) Boeing Model 737 MAX Aircraft specified as follows [*CTR]:

Manufacturer Serial Number	Nominal Delivery Month Prior to SA-1	Nominal Delivery Month Pursuant to SA-1
44451	[*CTR] 2018	[*CTR] 2018
44455	[*CTR] 2018	[*CTR] 2018
44459	[*CTR] 2018	[*CTR] 2017
44463	[*CTR] 2018	[*CTR] 2017
44465	[*CTR] 2018	[*CTR] 2017

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

NOW, THEREFORE, the parties agree that the Purchase Agreement is amended as set forth below and otherwise agree as follows:

1 Table of Contents.

The "Table Of Contents" to the Purchase Agreement is replaced in its entirety by the revised "Table Of Contents" (attached hereto and identified by an "SA-1" legend) to reflect changes made to the Purchase Agreement by SA-1.

2 Table 1 – [*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments.

Table 1 to the Purchase Agreement is replaced in its entirety by Table 1R1 (attached hereto and identified by an "SA-1" legend,) to reflect changes to the Nominal Delivery Month as a result of the [*CTR].

2.1 Notwithstanding the preceding, the parties agree that references to Table 1 in the following agreements shall be to Table 1 as of the Effective Date (***Original Table 1***):

Letter Agreement Number	Title	§
AAL-PA-03735-LA-1106671R1	Revised Miscellaneous Commitments Letter, as defined in § 3.2, herein	1.15
AAL-PA-03735-LA-1106667	[*CTR]	4.6 to Exhibit B
AAL-PA-03735-LA-1106668	[*CTR]	4.6 to Exhibit B
AAL-PA-03735-LA-1106669	[*CTR]	4.6 to Exhibit B
AAL-PA-03735-LA-1106677	MAX [*CTR]	2

2.2 Solely for purposes of Section 7.3 of the AGTA, and notwithstanding the provisions of Section 7.3.1 to the contrary, if the revised delivery month of an Aircraft that is subject to [*CTR] is [*CTR] after the Scheduled Delivery Month for such Aircraft (as determined in accordance with Table 1R1), the calculation of the [*CTR] will be based upon the earlier of:

(i) the [*CTR] or

(ii) the [*CTR] of Letter Agreement AAL-PA-03735-LA-1106671 entitled "Miscellaneous Commitments" or

(iii) the [*CTR].

All credit memorandum that are both subject to [*CTR] and applicable to an Aircraft subject to [*CTR] shall be [*CTR] in accordance with this Section 2.2.

2.3 Additionally, the parties acknowledge that the § 2.7 reference to Table 1 in Supplemental Exhibit EE1 is to the Table 1 attached to Supplemental Exhibit EE1.

3 Letter Agreements.

3.1 Revisions clarifying references to "Table 1 as of the Effective Date":

3.1.1 [*CTR]. Letter Agreement AAL-PA-03735-LA-1106650 entitled "[*CTR]" is replaced in its entirety by AAL-PA-03735-LA-1106650R1 (attached hereto and identified by an "SA-1" legend) (***Revised [*CTR] Letter***) to revise Section 1(i) in accordance with this SA-1.

3.1.2 [*CTR]. Letter Agreement AAL-PA-03735-LA-1106656 entitled "[*CTR]" is replaced in its entirety by AAL-PA-03735-LA-1106656R1 (attached hereto and identified by an "SA-1" legend) (***Revised [*CTR] Letter***) to revise Section 1.1 in accordance with this SA-1.

3.1.3 [*CTR]. Letter Agreement AAL-PA-03735-LA-1106659 entitled "[*CTR]" is replaced in its entirety by AAL-PA-03735-LA-1106659R1 (attached hereto and identified by an "SA-1" legend) (***Revised [*CTR] Letter***) to revise Section 1.2 in accordance with this SA-1.

3.1.4 [*CTR]. Letter Agreement AAL-PA-03735-LA-1106661 entitled "[*CTR]" is replaced in its entirety by AAL-PA-03735-LA-1106661R1 (attached hereto and identified by an "SA-1 legend) ***Revised [*CTR] Letter***) to revise the second paragraph in accordance with this SA-1.

3.2 Miscellaneous Commitments. Letter Agreement AAL-PA-03735-LA-1106671 entitled "Miscellaneous Commitments" is replaced in its entirety by AAL-PA-03735-LA-1106671R1 (attached hereto and identified by an "SA-1" legend) (***Revised Miscellaneous Commitments Letter***) to add a new Section 1.15.6 to reflect the parties' agreement that, solely for the purposes of Sections 1.15.1 and 1.15.2 of the Miscellaneous Commitments letter agreement, the [*CTR] shall be the [*CTR]. All references to Letter Agreement AAL-PA-03735-LA-1106671 in the Purchase Agreement and any supplemental agreements and associated letter agreements to the Purchase Agreement shall be deemed to refer to Letter Agreement AAL-PA-03735-LA-1106671R1.

3.3 [*CTR]. For purposes of Section 2.1 of Letter Agreement AAL-PA-03735-LA-1106649 entitled "[*CTR]" the [*CTR] for the five (5) Aircraft that are subject to [*CTR] shall be the [*CTR]. For the avoidance of doubt, the [*CTR] remain as set forth in the [*CTR] letter agreement.

The Revised [*CTR] Letter, Revised [*CTR] Letter, Revised [*CTR] Letter, Revised [*CTR] Letter and Revised Miscellaneous Commitments Letter are collectively referred to as the ***Revised Letter Agreements***.

4 [*CTR] from Boeing.

Boeing shall [*CTR] of [*CTR] ([*CTR]) to Customer, which represents the [*CTR] Customer to Boeing and the [*CTR] in accordance with [*CTR] pursuant to Section 1 of the [*CTR] as of the SA-1 Effective Date.

5 Miscellaneous.

5.1 The Purchase Agreement is amended as set forth above and by the table of contents, Table 1R1, and the ***Revised Letter Agreements***. All other terms and conditions of the Purchase Agreement remain unchanged and are in full force and effect. The Table of Contents, Table 1R1, and Revised Letter Agreements are incorporated into this SA-1 by this reference.

[This space intentionally left blank]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

AGREED AND ACCEPTED this

15 April 2013
Date

THE BOEING COMPANY	**AMERICAN AIRLINES, INC.**
/s/ The Boeing Company	/s/ American Airlines, Inc.
Signature	Signature
The Boeing Company	American Airlines, Inc.
Printed name	Printed name
Attorney-in-Fact	VP Treasury
Title	Title

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

TABLE OF CONTENTS

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Airframe Model/MTOW:	737-8	159400 pounds	**Detail Specification:**	[*CTR]	
Engine Model/Thrust:	CFM-LEAP-1B	Base Thrust	**Airframe Price Base Year/Escalation Formula:**	[*CTR]	
Airframe Price:		[*CTR]	**Engine Price Base Year/Escalation Formula:**	N/A	N/A
Optional Features:		[*CTR]	**Airframe Escalation Data:**		
Sub-Total of Airframe and Features:		[*CTR]	**Base Year Index (ECI):**	[*CTR]	
Engine Price (Per Aircraft):		[*CTR]	**Base Year Index (CPI):**	[*CTR]	
Aircraft Basic Price (Excluding BFE/SPE):		[*CTR]			
Buyer Furnished Equipment (BFE) Estimate:		[*CTR]			
Seller Purchased Equipment (SPE):		[*CTR]			
Refundable Deposit/Aircraft at Proposal Accept:		[*CTR]			

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): [*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2017		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2017**	1	[*CTR]	44459	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2017		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2017		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2017**	1	[*CTR]	44463	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2017		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2017		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2017**	1	[*CTR]	44465	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2017		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2017		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	1	[*CTR]	44446	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	2	[*CTR]	44447 & 44451	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	1	[*CTR]	44448	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	2	[*CTR]	44449 & 44455	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	1	[*CTR]	44450	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	2	[*CTR]	44452 & 44453	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	1	[*CTR]	44454	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	2	[*CTR]	44456 & 44457	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): [*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	1	[*CTR]	44458	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	2	[*CTR]	44460 & 44461	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	1	[*CTR]	44462	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2018**	1	[*CTR]	44464	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2018		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**		[*CTR]	44466 & 44467	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	2	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**		[*CTR]	44468 & 44469	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	2	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**		[*CTR]	44470 & 44471	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	2	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**		[*CTR]	44472 & 44473	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	2	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**		[*CTR]	44474	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	1	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**		[*CTR]	44475 & 44476	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	2	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**		[*CTR]	44477	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019	1	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): [*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**	2	[*CTR]	44478 & 44479	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**	2	[*CTR]	44480 & 44481	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**	1	[*CTR]	44482	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**	2	[*CTR]	44483 & 44484	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2019		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2019**	1	[*CTR]	44485	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2019	2	[*CTR]	44486 & 44487	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	1	[*CTR]	44488	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	2	[*CTR]	44489 & 44490	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	1	[*CTR]	44491	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	2	[*CTR]	44492 & 44493	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	2	[*CTR]	44494 & 44495	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020	2	[*CTR]	44496 & 44497	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): [*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**	2	[*CTR]	44498 & 44499	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**	2	[*CTR]	44500 & 44501	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**	2	[*CTR]	44502 & 44503	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**	1	[*CTR]	44504	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2020**	1	[*CTR]	44505	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): [*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2020		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**	2	[*CTR]	44506 & 44507	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**	1	[*CTR]	44508	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**	2	[*CTR]	44509 & 44510	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**	1	[*CTR]	44511	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**	2	[*CTR]	44512 & 44513	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**	2	[*CTR]	44514 & 44515	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**	2	[*CTR]	44516 & 44517	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2021	2	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**		[*CTR]	44518 & 44519	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**		[*CTR]	44520	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	2	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**		[*CTR]	44521 & 44522	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	1	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**		[*CTR]	44523	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2021	2	[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2021**		[*CTR]	44524 & 44525	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery):			
						[*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2021	2	[*CTR]	44526 & 44527	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	44528	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	2	[*CTR]	44529 & 44530	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	1	[*CTR]	44531	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	2	[*CTR]	44532 & 44533	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	2	[*CTR]	44534 & 44535	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022	2	[*CTR]	44536 & 44537	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Table 1R1 To
Purchase Agreement No. 03735
[*CTR] 737-8 Aircraft Delivery, Description, Price and Advance Payments

Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Manufacturer Serial Number	Nominal Delivery Month?	Escalation Estimate Adv Payment Base Price Per A/P	Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): [*CTR]	[*CTR]	[*CTR]	Total [*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**	2	[*CTR]	44538 & 44539	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**	1	[*CTR]	44540	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**	2	[*CTR]	44541 & 44542	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**	1	[*CTR]	44543	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2022		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-**2022**	2	[*CTR]	44544 & 44545	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
[*CTR]-2023		[*CTR]		[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]	[*CTR]
Total:	100								

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AAL-PA-03735-LA-1106650R1

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: [*CTR]

Reference: Purchase Agreement No. 03735 (***Purchase Agreement***) between The Boeing Company (***Boeing***) and American Airlines, Inc. (***Customer***) relating to Model 737 MAX aircraft (***Aircraft***)

This letter agreement (***Letter Agreement***) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

The Purchase Agreement incorporates the terms and conditions of the AGTA. This Letter Agreement modifies certain terms and conditions of the AGTA and the Purchase Agreement with respect to the Aircraft.

1. [*CTR]

[*CTR]

[*CTR]	[*CTR]	[*CTR]
[*CTR]	[*CTR]	[*CTR]
[*CTR]	[*CTR]	[*CTR]
[*CTR]	[*CTR]	[*CTR]
[*CTR]	[*CTR]	[*CTR]
[*CTR]	[*CTR]	[*CTR]

2. [*CTR]

[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

3. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing.

4. Assignment.

4.1 Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing, except to the extent permissible under the terms of the AGTA.

4.2 [*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters treated above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By: /s/ The Boeing Company
Its: Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: 15 April 2013

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.
Its: VP Treasury

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AAL-PA-03735-LA-1106656R1

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: [*CTR]

Reference: Purchase Agreement No. 03735 (***Purchase Agreement***) between The Boeing Company (***Boeing***) and American Airlines, Inc. (***Customer***) relating to Model 737 MAX aircraft (***Aircraft***)

This letter agreement (***Letter Agreement***) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

1. [*CTR]

1.1 [*CTR]

1.2 [*CTR]

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

1.3 [*CTR]

2. [*CTR]

[*CTR]

3. [*CTR]

[*CTR]

4. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing.

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

5. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters treated above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By: /s/ The Boeing Company
Its: Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: 15 April 2013

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.
Its: VP Treasury

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AAL-PA-03735-LA-1106659R1

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: [*CTR]

Reference: Purchase Agreement No. 03735 (***Purchase Agreement***) between The Boeing Company (***Boeing***) and American Airlines, Inc. (***Customer***) relating to Model 737-MAX aircraft (***Aircraft***)

This letter agreement (***Letter Agreement***) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

Boeing and Customer wish to enter into an agreement pursuant to which each party will contribute equally to promotional programs in support of the entry into service of the Aircraft as more specifically provided below.

1. Definitions.

1.1 [*CTR]

1.2 ***Covered Aircraft*** shall mean those Aircraft identified on Table 1R1 to the Purchase Agreement (as may be amended from time to time), any Substitute Aircraft pursuant to terms of Letter Agreement AAL-PA-03735-LA-1106652 entitled "Aircraft Model Substitution" and any Option Aircraft in which Customer exercises its rights pursuant to Letter Agreement AAL-PA-03735-LA-1106651 entitled "Option Aircraft".

1.3 ***Performance Period*** [*CTR]

1.4 ***Promotional Support*** shall mean mutually agreed marketing and promotion programs that promote the entry into service of the Covered Aircraft such as marketing research, tourism development, corporate identity, direct marketing, videotape or still photography, planning, design and production of collateral materials, management of promotion programs, advertising campaigns or such other marketing and promotional activities as the parties may mutually agree.

1.5 ***Qualifying Third Party Fees*** shall mean [*CTR]

2. Commitment.

[*CTR]

3. Methods of Performance.

3.1 [*CTR]

3.2 [*CTR]

3.3 [*CTR]

4. Project Approval.

Following the execution of this Letter Agreement, a Boeing Airline Marketing Services representative will meet with Customer's designated representative to review and approve the extent, selection, scheduling, and funds disbursement process for the Promotional Support to be provided pursuant to this Letter Agreement.

5. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or in part.

6. Confidential Treatment.

The information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer will limit the disclosure of its contents to employees of Customer with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing.

Very truly yours,

THE BOEING COMPANY

By: /s/ The Boeing Company
Its: Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: 15 April 2013

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.
Its: VP Treasury

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AAL-PA-03735-LA-1106661R1

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: [*CTR]

References: a) Purchase Agreement No. 03735 (***Purchase Agreement***) between The Boeing Company (***Boeing***) and American Airlines, Inc. (***Customer***) relating to Model 737 MAX aircraft (***Aircraft***)

b) [*CTR]

This letter agreement (***Letter Agreement***) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

[*CTR]

[*CTR]

[*CTR]

[*CTR]

1. [*CTR]

[*CTR]

2. [*CTR]

2.1 Firm Aircraft Delivery. [*CTR] Letter Agreement AAL-PA-03735-LA-1106671 entitled "Miscellaneous Commitments for Boeing Model 737 MAX Aircraft" (***Misc. Commitments Letter***).

2.2 [*CTR]

2.2.1 [*CTR]

2.2.2 [*CTR]

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2.2.3 [*CTR]

2.2.4 [*CTR]

2.2.4.1 [*CTR];

2.2.4.2 [*CTR]

2.2.5 [*CTR]

2.2.6 [*CTR]

2.2.7 [*CTR]

2.2.8 [*CTR]

2.3 [*CTR]

3. Payments.

[*CTR]

3.1 [*CTR]

3.2 [*CTR]

3.3 Credit Memorandum. [*CTR]

3.4 [*CTR]

3.4.1 [*CTR]

3.4.2 [*CTR]

3.5 [*CTR]

3.5.1 [*CTR]

3.5.2 [*CTR]

3.5.3 [*CTR]

3.5.3.1 [*CTR]

3.5.3.2 [*CTR]

3.5.3.3 [Intentionally Reserved]

3.5.3.4 [*CTR]

3.5.3.5 [*CTR]

4. [*CTR]

[*CTR]

5. [*CTR]

[*CTR]

6. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Firm Aircraft and cannot be assigned, in whole or in part, without the prior written consent of Boeing.

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

7. Confidential Treatment.

Customer understands and agrees that the information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to employees of Customer with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters treated above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By: /s/ The Boeing Company
Its: Attorney-In-Fact

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

ACCEPTED AND AGREED TO this

Date: 15 April 2013

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.
Its: VP Treasury

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AAL-PA-03735-LA-1106671R1

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: Miscellaneous Commitments for Boeing Model 737 MAX Aircraft

Reference: Purchase Agreement No. 03735 (***Purchase Agreement***) between The Boeing Company (***Boeing***) and American Airlines, Inc. (***Customer***) relating to Model 737 MAX aircraft (***Aircraft***)

This letter agreement (***Letter Agreement***) is entered into on the date below, and amends and supplements the Purchase Agreement. All capitalized terms used herein but not otherwise defined in this Letter Agreement have the same meaning as in the Purchase Agreement.

For ease of reference, a "Table of Contents" has been added as Attachment A to this Letter Agreement.

1. AGTA.

1.1. Taxes.

Section 2.2 of the AGTA is replaced in full by the following new provision:

"2.2 Taxes.

[*CTR]

2.2.2 [*CTR]

2.2.3 [*CTR]

1.2. Customs Duties.

1.2.1 [*CTR]

1.2.2 Boeing provides the information in the preceding Section 2.1 to Customer as a courtesy, and not in lieu of professional opinions rendered by counsel of Customer's choice, subject to the limitations that Boeing assumes no responsibility for the accuracy or timeliness of such information, and that Customer agrees it will assert no claim against Boeing based on such information.

1.3. Rate of Interest.

[*CTR]

1.4. Advanced Payment Increases.

[*CTR]

[*CTR]

1.5. Intentionally Omitted.

1.6. Intentionally Omitted.

1.7. Development Change and Manufacturer Change Production Revision Records.

[*CTR]

1.8. Part 121 Compliance Review.

[*CTR]

1.9. **Inspection and Acceptance.**

The AGTA is hereby amended by adding the following new Section 5.6 immediately following Section 5.5 of the AGTA:

[*CTR]

1.10. Condition of Aircraft Suffering Damage.

The AGTA is amended by adding the following new Section 5.7 after Section 5.6 of the AGTA.

[*CTR]

1.11. Customer Quality Support Service Commitment.

[*CTR]

1.12. Target Delivery Dates.

[*CTR]

1.13. Customer Delay in Acceptance of Aircraft.

Section 6.4 of the AGTA is replaced in full by the following new provision:

[*CTR]

1.14. Customer Delay Due to Allied Pilots Association Strike.

The following new Section 6.5 is added to the AGTA after Section 6.4:

"6.5 Customer Delay Due to Allied Pilots Association Strike.

[*CTR]

6.5.1 [*CTR];

6.5.2 [*CTR]

6.5.3 [*CTR]

1.15. Liquidated Damages and Right of Termination.

1.15.1. [*CTR]

1.15.2 [*CTR]

1.15.3 [*CTR]

1.15.4 [*CTR]

1.15.5 [*CTR]

1.15.6 Notwithstanding the terms of Section 1.15.1 and Section 1.15.2 above, which specify the terms and conditions of Liquidated Damages and Right of Termination for [*CTR], the parties agree that solely for the purposes of the [*CTR] the [*CTR] for each Aircraft set forth in Figure 1 below shall be the [*CTR].

Figure 1

Manufacturer Serial Number	[*CTR]
44451	[*CTR] 2018
44455	[*CTR] 2018
44459	[*CTR] 2018
44463	[*CTR] 2018
44465	[*CTR] 2018

1.16. Notice to Customer in the Event of an Excusable Delay.

Section 7.2 of the AGTA is replaced in full by the following new provision:

[*CTR]

1.17. Aircraft Damaged Beyond Repair.

Section 7.5 of the AGTA is replaced in full by the following new provision:

"7.5 [*CTR]

1.18. Termination.

Section 7.6 of the AGTA is replaced in full by the following new provision:

[*CTR]

1.19. Excusable Delay.

The AGTA is amended by adding the following provision immediately following Section 7.7:

[*CTR]

1.20. Risk Allocation/Insurance.

1.20.1. Article 8 of the AGTA is replaced in full by the following new provisions:

"Article 8. Risk Allocation/Insurance.

8.1 [*CTR]

8.1.1 [*CTR]

8.1.2 Boeing Insurance.

(a) [*CTR]

(b) [*CTR]

(c) [*CTR]

8.1.3 Definition of Customer. For the purpose of Section 8.1, the term "Customer" includes American Airlines, Inc., its divisions, any wholly-owned subsidiary of American Airlines, Inc. which is assigned any rights or delegated any duties as permitted under the Purchase Agreement, the permitted assignees under the Purchase Agreement, and their respective directors, officers and employees.

8.2 Title and Risk with Customer.

8.2.1 [*CTR]

8.2.2 [*CTR]

8.2.3 [*CTR]

8.2.4 [*CTR]

8.2.5 [*CTR]

8.2.6 Definition of Boeing. For purposes of this Article 8.2, the term "Boeing" includes The Boeing Company, its divisions, any wholly-owned subsidiary of The Boeing Company which is assigned any rights or obligations in accordance with Section 9.1 of the AGTA, the permitted assignees under the Purchase Agreement, provided that such assignees or subsidiaries have performed services under the Customer Support Document to the AGTA and Supplemental Exhibit CS1 to the Purchase Agreement, and their respective directors, officers and employees."

1.20.2. The insurance certificate provided by Boeing pursuant to Section 8.1.2(c) of the AGTA (as amended by this Letter Agreement) shall be substantially in the form of the certificate attached to this Letter Agreement as Attachment B.

1.21. Boeing Training & Flight Services, L.L.C. Interface Commitment.

1.21.1. Section 9.1.5 of the AGTA is replaced in full by the following new provisions:

"9.1.5 [*CTR]:

9.1.5.1 [*CTR]

9.1.5.2 [*CTR]

1.21.2. *Reserved.*

1.22. Exculpatory Clause in Post-Delivery Sale or Lease.

Section 9.7 of the AGTA is replaced in full by the following new provision:

"9.7 [*CTR]

1.23. Termination for Certain Events.

1.23.1. Article 10 of the AGTA is replaced in full by the following new provision:

"Article 10. Termination for Certain Events.

10.1 Termination. If either party:

(i) [*CTR]

(ii) [*CTR]

10.2 [*CTR]

1.24. FAA Grounding.

1.24.1. [*CTR]

1.24.2. [*CTR]

1.25. FAA ETOPS Prevention.

[*CTR]

[*CTR]

1.26. Duplicate Remedies.

[*CTR]

2. Customer Support (Exhibit B).

2.1. Additional Technical Data and Documents.

The following Section 3.2 is added to Part 1 of the Customer Support Document following Section 3.1:

"3.2 [*CTR]

[*CTR]

2.2. Field Service Representation.

Part 2 to the Customer Support Document is amended as follows:

(a) [*CTR]

(b) [*CTR]

[*CTR]

2.3. Computer Software Documentation for Boeing Manufactured Airborne Components and Equipment.

[*CTR]

[*CTR]

2.4. Technical Information and Materials.

The first paragraph of Section 1 of Part 3 of the Customer Support Document is replaced in full by the following new provision:

[*CTR]

2.5. Supplier Technical Data.

Section 8 of Part 3 to the Customer Support Document is replaced in full by the following new provision:

"8. [*CTR]

8.1 [*CTR].

8.2 [*CTR]

8.3 [*CTR]

(i) [*CTR]

(ii) [*CTR]

(iii) [*CTR]

(iv) [*CTR]

(v) [*CTR]

8.4 [*CTR]

8.5 [*CTR]

8.6 [*CTR]

2.6. Protection of Proprietary Information and Proprietary Materials.

Part 5 of the Customer Support Document is replaced in full by the following new provision:

"CUSTOMER SUPPORT DOCUMENT

PART 5: PROTECTION OF PROPRIETARY INFORMATION AND PROPRIETARY MATERIALS

1. General.

[*CTR]

2. License Grant.

[*CTR]

3. Use of Proprietary Materials and Proprietary Information.

[*CTR]

4. Use of Training Materials.

[*CTR]

5. Providing of Proprietary Materials to Contractors.

[*CTR]

6. Providing of Proprietary Materials and Proprietary Information to Regulatory Agencies.

[*CTR]

7. Additional Data and Documents.

[*CTR]

2.7. Line Station Spare Parts Support.

Customer, at its option, may participate in the use of spare parts held by Boeing at any line station in accordance with the reasonable terms and conditions set forth by Boeing for such participation.

3. Product Assurance (Exhibit C).

3.1. Disclaimer and Release; Exclusion of Liabilities.

Section 11 of Part 2 of the Product Assurance Document is replaced in full by the following new provision:

"11. Disclaimer and Release; Exclusion of Liabilities.

11.1 [*CTR]

(A) [*CTR]

(B) [*CTR]

(C) [*CTR]

(D) [*CTR]

11.2 [*CTR]

11.3 [*CTR]

11.4 Definitions. For the purpose of this Section 11, “BOEING” or “Boeing” is defined as The Boeing Company, its divisions, subsidiaries, Affiliates, the assignees of each, and their respective directors, officers, employees and agents.”

3.2. Reimbursement for Service Bulletin Corrections.

Section 7.3.2 of Part 2 of the Product Assurance Document is replaced in full by the following provision:

“7.3.2 [*CTR]

(a) [*CTR]

(b) [*CTR]

3.3. FAR 145 Requirements.

[*CTR]

3.4. Warranty Claim, Response and Payment Time.

[*CTR]

3.5. Maximum Reimbursement.

The following provision is added to the end of Section 4.5 of Part 2 to the Product Assurance Document:

[*CTR]

3.6. Additional Service Life Policy Covered Components.

[*CTR]

3.6.1. Additional Service Life Policy Covered Components.

3.6.1.1. For purposes of Part 3 of the Product Assurance Document, the following additional items (Additional SLP Components) shall

be deemed to be “SLP Components”, as defined in Section 1 of Part 3 of the Product Assurance Document:

[*CTR]

3.6.1.2. [*CTR]

3.6.1.3. [*CTR]

3.6.2. [*CTR]

3.6.2.1. [*CTR]

[*CTR]

3.6.2.2. [*CTR]

(i) [*CTR]

(ii) [*CTR]

(iii) [*CTR]

3.7. Conditions and Limitations to the Service Life Policy.

3.7.1. The following Section 4.5 is added to Part 3 of the Product Assurance Document:

“4.5 [*CTR]

3.7.2. [*CTR]

[*CTR]

3.8. Boeing Back-Up of Supplier Turnaround Time Commitments.

[*CTR]

3.9. Supplier Warranty Commitment.

Section 1 of Part 4 of the Product Assurance Document is replaced in full by the following new Section 1:

"1. Supplier Warranties and Supplier Patent Indemnities.

[*CTR]

3.10. Engine/Airframe Interface Commitment.

[*CTR]

(a) [*CTR]

(b) [*CTR]

(c) [*CTR]

3.11. Boeing Indemnities Against Patent and Copyright Infringement.

Part 6 of the Product Assurance Document is replaced in full by the following new provision:

"PRODUCT ASSURANCE DOCUMENT

PART 6: BOEING INDEMNITIES AGAINST PATENT

AND COPYRIGHT INFRINGEMENT AND TRADE SECRET MISAPPROPRIATION

1. [*CTR]

[*CTR]

(a) [*CTR]

(b) [*CTR]

2. Indemnity Against Copyright Infringement.

[*CTR]

(a) [*CTR]

(b) [*CTR]

[*CTR]

3. Indemnity Against Trade Secret Misappropriation.

[*CTR]

(a) [*CTR]

(b) [*CTR]

[*CTR]

4. Exceptions, Limitations and Conditions.

4.1 [*CTR]

4.2 [*CTR]

4.3 [*CTR]

4.4 [*CTR]

4.5 [*CTR]

4.6 [*CTR]

4.7 [*CTR]

4.8 [*CTR]

4.9 [*CTR]

4.10 For the purposes of this Part 6, “BOEING” or “Boeing” is defined as The Boeing Company, its divisions, wholly owned subsidiaries, the permitted assignees of each, and their respective directors, officers, employees and agents.

4.11 For the purposes of this Part 6, “Customer” is defined as American Airlines, Inc., its divisions, wholly owned subsidiaries, the permitted assignees of each, and their respective directors, officers, employees and agents.”

4. Performance.

4.1. [*CTR]

[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

4.2. Performance Guarantees/Data Base Changes.

4.2.1. [*CTR]

4.2.2. [*CTR]

4.2.3. [*CTR]

4.2.4. Upon the occurrence of any performance data base change, Boeing agrees to take the following action:

(a) [*CTR]

5. Reserved

5.1 Reserved.

5.2 Reserved

6 [*CTR]

[*CTR]

[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]

[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]
[*CTR]	[*CTR]

[*CTR]

6.1 [*CTR]

6.2 [*CTR]

6.3 [*CTR]

6.4 [*CTR]

6.5 [*CTR]

6.6 [*CTR]

6.7 [*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

7 Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential. Customer and Boeing agree that each will treat this Letter Agreement and the information contained herein as confidential and will not, without the prior written consent of the other, disclose this Letter Agreement or any information contained herein to any other person or entity, except as provided in this Letter Agreement or the Purchase Agreement.

Very truly yours,

THE BOEING COMPANY

By: /s/ The Boeing Company
Its: Attorney-In-Fact

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

ACCEPTED AND AGREED TO this

Date: 15 April 2013

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.
Its: VP Treasury

Attachment A - Table of Contents
Attachment B - Form of Insurance Certificate of Boeing
Attachment C - Reserved.
Attachment D - Reserved

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment A to AAL-PA-03735-LA-1106671R1

TABLE OF CONTENTS

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2. Customer Support (Exhibit B)

3. Product Assurance (Exhibit C)

4. Performance

5. Reserved

6. [*CTR]

7. Confidential Treatment

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment B to AAL-PA-03735-LA-1106671R1

Sample Insurance Certificate (Boeing)

BROKER'S LETTERHEAD

[date]

*Certificate of Insurance Ref. No.*_____

THIS IS TO CERTIFY TO:

American Airlines, Inc. (hereinafter "American")
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

that Insurers, EACH FOR HIS OWN PART AND NOT ONE FOR THE OTHER, are providing the following insurance:

NAMED INSURED:	**The Boeing Company (hereinafter "Boeing")**
ADDRESS OF INSURED:	**Post Office Box 3707** **Seattle, Washington 98124-2207**
PERIOD OF INSURANCE:	**See attached Schedule of Insurers**
GEOGRAPHICAL LIMITS:	**Worldwide**
EQUIPMENT INSURED:	**All Boeing [model] [type] aircraft owned or operated by American that are the subject of that certain Purchase Agreement No. dated between American and Boeing, as more particularly described on the attached Schedule of Aircraft, as such schedule may be amended from time to time.**

DESCRIPTION OF COVERAGES

A. AIRCRAFT HULL INSURANCE	All risks of ground and flight physical damage coverage in respect of all aircraft owned by, leased to or operated by the

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

	Named Insured, including the Aircraft and any engines (including the Engines) and any parts (including the Parts) while attached to any such Aircraft or removed therefrom but not replaced, subject to policy terms, conditions, limitations, exclusions and deductibles.
Amount of Insurance:	Agreed Value (as per Policy terms and conditions).
B. AIRCRAFT LIABILITY INSURANCE	Aircraft Liability Insurance, including Bodily Injury (including passengers), Property Damage, Aircraft Liability, Passenger Legal Liability, Premises/Operations Liability, Personal Injury, and Contractual Liability Insurance, subject to policy terms, conditions, limitations, exclusion and deductibles.
Limit of Liability:	[*CTR]

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

SPECIAL PROVISIONS APPLICABLE TO THE ADDRESSEE(S)

Subject to the policy terms, conditions, limitations, exclusions and deductibles and solely with respect to Purchase Agreement No._____ dated as of _____ (the "***Purchase Agreement***") between American and The Boeing Company ("***Boeing***"), the policies set forth in the attached Schedule of Insurers are amended to include the following:

1. Solely with respect to Aircraft Liability Insurance, American is included as an additional Insured, but only to the extent that Boeing is obligated by its agreements to indemnify and hold harmless American under Section 8.1.1 of the Aircraft General Terms Agreement, AGTA-AAL, applicable to the Purchase Agreement and then only to the extent of coverage provided by the policy;
2. Solely with respect to Aircraft Hull Insurance, each Insurer agrees to waive any rights of subrogation against American to the extent that Boeing has waived such rights by the terms of its agreements to indemnify American pursuant to the Purchase Agreement;
3. Solely with respect to Aircraft Liability Insurance, to the extent American is insured hereunder, such insurance shall not be invalidated or minimized by any action or inaction, omission or misrepresentation by the Insured regardless of any breach or violation of any warranty, declaration or condition contained in such policies;
4. Solely with respect to Aircraft Liability Insurance, to provide that all provisions of the insurance coverages referenced above, except the limits of liability, will operate to give each Insured or additional insured the same protection as if there were a separate Policy issue to each;
5. Solely with respect to Aircraft Liability Insurance, such insurance will be primary and not contributory nor excess with respect to any other insurance available for the protection of American, but only to the extent that Boeing is obligated by its agreements to indemnify and hold harmless American under Section 8.1.1 of the Aircraft General Terms Agreement, AGTA-AAL, applicable to the Purchase Agreement and then only to the extent of coverage provided by the policy;
6. Each of the Aircraft Liability Insurance policy and Aircraft Hull Insurance policy provides that: American shall not have any obligation or liability for premiums, commissions, calls or assessments in connection with such insurance;
7. With respect to the Aircraft Liability Insurance, if a policy is canceled for any reason whatsoever, any substantial change is made which would reduce the

amount of coverage as certified herein, or if a policy is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to American for thirty (30) days after receipt by American of written notice from the Insurers or their authorized representatives or Broker of such cancellation, change or lapse; and

8. For the purposes of the Certificate, "American" is defined as American Airlines, Inc., its divisions, any wholly-owned subsidiary of American Airlines, Inc. which is assigned any rights or obligations in accordance with Article 9.1 of the AGTA, the assignees of each permitted under the applicable Purchase Agreement, and their respective directors, officers and employees.

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

THE BOEING COMPANY
AND ALL ITS SUBSIDIARIES

SCHEDULE OF SUBSCRIBING INSURERS
POLICY TERM: DECEMBER 1, 1996 TO DECEMBER 1, 1997

COVERAGES:

Aircraft Hull and Liability Insurance

SUBSCRIBING INSURERS FOR 100% PARTICIPATION	POLICY NUMBER

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligation.

Subject to the terms, conditions, limitations and exclusions of the relative policies except for the specific declarations contained in this certificate.

(signature)

(typed name)

(title)

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment C to AAL-PA-03735-LA-1106671R1: RESERVED

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment D to AAL-PA-03735-LA-1106671R1: RESERVED

BOEING PROPRIETARY

[*CTR]=[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Exhibit 10.2

Amendment No. 2

to the

A320 Family Aircraft Purchase Agreement

made July 20, 2011

between

AIRBUS S.A.S.

and

AMERICAN AIRLINES, INC.

This Amendment No. 2 to the A320 Family Aircraft Purchase Agreement made July 20, 2011 (as amended, supplemented or otherwise modified, hereinafter referred to as the "**Amendment**"), entered into as of May 30, 2013, by and between **AIRBUS S.A.S**., a *société par actions simplifiée*, created and existing under French law having its registered office at 1 Rond-Point Maurice Bellonte, 31707 Blagnac-Cedex, France and registered with the Toulouse *Registre du Commerce* under number RCS Toulouse 383 474 814 (the "**Seller**"), and **AMERICAN AIRLINES, INC**., a Delaware corporation having its principal office at 4333 Amon Carter Boulevard, Fort Worth, Texas 76155, United States of America (the "**Buyer**")

WITNESSETH:

WHEREAS, the Buyer and the Seller entered into an Airbus A320 Aircraft Family Purchase Agreement, made July 20, 2011, which, together with all Exhibits, Appendices and Letter Agreements attached thereto and as amended, modified or supplemented from time to time is hereinafter called the "**Agreement**".

WHEREAS, the Buyer and the Seller have agreed on the use of [*CTR*] A319 Aircraft for certain testing related to future product enhancements and certain related terms as set forth in this Amendment.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

The capitalized terms used herein and not otherwise defined in this Amendment will have the meanings assigned to them in the Agreement. The terms "herein," "hereof," and "hereunder" and words of similar import refer to this Amendment.

1 SCOPE

Pursuant to Clause 8.5 of the Agreement, the Seller has requested the Buyer's agreement to use an A319 Aircraft for [*CTR*] prior to Delivery thereof. The Buyer has agreed to take Delivery of such A319 Aircraft pursuant to the terms contained in the Agreement and this Amendment.

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2 AIRCRAFT MSN AND DELIVERY DATE

The A319 model aircraft bearing manufacturer's serial number 5327 and CAC ID No. 392499 (the "**Sharklet Test Aircraft**") will be used by the Seller prior to Delivery to conduct a Sharklet flight test program. Such use of the Sharklet Test Aircraft will not modify the Seller's obligation to deliver and transfer title to the Sharklet Test Aircraft at the time and location and in the condition required by Clauses 8 and 9 of the Agreement.

3 USE PRIOR TO DELIVERY

Prior to Delivery thereof, the Sharklet Test Aircraft will have accumulated [*CTR*] flight hours ("**FH**") and [*CTR*] fight cycles ("**FC**") in support of the Seller's Sharklet flight test program and production flight testing.

4 [*CTR*]

4.1 Warranty

Notwithstanding the accumulation of FH and FC on the Sharklet Test Aircraft prior to Delivery, the terms and conditions of Clause 12 of the Agreement will apply to such Aircraft as if such Aircraft had been delivered to the Buyer without the accumulation of such FH and FC.

4.2 [*CTR*]

The Seller [*CTR*].

4.3 [*CTR*]

The Buyer acknowledges and agrees that:

(a) [*CTR*]

5 ENGINE SELECTION

5.1 Clause 2.4.7 of the Agreement is deleted in its entirety and replaced by the following quoted text:

QUOTE

2.4.7 The Buyer will notify the Seller of its choice of:

(i) A319 Propulsion System, A320 Propulsion System and A321 Propulsion System by November 30, 2011, and

(ii) A319 NEO Propulsion System, A320 NEO Propulsion System and A321 NEO Propulsion System by [*CTR*].

UNQUOTE

5.2 Paragraph 3.4.2 of Letter Agreement No. 5 to the Agreement is deleted in its entirety and replaced by the following quoted text:

QUOTE

3.4.2 INTENTIONALLY LEFT BLANK

UNQUOTE

6 EFFECT OF THE AMENDMENT

6.1 The Agreement, as amended by this Amendment, contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understanding, commitments or representations whatsoever, whether oral or written between the Buyer and the Seller.

6.2 The Agreement will be deemed amended to the extent provided in this Amendment and, except as specifically amended hereby, will continue in full force and effect in accordance with its original terms.

6.3 Both parties agree that this Amendment will constitute an integral, nonseverable part of the Agreement and be governed by the provisions of the Agreement, except that if the Agreement and this Amendment have specific provisions that are inconsistent, the specific provisions contained in this Amendment will govern.

7 CONFIDENTIALITY

Each of the Seller and the Buyer agree not to disclose the terms and conditions of this Amendment to any person without the prior written consent of the other party. Notwithstanding the foregoing, each of the Seller and the Buyer agrees that such terms and conditions may be disclosed without such prior written consent to (i) the Official Committee of Unsecured Creditors (excluding Boeing Capital Corporation) and/or its professional advisors retained in the Chapter 11 Cases in accordance with the terms of the Stipulated Protective Order Pursuant to Sections 105(a) and 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018 Establishing Procedures for the Protection of Confidential Information Provided by the Debtors to the Official Committee of Unsecured Creditors entered by the Bankruptcy Court on January 27, 2012 [Docket No. 891], (ii) the Bankruptcy Court, (iii) counsel and advisors for the Ad Hoc Group of AMR Corporation Creditors identified in that certain “Motion for Approval of ‘Fee Letter’ to Pay Certain Work Fees and Expenses of Professionals Employed by the Ad Hoc Group of AMR Corporation Creditors” filed with the Bankruptcy Court on August 29, 2012, (iv) as required by law or as necessary in connection with the enforcement of such party’s rights hereunder, and (v) the board of directors, managers, employees, auditors, and legal, financial and technical advisors of each party.

8 GOVERNING LAW

THIS AMENDMENT AND THE AGREEMENTS CONTEMPLATED HEREIN WILL BE GOVERNED BY AND CONSTRUED AND THE PERFORMANCE THEREOF WILL BE DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF CLAUSE 22.6 OF THE AGREEMENT.

9 COUNTERPARTS

This Amendment has been executed in two (2) original copies.

Notwithstanding the foregoing, this Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Amendment was entered into as of the day and year first above written.

AIRBUS S.A.S.

By: /s/ Airbus S.A.S.
Name: Airbus S.A.S.
Title: Senior Vice President Contracts

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.
Name: American Airlines, Inc.
Title: Vice President-Treasurer

LETTER AGREEMENT NO. 1

TO

AMENDMENT NO. 2

As of May 30, 2013

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

Re: LEASING MATTERS

Ladies and Gentlemen,

American Airlines, Inc. (the "**Buyer**") and Airbus S.A.S. (the "**Seller**") have entered into Amendment No. 2 (as amended, supplemented or otherwise modified, the "**Amendment**"), of even date herewith to the Airbus A320 Family Aircraft Purchase Agreement made July 20, 2011 (as supplemented and amended by the other letter agreements (including Letter Agreement No. 1 dated July 20, 2011 ("**Letter Agreement No. 1**"), and as otherwise supplemented, amended or modified from time to time, the "**Agreement**"). The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 1 to the Amendment (this "**Letter Agreement**") certain additional terms and conditions regarding the sale or lease of the Aircraft subject to the Agreement. Capitalized terms used herein and not otherwise defined in this Letter Agreement will have the meanings assigned thereto in the Agreement. The terms "herein", "hereof", and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement will be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

1. LEASING DOCUMENTATION

Effective as of the date hereof, each of Exhibit A, Exhibit B, Exhibit C and Exhibit D attached to Letter Agreement No. 1 is amended by deleting each such exhibit in its entirety and replacing it as follows:

(i) Exhibit A is replaced with Exhibit I attached hereto (the "**Replacement Lease**"),

(ii) Exhibit B is replaced with Exhibit II attached hereto (the "**Replacement Trust Agreement**"),

(iii) Exhibit C is replaced with Exhibit III attached hereto (the "**Replacement Participation Agreement**"), and

(iv) Exhibit D is replaced with Exhibit IV attached hereto (the "**Replacement Definitions Annex**").

The Replacement Lease, the Replacement Trust Agreement, the Replacement Participation Agreement and the Replacement Definitions Annex are collectively referred to herein as the "**Replacement Leasing Documentation**".

2. EXHIBIT E — FORM OF LEASING LETTER

Effective as of the date hereof, each of Exhibit B, Exhibit C, Exhibit D and Exhibit E attached to the form of Leasing Letter attached as Exhibit E to Letter Agreement No. 1 is hereby amended by deleting each such exhibit in its entirety and replacing it with Exhibit I, Exhibit II, Exhibit III and Exhibit IV, respectively, attached hereto.

3. REFERENCES

On and after the date of this Letter Agreement:

(i) each reference in Letter Agreement No. 1 to "this Letter Agreement", "hereunder", "hereof" or words of like import referring to Letter Agreement No. 1, shall mean and be a reference to Letter Agreement No. 1, as amended by this Letter Agreement,

(ii) references in Letter Agreement No. 1 and each exhibit attached thereto (including, without limitation, the form of Leasing Letter) to the "Lease", the "Trust Agreement", the "Participation Agreement" and the "Definitions Annex" shall mean and be references to the Replacement Lease, the Replacement Trust Agreement, the Replacement Participation Agreement and the Replacement Definitions Annex, respectively, and

(iii) each reference in Letter Agreement No. 1 and each exhibit attached thereto (including, without limitation, the form of Leasing Letter) to the "Leasing Documentation" shall mean and be a reference to the Replacement Leasing Documentation.

4. ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties will be subject to the provisions of Clause 21 of the Agreement; provided, however, this Letter Agreement may not be assigned by the Buyer under either Clause 21.5 or 21.6 without the express written consent of the Seller, which the Seller may withhold in its sole discretion.

5. CHAPTER 11 CASES

The Seller acknowledges that the Buyer is a debtor in possession under the Bankruptcy Code in the Chapter 11 Cases pending in the Bankruptcy Court. On January 23, 2013,

the Bankruptcy Court entered the Order Pursuant to 11 U.S.C. § 365(a) and Fed. R. Bankr. P. 6006 approving assumption of (A) the A320 Family Aircraft Purchase Agreement made July 20, 2011, as amended, between Airbus S.A.S. and American Airlines, Inc., and (B) the General Terms Agreement by and among IAE International Aero Engines AG and American Airlines, Inc. as amended and supplemented [Docket No. 6315].

6. CONFIDENTIALITY

Each of the Seller and the Buyer agree not to disclose the terms and conditions of this Letter Agreement to any person without the prior written consent of the other party. Notwithstanding the foregoing, each of the Seller and the Buyer agrees that such terms and conditions may be disclosed without such prior written consent to (i) the Official Committee of Unsecured Creditors (excluding Boeing Capital Corporation) and/or its professional advisors retained in the Chapter 11 Cases in accordance with the terms of the Stipulated Protective Order Pursuant to Sections 105(a) and 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018 Establishing Procedures for the Protection of Confidential Information Provided by the Debtors to the Official Committee of Unsecured Creditors entered by the Bankruptcy Court on January 27, 2012 [Docket No. 891], (ii) the Bankruptcy Court, (iii) counsel and advisors for the Ad Hoc Group of AMR Corporation Creditors identified in that certain "Motion for Approval of 'Fee Letter' to Pay Certain Work Fees and Expenses of Professionals Employed by the Ad Hoc Group of AMR Corporation Creditors" filed with the Bankruptcy Court on August 29, 2012, (iv) as required by law or as necessary in connection with the enforcement of such party's rights hereunder, and (v) the board of directors, managers, employees, auditors, and legal, financial and technical advisors of each party.

7. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument.

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

By: /s/ Airbus S.A.S.
Name: Airbus S.A.S.
Title: Senior Vice President Contracts

Accepted and Agreed:

AMERICAN AIRLINES, INC.

By: /s/ American Airlines, Inc.
Name: American Airlines, Inc.
Title: Vice President-Treasurer

EXHIBIT I

FORM OF LEASE AGREEMENT

LA 1 – Lease Agreement

CONFIDENTIAL: Annexes B and C of this Lease Are
Subject to Restrictions on Dissemination Set Forth in Section 10.4 of the Participation
Agreement (as defined herein)

LEASE AGREEMENT ([YEAR] MSN [MSN])

dated as of

[Date]

between

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly
provided herein, but solely as Owner Trustee,
as Lessor

and

AMERICAN AIRLINES, INC.,
as Lessee

Covering One Airbus [Model] Aircraft
(Generic Manufacturer and Model AIRBUS [Generic Model])

TO THE EXTENT, IF ANY, THAT THIS LEASE AGREEMENT CONSTITUTES CHATTEL PAPER (AS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE AGREEMENT MAY BE PERFECTED THROUGH DELIVERY OR POSSESSION OF ANY COUNTERPART OF THIS LEASE AGREEMENT OTHER THAN THE ORIGINAL COUNTERPART, WHICH SHALL BE THE COUNTERPART THAT CONTAINS THE RECEIPT EXECUTED BY LESSOR ON THE SIGNATURE PAGE THEREOF.

Table of Contents

LEASE AGREEMENT ([YEAR] MSN [MSN])

This LEASE AGREEMENT ([YEAR] MSN [MSN]) (as amended, modified or supplemented from time to time, this "**Lease**"), dated as of [ ], [YEAR], between **WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity, except as expressly provided herein, but solely as Owner Trustee (herein in such capacity, together with its successors and permitted assigns, "**Lessor**" or "**Owner Trustee**", and in its individual capacity, together with its successors and permitted assigns, "**Trust Company**"), and **AMERICAN AIRLINES, INC.**, a Delaware corporation (together with its successors and permitted assigns, "**Lessee**").

RECITALS:

Lessee wishes to lease the Aircraft from Lessor, and Lessor wishes to lease the Aircraft to Lessee, on the terms and subject to the conditions provided herein.

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

Section 1. Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined herein shall have the meanings set forth, and shall be construed and interpreted in the manner described, in Annex A hereto for all purposes of this Lease.

Section 2. Leasing of Aircraft. (a) Lessor hereby agrees (subject to satisfaction or waiver of the conditions set forth in Sections 4.1 and 4.2 of the Participation Agreement) to lease to Lessee hereunder, and Lessee hereby agrees (subject to satisfaction or waiver of the conditions set forth in Section 4.3 of the Participation Agreement) to lease from Lessor hereunder, the Aircraft, as evidenced by the execution by Lessor and Lessee of Lease Supplement No. 1 covering the Aircraft.

(b) On the Delivery Date, subject to Lessee's acceptance of the Aircraft, Lessee will take possession of the Aircraft "AS-IS, WHERE-IS AND WITH ALL FAULTS."

Section 3. Term and Rent.

(a) Term. The Basic Term for the lease of the Aircraft hereunder shall commence on the Delivery Date and shall end on the Lease Expiry Date, or such earlier date on which this Lease is terminated in accordance with the provisions hereof.

(b) Basic Rent. Lessee hereby agrees to pay to Lessor Basic Rent in advance for the Aircraft throughout the Term in installments, the first installment of which shall be due and payable on the Delivery Date, and the remaining installments of which shall be due and payable on the other Lease Period Dates, in the amounts computed as provided in Schedule A to Lease Supplement No. 1 for the Basic Term (Basic Rent payable for any Renewal Term, shall be as provided in Section 21). The installment of Basic Rent due and payable on the

Delivery Date shall be allocable to the Lease Period commencing on the Delivery Date and ending on the day immediately preceding the following Lease Period Date. Each other installment of Basic Rent is allocable to the Lease Period beginning on the Lease Period Date on which such installment is due and payable.

(c) Supplemental Rent. Lessee also agrees to pay to Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent promptly as the same shall become due and owing, and in the event of any failure on the part of Lessee to pay any Supplemental Rent, Lessor shall, subject to Section 15, have all rights, powers and remedies provided for herein, in equity or law, as in the case of nonpayment of Basic Rent. In addition, Lessee will pay as Supplemental Rent, on demand, to the extent permitted by applicable Law, an amount equal to interest at the Overdue Rate on any part of any installment of Basic Rent not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent not paid when due or demanded, as the case may be, for the period until the same shall be paid.

(d) Payments in General. All payments of Rent shall be made in Dollars by wire transfer of immediately available funds not later than 1:00 p.m. (New York time) on the date of payment, to Lessor to the account set forth on Annex B to the Participation Agreement (or such other account in the United States of Lessor as Lessor directs by written notice to Lessee at least 10 Business Days prior to the date such payment of Rent is due, or, in the case of Supplemental Rent expressly payable to a Person other than Lessor, to the Person that shall be entitled thereto to such account in the United States as such Person directs by written notice to Lessee at least 10 Business Days prior to the date such payment of Rent is due). If any Rent is due on a day that is not a Business Day, such Rent shall be paid on the next succeeding Business Day with the same force and effect as if paid on the scheduled date of payment, and no interest shall accrue on the amount of such payment from and after such scheduled date to the time of payment on such next succeeding Business Day.

Section 4. Lessor's Representations, Warranties and Covenants.

(a) Disclaimer. NONE OF OWNER TRUSTEE, TRUST COMPANY OR OWNER PARTICIPANT (IN EACH CASE, IN ITS CAPACITY AS SUCH) MAKES OR SHALL BE DEEMED TO HAVE MADE HEREIN ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE AIRWORTHINESS, VALUE, CONDITION, WORKMANSHIP, DESIGN, OPERATION, **MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF**, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF, except that nothing set forth in this subsection (a) shall (x) derogate from the representations and warranties made by Owner Trustee, Trust Company or Owner Participant in or pursuant to any Operative Document or (y) be construed as a waiver by Lessee of any warranty or other claim against any manufacturer, supplier, dealer, contractor, subcontractor or other Person.

(b) U.S. Citizenship. Lessor at all times will be a Citizen of the United States to permit registration of the Aircraft with the FAA. Trust Company represents and warrants that it is a Citizen of the United States. Owner Trustee represents and warrants that it is a Citizen of the United States.

(c) Quiet Enjoyment. Lessor covenants that, except as expressly permitted by Section 15 following an Event of Default that has occurred and is continuing, notwithstanding anything herein or in any other Operative Document to the contrary, neither Lessor nor any Person claiming by, through or under Lessor shall (i) discharge the registration with the International Registry of the International Interests arising with respect to the Lease, (ii) transfer the right to discharge any of such International Interests to any other Person or cause any such right to be so transferred (except (x) in connection with a Transfer permitted by Section 8.1 of the Participation Agreement, or (y) in the case of any Back-Leveraging Transaction, to the Back-Leveraging Party, but only if, as a precondition to such transfer, the Back-Leveraging Party shall have agreed in writing for the benefit of Lessee not to transfer, during the Term, such right to discharge further except in connection with an exercise of remedies at such time that an Event of Default has occurred and is continuing or unless such right is transferred back to Lessor in connection with the release of the applicable security interest), or (iii) take or cause to be taken any action inconsistent with Lessee's rights under this Lease and its right to quiet enjoyment of the Aircraft, the Airframe, any Engine or any Part, or otherwise in any way interfere with or interrupt the use, operation and continuing possession of the Aircraft, the Airframe, any Engine or any Part by Lessee or any sublessee, assignee or transferee under any sublease, assignment or transfer then in effect and permitted by the terms of this Lease.

(d) Lien Lifting. Lessor agrees that (i) it shall promptly, at its own cost and expense, take such action as may be necessary duly to discharge and satisfy in full any Lessor's Lien attributable to it if the same shall arise at any time (by bonding or otherwise, so long as Lessee's operation and use of the Aircraft is not impaired); provided that Lessor may, for a period of not more than 60 days, contest any such Lessor's Lien diligently and in good faith by appropriate proceedings so long as such contest does not involve any material risk of the sale, forfeiture or loss of or loss of use of the Airframe or any Engine or any material risk of criminal penalties or material civil penalties being imposed on Lessee, and (ii) it shall indemnify and hold harmless Lessee from and against any loss, cost, expense or damage (including reasonable legal fees and expenses) that may be suffered or incurred by Lessee as a result of a failure by Lessor to promptly discharge or satisfy in full any such Lessor's Lien.

(e) Warranties. Lessor agrees that, so long as no Event of Default shall have occurred and be continuing, Lessee shall have the benefit of and shall be entitled to enforce, either in its own name or in the name of Lessor for the use and benefit of Lessee, any and all warranties of any Person (whether express or implied) in respect of the Aircraft, the Airframe, any Engine or any Part, and Lessor agrees to execute and deliver such further documents and take such further action, as may be reasonably requested by Lessee and at Lessee's cost and expense, as may be necessary to enable Lessee to obtain such warranty service or the benefits of any such warranty as may be furnished for the Aircraft, Airframe, any Engine or any Part by such Person. Lessor hereby appoints and constitutes Lessee, except at such times as an Event of Default shall have occurred and be continuing, its agent and attorney-in-fact during the Term to

assert and enforce, from time to time, in the name and for the account of Lessor and Lessee, as their interests may appear, but in all cases at the cost and expense of Lessee, whatever claims and rights Lessor may have against such Person.

(f) Lessor's Interest in Certain Engines. Lessor hereby agrees, for the benefit of the lessor, conditional vendor or secured party of any airframe or any engine leased, purchased or owned by Lessee (or any Permitted Sublessee) subject to a lease, conditional sale or other security agreement, that Lessor will not acquire or claim, as against such lessor, conditional vendor or secured party, any right, title or interest in any engine or engines as the result of such engine or engines being installed on the Airframe at any time while such engine or engines are subject to such lease, conditional sale or other security agreement, provided however, that such agreement of Lessor shall not be for the benefit of any lessor, conditional vendor or secured party of any airframe or any engine leased, purchased or owned by Lessee (or any Permitted Sublessee) subject to a lease, conditional sale or other security agreement, unless such lessor, conditional vendor, or secured party has expressly agreed (which agreement may be contained in such lease, conditional sale or other security agreement) that neither it nor its successors or assigns will acquire or claim, as against Lessor, any right, title or interest in an Engine as a result of such Engine being installed on such airframe subject to such lease, conditional sale or security agreement.

(g) Title Transfers by Lessor. If Lessor shall be required to transfer title to the Aircraft or any Engine to Lessee or its designee pursuant to this Lease, (i) Lessor will (A) transfer to Lessee or its designee, without recourse or warranty (except as to the absence of Lessor's Liens and Liens of the type described in Section 6(h)), all of Lessor's right, title and interest in and to such Aircraft or Engine, free and clear of all right, title and interest of Lessor and of Lessor's Liens and Liens of the type described in Section 6(h), all in AS-IS WHERE-IS condition, (B) at Lessee's expense, execute and deliver such bills of sale (and any such bill of sale shall be in such form as will qualify as a "contract of sale" pursuant to Article V of the Aircraft Protocol) and other documents and instruments of transfer (including consents to appropriate registrations with the International Registry), all in form and substance reasonably satisfactory to Lessee, as Lessee shall reasonably request to evidence (on the public record or otherwise) such transfer and the vesting in Lessee or its designee of all of Lessor's right, title and interest in and to such Aircraft or Engine and (C) take such actions as may be required to be taken by Lessor so that the transfer of such Aircraft or Engine to Lessee or its designee shall be registered as a Sale on the International Registry, (ii) Lessor will assign (to the extent freely assignable) to Lessee or its designee all of Lessor's rights in any available warranties with respect to such Aircraft or Engine and (iii) Lessor will assign (to the extent freely assignable) to Lessee or its designee, pursuant to an assignment agreement in form and substance reasonably satisfactory to Lessee, all of its right, title and interest in and to claims against third Persons (other than any insurer with respect to an insurance policy obtained by or on behalf of Lessor or Owner Participant for its own account, in each case so long as such retained claims in no way interfere with the assignments described in clauses (i) and (ii) of this sentence) relating to such Aircraft or Engine.

(h) Vesting of Title. Lessor agrees that in each instance in which this Lease provides that title to the Aircraft, any Engine, engine, Part or Obsolete Part shall be transferred to or vest in Lessee, title to such Aircraft, Engine, engine, Part or Obsolete Part shall

vest in Lessee free and clear of all right, title and interest of Lessor, Lessor's Liens and Liens of the type described in Section 6(h), and Lessor shall do all acts necessary to discharge all such Liens and other rights held by it in such Aircraft, Engine, engine, Part or Obsolete Part.

Section 5. Return of Aircraft. Lessee hereby agrees to comply with the Return Conditions regarding return of the Aircraft to Lessor. In addition, Lessee agrees, in connection with any return of the Aircraft hereunder, to pay on the Return Date the amounts payable pursuant to Annex B, if any. All references in this Lease or elsewhere in any other Operative Document to this Section 5 shall be deemed to refer also to Annex B.

Section 6. Liens. Lessee will not, directly or indirectly, create, incur, assume or suffer to exist any Lien on or with respect to the Airframe or any Engine, title thereto or any interest therein or in this Lease except:

(a) the respective rights of the parties to the Operative Documents as provided therein;

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

(c) Lessor's Liens;

(d) Liens for Taxes that either are not yet overdue or are being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine, title thereto or any interest therein or any material risk of criminal liability or material civil penalty against Lessor or Owner Participant;

(e) materialmen's, mechanics', workers', landlord's, repairmen's, employees' or other like Liens arising in the ordinary course of business (including those arising under maintenance agreements entered into in the ordinary course of business) securing obligations that either are not yet overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material risk of the sale, forfeiture or loss of the Airframe or any Engine, title thereto or any interest therein or any material risk of criminal liability or material civil penalty against Lessor or Owner Participant;

(f) Liens (other than Liens for Taxes) arising out of any judgment or award (i) for 60 days after the entry of such judgment or award, provided that during such 60-day period there is no material risk of the sale, forfeiture or loss of the Airframe or any Engine, title thereto or any interest therein or any material risk of criminal liability or material civil penalty against Lessor or Owner Participant, or (ii) during an appeal or other proceeding for review regarding such judgment or award with respect to which there shall have been secured a stay of execution pending such appeal or review;

(g) salvage or similar rights of insurers under insurance policies maintained pursuant to Section 11;

(h) the respective rights of the financing parties under any financing arrangements entered into by Lessor or Owner Participant with respect to the Aircraft at any time, including, without limitation arrangements permitted by Section 8.3 of the Participation Agreement;

(i) Liens approved in writing by Lessor; and

(j) any other Lien with respect to which Lessee shall have provided cash collateral or other security adequate in the reasonable opinion of Lessor.

Liens described in clauses (a) through (j) above are referred to as "**Permitted Liens**". Lessee will promptly take (or cause to be taken) such action as may be necessary duly to discharge (by bonding or otherwise) any Lien not excepted above if the same shall arise at any time.

Section 7. Registration, Maintenance and Operation; Possession; Insignia.

(a) Registration, Maintenance and Operation. Lessee, at its expense, shall:

(i) subject to the further provisions of this Section 7, cause the Aircraft to remain duly registered at the FAA in the name of Lessor, as owner, except:

(A) as otherwise required by the Transportation Code, or

(B) to the extent that such registration cannot be maintained (x) because of the failure of Lessor or Owner Participant to comply with the citizenship or other eligibility requirements for registration of aircraft under the Transportation Code or with Section 6.3.1 or 6.4.4 of the Participation Agreement or (y) because of the failure by Lessor or Owner Participant to execute and deliver, upon request of Lessee, any documents required for the renewal of such registration;

provided that Lessor and Owner Participant shall execute and deliver all such documents as may be required by the FAA from time to time for the purpose of effecting and continuing such registration, and shall not register the Aircraft or permit the Aircraft to be registered under any laws other than the United States at any time except as provided in the following proviso; and provided, further, that Lessee may at any time, with the prior written consent of Owner Participant (such consent not to be unreasonably withheld), subject to satisfaction of the Re-registration Conditions or waiver of any thereof by Owner Participant, cause the Aircraft or permit the Aircraft to be registered under the applicable statutes of any country in which a Permitted Sublessee could be based, in the name of Lessor or, if required by applicable Law, in the name of any other Person, and Lessor and Owner Participant shall cooperate with Lessee's reasonable requests in effecting and continuing such foreign registration, and Lessee shall maintain such registration unless and until the Aircraft is re-registered in accordance with this Section 7;

(ii) cause the Aircraft to be maintained, serviced, repaired, reconditioned, overhauled, stored and tested in accordance with Lessee's maintenance program for aircraft of the same make and model, which shall be an FAA Part 121 approved program (the "**Maintenance Program**") (or, if the Aircraft is then registered in accordance with the terms of the Operative Documents in another country or shall be subleased to a Permitted Sublessee, in each case in accordance with the terms of this Lease, an Approved Program) and, except during any Sublease Period, in the same manner and with the same care used by Lessee with respect to comparable [A319/320/321][1] aircraft and engines owned or operated by Lessee and utilized in similar circumstances (and, during any Sublease Period, by a maintenance performer appropriately approved by the FAA or EASA of recognized standing, experience and facilities to perform the relevant work on aircraft of the same make and model as the Aircraft and in the same manner and with the same care used by the Permitted Sublessee with respect to comparable [A319/320/321][2] aircraft and engines owned or operated by the Permitted Sublessee and utilized in similar circumstances) so as to keep the Aircraft in the same operating condition as when delivered to Lessee hereunder (ordinary wear and tear excepted);

(iii) cause the Aircraft to be kept in such condition as may be necessary to enable an airworthiness certification of the Aircraft to be maintained in good standing at all times (other than during temporary periods of storage of not more than 90 calendar days in accordance with applicable regulations or during periods of grounding by applicable governmental authorities, except where such periods of grounding are the result of the failure by Lessee to maintain the Aircraft as otherwise required herein) under the Transportation Code or the applicable laws of any other jurisdiction in which the Aircraft may then be registered;

(iv) cause all records, logs and other documentation with respect to the Aircraft to be maintained as required by the FAA or the applicable central authority of the jurisdiction where the Aircraft is registered to be maintained in respect of the Aircraft (all such records, logs and other documentation to be maintained in the English language);

(v) maintain and update a one-way cross-reference table indicating for each of the Maintenance Program tasks the corresponding MPD reference task (if any); and

(vi) cause to be furnished to Lessor (A) such information that is readily available without undue expense as may be reasonably requested by Lessor to enable Lessor to file any reports, filings or statements required to be filed by Lessor with the FAA (or the aeronautical authority of the country of registry of the Aircraft if the Aircraft is not registered under the laws of the United States) because of Lessor's interest in the Aircraft, and (B) such other information concerning the location, condition, use and operation of the Aircraft as Lessor may reasonably request.

[1] Specific aircraft type to be specified in each Lease.
[2] Specific aircraft type to be specified in each Lease.

Lessee agrees that it will comply with all mandatory airworthiness directives issued by the FAA (or the appropriate authorities in the jurisdiction where the Aircraft is registered) (each, an "**AD**" and collectively, "**ADs**") in respect of the Aircraft which require compliance no later than the last day of the Term, as and to the extent required by such ADs and the Maintenance Program prior to such date. Lessee shall not be required to comply with any manufacturer service bulletins, except as and to the extent required by the Maintenance Program prior to the last day of the Term.

The Aircraft will not be maintained, used or operated in violation of any law, rule, regulation or order of any government or governmental authority having jurisdiction in any country in which the Aircraft is flown, or in violation of any AD, license or registration relating to the Aircraft issued by any such authority; provided that Lessee may in good faith contest the validity or application of any such law, rule, regulation, order, airworthiness certificate, license or registration or any AD referred to in the immediately preceding paragraph in any reasonable manner which does not materially adversely affect Lessor or Owner Participant or their respective interests in the Aircraft or any Operative Document, or involve any material risk of criminal liability or material civil penalty against Lessor or Owner Participant; and provided, further, that Lessee shall not be in default under this sentence if it is not possible for Lessee to comply with the laws of a jurisdiction other than the United States (or other than any jurisdiction in which the Aircraft is then registered) because of a conflict with the applicable laws of the United States (or such jurisdiction in which the Aircraft is then registered) in which event Lessee shall use its reasonable best efforts to cause the Aircraft to be removed, as soon as practicable, from the jurisdiction other than the United States (or other than the jurisdiction in which the Aircraft is then registered) creating the conflict or take such other reasonable action (including, if necessary, changing the registration of the Aircraft unless the Aircraft is then registered in the United States), as soon as practicable, as may be necessary to avoid the conflict.

Lessee may operate or allow the Aircraft to be operated anywhere in the world, except that Lessee agrees not to operate or locate the Aircraft, or suffer the Aircraft to be operated or located:

(A) in any area excluded from coverage by any insurance required by the terms of Section 11, except in the case of a requisition for use by the U.S. government where Lessee obtains indemnity in lieu of such insurance from the U.S. government against the risks and in the amounts required by Section 11 covering such area, or

(B) in any war zone or recognized or, in Lessee's reasonable judgment, threatened area of hostilities unless covered by war risk insurance or unless the Aircraft is operated or used under contract with the U.S. government under which contract the U.S. government assumes liability for loss of, damage to, or loss of use of, the Aircraft and for injury to persons or damage to property of others.

(b) Possession. Lessee will not, without the prior written consent of Lessor, sublease or otherwise in any manner deliver, transfer or relinquish possession of the Airframe or any Engine or install any Engine, or permit any Engine to be installed, on any airframe other than the Airframe; provided that Lessee or a Person permitted to be in possession of the Aircraft, the Airframe or any Engine may, without the prior consent of Lessor:

(i) [Intentionally Left Blank.]

(ii) deliver possession of the Airframe or any Engine to any Person for testing, service, repair, reconditioning, restoration, storage, maintenance, overhaul work or other similar purposes or for alterations, modifications or additions to the Airframe or such Engine to the extent required or permitted by the terms of this Lease;

(iii) transfer possession of the Airframe or any Engine to the U.S. government pursuant to a sublease, contract or other instrument, a copy of which shall be furnished to Lessor; provided that the term of such sublease (including, without limitation, any option of the sublessee to renew or extend) or the term of possession under such contract or other instrument shall not continue beyond the end of the Basic Term or any Renewal Term then in effect or any Renewal Term that Lessee has irrevocably notified Lessor that it will exercise;

(iv) subject the Airframe or any Engine to the CRAF Program or transfer possession of the Airframe or any Engine at any time to the U.S. government or any instrumentality or agency thereof in accordance with applicable laws, rulings, regulations or orders (including, without limitation, the CRAF Program); provided that Lessee (A) shall promptly notify Lessor upon transferring possession of the Airframe or any Engine pursuant to this clause (iv) and (B) in the case of a transfer of possession pursuant to the CRAF Program, within 60 days thereof, shall notify Lessor of the name, address and phone number of the responsible Contracting Office Representative for the Air Mobility Command of the U.S. Air Force or other appropriate Person to whom notices must be given with respect to such Airframe or Engine;

(v) install an Engine on an airframe owned by Lessee free and clear of all Liens except Permitted Liens and those which apply only to the engines (other than Engines), appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment (other than Parts) installed on such airframe (but not to the airframe as an entirety);

(vi) install an Engine on an airframe leased, purchased or owned by Lessee subject to a lease, conditional sale or other security agreement; provided that (A) such airframe is free and clear of all Liens except (1) the rights of the parties to the lease or conditional sale or other security agreement covering such airframe and (2) Liens of the type permitted by clause (v) above and (B) either (1) there shall have been obtained from the lessor, conditional vendor or secured party of such airframe a written agreement (which may be the lease or conditional sale or other security agreement covering such airframe), in form and substance satisfactory to Lessor (it being understood that an agreement from such lessor, conditional vendor or secured party substantially in the form

of Section 4(f) shall be deemed to be satisfactory to Lessor) whereby such lessor, conditional vendor or secured party expressly agrees that it will not acquire or claim any right, title or interest in any Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to this Lease or title thereto is held by Lessor or (2) such lease, conditional sale or other security agreement effectively provides that such Engine shall not become subject to the Lien of such lease, conditional sale or other security agreement at any time while such Engine is subject to this Lease or title thereto is held by Lessor, notwithstanding the installation thereof on such airframe;

(vii) install an Engine on an airframe owned by Lessee, leased to Lessee or owned by Lessee subject to a conditional sale or other security agreement under circumstances where neither clause (v) nor clause (vi) is applicable; provided that, if such installation shall divest Lessor's title to such Engine, such installation shall be deemed an Event of Loss with respect to such Engine and Lessee shall comply with Section 8(d) in respect thereof, it being understood that Lessor does not intend hereby to waive any right or interest it may have to or in such Engine under applicable law until compliance by Lessee with such Section 8(d); and

(viii) sublease any Engine or the Airframe and Engines or engines then installed on the Airframe; provided that (A) such sublease will be to a Permitted Sublessee; (B) the sublessee is not then subject to any bankruptcy, insolvency, liquidation, reorganization, dissolution or similar proceeding and shall not have substantially all of its property in the possession of any liquidator, trustee, receiver or similar person; (C) the term of such sublease (including, without limitation, any option of the sublessee to renew or extend) shall not continue beyond the end of the Basic Term or any Renewal Term then in effect or any Renewal Term that Lessee has irrevocably notified Lessor that it will exercise; (D) such sublease shall require the sublessee to maintain such Engine or such Airframe and Engines, as the case may be (or cause such Engine or such Airframe and Engines, as the case may be, to be maintained) pursuant to an Approved Program and otherwise in compliance with the terms of this Lease; (E) Lessor and Owner Participant shall have received assurances reasonably satisfactory to the Owner Participant to the effect that the insurance provisions of the Lease shall have been complied with after giving effect to such sublease; and (F) such sublease will include a covenant from the Permitted Sublessee, for the benefit of Lessee and Lessor, to the effect that the Aircraft shall not be operated in violation of any law, rule, regulation or order of the U.S. government or any instrumentality or agency thereof restricting the countries in which the Aircraft may be operated;

provided that the rights of any transferee who receives possession by reason of a transfer permitted by this subsection (b) (other than the transfer of an Engine which is deemed an Event of Loss) shall be, during the period of such possession, subject and subordinate to, and any sublease permitted by this subsection (b) shall be made expressly subject and subordinate to, all the terms of this Lease, including, without limitation, Lessor's rights to repossession pursuant to Section 15 and to avoid and terminate such sublease upon the occurrence of an Event of Default, and Lessee shall in all events remain primarily liable hereunder for the performance and observance of all the terms and conditions of this Lease (including, without limitation, the terms and conditions set forth in Section 7(a)(ii) and Section 11) to the same extent as if such sublease

or transfer had not occurred, and that any such sublease shall provide that (except with respect to a sublease to a Permitted Sublessee described in clause (i) of the definition thereof) the sublessee may not further sub-sublease the Aircraft. No sublease or other relinquishment of possession of the Airframe or any Engine shall in any way discharge or diminish any of Lessee's obligations to Lessor hereunder. Lessee shall, prior to entering into a sublease of the Airframe or Engines, notify Lessor of the identity of the sublessee and the term of such sublease, and provide Lessor with a copy of such sublease; provided that the identity of the sublessee and the existence and terms of such sublease shall be Confidential Information and shall be held by Lessor in accordance with the provisions of Section 23. Any sublease having a term (including available renewal terms) in excess of 12 months shall be assigned to Lessor as additional security for the obligations of Lessee hereunder (such assignment to be on such terms and subject to such conditions (including the making of registrations with the International Registry and filings and notifications with the FAA or other applicable governmental authority) as shall be reasonably satisfactory to Lessor and Lessee).

Lessor acknowledges that any "wet lease" or other similar arrangement under which Lessee maintains operational control of the Aircraft shall not constitute a delivery, transfer or relinquishment of possession for purposes of this subsection (b). No "wet lease" will extend beyond the Basic Term or any Renewal Term then in effect or any Renewal Term that Lessee has irrevocably notified Lessor that it will exercise.

(c) Insignia. No later than 30 days following the Delivery Date, Lessee shall affix and shall thereafter during the Term maintain in the cockpit of the Airframe adjacent to the airworthiness certificate therein and (if not prevented by applicable law or regulations or by any governmental authority) on each Engine a metal nameplate bearing the legible inscription "TITLE TO THIS AIRCRAFT/ENGINE IS HELD BY WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, NOT IN ITS INDIVIDUAL CAPACITY, BUT SOLELY AS OWNER TRUSTEE, AS LESSOR, WHICH HAS LEASED THIS AIRCRAFT/ENGINE TO AMERICAN AIRLINES, INC.", such nameplate to be replaced, if need be, with a nameplate reflecting the name of any successor Owner Trustee. Except as provided above, Lessee will not allow the name of any Person to be placed on the Airframe or on any Engine as a designation that constitutes a claim of ownership; provided that nothing herein contained shall prohibit Lessee from placing its customary colors and insignia (and those of any code-sharing partner or the **one**world global alliance or any member thereof) on such Airframe or Engine or displaying information concerning the registration of the Aircraft.

Section 8. Replacement and Pooling of Parts; Alterations, Modifications and Additions; Substitution of Engines.

(a) Replacement of Parts. Lessee, at its own cost and expense, will promptly replace or cause to be replaced all Parts which may from time to time be incorporated or installed in or attached to the Airframe or any Engine and which may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, except as otherwise provided in subsection (c) or if the Airframe or any Engine to which a Part relates has suffered an Event of Loss. In addition, Lessee may, at its own cost and expense, remove or cause to be removed in the ordinary course of maintenance, service, repair, overhaul or testing, any Parts, whether or not

worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use; provided that Lessee, except as otherwise provided in subsection (c), will, at its own cost and expense, replace or cause to be replaced such Parts as promptly as practicable. All replacement parts shall be free and clear of all Liens (except for Permitted Liens) and shall be in as good operating condition as, and shall have a value and utility at least equal to, the Parts replaced, assuming such replaced Parts were in the condition and state of repair required by the terms hereof. Title to all Parts at any time removed from the Airframe or any Engine shall remain vested in Lessor, no matter where located, until such time as such Parts shall be replaced by Parts which have been incorporated or installed in or attached to the Airframe or any Engine and which meet the requirements for replacement parts specified above. Immediately upon any replacement part becoming incorporated or installed in or attached to the Airframe or any Engine as above provided, without further act, (i) title to the replaced Part shall thereupon vest in Lessee, free and clear of all right, title and interest of Lessor and of Lessor's Liens and Liens of the type described in Section 6(h), and shall no longer be deemed a Part hereunder, (ii) title to such replacement part shall thereupon vest in Lessor free and clear of all Liens (except Permitted Liens) and (iii) such replacement part shall become subject to this Lease and be deemed part of the Airframe or such Engine, and a Part, for all purposes to the same extent as the Parts originally incorporated or installed in or attached to the Airframe or such Engine.

(b) Pooling of Parts. Any Part removed from the Airframe or an Engine as provided in subsection (a) may be subjected by Lessee or a Person permitted hereunder to be in possession of the Aircraft to a pooling arrangement customary in the airline industry entered into in the ordinary course of Lessee's or such other Person's business; provided that a part replacing such removed Part shall be incorporated or installed in or attached to the Airframe or such Engine in accordance with subsection (a) as promptly as practicable after the removal of such removed Part, but in any case before the last day of the Term. In addition, any replacement Part when incorporated or installed in or attached to the Airframe or an Engine in accordance with subsection (a) may be owned by a third party subject to such a pooling arrangement; provided that Lessee, at its expense, as promptly thereafter as practicable, either (i) causes title to such replacement Part to vest in Lessor in accordance with subsection (a) by Lessee (or any such Person) acquiring title thereto for the benefit of, and transferring such title to, Lessor free and clear of all Liens (other than Permitted Liens) or (ii) replaces or causes to be replaced such replacement Part by incorporating or installing in or attaching to the Airframe or such Engine a further replacement Part owned by Lessee (or any such Person) free and clear of all Liens (other than Permitted Liens) and otherwise satisfying the requirements of subsection (a) above, and by causing title to such further replacement Part to vest in Lessor in accordance with subsection (a).

(c) Alterations, Modifications and Additions. Lessee will make or cause to be made such alterations and modifications in and additions to the Airframe, the Engines and the Parts as may be required from time to time to meet the applicable standards of the FAA or other applicable regulatory agency or body of the foreign jurisdiction in which the Aircraft is then registered as permitted by Section 7(a); provided that Lessee may in good faith contest the validity or application of any such standard in any reasonable manner which does not materially adversely affect Lessor, Owner Participant or their respective interests in the Aircraft or involve any material risk of criminal liability or material civil penalty against Lessor or Owner

Participant. In addition, Lessee, at its own expense, may from time to time make or cause to be made such alterations and modifications in and additions to the Airframe, any Engine or any Part as Lessee may deem desirable in the proper conduct of its business, including without limitation, removal of Parts that Lessee deems to be obsolete or no longer suitable or appropriate for use on the Airframe or such Engine (such Parts, "**Obsolete Parts**"); provided that no such alteration, modification, addition or removal shall materially diminish the value (except as described in the last proviso of this sentence) or utility of the Airframe or such Engine, or impair the condition or airworthiness thereof, below the value, utility, condition and airworthiness thereof immediately prior to such alteration, modification, addition or removal assuming the Airframe or such Engine was then of the value and utility and in the condition and airworthiness required to be maintained by the terms of this Lease; provided that the value (but not the utility, condition or airworthiness) of the Aircraft may be reduced by the value of the Obsolete Parts which shall have been removed, if the aggregate value of all such Obsolete Parts removed from the Aircraft and not replaced in accordance with the terms of this Section 8 shall not exceed the amount specified in Schedule A to the Participation Agreement. Title to all Parts incorporated or installed in or attached or added to the Airframe or any Engine or Part as the result of such alteration, modification or addition shall, without further act, vest in Lessor. Lessor shall not be required under any circumstances to pay or compensate Lessee for any such alteration, modification or addition. Notwithstanding the foregoing, Lessee may, at any time during the Term, remove any Part; provided that (i) such Part is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached (or which should have been incorporated or installed in or attached) to the Airframe or such Engine at the time of delivery thereof to Lessee on the Delivery Date or any Part in replacement of, or substitution for, any such Part, (ii) such Part is not required to be incorporated or installed in or attached or added to such Airframe or Engine pursuant to the first sentence of this subsection (c) and (iii) such Part can be removed from the Airframe or such Engine without materially diminishing or impairing the value, utility, condition or airworthiness required to be maintained by the terms of this Lease which the Airframe or such Engine would have had at such time had such Part never been installed on the Airframe or such Engine. Upon the removal by Lessee of any Part as provided in the immediately preceding sentence or the removal of any Obsolete Part permitted by this subsection (c), title thereto shall, without further act, vest in Lessee, free and clear of all right, title and interest of Lessor and of Lessor's Liens, and such Part shall no longer be deemed part of the Airframe or the Engine from which it was removed. Title to any Part not removed by Lessee as provided in such second preceding sentence prior to the return of the Airframe or such Engine to Lessor hereunder shall remain vested in Lessor.

(d) Substitution of Engines.

(i) Lessee shall have the right at its option at any time, so long as no Event of Default shall have occurred and be continuing, on at least 30 days' prior notice to Lessor, to terminate this Lease with respect to any Engine by substituting a Replacement Engine for such Engine (it being understood that the Return Conditions shall apply, in lieu of this Section 8(d), to any substitutions that occur pursuant to Section I of Annex B). In addition, if an Event of Loss shall have occurred or shall have been deemed to have occurred pursuant to Section 7(b) or Section 10(d) with respect to an Engine (other than an Event of Loss that also includes the Airframe, in which event Section 10(a) shall apply), Lessee shall within 60 days of the occurrence of such Event of

Loss and on at least five days' prior notice to Lessor substitute a Replacement Engine for such Engine (any such Engine suffering such Event of Loss or being substituted pursuant to the first sentence of this paragraph, a "**Replaced Engine**"). Any such Replacement Engine will have value and utility at least equal to (but in any event without regard to the number of hours or cycles) the Replaced Engine (assuming that such Replaced Engine was of the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss); provided that, if any Replacement Engine is being substituted for a Replaced Engine pursuant to the first sentence of this paragraph, any such Replacement Engine will have value and utility at least equal to (taking into account the number of hours or cycles since new or overhaul, whichever is more recent) the Replaced Engine (assuming that such Replaced Engine was of the condition and repair required by the terms hereof immediately prior to such substitution). No Event of Loss with respect to an Engine shall result in any reduction in Basic Rent.

(ii) Prior to or at the time of any such substitution, Lessee shall:

(A) furnish Lessor with a warranty (as to title) bill of sale (which warranty shall except Permitted Liens) with respect to such Replacement Engine, which in the case of any such conveyance to which the Cape Town Treaty is applicable shall be in such form as will qualify as a "contract of sale" pursuant to Article V of the Aircraft Protocol;

(B) if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Treaty, cause the sale of such Replacement Engine to Lessor to be registered on the International Registry as a Sale (or, if the seller of such Replacement Engine is not situated in a country that has ratified the Cape Town Treaty, use reasonable efforts to cause the seller to register the sale of such Replacement Engine on the International Registry);

(C) cause a Lease Supplement substantially in the form of Exhibit A, subjecting such Replacement Engine to this Lease, and duly executed by Lessee, to be delivered to Lessor for execution (and Lessor shall promptly execute such Lease Supplement) and, upon such execution, to be filed for recordation pursuant to the Transportation Code or, if necessary, pursuant to the applicable laws of such jurisdiction other than the United States in which the Aircraft is registered, as the case may be;

(D) cause the International Interest created pursuant to the Lease Supplement in favor of Lessor with respect to such Replacement Engine to be registered on the International Registry as an International Interest;

(E) furnish Lessor with such evidence of compliance with the insurance provisions of Section 11 with respect to such Replacement Engine as Lessor may reasonably request; and

(F) (x) if such Replacement Engine is being substituted for a Replaced Engine pursuant to the first sentence of Section 8(d)(i), furnish Lessor

with a certificate of an aircraft engineer or appraiser (who may be an employee of Lessee) certifying that such Replacement Engine has a value and utility (taking into account the number of hours or cycles since new or overhaul, whichever is more recent) at least equal to, and is in as good operating condition as, the Engine so replaced assuming such Engine was in the condition and repair required by the terms hereof; and (y) if such Replacement Engine is being substituted for a Replaced Engine pursuant to the second sentence of Section 8(d)(i), furnish Lessor with a certificate of an aircraft engineer or appraiser (who may be an employee of Lessee) certifying that such Replacement Engine has a value and utility (but in any event without regard to the number of hours or cycles) at least equal to, and is in as good operating condition as, the Engine so replaced assuming such Engine was in the condition and repair required by the terms hereof.

Promptly following the recordation of the Lease Supplement covering such Replacement Engine pursuant to the Transportation Code (or pursuant to the applicable laws of the jurisdiction in which the Aircraft is registered) described in clause (C) and the registrations on the International Registry described in clauses (B) and (D), Lessee will cause to be delivered to Lessor an opinion of Aviation Counsel as to such recordation and registration.

(iii) Upon full compliance by Lessee with the terms of subsection (ii), Lessor will transfer to Lessee or its designee the Replaced Engine in accordance with Section 4(g). For all purposes hereof, each Replacement Engine shall, after delivery of the warranty (as to title) bill of sale with respect to such Replacement Engine to Lessor, be deemed part of the property leased hereunder, and be deemed an "Engine" as defined herein, and such Replaced Engine shall cease to be an Engine leased hereunder.

(e) Excluded Equipment. Lessee may install in, and remove from, the Aircraft any Excluded Equipment, and in any such case, Lessor will not acquire or claim any right, title or interest in any such Excluded Equipment as a result of its installation on the Aircraft; provided that in connection with any removal of Excluded Equipment, Lessee shall repair any damage to the Aircraft caused by such removal and shall restore the applicable areas from which such Excluded Equipment was removed to a serviceable condition appropriate for commercial passenger service by Lessee.

Section 9. [Intentionally Left Blank].

Section 10. Loss, Destruction, Requisition, etc.

(a) Event of Loss with Respect to the Airframe. Upon the occurrence during the Term of an Event of Loss with respect to the Airframe, Lessee shall within 15 days after such occurrence give Lessor notice of such Event of Loss, and Lessee shall, on the Loss Payment Date, pay, or cause to be paid, (A) to Lessor, the Stipulated Loss Value for the Aircraft and (B) to the Persons entitled thereto, all Supplemental Rent other than Stipulated Loss Value due and owing on such Loss Payment Date; provided that (x) if the Loss Payment Date is a Lease Period Date, Lessee shall have no obligation to pay the installment of Basic Rent that would otherwise be due and payable on such Lease Period Date and (y) if the Loss Payment Date

is not a Lease Period Date, Lessee shall be entitled to credit against its obligation to pay Stipulated Loss Value the portion of the installment of Basic Rent allocable to the period from (and including) such Loss Payment Date to (but not including) the next succeeding Lease Period Date, or if no Lease Period Date succeeds such Loss Payment Date, the last day of the Term.

The "**Loss Payment Date**" with respect to an Event of Loss means the 90th day following the date of the occurrence of such Event of Loss.

In the event of payment in full of the Stipulated Loss Value for the Aircraft and all amounts payable pursuant to this Section 10(a):

(i) the obligation of Lessee to pay Basic Rent hereunder on any Lease Period Date occurring on or subsequent to the Loss Payment Date shall terminate;

(ii) the obligation of Lessee to pay Supplemental Rent (other than payments of Supplemental Rent for indemnities surviving pursuant to Section 7.3.1 of the Participation Agreement or to be made by Lessee in respect of liabilities and obligations of Lessee which have accrued but not been paid or which are in dispute as of the date of such payment) shall terminate;

(iii) the Term shall end; and

(iv) Lessor shall transfer the Aircraft to Lessee or its designee in accordance with Section 4(g).

(b) Payments with Respect to Events of Loss. Any payments (other than insurance proceeds, the application of which is provided for in Section 11) received at any time by Lessor or by Lessee from any governmental authority or other Person with respect to an Event of Loss to the Airframe or any Engine will be applied as follows:

(i) if such payments are received with respect to the Airframe (or the Airframe and the Engines or engines installed on the Airframe), (A) such payments shall, after reimbursement of Lessor for costs and expenses, be applied in reduction of Lessee's obligation to pay the Stipulated Loss Value and other amounts required to be paid by Lessee pursuant to subsection (a), if not already paid by Lessee or, if already paid by Lessee, shall be applied to reimburse Lessee for its payment of Stipulated Loss Value and such other amounts, and (B) the balance, if any, of such payment remaining thereafter will be apportioned between Lessee (or its designee) and Lessor as their interests may appear; and

(ii) if such payments are received with respect to an Event of Loss with respect to an Engine under circumstances contemplated by Section 8(d), such payments shall be paid over to, or retained by, Lessee or its designee; provided that, in the case of an Engine with respect to which an Event of Loss shall have occurred or shall have been deemed to have occurred pursuant to Section 7(b) or Section 10(d), Lessee shall have fully performed the terms of Section 8(d) with respect to the Event of Loss for which such payments are made.

(c) Requisition for Use of the Airframe Not Constituting an Event of Loss. In the event of the requisition for use by the U.S. government (including for this purpose any agency or instrumentality thereof), including, without limitation, pursuant to the CRAF Program, of the Airframe and the Engines or engines installed thereon during the Term not constituting an Event of Loss, Lessee shall promptly notify Lessor of such requisition, and all of Lessee's obligations under this Lease with respect to the Aircraft shall (to the extent feasible with respect to obligations other than payment obligations) continue to the same extent as if such requisition had not occurred.

All payments received by Lessor or Lessee from the U.S. government for the use of the Airframe and such Engines or engines during the Term shall be paid over to, or retained by, Lessee or its designee; and all payments received by Lessor or Lessee from the U.S. government for the use of the Airframe and such Engines or engines after the Term shall be paid over to, or retained by, Lessor; provided that if such requisition constitutes an Event of Loss, then all such payments shall be applied as provided in Section 10(b).

(d) Requisition for Use by a Government of an Engine. In the event of the requisition for use by the U.S. government (including for this purpose any agency or instrumentality thereof), for a period in excess of 60 days, of any Engine (but not the Airframe) during the Term not constituting an Event of Loss, Lessee will replace such Engine hereunder by substituting another engine for such Engine in accordance with the terms of Section 8(d) to the same extent as if an Event of Loss had occurred with respect to such Engine, and any payments received by Lessor or Lessee from the U.S. government with respect to such requisition shall be paid over to, or retained by, Lessee or its designee.

(e) Application of Payments During Existence of Event of Default. Any amount referred to in subsection (b), subsection (c) or subsection (d) which is payable to Lessee or its designee shall not be paid to Lessee or its designee (or, if it has been previously paid directly to Lessee, shall not be retained by Lessee), if at the time of such payment an Event of Default shall have occurred and be continuing, but shall be paid to and held by Lessor pursuant to Section 22 as security for the obligations of Lessee under this Lease, and at such time as there shall not be continuing any such Event of Default such amount shall be paid to Lessee or its designee.

(f) Event of Loss with Respect to Engine. Upon the occurrence during the Term of an Event of Loss with respect to an Engine (other than an Event of Loss that also includes the Airframe, in which event Section 10(a) shall apply), the parties shall comply with the terms of Section 8(d) with respect thereto.

Section 11. Insurance.

(a) Aircraft Liability Insurance.

(i) Except as provided in clause (ii) of this subsection (a) and subject to self-insurance to the extent specified in subsection (c), Lessee will carry, or cause to be carried at no expense to the Specified Persons, aircraft liability insurance (including, but not limited to, bodily injury, personal injury and property damage liability, exclusive of

manufacturer's product liability insurance) and contractual liability insurance with respect to the Aircraft (x) in amounts per occurrence that are not less than the aircraft liability insurance applicable to similar aircraft and engines in Lessee's fleet on which Lessee carries insurance (provided that such liability insurance (including self-insurance specified in subsection (c)) shall not be less than the amount per occurrence certified in

the insurance report delivered to Lessor on the Delivery Date)[3]; (y) of the type usually carried by corporations engaged in the same or similar business, similarly situated with Lessee, and operating similar aircraft and engines and covering risks of the kind customarily insured against by Lessee; and (z) that is maintained in effect with insurers of recognized responsibility; provided that Lessee will carry, or cause to be carried, at no expense to the Specified Persons, aircraft liability war risk and allied perils insurance, if and only to the extent the same is maintained by Lessee with respect to other aircraft operated by Lessee on the same routes. Any policies of insurance carried in accordance with this subsection (a) and any policies taken out in substitution or replacement for any of such policies shall (A) name the Specified Persons as additional insureds; (B) subject to the conditions of clause (C) below, provide that, in respect of the interests of the Specified Persons in such policies, the insurance shall not be invalidated by any action or inaction of Lessee and shall insure the respective interests of the Specified Persons as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee; (C) provide that, except to the extent not provided for by the war risk and allied perils insurance provider, if such insurance is canceled for any reason whatsoever, or if any change is made in the policy that reduces the amount of insurance or the coverage certified in the insurance report delivered to the Specified Persons on the Delivery Date or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to any Specified Person for 30 days (seven days, or such other period as is customarily available in the industry, in the case of any war risk or allied perils coverage) after receipt by such Specified Person of written notice from such insurers of such cancellation, change or lapse; (D) provide that the Specified Persons shall not have any obligation or liability for premiums, commissions, assessments or calls in connection with such insurance; (E) provide that the insurers shall waive any rights of (1) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Specified Persons to the extent of any moneys due to the Specified Persons and (2) subrogation against the Specified Persons to the extent that Lessee has waived its rights by its agreements to indemnify the Specified Persons pursuant hereto or in the other Operative Documents; (F) be primary without right of contribution from any other insurance that may be carried by any Specified Person; and (G) expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. In the case of a sublease or contract with the U.S. government in respect of the Aircraft or any Engine, or in the case of any requisition for use of the Aircraft or any Engine by the U.S. government, a valid agreement by the U.S. government to indemnify Lessee, or an insurance policy issued by the U.S. government, against any risks that Lessee is required hereunder to insure against shall be considered adequate insurance for purposes of this subsection (a) to the extent of the risks (and in the amounts) that are the subject of such indemnification or insurance. The insurance provisions set forth above for the benefit of the Specified Persons shall only apply to the extent that Lessee has agreed to indemnify such Specified Person pursuant to the Operative Documents or a Lessee Consent and then only in such

[3] Amount to be certified shall be no less than $[*CTR*].

Specified Person's capacity as Lessor, Trust Company, Owner Participant or Back-Leveraging Indemnified Person, as applicable. To the extent that the war-risk and allied perils insurance provider does not provide for provision of direct notice to Specified Persons of cancellation, change or lapse in the insurance required hereunder, Lessee hereby agrees that upon receipt of notice of any thereof from such insurance provider it shall give the Specified Persons immediate notice of each cancellation or lapse of, or material change to, such insurance.

(ii) During any period that the Airframe or an Engine, as the case may be, is on the ground and not in operation, Lessee may carry or cause to be carried as to such non-operating Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent specified in subsection (c), insurance otherwise conforming with the provisions of said clause (i) except that: (A) the amounts of coverage shall not be required to exceed the amounts of airline liability insurance from time to time applicable to airframes or engines owned or leased by Lessee of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation and (B) the scope of the risks covered and the type of insurance shall be the same as from time to time applicable to airframes or engines owned or leased by Lessee of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation.

(b) Insurance Against Loss or Damage to Aircraft.

(i) Except as provided in clause (ii) of this subsection (b), and subject to self-insurance to the extent specified in subsection (c), Lessee shall maintain, or cause to be maintained, in effect with insurers of recognized responsibility, at no expense to the Specified Persons, all-risk aircraft hull insurance covering the Aircraft and all-risk coverage with respect to any Engines or Parts while removed from the Aircraft (including, without limitation, war risk and allied perils insurance if and to the extent the same is maintained by Lessee or, in the case of a sublease to a Permitted Sublessee, such Permitted Sublessee, with respect to other aircraft operated by Lessee or such Permitted Sublessee, as the case may be, on the same routes) that is of the type usually carried by corporations engaged in the same or similar business and similarly situated with Lessee; provided that (x) such insurance (including self-insurance specified in subsection (c)) will at all times while the Aircraft is subject to this Lease be for an amount not less than the Stipulated Loss Value for the Aircraft from time to time and (y) such insurance need not cover an Engine while attached to an airframe not owned, leased or operated by Lessee (it being understood that nothing in the immediately preceding clause (y) is intended, and shall not be construed, to override the requirement set forth in Section 7(b) of having an Engine that is subject to a sublease or other transfer of possession pursuant to such Section 7(b) covered by insurance that complies with the terms of this subsection (b)). Any policies carried in accordance with this subsection (b) and any policies taken out in substitution or replacement for any such policies shall (A) provide that any insurance proceeds up to an amount equal to the Stipulated Loss Value, payable for any loss or damage constituting an Event of Loss with respect to the Aircraft, and any insurance proceeds in excess of the Insurance Threshold Amount, up to the amount of the Stipulated Loss Value, for any loss or damage to the Aircraft (or Engines) not

constituting an Event of Loss with respect to the Aircraft, shall be paid to the Loss Payee, and that all other amounts shall be payable to Lessee or its designee unless the insurer shall have received notice that an Event of Default exists, in which case all insurance proceeds for any loss or damage to the Aircraft (or Engines) up to the Stipulated Loss Value shall be payable to the Loss Payee; (B) subject to the conditions of clause (C) below, provide that, in respect of the interests of the Specified Persons in such policies, the insurance shall not be invalidated by any action or inaction of Lessee and shall insure their respective interests as they appear, regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee; (C) provide that, except to the extent not provided by the war risk and allied perils insurance provider, if such insurance is canceled for any reason whatsoever, or if any change is made in the policy that reduces the amount of insurance or the coverage certified in the insurance report delivered to the Specified Persons on the Delivery Date or if such insurance is allowed to lapse for nonpayment of premium, such cancellation, change or lapse shall not be effective as to any Specified Person for 30 days (seven days, or such other period as is customarily available in the industry, in the case of any war risk or allied perils coverage) after receipt by such Specified Person of written notice from such insurers of such cancellation, change or lapse; (D) provide that the Specified Persons shall not have any obligation or liability for premiums, commissions, assessments or calls in connection with such insurance; (E) provide that the insurers shall waive any rights of (1) set-off, counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Specified Persons to the extent of any moneys due to the Specified Persons and (2) subrogation against the Specified Persons to the extent that Lessee has waived its rights by its agreements to indemnify the Specified Persons pursuant hereto or in the other Operative Documents; (F) be primary without right of contribution from any other insurance that may be carried by any Specified Person; and (G) contain a 50/50 provisional claims settlement clause of the type contained in AVS 103 (or its equivalent), if such a provision is available. In the case of a sublease or contract with the U.S. government in respect of the Aircraft or any Engine, or in the case of any requisition for use of the Aircraft or any Engine by the U.S. government, a valid agreement by the U.S. government to indemnify Lessee, or an insurance policy issued by the U.S. government, against any risks that Lessee is required hereunder to insure against shall be considered adequate insurance for purposes of this subsection (b) to the extent of the risks (and in the amounts) that are the subject of such indemnification or insurance. The insurance provisions set forth above for the benefit of the Specified Persons shall only apply to the extent that Lessee has agreed to indemnify such Specified Person pursuant to the Operative Documents or a Lessee Consent and then only in such Specified Person’s capacity as Lessor, Trust Company, Owner Participant or Back-Leveraging Indemnified Person, as applicable. To the extent that the war-risk and allied perils insurance provider does not provide for provision of direct notice to Specified Persons of cancellation, change or lapse in the insurance required hereunder, Lessee hereby agrees that upon receipt of notice of any thereof from such insurance provider it shall give the Specified Persons immediate notice of each cancellation or lapse of, or material change to, such insurance.

(ii) During any period that the Airframe or Engine is on the ground and not in operation, Lessee may carry or cause to be carried as to such non-operating Airframe or Engine, in lieu of the insurance required by clause (i) above, and subject to self-insurance to the extent specified in subsection (c), insurance otherwise conforming with the provisions of said clause (i) except that the scope of the risks covered and the type of insurance shall be the same as from time to time applicable to airframes or engines owned or leased by Lessee of the same type as such non-operating Airframe or Engine and that are on the ground and not in operation; provided that, subject to self-insurance to the extent permitted by subsection (c), Lessee shall maintain insurance against risk of loss or damage to such non-operating Airframe in an amount at least equal to the Stipulated Loss Value during such period that such Airframe is on the ground and not in operation.

(c) Self-Insurance. Lessee may from time to time self-insure, by way of deductible, self-insured retention, premium adjustment or franchise or otherwise (including, with respect to insurance maintained pursuant to subsection (a) or (b) above, insuring for a maximum amount that is less than the amounts required by subsection (a) or (b)), the risks required to be insured against pursuant to subsection (a) or (b), but in no case shall such self-insurance with respect to all of the aircraft and engines in Lessee's fleet (including, without limitation, the Aircraft) exceed for any 12-month policy year 1% of the average aggregate insurable value (for the preceding policy year) of all aircraft (including, without limitation, the Aircraft) on which Lessee carries insurance unless Lessee's independent aircraft insurance broker certifies that the standard among major U.S. airlines is a higher level of self insurance, in which event Lessee may self insure the Aircraft to such higher level; provided that a deductible per occurrence that, in the case of the Aircraft, is not in excess of the amount customarily allowed as a deductible in the industry or is required to facilitate claims handling shall be permitted in addition to the above-mentioned self-insurance.

(d) Application of Insurance Payments. All losses will be adjusted by Lessee with the insurers. All insurance payments received under policies required to be maintained by Lessee hereunder, exclusive of any payments received in excess of the Stipulated Loss Value for the Aircraft from such policies, as the result of the occurrence of an Event of Loss with respect to the Airframe or an Engine will be applied as follows:

(i) if such payments are received with respect to the Airframe (or the Airframe and the Engines installed on the Airframe), so much of such payments remaining after reimbursement of Lessor for its costs and expenses shall be applied (A) in reduction of Lessee's obligation to pay the Stipulated Loss Value and other amounts required to be paid by Lessee pursuant to Section 10(a), if not already paid by Lessee, or, if already paid by Lessee, will be applied to reimburse Lessee for its payment of such Stipulated Loss Value and such other amounts, and (B) the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, Lessee or its designee; and

(ii) if such payments are received with respect to an Event of Loss with respect to an Engine under the circumstances contemplated by Section 8(d), such payments shall be paid over to, or retained by, Lessee or its designee; provided that in the case of an Engine with respect to which an Event of Loss shall have occurred or shall have been deemed to have occurred pursuant to Section 7(b) or Section 10(d) Lessee shall have fully performed the terms of Section 8(d) with respect to the Event of Loss for which such payments are made.

In all events, the insurance payment for any loss or damage to the Aircraft in excess of the Stipulated Loss Value for the Aircraft shall be paid to Lessee or its designee.

The insurance payments for any loss or damage to the Airframe or an Engine not constituting an Event of Loss with respect to the Airframe or such Engine will be applied in payment (or to reimburse Lessee) for repairs or for replacement property in accordance with the terms of Section 7 and Section 8, and any balance remaining after compliance with such Sections with respect to such loss or damage shall be paid to Lessee or its designee. Any amount referred to in the preceding sentence or in clause (i) or (ii) of the second preceding paragraph which is payable to Lessee or its designee shall not be paid to Lessee or its designee (or, if it has been previously paid directly to Lessee, shall not be retained by Lessee) if at the time of such payment an Event of Default shall have occurred and be continuing, but shall be paid to and held by Lessor pursuant to Section 22, as security for the obligations of Lessee under this Lease, and at such time as there shall not be continuing any such Event of Default, such amount shall be paid to Lessee or its designee.

(e) Reports, Etc. On or before the Delivery Date, and annually upon renewal of Lessee's insurance coverage, Lessee will furnish to each Specified Person a report signed by a firm of independent aircraft insurance brokers appointed by Lessee (which firm may be in the regular employ of Lessee), stating the opinion of such firm that the commercial hull and liability insurance then carried and maintained on the Aircraft complies with the terms hereof; provided that all information contained in such report shall be Confidential Information and shall be treated as such by each of the Specified Persons and their respective officers, directors, agents and employees in accordance with the provisions of Section 23. Lessee will cause such firm to agree to advise each Specified Person in writing of any default in the payment of any premium or of any other act or omission on the part of Lessee of which such firm has knowledge and that might invalidate or render unenforceable, in whole or in part, any insurance on the Aircraft. Lessee will also cause such firm to advise each Specified Person in writing as promptly as practicable after such firm acquires knowledge that an interruption of any insurance carried and maintained on the Aircraft pursuant to this Section will occur.

(f) Salvage Rights; Other. All salvage rights to the Airframe and each Engine shall remain with Lessee's insurers at all times. Nothing in this Section shall limit or prohibit each Specified Person or Lessee from obtaining insurance for its own account, and at its sole expense, with respect to the Airframe or any Engine, and any proceeds payable under such insurance shall be payable as provided in the insurance policy relating thereto; provided that no such insurance may be obtained which would limit or otherwise adversely affect the coverage or amounts payable under, or increase the premiums for, any insurance required to be maintained pursuant to this Section or any other insurance maintained by Lessee (or, in the case of a sublease to a Permitted Sublessee, such Permitted Sublessee) with respect to the Aircraft or any other aircraft in the fleet of Lessee (or such Permitted Sublessee).

Section 12. Inspection.

(a) Annual Inspection of Aircraft. At all reasonable times during the Term (but not more than once annually unless an Event of Default has occurred and is continuing, in which case there shall be no restriction on the number of inspections), upon at least 10 days' prior written notice to Lessee from Lessor, Lessor or its authorized representative (together with any representative of a potential financing party, lessee or transferee, if applicable, referred to in Section 12(b), the "**Inspecting Party**") may at its own expense (other than following the occurrence and during the continuance of an Event of Default, in which case the reasonable expenses of one inspection, as designated by the Lessor, shall be at the expense of Lessee) and risk (including, without limitation, any risk of personal injury), conduct a non-intrusive, visual walk-around inspection of the Aircraft and any Engine that may include going on board the Aircraft and examining the contents of any open panels, bays or other components of the Aircraft (but shall not include the opening of any unopened panels, bays or other components) and, subject to Section 12(c), may inspect the books and records of Lessee relating to the Aircraft specified in Annex C; provided that (i) the Inspecting Party shall provide, prior to conducting any such inspection, assurances reasonably satisfactory to Lessee that it is fully insured with respect to any risks incurred in connection with any such inspection and, if requested by Lessee, a written release satisfactory to Lessee with respect to such risks; (ii) any such inspection shall be subject to the safety, security and workplace rules applicable at the location where such inspection is conducted and to the requirements of any applicable law; and (iii) all such inspections shall be conducted so as not to interfere with Lessee's business or the operation or maintenance of the Aircraft, and, in the case of an inspection during a maintenance visit, such inspection shall not in any respect interfere with the normal conduct of such maintenance visit or extend the time required for such maintenance visit (as determined by Lessee in its sole discretion).

Lessor shall not have any duty to make any such inspection and shall not incur any liability or obligation by reason of not making any such inspection. No inspection pursuant to this Section shall relieve Lessee of any of its obligations under this Lease. Lessee will, upon the request of Lessor at any time, notify Lessor of the time and location of the next scheduled heavy maintenance visit to be conducted by Lessee in respect of the Aircraft during the Term; provided that Lessee shall have the right in its sole discretion to reschedule, or change the location of, any heavy maintenance visit of which it shall have notified Lessor pursuant to this sentence, Lessee hereby agreeing to use reasonable efforts to notify Lessor of any such rescheduling or change.

(b) Marketing Inspection of Aircraft. In addition to the annual inspection described in Section 12(a), but subject to the other conditions and requirements for inspections set forth in Section 12(a), upon at least 10 days' prior written notice to Lessee and during times reasonably acceptable to Lessee, in connection with a proposed financing, lease or transfer of the Aircraft or of the Lease or Owner Participant's interest therein (including the Trust Estate), Lessor or Owner Participant or their respective authorized representatives, and up to two representatives of a potential financing party, lessee or transferee, if applicable, may inspect the Airframe and any Engines installed thereon and, unless Owner Participant has requested electronic records pursuant to Section 12(c), the books and records of Lessee relating thereto specified in Annex C (any such inspection, a "**Marketing Inspection**"); provided that there shall be no more than two Marketing Inspections in any year. The identity of any potential financing party, lessee or transferee shall be held confidential by Lessee in manner consistent with the terms of Section 10.4 of the Participation Agreement.

(c) Electronic Records. In lieu of the annual physical inspection of the books and records referred to in subsection (a) or physical inspection of the books and records referred in subsection (b), during the Term (but not more than three times annually) Lessor may request that Lessee provide to Lessor some or all of the books and records relating to the Aircraft that are available and are indicated in Annex C as being transmissible in electronic form, and Lessee shall provide such documents in electronic form within 30 days of such request to Lessor.

(d) Confidentiality. All information obtained from Lessee in electronic form or in connection with any inspection shall be Confidential Information and shall be held by Lessor, Owner Participant and any Inspecting Party in accordance with the provisions of Section 23.

(e) Compliance. Notwithstanding anything to the contrary in this Lease, in no event shall Lessee be required to permit Lessor, Owner Participant or any Inspecting Party to inspect any portion of the Aircraft or any Engine that Lessee would be prohibited from showing to such Person pursuant to the Export Administration Regulations or any other applicable law or to disclose to any such Person any information with respect to the Aircraft or any Engine that Lessee would be prohibited from disclosing to such Person pursuant to the Export Administration Regulations or any other applicable law.

Section 13. Assignment. Except as expressly permitted by the Participation Agreement and this Lease, Lessee will not, without the prior written consent of Lessor, such consent not to be unreasonably withheld, Transfer any of its rights or obligations hereunder. Except as expressly permitted by the Participation Agreement, this Lease and Article IX of the Trust Agreement, Lessor will not, without the prior written consent of Lessee, Transfer any of its right, title and interest in and to this Lease or the Aircraft. The terms and provisions of this Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and permitted assigns.

Section 14. Events of Default. The following events shall constitute Events of Default (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) and each such Event of Default shall be deemed to exist and continue so long as, but only so long as, it shall not have been remedied or waived:

(a) Lessee shall fail to make any payment of Basic Rent (other than the payment of Basic Rent due pursuant to Section U of the Return Conditions) or Stipulated Loss Value within five Business Days after such payment shall be or become due; or

(b) Lessee shall fail to make (i) any payment of Basic Rent due pursuant to Section U of the Return Conditions or (ii) any other payment of Supplemental Rent (including, without limitation, indemnity payments) hereunder (other than those described in subsection (a) above), in either case at the time required to be paid hereunder, and any such failure shall continue unremedied for a period of 10 Business Days after receipt by Lessee of written notice of such failure by Lessor; or

(c) Lessee shall fail to carry and maintain insurance on or with respect to the Aircraft in accordance with the provisions of Section 11; provided that, in the case of insurance with respect to which cancellation, change or lapse for nonpayment of premium shall not be effective as to Lessor or Owner Participant for 30 days (or seven days, or such other period as may from time to time be customarily obtainable in the industry, in the case of any war risk or allied perils coverage) after receipt of notice by Lessor or Owner Participant, as the case may be, of such cancellation, change or lapse, no such failure to carry and maintain insurance shall constitute an Event of Default until the earlier of (i) the date such failure shall have continued unremedied for a period of 20 days (or five days in the case of any war risk or allied perils coverage) after receipt by Lessor or Owner Participant, as the case may be, of the notice of cancellation, change or lapse referred to in Section 11(a)(i)(C) or Section 11(b)(i)(C) or (ii) the date on which such insurance is not in effect as to Lessor or Owner Participant; or

(d) Lessee shall fail to perform or observe any other material covenant, condition or agreement not specified elsewhere in this Section 14 to be performed by it under any Operative Document to which Lessee is a party, and such failure in any such case shall continue unremedied for a period of 30 days after receipt by Lessee of written notice thereof by Lessor; provided that, if such failure is capable of being remedied, no such failure shall constitute an Event of Default hereunder for a period of 120 days (or, if such failure relates to the performance or observance of any such covenant, condition or agreement contained in Section 7(a), 8(a), 8(b) or 8(c), 180 days) after receipt of such notice so long as Lessee is diligently proceeding to remedy such failure; or

(e) any representation or warranty made by Lessee in any Operative Document to which Lessee is a party or in any document or certificate furnished by Lessee to Lessor pursuant to the terms of any thereof shall prove to have been incorrect in any material respect at the time made, and such incorrectness shall continue to be material and shall continue to be unremedied for a period of 30 days after receipt by Lessee of written notice thereof by Lessor; or

(f) [except for the Chapter 11 Case and actions taken by Lessee in connection with the Chapter 11 Case,][4] Lessee shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property or shall admit in writing its inability to pay its debts generally as they come due or shall make a general assignment for the benefit of creditors; or

(g) [except for the Chapter 11 Case,][5] Lessee shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (as in effect at such time) or any answer admitting the material allegations of a

[4] Include if the Closing occurs during the pendency of the Chapter 11 Case.
[5] *Id.*

petition filed against Lessee in any such proceeding, or Lessee shall, by voluntary petition or answer, consent to or seek relief under the provisions of any bankruptcy or other similar law (as in effect at such time) providing for the reorganization or winding-up of corporations, or providing for an agreement, composition, extension or adjustment with its creditors; or

(h) an order, judgment, or decree shall be entered by any court of competent jurisdiction appointing, without the consent of Lessee, a receiver, trustee or liquidator of Lessee or of any substantial part of its property, or sequestering any substantial part of the property of Lessee, and any such order, judgment or decree of appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of 90 days after the date of entry thereof; or

(i) [except for the Chapter 11 Case,][6] a petition against Lessee in a proceeding under the federal bankruptcy laws or other insolvency laws (as in effect at such time) shall be filed and shall not be withdrawn or dismissed within 90 days thereafter, or, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to Lessee, any court of competent jurisdiction shall assume jurisdiction, custody or control of Lessee or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 90 days; or

(j) an "Event of Default" under a Related Lease, if any, shall have occurred and be continuing.

provided that, notwithstanding anything to the contrary contained in this Lease, any failure of Lessee to perform or observe any covenant, condition, or agreement herein shall not constitute an Event of Default if such observance is prevented solely by reason of an event referred to in the definition of Event of Loss so long as Lessee is continuing to comply with the applicable terms of Section 10.

Section 15. Remedies. Upon the occurrence of an Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default by a written notice to Lessee (provided that this Lease shall be deemed to have been declared in default without the necessity of such written notice upon the occurrence of any Event of Default described in Section 14(g), (h) or (i)); and at any time thereafter, so long as Lessee shall not have remedied all outstanding Events of Default, Lessor may do one or more of the following, as Lessor shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law; provided that during any period the Aircraft is subject to the CRAF Program in accordance with the provisions of Section 7(b) and in the possession of the U.S. government or an instrumentality or agency thereof, Lessee shall not, on account of any Event of Default, be required to do any of the following in such manner as to limit Lessee's operational control under this Lease (or any sublessee's operational control under any sublease permitted by the terms of this Lease) of the Airframe or Engines, unless at least 60 days' (or such other period as may then be applicable under the Air Mobility Command Program of the U.S. government) prior notice of default hereunder shall have been given by

[6] *Id.*

Lessor by registered or certified mail to Lessee (or any sublessee) with a copy addressed to the Contracting Office Representative for the Air Mobility Command of the U.S. Air Force under any contract with Lessee (or any sublessee) relating to the Aircraft:

(a) cause Lessee, upon the written demand of Lessor and at Lessee's expense, to return promptly, and Lessee shall return promptly, all or such part of the Airframe and any Engines as Lessor may so demand, to Lessor in the manner and condition required by, and otherwise in accordance with all of the provisions of, Section 5 as if the Airframe or such Engines were being returned at the end of the Term; or Lessor, at its option, after Lessee shall have failed to so return the Aircraft after such demand, may enter upon the premises where the Airframe is or any or all Engines are located or reasonably believed to be located and, without breach of peace, take immediate possession of and remove such Airframe or Engines (together with any engine which is not an Engine but which is installed on the Airframe, subject to all of the rights of the owner, lessor, lienor or secured party of such engine; provided that, in the event that an engine (which is not an Engine) is installed on the Airframe, such engine shall be held for the account of any such owner, lessor, lienor or secured party or, if owned by Lessee, may, at the option of Lessee with the consent of Lessor (which consent shall not be unreasonably withheld) or at the option of Lessor with the consent of Lessee (which consent shall not be unreasonably withheld), be exchanged with Lessee for an Engine in accordance with the Return Conditions), by summary proceedings or otherwise, all without liability to Lessor for or by reason of such entry or taking possession; or

(b) sell all or any part of the Airframe and any Engine at public or private sale, whether or not Lessor shall at the time have possession thereof, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any part of the Airframe or such Engine as Lessor, in its sole discretion, may determine, free and clear of any rights of Lessee; or

(c) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under clause (a) or clause (b) above with respect to all of any part of the Airframe or any Engine, Lessor, by written notice to Lessee, may cause Lessee to pay to Lessor, and Lessee shall pay to Lessor, on a payment date that is at least 15 days from the date of such written notice (such payment date, the "**Specified Payment Date**"), as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for Lease Period Dates occurring on and after the Specified Payment Date):

(i) any unpaid Basic Rent due on Lease Period Dates prior to the Specified Payment Date, provided that (x) if the Specified Payment Date is a Lease Payment Date, Lessee shall have no obligation to pay the installment of Basic Rent that would otherwise be due and payable on the Lease Period Date that is the Specified Payment Date and (y) if the Specified Payment Date is not a Lease Payment Date, Lessee shall be entitled to credit against its payment obligations in this subsection (c) the portion of the installment of Basic Rent allocable to the period from (and including) such Specified Payment Date to (but not including) the next succeeding Lease Period Date, or if no Lease Period Date succeeds such specified Payment Date, the last day of the Term; plus

(ii) an amount equal to the excess, if any, of the Stipulated Loss Value for the Aircraft computed as of the Reference Stipulated Loss Value Determination Date, over the amount determined as provided in clause (A) or (B) below, as applicable (whether to use the amount determined as provided in clause (A) or in clause (B) shall have been specified in such written notice by Lessor, in its sole discretion):

(A) the sum of (x) the Fair Market Rental Value of the Aircraft for the remainder of the useful life of the Aircraft, after discounting such Fair Market Rental Value to present value as of the Specified Payment Date at an annual rate equal to 4% and (y) the salvage value of the Aircraft at the end of its useful life (as such salvage value is determined by mutual written agreement between Lessor and Lessee or, in the absence of mutual written agreement, pursuant to an Independent Appraisal) after discounting such salvage value to the present value as of the Specified Payment Date at an annual rate equal to 4%, or

(B) the Fair Market Sales Value of the Aircraft determined as of the Specified Payment Date; or

(d) in the event Lessor, pursuant to clause (b) above, shall have sold the Aircraft, Lessor, in lieu of exercising its rights under clause (c) above with respect to the Aircraft, by written notice to Lessee, may cause Lessee to pay to Lessor, and Lessee shall pay to Lessor, on the fifth day following the date of such sale (such fifth day, the "**Sale Date**"), as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due on Lease Period Dates occurring on and after the Sale Date):

(i) any unpaid Basic Rent due on Lease Period Dates prior to the Sale Date; provided that (x) if the Sale Date is a Lease Period Date, Lessee shall have no obligation to pay the installment of Basic Rent that would otherwise be due and payable on the Lease Period Date that is the Sale Date and (y) if the Sale Date is not a Lease Period Date, Lessee shall be entitled to credit against its payment obligations in this subsection (d) the portion of the installment of Basic Rent allocable to the period from (and including) such Sale Date to (but not including) the next succeeding Lease Period Date, or if no Lease Period Date succeeds such Sale Date, the last day of the Term; plus

(ii) (A) if such sale is a public or private sale to a purchaser that is not an Affiliate of Owner Participant, the Stipulated Loss Value for the Aircraft, computed as of the Reference Stipulated Loss Value Determination Date, minus the net proceeds of such sale (after deduction of all actual and reasonable out-of-pocket costs of such sale) or (B) if such sale is a public or private sale to an Affiliate of Owner Participant, the Stipulated Loss Value for the Aircraft, computed as of the Reference Stipulated Loss Value Determination Date, minus the Fair Market Sales Value of the Aircraft, determined as of the Sale Date; or

(e) rescind this Lease as to the Aircraft, or exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action, either at law or in equity, to enforce the terms or to recover damages for the breach hereof.

In addition, to the extent permitted by applicable Law, Lessee shall be liable, except as otherwise provided above, and without duplication of amounts payable hereunder, for any and all unpaid Rent due hereunder before or during the exercise of any of the foregoing remedies and for all reasonable legal fees and other actual and reasonable costs and expenses incurred by Lessor or Owner Participant by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of the Airframe or any Engine in accordance with the Return Conditions or in placing such Airframe or Engine in the condition and airworthiness required by the Return Conditions (provided that, for the avoidance of doubt, Lessee shall not be liable for any amounts or obligations with respect to Return Conditions if Lessor exercises any remedy under subsection (c) or (d)). At any sale of the Airframe or an Engine or part thereof pursuant to this Section, Lessor or Owner Participant may bid for and purchase such property. Lessor agrees to give Lessee at least 30 days' prior written notice of the date fixed for any public sale of the Airframe or any Engine or of the date on or after which any private sale will be held and of any lease or other disposition of the Aircraft, which notice Lessee hereby agrees to the extent permitted by applicable law is reasonable notice. Except as otherwise expressly provided above, to the extent permitted by applicable Law, no remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and, to the extent permitted by applicable Law, the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. To the extent permitted by applicable Law, no express or implied waiver by Lessor of any Event of Default shall in any way be, or construed to be, a waiver of any future or subsequent Event of Default.

Notwithstanding anything to the contrary set forth herein or in any other Operative Document, but subject to the next sentence (i) as permitted by Article 15 of the Cape Town Convention, the provisions of Chapter III of the Cape Town Convention are hereby excluded and made inapplicable to this Lease and the other Operative Documents, except for those provisions of such Chapter III that cannot be derogated from and (ii) as permitted by Article IV(3) of the Aircraft Protocol, the provisions of Chapter II of the Aircraft Protocol are hereby excluded and made inapplicable to this Lease and the other Operative Documents, except for (x) Article XVI of the Aircraft Protocol and (y) those provisions of such Chapter II that cannot be derogated from. The parties agree that the exercise of remedies hereunder and the other Operative Documents is subject to other applicable Law, including without limitation, the UCC (as in effect in the State of New York) and the Bankruptcy Code, and that nothing herein derogates from the rights of Lessor or Lessee under or pursuant to such other applicable Law.

Section 16. Further Assurances. Forthwith upon the execution and delivery of each Lease Supplement from time to time required by the terms hereof, Lessee will cause such Lease Supplement (and, in the case of Lease Supplement No. 1, this Lease) to be duly filed and recorded in accordance with the Transportation Code or the applicable Laws of such jurisdiction other than the United States in which the Aircraft is registered, as the case may be. In addition, each of Lessor and Lessee will promptly and duly execute and deliver to the other such further documents and assurances and take such further action as may from time to time be reasonably requested in order more effectively to carry out the intent and purpose of this Lease including, without limitation, if requested by Lessee or Lessor, the execution and delivery of supplements

or amendments hereto, each in recordable form, subjecting to this Lease any Replacement Engine and the recording or filing of counterparts thereof; provided that this sentence is not intended to impose upon Lessee any additional liabilities not otherwise contemplated by this Lease.

Section 17. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents or waivers required or permitted under the terms and provisions of this Lease shall be in English and in writing, and given by United States registered or certified mail, return receipt requested, postage prepaid, overnight courier service or facsimile, and any such notice shall be effective when received (or, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) and addressed as follows:

(a) if to Lessee:

American Airlines, Inc.
4333 Amon Carter Boulevard, MD 5662
Fort Worth, Texas 76155
Attention: Treasurer
Facsimile: 817.967.4318
Telephone: 817.963.1234

(b) if to Lessor:

Wells Fargo Bank Northwest, National Association
MAC: 1240-026
260 N. Charles Lindbergh Dr.
Salt Lake City, UT 84116
Attention: Corporate Trust Lease Group
Facsimile: 801.246.7142
Telephone: 801.246.6000

(c) if to Owner Participant:

[Name of Owner Participant]
[Address of Owner Participant]
Attention:
Facsimile:
Telephone:

Any party, by notice to the other parties hereto, may designate different addresses for subsequent notices or communications. Whenever the words “notice” or “notify” or similar words are used herein, they mean the provision of formal notice as set forth in this Section 17.

Section 18. No Set-Off, Counterclaim, etc. This Lease is a net lease and to the full extent permitted by applicable law, Lessee's obligation to pay all Basic Rent and Stipulated Loss Value shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation:

(a) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, Owner Participant or any other Person for any reason whatsoever;

(b) any defect in the title, airworthiness, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, the Aircraft;

(c) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee or any Permitted Sublessee or any other Person; or

(d) any other circumstances, happening or event whatsoever, whether or not unforeseen or similar to any of the foregoing.

Lessee hereby waives, to the full extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease except in accordance with the express terms hereof. Nothing contained in this Section shall be construed to waive any claim which Lessee may have hereunder (including, without limitation, claims that Basic Rent, Stipulated Loss Value or any other payments demanded from or paid by Lessee are or were erroneous) or otherwise or to limit the right of Lessee to make any claim it may have against Lessor, Owner Participant or any other Person or to pursue any such claim in such manner as Lessee shall deem appropriate.

Section 19. Section 1110. It is the intention of the parties hereto that this Lease, to the fullest extent available under applicable law, entitles Lessor to the benefits of Section 1110 with respect to the Aircraft. In furtherance of the foregoing, Lessor and Lessee hereby confirm that this Lease is to be treated as a lease for U.S. federal income tax purposes. Nothing contained in this paragraph shall be construed to limit Lessee's use and operation of the Aircraft under this Lease or constitute a representation or warranty by Lessee as to tax consequences.

Section 20. Monies Received by Lessor. Except as otherwise provided herein, any monies received by Lessor in excess of the amounts to which Lessor is entitled pursuant to the terms hereof shall immediately be paid over by Lessor to Lessee.

Section 21. Renewal Options. Lessee shall have the right to extend this Lease with respect to the Aircraft for two successive periods having a duration of two years each (each such period being hereinafter referred to as a "**Renewal Term**"), each commencing at the expiration of the Basic Term or a Renewal Term, as the case may be. During any such Renewal Term, (a) the monthly Basic Rent shall be the monthly equivalent of the Fair Market Rental Value of the Aircraft and (b) the monthly Stipulated Loss Value amounts shall be the Stipulated Loss Value as of the last day of the Basic Term and thereafter the Stipulated Loss Value shall decline monthly on each Stipulated Loss Value Determination Date during such Renewal Term at a rate of 3% per annum through the end of such Renewal Term. Each such option to renew shall be exercised upon written revocable notice from Lessee to Lessor given not less than 300 days prior to (i) the Lease Expiry Date or (ii) the last day of the Renewal Term then in effect, as the case may be. Within 30 days of Lessee's delivery of such revocable notice to Lessor, Lessee

and Lessor shall calculate the amounts that would be payable in respect of Basic Rent and Stipulated Loss Value during such Renewal Term in accordance with the second sentence of this Section (including the determination of the applicable Fair Market Rental Value of the Aircraft by mutual agreement or Independent Appraisal), and promptly following such calculation (but in any event no later than the date that is 270 days prior to (i) the Lease Expiry Date or (ii) the last day of the Renewal Term then in effect, as the case may be), Lessee shall either deliver an irrevocable notice to renew the Lease or revoke its earlier revocable notice to renew the Lease. If no Event of Default shall have occurred and be continuing on the Lease Expiry Date or the last day of the Renewal Term then in effect, as the case may be, then this Lease shall be extended for the additional period of such Renewal Term at the Basic Rent and Stipulated Loss Value amounts calculated pursuant to the preceding sentence, and otherwise on the same conditions provided for herein.

Section 22. Investment of Security Funds. Any moneys which are (a) held by Lessor pursuant to the terms hereof, (b) required to be paid to or retained by Lessor and not required to be paid to Lessee pursuant to Section 10(e) or Section 11(d) solely because an Event of Default shall have occurred, or (c) required to be paid to Lessee pursuant to Section 10(b) or Section 11(d) after completion of a replacement to be made pursuant to Section 8(d) shall, until paid to Lessee as provided in Section 10 or Section 11, be invested in Permitted Investments by Lessor from time to time as directed in writing by Lessee or, if an Event of Default shall have occurred and is continuing, as directed in writing by Owner Participant. There shall, so long as no Event of Default shall have occurred and be continuing, be promptly remitted to Lessee any gain (including interest received) realized as the result of any such investment (net of any fees, commissions and other expenses, if any, incurred in connection with such investment), and Lessee will promptly pay to Lessor, on demand, the amount of any loss realized as the result of any such investment (together with any fees, commissions and other expenses, if any, incurred in connection with such investment).

Section 23. Confidential Information. All Confidential Information shall be held confidential by Lessor in accordance with Section 10.4 of the Participation Agreement.

Section 24. Lessor Right to Perform for Lessee. If Lessee fails to make any payment of Rent required to be made by it hereunder, Lessor may, on behalf of Lessee and upon prior notice to Lessee, itself make such payment. The amount of any such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment shall be deemed Supplemental Rent immediately due and payable as of and when such payment is made by Lessor.

Section 25. Lessee's Performance and Rights. Any obligation imposed on Lessee in this Lease shall require only that Lessee perform or cause to be performed such obligation, even if stated herein as a direct obligation, and the performance of any such obligation by a permitted assignee, sublessee or transferee under an assignment, sublease or transfer agreement then in effect shall constitute performance by Lessee and to the extent of such performance in accordance with the terms of the applicable assignment, sublease or transfer agreement, discharge such obligation by Lessee. Except as otherwise expressly provided in this Lease, any right granted to Lessee in this Lease shall grant Lessee the right to exercise such right or permit such right to be exercised by such assignee, sublessee or transferee with the same force

and effect as if such assignee, sublessee or transferee were named as "Lessee" herein. The inclusion of specific references to obligations or rights of any such assignee, sublessee or transferee in certain provisions of this Lease shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, sublessee or transferee has not been made in this Lease.

Section 26. Concerning Lessor. Wells Fargo Bank Northwest, National Association is entering into the Operative Documents solely in its capacity as Owner Trustee under the Trust Agreement and not in its individual capacity (except as expressly provided in the Operative Documents) and in no case shall Wells Fargo Bank Northwest, National Association (or any entity acting as successor Owner Trustee under the Trust Agreement) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of Lessor under the Operative Documents; provided, however, that Wells Fargo Bank Northwest, National Association (or any such successor Owner Trustee) shall be personally liable under the Operative Documents for its own gross negligence, its own simple negligence in the handling of funds actually received by it in accordance with the terms of the Operative Documents, its willful misconduct and its breach of its covenants, representations and warranties in the Operative Documents, to the extent covenanted or made in its individual capacity or as otherwise expressly provided in the Operative Documents; provided, further, that nothing contained in this Section 26 shall be construed to limit the exercise and enforcement in accordance with the terms of the Operative Documents of rights and remedies against the Trust Estate.

Section 27. Successor Owner Trustee. Lessee agrees that, in the case of the appointment of any successor Owner Trustee pursuant to the terms of the Trust Agreement and Section 6.2.2 of the Participation Agreement, such successor Owner Trustee shall, upon written notice to Lessee by such successor Owner Trustee, succeed to all the rights, powers and title of Lessor hereunder and shall be deemed to be Lessor of the Aircraft for all purposes without in any way altering the terms of this Lease or Lessee's obligations hereunder. One such appointment and designation of a successor Owner Trustee shall not exhaust the right to appoint and designate further successor Owner Trustees pursuant to the Trust Agreement and Section 6.2.2 of the Participation Agreement, but such right may be exercised repeatedly as long as this Lease shall be in effect.

Section 28. Miscellaneous.

(a) Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) No term or provision of this Lease may be amended, modified or supplemented orally, but only by an instrument in writing signed by the party against which the enforcement of the amendment, modification or supplement is sought.

(c) This Lease and the other Operative Documents, and all certificates, instruments and other documents relating thereto delivered and to be delivered from time to time pursuant to the Operative Documents, supersede any and all representations, warranties and agreements (other than any Operative Document) prior to the date of this Lease, written or oral, between or among any of the parties hereto relating to the transactions contemplated hereby and thereby.

(d) This Lease may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Lease, including a signature page executed by each of the parties hereto shall be an original, but all of such counterparts together shall constitute one instrument. In the event that a security interest is granted in this Lease with respect to the issuance of debt by Lessor to the extent permitted by Section 8.3 of the Participation Agreement, and that this Lease constitutes chattel paper (as such term is defined in the UCC), no security interest in this Lease may be created through the transfer or possession of any counterpart hereof other than the original counterpart, which shall be identified as the counterpart containing the receipt therefor executed by Lessor on the signature page thereof.

(e) The parties hereto do not intend any interest created by this Lease to be a perpetuity or to be subject to invalidation under any applicable perpetuities rule; however, if the rule is to be applied, then the perpetuities period shall be 21 years after the last to die of the currently living descendents of former United States President John F. Kennedy.

(f) THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THIS LEASE HAS BEEN DELIVERED IN THE STATE OF NEW YORK.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties have each caused this Lease to be duly executed as of the day and year first above written.

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity (except as expressly provided herein) but solely as Owner Trustee

By: _____
Name:
Title:

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

[Receipt of the original counterpart of the foregoing Lease is hereby acknowledged on this day of .

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:][7]

[7] For chattel paper copy only.

EXHIBIT A
TO LEASE AGREEMENT ([YEAR] MSN [MSN])

LEASE SUPPLEMENT NO. ([YEAR] MSN [MSN]), dated , 20 , between WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, but solely as Owner Trustee under the Trust Agreement ([YEAR] MSN [MSN]), dated as of [ ], [YEAR], between the Owner Participant named therein and Wells Fargo Bank Northwest, National Association ("**Lessor**"), and AMERICAN AIRLINES, INC., a Delaware corporation ("**Lessee**").

RECITALS:

1. Lessor and Lessee have heretofore entered into that certain Lease Agreement ([YEAR] MSN [MSN]), dated as of [ ], [YEAR] (herein called, as at any time modified, supplemented or amended, the "**Lease Agreement**" and the defined terms in Annex A thereto being hereinafter used with the same meanings), providing for the execution and delivery from time to time of Lease Supplements, each substantially in the form hereof for the purpose of leasing specific aircraft and engines under the Lease Agreement as and when delivered by Lessor to Lessee in accordance with the terms thereof;

2. [The Lease Agreement relates to the aircraft and engines described below, and counterparts of the Lease Agreement are attached hereto and made a part hereof, and this Lease Supplement, together with such attachments, is being filed for recordation on the date hereof with the Federal Aviation Administration as one document.][1]

[A counterpart of the Lease Agreement, attached to and made a part of Lease Supplement No. 1, dated [ ], 20 , to the Lease Agreement, has been recorded by the Federal Aviation Administration on , as one document and assigned Conveyance No. .][2]

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

1. Lessor hereby delivers and leases to Lessee under the Lease Agreement, and Lessee hereby accepts and leases from Lessor under the Lease Agreement, the following [described Aircraft, which Aircraft as of the date hereof consists of the following components]:[3]

[1] This language for Lease Supplement No. 1.
[2] This language for other Lease Supplements.
[3] Only for Lease Supplement No. 1.

[(a) one Airbus [Model] (Generic Manufacturer and Model AIRBUS [Generic Model]) airframe: U.S. Registration Number ; Manufacturer's Serial No. ; and[4]

(b) two (2) [INSERT ENGINE INFO]) engines relating to such airframe and bearing, respectively, Manufacturer's Serial Nos. and , respectively (each of which engines has 550 or more rated takeoff horsepower or the equivalent of such horsepower and is a jet propulsion aircraft engine having at least 1750 pounds of thrust or the equivalent of such thrust).

The Basic Term for the lease of the Aircraft shall commence on the date of this Lease Supplement (the "**Delivery Date**") and shall end on [5] (the "**Lease Expiry Date**"), or such earlier date on which the Lease is terminated in accordance with the provisions thereof.

The Lease Period Dates for the Aircraft are set forth in Schedule A hereto.

The amount of Basic Rent for the Aircraft is set forth in Schedule A hereto.

The Stipulated Loss Values for the Aircraft are set forth in Schedule B hereto.][6]

[Add description of Replacement Engine or Engines, if applicable].

2. All of the terms and provisions of the Lease Agreement are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.

3. This Lease Supplement may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). All of such counterparts together shall constitute one instrument.

TO THE EXTENT, IF ANY, THAT THIS LEASE SUPPLEMENT CONSTITUTES CHATTEL PAPER (AS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE SUPPLEMENT MAY BE PERFECTED THROUGH DELIVERY OR POSSESSION OF ANY COUNTERPART OF THIS LEASE SUPPLEMENT OTHER THAN THE ORIGINAL COUNTERPART, WHICH SHALL BE THE COUNTERPART THAT CONTAINS THE RECEIPT EXECUTED BY LESSOR ON THE SIGNATURE PAGE THEREOF.

[4] Only for Lease Supplement No. 1.
[5] Insert tenth (10th) anniversary of Delivery Date.
[6] Language for other Lease Supplements.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease Supplement No. to be duly executed as of the day and year first above written.

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity (except as expressly provided herein) but solely as Owner Trustee

By: _____
Name:
Title:

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

[Receipt of the original counterpart of the foregoing Lease is hereby acknowledged on this day of .

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee

By: _____
Name:
Title:][7]

[7] For chattel paper copy only.

SCHEDULE A TO
LEASE SUPPLEMENT NO. 1 ([YEAR] MSN [MSN])

BASIC RENT

Lease Period Dates during the Term:	The Delivery Date and the [ ]th day of each calendar month occurring after the Delivery Date during the Term (but not including the last day of the Term if such day is the [ ]th day of a calendar month)
Basic Rent during the Basic Term:	$[ ] per month during the through months following the Delivery Date, and thereafter $[ ] per month, in each case, payable in advance.
Basic Rent during any Renewal Term:	An amount per month determined in accordance with Section 21 of the Lease, payable in advance.

SCHEDULE A TO LEASE SUPPLEMENT NO. 1 ([YEAR] MSN [MSN])[1]

INTENTIONALLY DELETED FROM THE VERSION OF THIS DOCUMENT FILED WITH THE FAA AS CONTAINING CONFIDENTIAL AND PROPRIETARY INFORMATION

[1] Insert for FAA filing in lieu of Schedule A.

SCHEDULE B TO
LEASE SUPPLEMENT NO. 1 ([YEAR] MSN [MSN])

STIPULATED LOSS VALUES

Stipulated Loss Value Determination Date	Stipulated Loss Value

SCHEDULE B TO LEASE SUPPLEMENT NO. 1 ([YEAR] MSN [MSN])[1]

INTENTIONALLY DELETED FROM THE VERSION OF THIS DOCUMENT FILED WITH THE FAA AS CONTAINING CONFIDENTIAL AND PROPRIETARY INFORMATION

[1] Insert for FAA filing in lieu of Schedule B.

ANNEX A
TO LEASE AGREEMENT ([YEAR] MSN [MSN])

DEFINITIONS

Annex A

ANNEX B
TO LEASE AGREEMENT([YEAR] MSN [MSN])

RETURN CONDITIONS

Upon the expiration of the Term or upon demand of Lessor following the earlier termination of the Lease by Lessor pursuant to the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing (such date, the "**Return Date**"), Lessee shall return the Aircraft to Lessor by delivering the Aircraft (a) to a suitable storage facility in the continental United States or to one of Lessee's United States maintenance facilities, in either case, as selected by Lessee or (b) to such other facility as may be agreed by Lessor and Lessee.

Lessee and Lessor agree that the Return Conditions set forth in Sections A through V of this Annex B shall apply to the return of the Aircraft to Lessor (for the avoidance of doubt, there will be no serviceability, cycle, condition, time or other requirements applicable to the Aircraft, any Engine or any Part (other than the Return Conditions and the Maintenance Program)), [*CTR*]; provided that, with respect to any discrepancies with the Return Conditions (other than discrepancies with respect to FAA requirements specified in Section A, the general condition specified in Section B, the completion of the next due Airframe "C-Check" under the Maintenance Program as specified in the first sentence of Section C, the Landing Gear Hard Time Minimum specified in Section D, the Hard Time Cycle Minimum specified in Section E, the Hard Time Performance Restoration Minimum specified in Section F and the APU Hard Time Minimum specified in Section G, which discrepancies shall be corrected by Lessee at its expense prior to the Return Date), Lessee shall have the option of either correcting such discrepancies at its own expense or providing compensation in lieu of such correction in an amount to be mutually agreed upon by Lessee and Lessor.

In connection with the return of the Aircraft to Lessor, Lessee shall also return the Records to Lessor by delivering them to (a) a facility agreed by Lessor and Lessee or (b) if no agreement as to such facility is reached as of the Return Date, to a suitable storage facility in the continental United States or one of Lessee's United States maintenance facilities, in either case, as selected by Lessee. Lessee and Lessor agree that Section L of this Annex B shall apply to the return of the Records to Lessor.

Reference to the Maintenance Program in this Annex shall include, to the extent specifically incorporated in or cross-referenced as a requirement by the Maintenance Program, the aircraft maintenance manual and the engine maintenance program and engine manuals.

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

If the Aircraft has been in storage prior to return, the Aircraft will be reactivated in accordance with the Maintenance Program prior to the Return Date.

A. Registration & Certification, Maintenance Program & Airworthiness Directives

The Aircraft shall be registered with the FAA in the name of Lessor unless such registration cannot be maintained (i) because of the failure of Lessor or Owner Participant to comply with the citizenship or other eligibility requirements for registration of aircraft under the Transportation Code or with Section 6.3.1 of the Participation Agreement or (ii) because of the failure by Lessor or Owner Participant to execute and deliver any documents required for the renewal of such registration. The Aircraft shall (a) have a valid standard certificate of airworthiness issued by the FAA, (b) meet FAR 121 requirements (subject to Lessee's right to remove Excluded Equipment, it being acknowledged that Excluded Equipment need not be installed on the Aircraft). The Aircraft shall be in compliance with the Maintenance Program, and Lessee shall comply with all ADs in respect of the Aircraft which require compliance no later than the last day of the Term, as and to the extent required by such ADs and the Maintenance Program prior to such date.

B. General Condition

The Aircraft shall be (a) [*CTR*], (b) in the same operating condition as when delivered to Lessee under the Lease (ordinary wear and tear excepted) [*CTR*] and (d) equipped with two Engines (one or both of which may be Replacement Engines substituted pursuant to Section 8(d) of the Lease or Section I to this Annex B) duly installed thereon, but need not include any Excluded Equipment. Lessee shall repair any damage to the Aircraft caused by removal of Excluded Equipment and shall return the applicable areas from which such Excluded Equipment was removed to a serviceable and cosmetic condition appropriate for commercial passenger service by Lessee. The Aircraft shall be in compliance with Lessee's corrosion prevention and control program. [*CTR*]

No Engine shall be returned [*CTR*]

C. C-Check; Airframe Equivalency Charge

The Airframe shall have completed, within 30 days prior to the Return Date, the next due "C-Check" under the Maintenance Program [*CTR*], and following such C-Check the Aircraft shall not be used in flight operations except for the demonstration flight described in Section R of this Annex B and ferry or delivery flights performed pursuant to the Return Conditions.

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

If (a) the Maintenance Program includes a substantially more comprehensive C-Check than other C-Checks in the Maintenance Program (such substantially more comprehensive C-Check, a "**Heavy C-Check**"), and (b) the C-Check performed pursuant to the previous paragraph was not a Heavy C-Check, then Lessee shall pay the Heavy C-Check Adjustment Amount (if any) [*CTR*]

If there is no Heavy C-Check in the Maintenance Program, then in lieu of the obligations in the preceding paragraph, Lessee and Owner Participant shall [*CTR*]

D. Landing Gear Equivalency Charge

With respect to the Aircraft, each of the nose and main landing gear assemblies (each, a "**Landing Gear Assembly**") shall have [*CTR*]% of the allowable time under the Maintenance Program between performance restoration visits under the Maintenance Program [*CTR*] (any such visit, a "**Landing Gear Performance Restoration Visit**") remaining until the next scheduled Landing Gear Performance Restoration Visit therefor under the Maintenance Program; provided that Lessee may return the Aircraft with less than [*CTR*] on any Landing Gear Assembly, subject to paying the Landing Gear Adjustment Amount (if any) [*CTR*]

E. Engine LLP Equivalency Charge; Hard Time Cycle Minimum

Each life-limited part of the Engines (each, an "**Engine LLP**") shall have [*CTR*]% remaining of the manufacturer's published life limit [*CTR*]; provided that Lessee may return the Aircraft with less than [*CTR*] on one or more Engine LLPs, subject to paying the Engine LLP Adjustment Amount (if any) [*CTR*]

F. Engine Equivalency Charge; Hard Time Performance Restoration Minimum

Each Engine shall have [*CTR*]% of the expected time under the Maintenance Program between performance restoration visits under the Maintenance Program [*CTR*] (any such visit, an "**Engine Performance Restoration Visit**") remaining until the next Engine Performance Restoration Visit of such Engine under the Maintenance Program as measured by Lessee's historical mean time between Engine Performance Restoration Visits ("**MTBR**") as reasonably determined by Lessee [*CTR*] for engines in Lessee's fleet of the same make and model as measured by [*CTR*]; provided that Lessee may return one or both Engines with less than [*CTR*], subject to paying the Engine Performance Restoration Visit Adjustment Amount (if any) [*CTR*]

In the event that an Engine is, at return, [*CTR*]

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

G. Auxiliary Power Unit

With respect to the Aircraft, the auxiliary power unit ("**APU**") will have [*CTR*]% of the expected time under the Maintenance Program between gas path refurbishments under the Maintenance Program [*CTR*] (any such visit, an "**APU Performance Restoration Visit**") remaining until the next APU Performance Restoration Visit under the Maintenance Program as measured by Lessee's historical mean time between APU Performance Restoration Visits as determined by Lessee ("**APRV**") for APUs of the same make and model as the subject APU operating on aircraft in Lessee's fleet as measured by APU hours [*CTR*]; provided that Lessee may return the APU with less than [*CTR*] subject to paying the APU Performance Restoration Visit Adjustment Amount (if any) [*CTR*]

H. Calculation of Equivalency Charge Payments

Lessee shall calculate the amounts payable by Lessee under the Return Conditions, in each case as specified in Sections C, D, E, F and G, and provide Lessor with a statement listing such amounts, together with reasonably detailed calculations prior to the Return Date.

All payment amounts described in the preceding sentence and any payment obligations of Lessee pursuant to the proviso in the second full paragraph of this Annex B shall be aggregated so that only one aggregate payment by Lessee shall be required with respect to the Aircraft, and Lessee shall pay such aggregate amount to Lessor on the Return Date, minus [*CTR*].

[*CTR*]

I. Engine Substitution

Lessee may deliver with the Airframe on the Return Date one or more Replacement Engines, without regard to the number of hours or cycles accumulated on any such Replacement Engine, but subject to the applicable provisions of this Annex B as if each reference to an "Engine" therein were a reference to such Replacement Engine.

In connection with the return of any such Replacement Engine not previously substituted pursuant to Section 8(d) or 10(d) of the Lease, (a) Lessee shall, at its own expense, (i) furnish Lessor with a warranty (as to title) bill of sale (which warranty shall except Lessor's Liens and Liens described in Section 6(h) of the Lease) with respect to such Replacement Engine, which in the case of any such conveyance to which the Cape Town Treaty is applicable shall be in such form as will qualify as a "contract of sale" pursuant to Article V of the Aircraft Protocol and (ii) if Lessor has taken all the necessary

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

steps to allow the registration, cause the sale of such Replacement Engine (if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Treaty) to be registered on the International Registry as an International Interest (or if the seller of such Replacement Engine is not situated in a country that has ratified the Cape Town Treaty, use reasonable efforts to cause the seller to register the sale of such Replacement Engine on the International Registry) and (b) Lessor shall transfer the Engine being replaced to Lessee in accordance with Section 4(g) of the Lease.

An engine substitution in accordance with the terms of this Section I may be completed no earlier than the date that is 90 days prior to (and including) the Return Date, and the provisions of Section 8(d) of the Lease are not intended to apply to such engine substitution.

J. Maintenance Carry-Overs

Maintenance carry-overs, defined as any deferred, continued, carry-over, time-limited repairs or open log book maintenance items against the Aircraft (each, an "**MCO**") shall be cleared per the Maintenance Program. However, MCOs which are deferred until the next Heavy C-Check as permitted by the Maintenance Program need not be corrected or performed by Lessee, [*CTR*]

K. Special Markings

On or prior to the Return Date, Lessee shall, in a workmanlike manner, cause to be removed or painted over any identification marks of Lessee or the **one**world global alliance or any member thereof on the Aircraft.

L. Records

All logs, drawings, engineering orders, manuals, certificates and data, and inspection, modification, overhaul and repair records, with respect to the Aircraft that are [*CTR*] (such logs, drawings, engineering orders, manuals, certificates, data and records, collectively, the "**Records**") will be made available for Lessor's review for the period beginning on the date that is 30 days preceding the anticipated last day of the Term and ending on the date that is three Business Days preceding the last day of the Term. [*CTR*] An indicative list of the Records is set forth in Exhibit A to this Annex B; provided that (a) Lessor, Owner Participant and Lessee acknowledge and agree that requirements to maintain such Records may change [*CTR*] and if, as a result of any such change, Lessee does not maintain any of the records listed in Exhibit A to this Annex B, such records shall not constitute "Records" under these Return Conditions; (b) Lessee acknowledges and agrees that [*CTR*]; and (c) Lessee will cooperate in good faith [*CTR*]. Lessee will use commercially reasonable efforts to [*CTR*]. In addition to the foregoing, Lessee will provide [*CTR*]

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Any review of the Records by Lessor shall be completed during this period and during normal business hours and shall not exceed a period of 10 Business Days, [*CTR*]. All Records shall be delivered in English to Lessor in Lessee's format approved by the FAA and at Lessee's expense, [*CTR*] (except that for those Records related to maintenance work, the demonstration flight in Section R or ferry or delivery flights, in each case to be performed pursuant to the Return Conditions, [*CTR*].

Each of the Records that are not provided in a paper format shall be [*CTR*].

M. Maintenance, Repair and Miscellaneous

All repairs on the Aircraft shall have been performed (a) in accordance with [*CTR*].

On the Return Date, [*CTR*].

N. Borescope Inspections; Power Assurance Runs

A full hot and cold section video borescope inspection of the Engines in accordance with the Maintenance Program and a maximum power assurance run for each Engine in accordance with the Maintenance Program shall be performed after the demonstration flight, before the Return Date by a representative of Lessee at Lessee's expense in the presence of a representative of Lessor. Lessee will correct, at Lessee's expense, any discrepancies found during such inspections that are determined not to be in compliance with the limits defined in the Maintenance Program.

O. Liens

The Aircraft shall be free and clear of Liens (other than any Lessor's Liens and Liens described in Section 6(h) of the Lease).

P. Fuel

Lessee shall have no obligation to provide any fuel or oil with respect to the Aircraft on the Return Date, provided that any fuel or oil remaining on board the Aircraft on the Return Date shall be the property of Lessor without charge.

Q. Tires and Brakes

All tires and brakes will have a minimum of [*CTR*] as of the Return Date.

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

R. Inspection; Demonstration Flight

Prior to the Return Date, during the work performed in connection with the Return Conditions Lessor shall be permitted a non-intrusive visual inspection to verify that the Aircraft is in compliance with the Return Conditions. The inspection shall not include opening any panels that otherwise cannot be opened without tools or equipment and shall not include any borescopes [*CTR*]. The inspection shall be subject to the following conditions: (i) Lessor shall provide, prior to conducting any such inspection, assurances reasonably satisfactory to Lessee that it is fully insured with respect to any risks incurred in connection with any such inspection and, if requested by Lessee, a written release satisfactory to Lessee with respect to such risks; (ii) any such inspection shall be subject to the safety, security and workplace rules applicable at the location where such inspection is conducted and to the requirements of any applicable law (including, without limitation, the Export Administration Regulations) [*CTR*]; and (iii) any such inspection shall be conducted so as not to interfere with Lessee's business or the operation or maintenance of the Aircraft, and, in the case of an inspection during a maintenance visit, such inspection shall not in any respect interfere with the normal conduct of such maintenance visit or extend the time required for such maintenance visit (as determined by Lessee in its sole discretion).

Prior to redelivery of the Aircraft, Lessee will [*CTR*]

S. Technical Acceptance Certificate

Following return of the Aircraft in compliance with this Annex B, Lessor shall execute and deliver to Lessee a certificate of technical acceptance substantially in the form of Exhibit B to this Annex B (the "**Technical Acceptance Certificate**") confirming delivery of the Aircraft by Lessee to Lessor. The execution of the Technical Acceptance Certificate shall not be unreasonably withheld or delayed by Lessor. Following execution and delivery of the Technical Acceptance Certificate by Lessor or its authorized representative and, if applicable, Lessee, at either party's request, Lessee and Lessor shall enter into a lease termination agreement reasonably satisfactory to Lessee and Lessor for purposes of filing with the FAA and discharging the International Interest constituting the Lease from the International Registry.

T. Confidentiality

All information obtained from Lessee in connection with the Return Conditions shall be Confidential Information and shall be held by Lessor and Owner Participant in accordance with the provisions of Section 23 of the Lease.

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

U. Return [*CTR*]

If Lessee does not return the Aircraft and the Records to Lessor in the condition required by this Annex B (for the avoidance of doubt, for reasons other than Lessor's requests relating to records that are not "Records"), Lessee shall, without prejudice to any provision of the Lease, [*CTR*]

V. [*CTR*]

Upon 30 days' prior written request from Lessor, Lessee will consider in good faith, subject to [*CTR*]

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

EXHIBIT A to
ANNEX B-1

INDICATIVE LIST OF RECORDS FOR REDELIVERY OF THE AIRCRAFT

[*CTR*]

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

EXHIBIT B to
ANNEX B

TECHNICAL ACCEPTANCE CERTIFICATE

Dated
to Lease Agreement ([YEAR] MSN [MSN])
Relating to Airbus Model A3xx-xxx] Aircraft [(Generic Manufacturer and Model A3xx-xxx) bearing Manufacturer's Serial Number [Manufacturer's Serial Number]
and U.S. Registration No. [Reg. No.]
between

_____
(LESSOR)
and

_____
(LESSEE)

AMERICAN AIRLINES, INC. ("**Lessee**") and [OWNER TRUSTEE], not in its individual capacity, except as expressly provided therein, but solely as Owner Trustee (in such capacity, "**Lessor**"), have entered into a Lease Agreement ([YEAR] MSN [MSN]), dated as of [Date] (as amended, modified or supplemented from time to time, the "**Lease**"). Capitalized terms used but not defined herein shall have the respective meanings set forth in, and shall be construed and interpreted in the manner described in, the Lease.

This Technical Acceptance Certificate is executed by the parties hereto to confirm that the following described Aircraft:

Manufacturer	Airbus
Model	A3[—]
Manufacturer's Serial No.	
Aircraft Flight Hours and Cycles	(See Schedule 1)

including the following described Engines installed thereon:

Manufacturer	Make and Model	Manufacturer's Serial No.

was delivered by Lessee to Lessor. Lessor hereby confirms that Lessee has returned the Aircraft described above in compliance with the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Technical Acceptance Certificate to be executed by their duly authorized representatives as of the day and year first above written.

[OWNER TRUSTEE], not in its individual capacity (except as expressly provided in the Lease) but solely as Owner Trustee

By: _____
Name: _____
Title: _____

AMERICAN AIRLINES, INC.

By: _____
Name: _____
Title: _____

SCHEDULE 1 to
EXHIBIT B to
ANNEX B

AIRCRAFT FLIGHT HOURS AND CYCLES AS OF _____

U.S. REGISTRATION NO. [ ] MFR. SERIAL NO. [ ]

A. AIRFRAME:

Heavy C-Check Units since last C-Check _____
Heavy C-Check Units since last Heavy C-Check _____

B. ENGINES—MODEL:

Position	Mfr. Serial Number	Total EPRV Units	Total EPRV Units Until Next Performance Restoration Visit (Based Upon MTBR)	Cycles To Mfr's Published Life Limit of Lowest Life Limited Part
1				
2				

C. LANDING GEAR:

	Mfr. Serial Number	Total LGPRV Units	LGPRV Units until Next Scheduled Performance Restoration Visit
Nose Landing Gear			
Left Main Gear			
Right Main Gear			

ANNEX B TO LEASE AGREEMENT ([YEAR] MSN [MSN])[1]

INTENTIONALLY DELETED FROM THE VERSION OF THIS DOCUMENT FILED WITH THE FAA AS CONTAINING CONFIDENTIAL AND PROPRIETARY INFORMATION

[1] Insert for FAA filing in lieu of Annex B.

ANNEX C

TO LEASE AGREEMENT ([YEAR] MSN [MSN]

MID-TERM INSPECTION RECORDS LIST

1. AD Summary*
2. Engines
   - Disc Sheets*
   - Life limited Parts*
   - Time Monitored Parts*
   - Service Bulletin On-Log*
3. Major Repairs*
4. Damage Log*
5. Modification Status
6. Overview of Maintenance Program*
7. Maintenance Check Status / History*
8. Time Control Reports (Airframe, Landing Gear)*
9. Cross Reference (MPN – CPN)
10. Avionics Listing*
11. FMR – Open Items (Field Maintenance Reliability)*
12. Incident / Accident Certification*
13. Current Time and Cycles
14. Aircraft Utilization*
15. Emergency Equipment and Layout Drawings*
16. Weight & Balance – Copy of Last Weigh Report*
17. Summary of any sampling programs involving or affecting the Aircraft
18. [*CTR*]

* Available through electronic copy

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

ANNEX C TO LEASE AGREEMENT ([YEAR] MSN [MSN]) [1]

INTENTIONALLY DELETED FROM THE VERSION OF THIS DOCUMENT FILED WITH THE FAA AS CONTAINING CONFIDENTIAL AND PROPRIETARY INFORMATION

[1] Insert for FAA filing in lieu of Annex C.

EXHIBIT II

FORM OF TRUST AGREEMENT

LA 1 – Trust Agreement

TRUST AGREEMENT ([YEAR] MSN [MSN])

dated as of [Date]

between

[NAME OF OWNER PARTICIPANT],
as Owner Participant

and

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION

Covering One Airbus [Model] Aircraft
(Generic Manufacturer and Model AIRBUS [Generic Model])

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TRUST AGREEMENT ([YEAR] MSN [MSN])

THIS TRUST AGREEMENT ([YEAR] MSN [MSN]), dated as of [ ], **[YEAR]** (as amended, modified or supplemented from time to time, this "**Trust Agreement**"), is between **[NAME OF OWNER PARTICIPANT]**, a [jurisdiction and organization] (together with its successors and permitted assigns, the "**Owner Participant**"), and **WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION**, a national banking association (as Owner Trustee, together with its successors and permitted assigns in such capacity, "**Owner Trustee**", and in its individual capacity, together with its successors and permitted assigns in such capacity, "**Trust Company**").

RECITALS:

1. On the Delivery Date, Owner Trustee will purchase the Aircraft from Manufacturer and immediately following Owner Trustee's purchase of the Aircraft, Lessee will lease the Aircraft from Owner Trustee pursuant to the Lease Agreement ([YEAR] MSN [MSN]) (such Lease together with Lease Supplement No. 1, the "**Lease**").

2. Owner Participant desires to create a trust for the purposes of the acquisition of the Aircraft by Owner Trustee and the leasing of it to Lessee in accordance with the Lease.

3. Trust Company is willing to accept the duties and obligations imposed hereby on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the agreements contained in the other Operative Documents and the acceptance by Owner Trustee of the trust hereby created, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Certain Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth, and shall be construed and interpreted in the manner described, in Annex A for all purposes of this Trust Agreement.

ARTICLE II

**AUTHORITY TO EXECUTE CERTAIN OPERATIVE DOCUMENTS;
DECLARATION OF TRUST**

Section 2.01 Authority to Execute Documents. Owner Participant hereby authorizes and directs Owner Trustee (a) to execute and deliver the Participation Agreement, the Lease, Lease Supplement No. 1 and any other agreements, instruments or documents in the respective forms thereof in which delivered from time to time by Owner Participant to Owner Trustee for execution and delivery, (b) to execute and deliver all other agreements, instruments and certificates contemplated by the Operative Documents and (c) subject to the terms hereof, to exercise its rights (upon instructions received from Owner Participant) and perform its duties under the documents referred to in clauses (a) and (b) in accordance with the terms thereof.

Section 2.02 Declaration of Trust. Trust Company hereby declares that it will hold, in its capacity as Owner Trustee, the Trust Estate upon the trust hereinafter set forth for the use and benefit of Owner Participant, subject, however, to the provisions of the Lease and the other Operative Documents. The name of the trust created hereby shall be "**MSN [MSN] Trust**" and such name may (but need not) be used in any correspondence and filings made by Owner Trustee in connection with the trust created hereby.

ARTICLE III

ACCEPTANCE AND DELIVERY OF AIRCRAFT; ISSUANCE OF CERTIFICATES; LEASE OF AIRCRAFT; REPLACEMENT

Section 3.01 Authorization. Owner Participant hereby authorizes and directs Owner Trustee to, and Owner Trustee agrees for the benefit of Owner Participant that, on or prior to the Delivery Date, it will, subject to due compliance with the terms of Section 3.02:

(a) execute and deliver each of the Operative Documents to which it is a party;

(b) purchase the Aircraft and accept from Manufacturer the Bills of Sale therefor;

(c) authorize the financing statements contemplated by Section 4.1.9 of the Participation Agreement;

(d) make application to the FAA for registration of the Aircraft in the name of Owner Trustee by filing or causing to be filed (i) the FAA Bill of Sale, (ii) the Application for Aircraft Registration with the FAA (together with, without limitation, an affidavit from Owner Trustee stating that it is a Citizen of the United States) and (iii) this Trust Agreement;

(e) cause the Aircraft to be leased to Lessee under the Lease;

(f) take such other action as may be required of Owner Trustee under the Operative Documents to effectuate the transactions contemplated thereby; and

(g) execute and deliver all such other instruments, documents or certificates and take all such other actions as may be requested of Owner Trustee to effectuate the transactions contemplated under the Operative Documents, and take all other actions in accordance with the directions of Owner Participant as Owner Participant may deem necessary or advisable in connection with the transactions contemplated hereby, the taking of any such action by Owner Trustee in the presence (whether in person or pursuant to a conference call participated in by each of Owner Trustee and Owner Participant and/or its counsel) of Owner Participant or its counsel to evidence conclusively the direction of Owner Participant.

Section 3.02 Conditions Precedent. The right and obligation of Owner Trustee to take the actions required by Section 3.01 shall be subject to the following conditions precedent:

(a) the terms and conditions of Section 4.1 of the Participation Agreement shall have been waived or complied with in a manner satisfactory to Owner Participant; and

(b) the terms and conditions of Section 4.2 of the Participation Agreement shall have been waived or complied with in a manner satisfactory to Owner Trustee.

Section 3.03 Replacement or Return of an Engine.

(a) Owner Participant hereby authorizes and directs Owner Trustee to, and Owner Trustee agrees for the benefit of Owner Participant that it will, in the event of any Replacement Engine being substituted pursuant to Section 8(d) of the Lease (and subject to compliance with the terms thereof and the satisfaction of the conditions thereunder), take the following actions:

(i) to the extent not previously accomplished by a prior authorization, authorize a representative or representatives of Owner Trustee (who shall be an employee or employees of Lessee) to accept delivery of such Replacement Engine, if the seller of such Replacement Engine is not Lessee;

(ii) accept from Lessee or other vendor of such Replacement Engine a bill of sale with respect to such Replacement Engine being furnished pursuant to Section 8(d) of the Lease;

(iii) if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Treaty, cooperate with Lessee to cause the sale of such Replacement Engine to Lessor to be registered on the International Registry as a Sale (or, if the seller of such Replacement Engine is not situated in a country that has ratified the Cape Town Treaty, cooperate with Lessee's reasonable efforts to cause the seller to register the sale of such Replacement Engine on the International Registry);

(iv) execute and deliver a Lease Supplement covering such Replacement Engine, and cooperate with Lessee to cause such executed Lease Supplement to be filed for recordation pursuant to the Transportation Code or, if necessary, pursuant to the applicable laws of such jurisdiction other than the U.S. in which the Aircraft is registered, as the case may be;

(v) cooperate with Lessee to cause the International Interest created pursuant to the Lease Supplement in favor of Lessor with respect to such Replacement Engine to be registered on the International Registry as an International Interest;

(vi) transfer the Engine being replaced to Lessee or its designee in accordance with Section 4(g) of the Lease; and

(vii) take such further action as may be contemplated by the Operative Documents in connection with such replacement.

In the event of the substitution of a Replacement Engine for any Engine, all provisions of this Trust Agreement relating to such replaced Engine shall be applicable to such Replacement Engine with the same force and effect as if such Replacement Engine were the same engine as the Engine being replaced.

(b) Owner Participant hereby authorizes and directs Owner Trustee to, and Owner Trustee agrees for the benefit of Owner Participant that it will, in the event of an engine being transferred to Owner Trustee pursuant to the Return Conditions (and subject to compliance with the terms of Annex B to the Lease and the satisfaction of the conditions thereunder applicable to such engine):

(i) accept from Lessee or other vendor of such engine the bill of sale with respect to such engine being furnished pursuant to the Return Conditions;

(ii) if the seller of such engine is "situated in" a country that has ratified the Cape Town Treaty, cooperate with Lessee to cause the sale of such engine to Lessor to be registered on the International Registry as a Sale (or, if the seller of such engine is not situated in a country that has ratified the Cape Town Treaty, cooperate with Lessee's reasonable efforts to cause the seller to register the sale of such engine on the International Registry);

(iii) transfer the Engine being replaced by such engine to Lessee or its designee in accordance with Section 4(g) of the Lease; and

(iv) take such further action as may be contemplated by the Operative Documents in connection with such replacement.

ARTICLE IV

RECEIPT, DISTRIBUTION AND APPLICATION OF INCOME FROM THE TRUST ESTATE

Section 4.01 Distribution of Payments.

(a) Payments to Owner Trustee; Other Parties. Except as otherwise provided in subsections (b) and (c), all Basic Rent, Supplemental Rent, insurance proceeds and requisition, indemnity or other payments of any kind, in each case included in the Trust Estate and received by Owner Trustee, shall be distributed forthwith upon receipt by Owner Trustee in the following order of priority: first, so much of such payment as shall be required to pay or reimburse Owner Trustee for any fees or expenses not otherwise paid or reimbursed as to which Owner Trustee is entitled to be so paid or reimbursed pursuant to the provisions hereof or of the other Operative Documents shall be retained by Owner Trustee; second, so much of the remainder for which provision as to the holding, application or distribution thereof is contained in the Lease or any other Operative Document shall be held, applied or distributed in accordance with the terms of the Lease or such other Operative Document; and third, the balance, if any, shall be paid to Owner Participant. Nothing herein is intended to limit or restrict the payment of the Security Deposit to the Owner Participant.

(b) Certain Distributions to Lessee. Any payment of the type referred to in subsection (a) received by Owner Trustee shall, if required by the terms of the Lease or any other Operative Document, be distributed to Lessee.

(c) Insurance Proceeds. Any proceeds of any insurance for loss or damage to the Aircraft in excess of the Stipulated Loss Value for the Aircraft shall be paid to Lessee. Any proceeds of any insurance for loss or damage to the Aircraft not constituting an Event of Loss with respect to the Airframe, the Aircraft or any Engine received by Owner Trustee and not required by the terms of the Lease to be distributed to Lessee shall be applied as provided in Section 11(d) of the Lease.

Section 4.02 Method of Payments. Owner Trustee shall make distributions or cause distributions to be made to Owner Participant or Lessee, as applicable, pursuant to this Article IV by transferring by wire transfer in immediately available funds the amount to be distributed to such account or accounts of Owner Participant or Lessee, as applicable, as they respectively may designate from time to time by written notice to Owner Trustee (and Owner Trustee shall use reasonable efforts to cause such funds to be transferred by wire transfer on the same day as received, but in any case not later than the next Business Day); provided, however, that Owner Trustee shall use its reasonable best efforts to invest overnight, for the benefit of Owner Participant or Lessee, as applicable, in Permitted Investments (but only to the extent such investments are available and, if such investments are not available, then in such other investments available to Owner Trustee which, after consultation with Owner Participant or Lessee, as applicable, Owner Participant or Lessee, as applicable, shall direct), all funds not transferred by wire transfer on the same day as they were received. Notwithstanding the foregoing, Owner Trustee will, if so requested by Owner Participant or Lessee, as applicable, by written notice, pay any and all amounts payable by Owner Trustee hereunder to Owner Participant or Lessee, as applicable, either (a) by crediting such amount or amounts to an account or accounts maintained by Owner Participant or Lessee, as applicable, with Owner Trustee in immediately available funds or (b) by mailing an official bank check or checks in such amount or amounts payable to Owner Participant or Lessee, as applicable, at such address as Owner Participant or Lessee, as applicable, shall have designated in writing to Owner Trustee.

ARTICLE V

DUTIES OF OWNER TRUSTEE

Section 5.01 Certain Notices and Requests for Instructions; Related Actions. If Owner Trustee shall have knowledge of any Event of Default or Event of Loss, Owner Trustee shall give to Owner Participant prompt telephonic or facsimile notice thereof followed by prompt confirmation thereof by certified mail, postage prepaid. Subject to the terms of Sections 5.03 and 5.06 and Article XII, Owner Trustee shall (i) in the case of an Event of Default, take such action or shall refrain from taking such action, not inconsistent with the provisions of the Lease and the Participation Agreement, with respect to such Event of Default as Owner Trustee shall be directed in writing by Owner Participant, and (ii) in the case of an Event of Loss, take such action or refrain from taking such action as is provided in the Lease and the Participation Agreement. For all purposes of the Operative Documents, Owner Trustee shall not be deemed to have knowledge of an Event of Default or Event of Loss unless notified in writing thereof in the

manner and at the address set forth in Section 11.05 or unless an officer in the corporate trust administration department of Owner Trustee who has responsibility for, or familiarity with, the transactions contemplated under the Operative Documents or any Vice President in such corporate trust administration department has actual knowledge thereof.

Section 5.02 Action Upon Instructions. Subject in all respects to the terms of Sections 5.01, 5.03 and 5.06 and Article XII and to the terms of the other Operative Documents, upon the written instructions at any time and from time to time of Owner Participant, Owner Trustee will take such of the following actions not inconsistent with the provisions of the Lease and Participation Agreement, as may be specified in such instructions: (a) give such notice or direction or exercise such right, remedy or power hereunder or under any Operative Document, or in respect of all or any part of the Trust Estate, as shall be specified in such instructions; (b) take such action to preserve or protect the Trust Estate (including the discharge of any Liens) as may be specified in such instructions; (c) approve as satisfactory to it all matters required by the terms of the Lease and the other Operative Documents to be satisfactory to Owner Trustee, it being understood that, without written instructions of Owner Participant, Owner Trustee shall not approve any such matter as satisfactory to it; (d) subject to the rights, if any, of Lessee under the Operative Documents, after the expiration or earlier termination of the Lease, convey all of Owner Trustee's right, title and interest in and to the Aircraft for such amount, on such terms and to such purchaser or purchasers as shall be designated in such instructions, or lease the Aircraft on such terms as shall be set forth in such instructions or deliver the Aircraft to the Person designated in such instructions in accordance with such instructions; and (e) take or refrain from taking such other action or actions as may be specified in such instructions. In the event that Owner Trustee is unsure of the application of any provision of this Trust Agreement or any other Operative Document, Owner Trustee may request and rely upon instructions of Owner Participant.

Section 5.03 Indemnification. Owner Trustee shall not be required to take or refrain from taking any action under Section 5.01 or 5.02 unless Owner Trustee shall have been indemnified by Owner Participant, in manner and form satisfactory to Owner Trustee, against any liability, cost or expense (including reasonable counsel fees and disbursements) which may be incurred in connection therewith, other than any such liability, cost or expense which results from the willful misconduct or gross negligence of Owner Trustee, or the failure of Owner Trustee to use ordinary care in the receipt and disbursement of funds, and, if Owner Participant shall have directed Owner Trustee to take or refrain from taking any such action, Owner Participant agrees to pay the reasonable fees and charges of Owner Trustee for the services performed or to be performed by it pursuant to such direction. Owner Trustee shall not be required to take any action under Section 5.01 or 5.02 if Owner Trustee shall reasonably determine, or shall have been advised by counsel, that such action is contrary to the terms of any Operative Document or is contrary to Law.

Section 5.04 No Duties Except as Specified in Operative Documents or Instructions. Owner Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with the Aircraft or any other part of the Trust Estate, or otherwise to take or refrain from taking any action under or in connection with the Operative Documents, except as expressly required by the terms of the Operative Documents or (to the extent not inconsistent with the provisions of the Lease and the Participation Agreement) in written instructions from

Owner Participant received pursuant to the terms of Section 5.01 or 5.02, and no implied duties or obligations shall be read into the Operative Documents against Owner Trustee. Without limiting the generality of the foregoing, Owner Trustee shall have no duty (i) to see to any registration of the Aircraft or any recording or filing of the Lease, this Trust Agreement or of any supplement to any thereof or to see to the maintenance of any such registration, rerecording or refiling, except that Owner Trustee shall comply with its obligations under Sections 6.3.1 and 6.4.4 of the Participation Agreement, (ii) to see to any insurance on the Aircraft or to effect or maintain any such insurance, whether or not Lessee shall be in default with respect thereto, other than to forward to Owner Participant copies of all reports and other information which Owner Trustee receives from Lessee pursuant to Section 11 of the Lease, to the extent not received by Owner Participant directly from Lessee, (iii) to see to the payment or discharge of any Tax or any Lien with respect to, assessed or levied against any part of the Trust Estate, except as provided by Section 6.07 hereof or Section 4(d) of the Lease, (iv) to confirm or verify any financial statements of Lessee or (v) to inspect the Aircraft or Lessee's books and records with respect to the Aircraft.

Section 5.05 No Action Except Under Specified Documents or Instructions. Owner Trustee shall have no power or authority to, and Owner Trustee agrees that it will not, manage, control, use, sell, dispose of or otherwise deal with the Aircraft or any other part of the Trust Estate except (a) as expressly required by the terms of any of the Operative Documents or (b) as expressly provided in written instructions from Owner Participant pursuant to Section 5.01 or 5.02 that are not inconsistent with the terms of the Operative Documents.

Section 5.06 Limitations on Activities. Owner Participant and Trust Company agree to, and Owner Participant shall not direct Owner Trustee to take any action in contravention of, the following:

(a) Owner Trustee shall not engage in any business or any other activity except as expressly permitted by the Operative Documents.

(b) Except as expressly permitted by Section 8.3 of the Participation Agreement, Owner Trustee shall not (i) create, incur or assume any indebtedness for money borrowed, (ii) assume or guarantee or become obligated for the debts of, or hold out the Trust Estate as being available to satisfy the obligations of, Owner Participant or any other Person or (iii) pledge any or all of the Trust Estate for the benefit of Owner Participant or any other Person.

(c) Owner Trustee shall maintain bank accounts, financial statements, and other books and records for the trust created hereunder separate from those of Owner Participant or any other Person.

(d) Owner Trustee shall hold the Trust Estate in its own name, as trustee, and shall conduct its activities as Owner Trustee in its own name, as trustee, or in the name of the trust specified in Section 2.02.

ARTICLE VI

OWNER TRUSTEE

Section 6.01 Acceptance of Trust and Duties. Trust Company accepts the trust hereby created and agrees to perform the same but only upon the terms hereof applicable to it. Trust Company also agrees to receive and disburse all monies received by it constituting part of the Trust Estate upon the terms hereof. Trust Company, shall not be answerable or accountable under any circumstances, except for (a) its own willful misconduct or gross negligence, (b) its failure to use ordinary care in receiving or disbursing funds, (c) liabilities that may result from the inaccuracy of any representation or warranty of Trust Company (or from the failure by Trust Company to perform any covenant) in any Operative Document and (d) Taxes on or measured by any fees, commissions or other compensation received as compensation for services rendered as Owner Trustee; provided, however, that the failure to act or perform in the absence of instructions after Owner Trustee has requested instructions from Owner Participant pursuant to the last sentence of Section 5.02 shall not constitute willful misconduct or gross negligence for purposes of clause (a) of this Section.

Section 6.02 No Representations or Warranties as to Certain Matters. NEITHER OWNER TRUSTEE NOR TRUST COMPANY MAKES OR SHALL BE DEEMED TO HAVE MADE HEREIN ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE AIRWORTHINESS, VALUE, CONDITION, WORKMANSHIP, DESIGN, OPERATION, **MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF**, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE AIRCRAFT OR ANY ENGINE OR ANY PART THEREOF, except that nothing set forth in this sentence shall derogate from the representations and warranties made by Owner Trustee or Trust Company in or pursuant to any Operative Document.

Section 6.03 No Segregation of Monies Required; Investment Thereof. Monies received by Owner Trustee hereunder need not be segregated in any manner, except to the extent required by Law, and may be deposited under such general conditions as may be prescribed by Law, and shall be invested as provided in Section 4.02 hereof or Section 22 of the Lease, as applicable; provided that such monies shall not be commingled with any funds or assets of Owner Participant.

Section 6.04 Reliance Upon Certificates; Counsel and Agents. Owner Trustee shall incur no liability to anyone in acting in reliance upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. Unless other evidence in respect thereof is specifically prescribed herein, any request, direction, order or demand of Owner Participant or Lessee mentioned herein or in any of the other Operative Documents shall be sufficiently evidenced by written instruments signed by

a person purporting to be an officer of Owner Participant or Lessee, as the case may be. Owner Trustee may accept a copy of a resolution of the board of directors of Lessee or Owner Participant, as the case may be, certified by the Secretary or an Assistant Secretary of Lessee or Owner Participant, as the case may be, as conclusive evidence that such resolution has been duly adopted by said board of directors and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, Owner Trustee may for all purposes hereof rely on a certificate signed by an officer of Lessee or Owner Participant, as the case may be, as to such fact or matter, and such certificate shall constitute full protection to Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

Section 6.05 Not Acting in Individual Capacity. Wells Fargo Bank Northwest, National Association is entering into the Operative Documents solely in its capacity as Owner Trustee under this Trust Agreement and not in its individual capacity (except as expressly provided in the Operative Documents) and in no case shall Wells Fargo Bank Northwest, National Association (or any entity acting as successor Owner Trustee under the Trust Agreement) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of Lessor or Owner Trustee under the Operative Documents; provided, however, that Wells Fargo Bank Northwest, National Association (or any such successor Owner Trustee) shall be personally liable under the Operative Documents for its own gross negligence, its own simple negligence in the handling of funds actually received by it in accordance with the terms of the Operative Documents, its willful misconduct and its breach of its covenants, representations and warranties in the Operative Documents, to the extent covenanted or made in its individual capacity or as otherwise expressly provided in the Operative Documents; provided, further, that nothing contained in this Section shall be construed to limit the exercise and enforcement in accordance with the terms of the Operative Documents of rights and remedies against the Trust Estate.

Section 6.06 Fees; Compensation. Lessee agrees to pay the fees and expenses of Owner Trustee as provided in Section 7.4 of the Participation Agreement.

Section 6.07 Books and Records; Tax Returns. Owner Trustee shall be responsible for keeping all appropriate books and records relating to the receipt and disbursement by it of all monies under this Trust Agreement or any agreement contemplated hereby. At the request of Owner Participant, Owner Trustee shall be responsible for causing to be prepared all income tax returns required to be filed with respect to the trust created hereby and shall execute and file such returns; provided that Owner Participant shall pay all costs and expenses incurred in connection therewith. In addition, Owner Trustee will file any withholding or other information returns required by the Code or the regulations thereunder (including, without limitation, IRS Forms 1042 and 1042-S or any similar or successor forms) with respect to payments received by it under the Operative Documents or distributed by it hereunder, and will withhold, and deposit with the relevant taxing authority, any required U.S. federal tax with respect thereto, in accordance with U.S. federal Tax Laws. Owner Participant shall furnish to Owner Trustee such duly completed and executed forms, statements or certificates, as may be reasonably requested by Owner Trustee, in order for Owner Trustee to file any such returns and to otherwise comply with any withholding or other requirements, and will promptly notify Owner Trustee if any such form, statement or certificate becomes obsolete or incorrect. Owner Participant shall be

responsible for causing to be prepared and filed, at its expense, all income tax returns required to be filed by Owner Participant. Each party hereto, upon request of the other party, will furnish any information in its possession or reasonably available to it as may be reasonably requested by the other party in connection with the preparation of such tax returns or to otherwise comply with the requirements of any taxing authority with respect to the transactions contemplated by the Operative Documents.

ARTICLE VII

INDEMNIFICATION OF OWNER TRUSTEE BY OWNER PARTICIPANT

Section 7.01 Owner Participant to Indemnify Trust Company. Owner Participant hereby agrees, whether or not any of the transactions contemplated hereby shall be consummated, to assume liability for, and does hereby indemnify, protect, save and keep harmless Trust Company, and its successors, assigns, legal representatives, agents and servants, from and against any and all Claims and Taxes (excluding any Taxes payable by Trust Company on or measured by any fees, commissions or other compensation received for services rendered as Owner Trustee hereunder) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against Trust Company in any way relating to or arising out of this Trust Agreement or any of the other Operative Documents or the enforcement of any of the terms of any thereof, or in any way relating to or arising out of the use, possession, operation, control, delivery, maintenance, repair, substitution, replacement, or other disposition of the Aircraft (including, without limitation, with respect thereto, any such Claim for patent, trademark or copyright infringement), or in any way relating to or arising out of the administration of the Trust Estate or the action or inaction of Owner Trustee or Trust Company hereunder; provided that such indemnification shall not extend to any of the foregoing resulting from (a) the willful misconduct or gross negligence on the part of Owner Trustee or Trust Company, (b) failure on the part of Owner Trustee or Trust Company to use ordinary care in receiving or disbursing funds, (c) the inaccuracy of any representation or warranty of Trust Company (or from the failure of Trust Company to perform any covenant) in any Operative Document or (d) a breach by Trust Company of its covenants set forth in Section 5.04 hereof and the first sentence of Section 5.01 hereof; provided, further, that (i) Owner Participant shall be liable under this Section only to the extent that Trust Company is indemnified by Lessee pursuant to Section 7 of the Participation Agreement and (ii) Trust Company shall not make any claim for indemnification or other payment from the Owner Participant pursuant to this Section 7.01 unless and until Trust Company shall have first made demand upon Lessee for such indemnification. The indemnities contained in this Section extend to Trust Company and shall not be construed as indemnities of the Trust Estate (except to the extent, if any, that the Trust Company has been reimbursed by the Trust Estate for amounts covered by the indemnities contained in this Section). The indemnities contained in this Section shall survive the termination of this Trust Agreement.

ARTICLE VIII

TRANSFER OF OWNER PARTICIPANT'S INTEREST

Section 8.01 Transfer of Interest. All provisions of Section 8.2 of the Participation Agreement shall (with the same force and effect as if set forth in full, *mutatis mutandis*, in this Section) be applicable to any direct or indirect Transfer by Owner Participant of any or all of its right, title or interest in and to this Trust Agreement or any of the other Operative Documents or the Trust Estate or any proceeds therefrom.

ARTICLE IX

SUCCESSOR OWNER TRUSTEES

Section 9.01 Resignation of Owner Trustee; Appointment of Successor.

(a) Resignation or Removal. Owner Trustee (i) shall resign if required to do so pursuant to Section 9.3 of the Participation Agreement and (ii) may resign at any time without cause by giving at least 60 days prior written notice to Owner Participant and Lessee, such resignation to be effective upon the acceptance of appointment by the successor Owner Trustee under Section 9.01(b). In addition, subject to Article XII and subject to Section 6.2.2 of the Participation Agreement, Owner Participant may at any time remove Owner Trustee, only for cause (or, at any time when the Aircraft is registered in a non-United States jurisdiction, with or without cause), by a notice in writing delivered to Owner Trustee and Lessee, such removal to be effective upon the acceptance of appointment by the successor Owner Trustee under Section 9.01(b). In the case of the resignation or removal of Owner Trustee, subject to Article XII and subject to Section 6.2.2 of the Participation Agreement, Owner Participant may appoint a successor Owner Trustee by an instrument in writing signed by Owner Participant with the prior written consent of Lessee, such consent not to be unreasonably withheld; provided that, if an Event of Default shall have occurred and be continuing, then no such prior written consent of Lessee shall be so required. If a successor Owner Trustee shall not have been appointed within 30 days after such notice of resignation or removal, Owner Trustee or Lessee may apply to any court of competent jurisdiction to appoint a successor Owner Trustee to act until such time, if any, as a successor shall have been appointed as above provided. Any successor Owner Trustee so appointed by such court shall immediately and without further act be superseded by any successor Owner Trustee appointed as above provided within one year from the date of the appointment by such court.

(b) Execution and Delivery of Documents, etc. Any successor Owner Trustee, however appointed, shall execute and deliver to the predecessor Owner Trustee an instrument accepting such appointment and shall give Owner Participant and Lessee written notice of such acceptance. Upon the execution and delivery of such instrument, such successor Owner Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trust of the predecessor Owner Trustee in the trust hereunder with like effect as if originally named Owner Trustee herein; but nevertheless, upon the written request of such successor Owner Trustee, such predecessor Owner Trustee shall execute and deliver an instrument transferring to such successor Owner Trustee, upon the trust herein expressed, all the

estates, properties, rights, powers and trust of such predecessor Owner Trustee, and such predecessor Owner Trustee shall duly assign, transfer, deliver and pay over to such successor Owner Trustee all monies or other property then held by such predecessor Owner Trustee as Owner Trustee upon the trust herein expressed, together with all the books and records maintained by such predecessor Owner Trustee with respect to such trust pursuant to Sections 5.04, 5.06 and 6.07. Upon the appointment of any successor Owner Trustee hereunder, the predecessor Owner Trustee will complete, execute and deliver to the successor Owner Trustee such documents as are necessary to cause registration of the Aircraft included in the Trust Estate to be transferred upon the records of the FAA, or the International Registry or other governmental authority having jurisdiction, into the name of the successor Owner Trustee.

(c) Qualification. Any successor Owner Trustee, however appointed, shall be a Citizen of the United States and shall also be a bank or trust company organized under the laws of the United States or any state thereof having a combined capital and surplus of at least $100,000,000 (or having a combined capital and surplus of at least $25,000,000 and the obligations of which are guaranteed by a corporation or a bank or trust company having a combined capital and surplus of at least $100,000,000), if there be such an institution willing, able and legally qualified to perform the duties of Owner Trustee hereunder upon reasonable and customary terms.

(d) Merger, etc. Any corporation into which Trust Company may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which Trust Company shall be a party, or any corporation to which substantially all the corporate trust business of Trust Company may be transferred, shall, subject to the terms of Section 9.01(c), be the institution acting as Owner Trustee hereunder without further act. Trust Company shall pay all costs and expenses associated with such merger, conversion or consolidation, without indemnification or reimbursement from either Lessee or Owner Participant, and shall obtain all necessary documentation properly to reflect such merger, conversion or consolidation.

ARTICLE X

SUPPLEMENTS AND AMENDMENTS TO TRUST AGREEMENT AND OTHER DOCUMENTS

Section 10.01 Supplements and Amendments. Subject to Section 6.4.6(b) of the Participation Agreement, at any time and from time to time, upon the written request of Owner Participant, (a) Owner Trustee, together with Owner Participant, shall execute a supplement to this Trust Agreement for the purpose of adding provisions to, or changing or eliminating provisions of, this Trust Agreement as specified in such request, and (b) Owner Trustee shall enter into such written amendment of or supplement to any other Operative Document as Lessee may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of or consent under the terms of any such Operative Document as Lessee may agree to and as may be specified in such request. Notwithstanding the foregoing, except to the extent permitted by Section 6.4.6(b) of the Participation Agreement, no supplement to this Trust Agreement or waiver or modification of the terms hereof shall be permitted.

Section 10.02 Discretion as to Execution of Documents. If in the opinion of Owner Trustee any document required to be executed pursuant to the terms of Section 10.01 adversely affects any right, duty, immunity or indemnity in favor of Trust Company or Owner Trustee hereunder or under any other Operative Document, Owner Trustee may in its discretion decline to execute such document.

Section 10.03 Absence of Requirements as to Form. It shall not be necessary for any written request furnished pursuant to Section 10.01 to specify the particular form of the proposed documents to be executed pursuant to such Section, but it shall be sufficient if such request shall indicate the substance thereof.

Section 10.04 Distribution of Documents. Promptly after the execution by Owner Trustee of any document entered into pursuant to Section 10.01, Owner Trustee shall mail, by certified mail, postage prepaid, a conformed copy thereof to Owner Participant, but the failure of Owner Trustee to mail such conformed copy shall not impair or affect the validity of such document.

Section 10.05 No Request Needed as to Lease Supplements. No written request pursuant to Section 10.01 shall be required to enable Owner Trustee to enter into any Lease Supplement with Lessee pursuant to Section 3.01 or Section 3.03(a).

ARTICLE XI

MISCELLANEOUS

Section 11.01 Termination of Trust Agreement. This Trust Agreement and the trust created hereby shall terminate and this Trust Agreement shall be of no further force or effect upon the earliest of (a) the later of (i) the sale or other final disposition by Owner Trustee of all property constituting part of the Trust Estate and the final distribution by Owner Trustee of all monies or other property or proceeds constituting part of the Trust Estate in accordance with Article IV, and (ii) the expiration or termination of the Lease in accordance with its terms; provided that at such time Lessee shall have fully complied with all of the terms of the Participation Agreement and the Lease or (b) 110 years less one day after the earlier execution of this Trust Agreement by either Trust Company or Owner Participant (or, without limiting the generality of the foregoing, if legislation shall become effective providing for the validity or permitting the effective grant of such rights, privileges and options for a period in gross, exceeding the period for which such rights, privileges and options are stated in this clause (b) to extend and be valid, then such rights, privileges or options shall not terminate as aforesaid in this clause (b) but shall extend to and continue in effect, but only if such non-termination and extension shall then be valid under applicable law, until such time as the same shall under applicable law cease to be valid), whereupon all monies or other property or proceeds constituting part of the Trust Estate shall be distributed in accordance with the terms of Article IV or (c) the election of Owner Participant by notice to Owner Trustee to revoke the trust created hereby; otherwise this Trust Agreement and the trust created hereby shall continue in full force and effect in accordance with the terms hereof. Notwithstanding the foregoing, the provisions of Section 6.4.6 of the Participation Agreement shall apply hereto.

Section 11.02 Owner Participant Has No Legal Title in Trust Estate. Owner Participant does not have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of any right, title and interest of Owner Participant in and to the Trust Estate hereunder shall operate to terminate this Trust Agreement or the trust hereunder or entitle any successors or transferees of Owner Participant to an accounting or to the transfer of legal title to any part of the Trust Estate.

Section 11.03 Assignment, Sale, etc. of Aircraft. Any Transfer of the Aircraft by Owner Trustee made pursuant to and in accordance with the terms hereof or of the Lease or the Participation Agreement shall bind Owner Participant and shall be effective to Transfer all right, title and interest of Owner Trustee and Owner Participant in and to the Aircraft. No assignee, purchaser, transferee or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such Transfer or as to the application of any sale or other proceeds with respect thereto by Owner Trustee.

Section 11.04 Third Party Beneficiary. Lessee shall be an express third party beneficiary of this Trust Agreement to the extent the provisions of this Trust Agreement by their terms expressly confer upon Lessee any right or remedy.

Section 11.05 Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents or waivers required or permitted under the terms and provisions of this Trust Agreement shall be in English and in writing, and given by United States registered or certified mail, return receipt requested, postage prepaid, overnight courier service or facsimile, and any such notice shall be effective when received (or, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) and addressed as follows: (a) if to Lessee, Owner Trustee or Trust Company, to the respective addresses set forth in Section 10.1 of the Participation Agreement, and (b) if to Owner Participant, to such address as it shall have furnished by notice to Owner Trustee, or, until an address is so furnished, to the respective address set forth in Section 10.1 of the Participation Agreement. Any party, by notice to the other parties hereto, may designate different addresses for subsequent notices or communications. Whenever the words “notice” or “notify” or similar words are used herein, they mean the provision of formal notice as set forth in this Section.

Section 11.06 Miscellaneous.

(a) Any provision of this Trust Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(b) No term or provision of this Trust Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing entered into in compliance with the terms of Article X; and any waiver of the terms hereof shall be effective only in the specified instance and for the specific purpose given.

(c) This Trust Agreement and the other Operative Documents, and all certificates, instruments and other documents relating thereto delivered and to be delivered from time to time pursuant to the Operative Documents, supersede any and all representations, warranties and agreements (other than any Operative Document) prior to the date of this Trust Agreement, written or oral, between or among any of the parties hereto relating to the transactions contemplated hereby and thereby.

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

(e) This Trust Agreement shall be binding upon and inure to the benefit of, Owner Participant and, subject to the provisions of Article VIII hereof, its successors and permitted assigns, Owner Trustee and its successors as Owner Trustee under this Trust Agreement and Trust Company and its successors and permitted assigns. Any request, notice, direction, consent, instruction, waiver or other instrument or action by Owner Participant shall bind its successors and permitted assigns.

(f) THIS TRUST AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF UTAH, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

ARTICLE XII

CERTAIN LIMITATIONS ON CONTROL[1]

Section 12.01 Limitations on Control. Notwithstanding any other provision of this Trust Agreement, but subject to Sections 12.02 and 12.04, Owner Participant will have no rights or powers to direct, influence or control Owner Trustee in the performance of Owner Trustee's duties under this Trust Agreement in connection with any matters involving the ownership and operation of the Aircraft by Owner Trustee. In all such matters, Owner Trustee shall have absolute and complete discretion in connection therewith and shall be free of any kind of influence or control whatsoever by Owner Participant, and Owner Trustee shall exercise its duties under this Trust Agreement in connection with matters involving the ownership and operation of the Aircraft by Owner Trustee as it, in its discretion, shall deem necessary to protect the interests of the United States, notwithstanding any countervailing interest of any foreign power which, or whose citizens, may have a direct or indirect interest in Owner Participant, and any such action by Owner Trustee shall not be considered malfeasance or in breach of any obligation which Owner Trustee might otherwise have to Owner Participant; provided, however, that subject to the foregoing limitations, Owner Trustee shall exercise its discretion in all matters involving the ownership and operation of the Aircraft by Owner Trustee (a) with due regard for the interests of Owner Participant and (b) in a manner not inconsistent with the provisions of the

[1] Provision subject to change pursuant to FAA regulations regarding NCT.

Operative Documents; provided, further, that Owner Participant may confer with Owner Trustee and/or Owner Trustee may consult with Owner Participant in connection with such matters involving the ownership and operation of the Aircraft (it being understood that any advice, opinion or suggestion obtained by Owner Trustee in the course of such conferring or consulting shall not be binding on Owner Trustee, but that Owner Trustee shall be free to follow or disregard such advice, opinion or suggestion in the exercise of its discretion). In addition, Owner Participant may not remove Owner Trustee or any successor Owner Trustee appointed hereunder, except for cause. Owner Trustee agrees to promptly notify Owner Participant of the exercise of its duties under this Trust Agreement in connection with matters involving the ownership and operation of the Aircraft by Owner Trustee.

Section 12.02 Discretion, Actions and Payments of Owner Trustee. Subject to the requirements of Section 12.01, Owner Trustee agrees that it will not, unless expressly required by the terms of this Trust Agreement, without the prior consent of Owner Participant, (a) sell, transfer, assign, lease, mortgage, pledge or otherwise dispose of the Aircraft or other assets held in the Trust Estate relating thereto or (b) amend or waive any rights under any Operative Document, or give any consents under any Operative Documents. Notwithstanding any other provision of this Article XII, the grant of the rights of Owner Trustee set forth in Section 12.01 shall not extend to any other rights, powers or privileges in respect of the beneficial interest of Owner Participant in the Trust Estate, and Owner Participant (and not Owner Trustee) shall be entitled to receive from Owner Trustee or otherwise all payments of whatsoever kind and nature payable to Owner Participant pursuant to this Trust Agreement in the same manner as if the rights permitted to be exercised by Owner Trustee as described in Section 12.01 had not been transferred to Owner Trustee and held in trust hereunder.

Section 12.03 General. Owner Trustee and Owner Participant hereby agree with each other that if Persons who are neither Citizens of the United States nor resident aliens have the power to direct or remove Owner Trustee, either directly or indirectly through the control of another Person, those Persons together shall not have more than 25% of the aggregate power to direct or remove Owner Trustee.

Section 12.04 Purpose. The purpose of this Article XII is to give Owner Trustee the power to manage and control the Aircraft with respect to matters involving the ownership and operation of the Aircraft by Owner Trustee so as to ensure that (a) the Aircraft shall be controlled with respect to such matters by a Citizen of the United States, and (b) Owner Trustee shall be able to give the affidavit required by Section 47.7(c)(2)(iii) of the Federal Aviation Regulations, 14 C.F.R. §47.7(c)(2)(iii). This Article XII shall be construed in furtherance of the foregoing purposes; provided, however, that this Article XII shall be ignored and given no force or effect: (i) if Owner Participant determines that it meets the requirements for a Citizen of the United States and both Owner Participant and Owner Trustee file with the FAA the affidavits required by Section 47.7(c)(2)(ii) of the Federal Aviation Regulations, 14 C.F.R. §47.7(c)(2)(ii), or (ii) during periods when the Aircraft has been registered in a non-United States jurisdiction and a de-registration telex has been issued by the FAA in connection with the re-registration of the Aircraft in such non-United States jurisdiction.

Section 12.05 Adverse Effect of Citizenship on Registration. If the right (a) to exercise voting or similar rights hereunder by Owner Participant, or (b) (i) to direct, influence, or limit the exercise of, or (ii) to prevent the direction or influence of, or (iii) place any limitation on the exercise of, Owner Trustee's authority, or (c) to remove Owner Trustee, would adversely affect the United States registration of the Aircraft, Owner Participant shall have no such right; provided, however, that this Section shall be of no force or effect during periods in which the Aircraft is registered in a non-United States jurisdiction.

ARTICLE XIII

COMPLIANCE WITH LAWS

Section 13.01 Covenant To Comply With Export Restrictions And U.S. Laws. The Owner Participant acknowledges that the Aircraft may be subject to restrictions involving the export and re-export of the same pursuant to the laws and regulations of the United States, that the laws and regulations of the United States restrict the transfer of any interest in the Aircraft to certain persons (collectively, the "**Export Restrictions**") and that such Export Restrictions may apply to the Aircraft even after the Aircraft has been physically removed or transferred from the United States. The Owner Participant also acknowledges that the Owner Trustee, as a U.S. regulated financial institution, is subject to the laws and regulations of the United States, including, without limitation, those promulgated by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN) (collectively, the "**U.S. Laws**"). The Owner Participant agrees that it will comply with, and will not knowingly permit, the Aircraft to be used in a manner that is contrary to, Export Restrictions or U.S. Laws applicable to (1) the Owner Participant; (2) the Owner Trustee; or (3) the Aircraft, including the acquisition, possession, operation, use, maintenance, leasing, subleasing, or other transfer or disposition thereof.

Section 13.02 Approval of Specified Transfer. The Owner Participant agrees that it will not permit the assignment of this Trust Agreement, any transfer of the beneficial interest of the Owner Participant created by this Trust Agreement, or a lease or sublease of the Aircraft (collectively, a "**Specified Transfer**") without first informing the Owner Trustee of such proposed Specified Transfer and taking reasonable steps to provide the Owner Trustee with such information in relation to any Specified Transfer and any proposed transferee in connection with such Specified Transfer (the "**Specified Transferee**") to allow the Owner Trustee to identify the Specified Transferee and perform the appropriate checks in accordance with and for the purposes of compliance with its "know your customer" requirements, any anti-money laundering requirements and any Export Restrictions or other U.S. Laws. The Owner Trustee shall not unreasonably delay its review of such information. If the Owner Trustee has determined that the Specified Transfer will or may reasonably be expected to put the Owner Trustee at risk of violating any laws or regulations applicable to the Owner Trustee including, without limitation, the Export Restrictions and/or U.S. Laws, or if the Owner Trustee in its sole discretion believes that the information provided to it by the Owner Participant is not sufficient to enable it to make such a determination, it shall promptly notify the Owner Participant of its determination and if the Owner Participant decides to proceed with the Specified Transfer then: (i) subject to the terms of this Agreement, the Owner Trustee may resign or the Owner Participant may remove the Owner Trustee; and (ii) the Owner Trustee shall have no obligation to facilitate a Specified Transfer while the Owner Trustee's resignation or removal is pending.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

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

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION

By _____
Name:
Title:

[NAME OF OWNER PARTICIPANT]

By _____
Name:
Title:

ANNEX A

DEFINITIONS

EXHIBIT III

FORM OF PARTICIPATION AGREEMENT

LA 1 – Participation Agreement

PARTICIPATION AGREEMENT ([YEAR] MSN [MSN])

dated as of

[Date]

among

AMERICAN AIRLINES, INC.,
as Lessee

[NAME OF OWNER PARTICIPANT],
as Owner Participant

and

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly provided herein,
but solely as Owner Trustee

Covering One Airbus [Model] Aircraft
(Generic Manufacturer and Model AIRBUS [Generic Model])

TABLE OF CONTENTS

EXHIBITS, ANNEXES AND SCHEDULES

[1] Include form agreed with CFM for A319 and A320 aircraft. Include form agreed with IAE for A321 aircraft.

PARTICIPATION AGREEMENT ([YEAR] MSN [MSN])

THIS PARTICIPATION AGREEMENT ([YEAR] MSN [MSN]), dated as of [ ] (as amended, modified or supplemented from time to time, this "**Agreement**"), among (i) **AMERICAN AIRLINES, INC.**, a Delaware corporation (together with its successors and permitted assigns, "**Lessee**"), (ii) **[NAME OF OWNER PARTICIPANT]**, a [jurisdiction] [type of entity] (together with its successors and permitted assigns, "**Owner Participant**"), and (iii) **WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity except as expressly provided herein, but solely as Owner Trustee (herein in such capacity, together with its successors and permitted assigns, "**Owner Trustee**", and in its individual capacity, together with its successors and permitted assigns, "**Trust Company**").

RECITALS:

1. Subject to the terms and conditions set forth herein, Owner Trustee is willing to lease the Aircraft to Lessee, and Lessee is willing to lease the Aircraft from Owner Trustee pursuant to the Lease.

2. On or prior to the date hereof, Owner Participant has entered into the Trust Agreement with Trust Company, pursuant to which Owner Trustee agrees, among other things, to hold the Trust Estate for the benefit of Owner Participant on the terms specified in such Trust Agreement.

3. Pursuant to the terms of the Trust Agreement, Owner Trustee is authorized and directed by Owner Participant to execute and deliver the Lease, pursuant to which, subject to the terms and conditions set forth therein, Owner Trustee agrees to lease to Lessee, and Lessee agrees to lease from Owner Trustee, the Aircraft on the Delivery Date, such lease to be evidenced by the execution and delivery of Lease Supplement No. 1.

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

Section 1. Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined herein shall have the meanings set forth, and shall be construed and interpreted in the manner described, in Annex A for all purposes of this Agreement.

Section 2. Lease of Aircraft. Subject to the terms and conditions of this Agreement, on the Delivery Date, Owner Trustee agrees to lease the Aircraft to Lessee, and Lessee agrees to lease the Aircraft from Owner Trustee, pursuant to the Lease.

Section 3. Closing. On the Delivery Date, subject to the terms and conditions of this Agreement and the Lease, Owner Trustee shall lease the Aircraft to Lessee and Lessee shall accept the Aircraft under the Lease by executing and delivering Lease Supplement No. 1. The closing (the "**Closing**") of the transactions contemplated hereby shall take place commencing at 9:00 a.m., Fort Worth, Texas time (or such later time as the parties may agree), on the Delivery Date at the offices of Lessee in Fort Worth, Texas.

Section 4. Conditions Precedent.

4.1 Conditions Precedent to Obligations of Owner Participant. The obligation of Owner Participant to take the actions required by this Agreement to be taken by it at the Closing is subject to the satisfaction or waiver by Owner Participant, prior to or at the Closing, of the conditions precedent set forth below in this Section 4.1; provided that it shall not be a condition precedent to the obligations of Owner Participant that any document be delivered or action be taken that is to be delivered or be taken by Owner Participant or by a Person within Owner Participant's control.

4.1.1 Delivery of Documents. This Agreement and the following documents shall have been duly authorized, executed and delivered by the respective party or parties thereto, shall be in form and substance reasonably satisfactory to Owner Participant, shall be in full force and effect and executed original counterparts or copies thereof shall have been delivered to Owner Participant or its special counsel unless the failure to receive such document is the result of any action or inaction by Owner Participant or by a Person within Owner Participant's control:

(a) the Trust Agreement and the Owner Participant Guarantee, if any;

(b) [a bill of sale for buyer furnished equipment in substantially the form attached hereto as Exhibit F; provided that only the Owner Trustee shall receive the sole executed original thereof;]

(c) the Lease and Lease Supplement No. 1; provided that only Owner Trustee shall receive the sole executed chattel paper original of each thereof;

(d) the Engine Warranty Agreement;

(e) an insurance report of Lessee's independent insurance broker as to the due compliance with the terms of Section 11 of the Lease relating to insurance with respect to the Aircraft and certificates of insurance;

(f) (i) a copy of the resolutions of the board of directors (or executive committee) of Lessee, certified as of the Delivery Date by the Secretary or an Assistant Secretary of Lessee, duly authorizing the execution, delivery and performance by Lessee of the Operative Documents executed and to be executed by Lessee and each other document required to be executed and delivered by Lessee, in accordance with the provisions hereof; (ii) copies of the certificate of incorporation and by-laws of Lessee, certified as of the Delivery Date by the Secretary or an Assistant Secretary of Lessee, together with all amendments and supplements thereto; and (iii) an incumbency certificate of Lessee, dated as of the Delivery Date, as to the persons authorized to execute and deliver this Agreement, the other Operative Documents to which Lessee is or is to be a party and each other document executed or to be executed on behalf of Lessee in connection with the transactions contemplated hereby and thereby and the signatures of such person or persons;

(g) (i) a copy of the resolutions of the board of directors (or executive committee) of Trust Company, certified as of the Delivery Date by the Secretary or an Assistant Secretary of Trust Company, duly authorizing the execution, delivery and performance by Trust Company and Owner Trustee of the Operative Documents executed and to be executed by each such party and each other document required to be executed and delivered by each such party in accordance with the provisions hereof; (ii) copies of the articles of association, by-laws and/or other constituent documents of Trust Company, certified as of the Delivery Date by the Secretary or an Assistant Secretary of Trust Company, together with all amendments and supplements thereto; and (iii) an incumbency certificate of Trust Company, dated as of the Delivery Date, as to the persons authorized to execute and deliver this Agreement, the other Operative Documents to which Trust Company or Owner Trustee is or is to be a party and each other document executed or to be executed on behalf of Trust Company or Owner Trustee in connection with the transactions contemplated hereby and thereby and the signatures of such person or persons;

(h) officer's certificates, dated the Delivery Date, from (i) Lessee, certifying as to the correctness of each of the matters stated in Section 4.1.4 (insofar as the same relate to Lessee or the Aircraft); and (ii) each of Trust Company, Owner Trustee [and], Owner Participant [and Owner Participant Guarantor], certifying that no Lessor's Lien attributable to such party exists, and further certifying as to the correctness of each of the matters stated in Section 4.1.4 (insofar as the same relate to such Person); and

(i) opinions, dated the Delivery Date, from (i) [David A. Allen], Esq., [Associate] General Counsel of Lessee, addressed to Owner Participant and Owner Trustee, in substantially the form attached hereto as Exhibit A, (ii) [Ray, Quinney & Nebeker P.C.], special counsel for Owner Trustee, addressed to Owner Participant and Lessee, in substantially the form attached hereto as Exhibit B, and (iii) opinion(s) of in-house/external counsel of Owner Participant [and in-house/external counsel of Owner Participant Guarantor, in each case] addressed to Owner Trustee and Lessee, in form and substance satisfactory to Lessee.

4.1.2 No Violation. No change shall have occurred after the date of the execution and delivery of this Agreement in applicable law or regulations thereunder or interpretations thereof by appropriate governmental authorities or any court that would make it a violation of law or regulation for Lessee, Owner Participant or Owner Trustee to execute, deliver and perform its respective obligations under this Agreement or the other Operative Documents and any transactions contemplated by this Agreement or the other Operative Documents.

4.1.3 No Proceedings. No action or proceeding or governmental action shall have been instituted or threatened before any court or governmental authority, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental authority, at the time of the Delivery Date to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the other Operative Documents or the transactions contemplated hereby and thereby.

4.1.4 Representations, Warranties and Covenants. On the Delivery Date, the representations and warranties of each of Lessee and Trust Company made herein and in the other Operative Documents shall be correct and accurate in all material respects, in each case as though made on and as of such date, or if such representations and warranties relate solely to an

earlier date, as of such earlier date, and each of Lessee and Trust Company shall have performed and observed, in all material respects, all of its covenants, obligations and agreements in this Agreement and in the other Operative Documents to which it is party to be observed and performed by it as of the Delivery Date.

4.1.5 Governmental Authority. All appropriate actions required to have been taken prior to the Delivery Date in connection with the transactions contemplated by this Agreement and the other Operative Documents by any governmental authority shall have been taken, and all orders, permits, waivers, exemptions, authorizations and approvals of any governmental authority required to be in effect on the Delivery Date in connection with the transactions contemplated by this Agreement and the other Operative Documents (other than the filings and registrations referred to in Section 5.1.7) shall have been issued, and all such orders, permits, waivers, exemptions, authorizations and approvals shall be in full force and effect on the Delivery Date.

4.1.6 No Event of Default. On the Delivery Date, no event has occurred and is continuing that constitutes an Event of Default.

4.1.7 Aircraft Status. The Aircraft shall have been duly certified by the FAA as to type.

4.1.8 Sales Tax. Lessee shall have provided such exemption certificates for sales, use, value added, goods and services, transfer, stamp or similar Tax purposes with respect to the delivery and lease of the Aircraft as Owner Participant may reasonably request.

4.1.9 Filings. On the Delivery Date, (a) the Lease and Lease Supplement No. 1 shall have been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code and (b) a precautionary UCC financing statement covering the Lease shall have been duly filed in the State of Delaware (or arrangements shall have been made for filing promptly after the Delivery Date).

4.1.10 Aircraft Registration. Counsel to the FAA or Aviation Counsel shall have confirmed in writing that the Aircraft is registered or is eligible to be registered in the name of Owner Trustee.

4.1.11 No Event of Loss. On the Delivery Date, no event has occurred and is continuing that constitutes an Event of Loss with respect to the Aircraft.

4.1.12 Material Adverse Change. On the Delivery Date, no Material Adverse Change shall have occurred and be continuing. For purposes of this Section 4.1.12, “Material Adverse Change” shall mean (i) the commencement of any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceedings against or involving Lessee, as debtor, other than the Chapter 11 Case; (ii) any default by Lessee, after any applicable grace period, in the payment of any indebtedness for borrowed money where such default is in excess of ten million US Dollars (US$10,000,000), except to the extent resulting from the commencement of the Chapter 11 Case; or (iii) any default by Lessee, after any applicable grace period, in the payment of any regularly-scheduled rental payment under any operating lease where the amount defaulted of the cumulative regularly-scheduled rental payments over the term of such operating lease is in excess of ten million US Dollars (US$10,000,000), except to the extent resulting from the commencement of the Chapter 11 Case.

4.2 Conditions Precedent to Obligations of Owner Trustee. The obligation of Owner Trustee to take the actions required by this Agreement to be taken by it at the Closing is subject to the satisfaction or waiver by Owner Trustee, prior to or at the Closing, of the conditions precedent set forth below in this Section 4.2; provided that it shall not be a condition precedent to the obligations of Owner Trustee that any document be delivered or action be taken that is to be delivered or be taken by Owner Trustee or by a Person within Owner Trustee's control.

4.2.1 Delivery of Documents. Executed original counterparts or copies of the following documents shall have been received by Owner Trustee or its special counsel, unless the failure to receive such document is the result of any action or inaction by Owner Trustee or by a Person within Owner Trustee's control:

(a) the documents described in Section 4.1.1, except as specifically provided therein;

(b) (i) a copy of the resolutions of the board of directors (or executive committee) of Owner Participant, certified as of the Delivery Date by the Secretary or an Assistant Secretary of Owner Participant, duly authorizing the execution, delivery and performance by Owner Participant of the Operative Documents executed and to be executed by Owner Participant and each other document required to be executed and delivered by Owner Participant, in accordance with the provisions hereof; (ii) copies of the certificate of incorporation, by-laws and/or other constituent documents of Owner Participant, certified as of the Delivery Date by the Secretary or an Assistant Secretary of Owner Participant, together with all amendments and supplements thereto; and (iii) an incumbency certificate of Owner Participant, dated as of the Delivery Date, as to the persons authorized to execute and deliver this Agreement, the other Operative Documents to which Owner Participant is or is to be a party and each other document executed or to be executed on behalf of Owner Participant in connection with the transactions contemplated hereby and thereby and the signatures of such person or persons;

[(c) (i) a copy of the resolutions of the board of directors (or executive committee) of Owner Participant Guarantor, certified as of the Delivery Date by the Secretary or an Assistant Secretary of Owner Participant Guarantor, duly authorizing the execution, delivery and performance by Owner Participant Guarantor of the Operative Documents executed and to be executed by Owner Participant Guarantor and each other document required to be executed and delivered by Owner Participant Guarantor, in accordance with the provisions hereof; (ii) copies of the certificate of incorporation, by-laws and/or other constituent documents of Owner Participant Guarantor, certified as of the Delivery Date by the Secretary or an Assistant Secretary of Owner Participant Guarantor, together with all amendments and supplements thereto; and (iii) an incumbency certificate of Owner Participant Guarantor, dated as of the Delivery Date, as to the persons authorized to execute and deliver the Operative Documents to

which Owner Participant Guarantor is or is to be a party and each other document executed or to be executed on behalf of Owner Participant Guarantor in connection with the transactions contemplated hereby and thereby and the signatures of such person or persons;] and

(d) [evidence of Owner Participant's appointment of a process agent as provided in Section 10.7.7 and [of Owner Participant Guarantor's appointment of a process agent as provided in the Owner Participant Guarantee and][1] [each] of such process agent's acceptance of such appointment.][2]

4.2.2 Other Conditions Precedent. Each of the conditions set forth in Sections 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.1.6, 4.1.7, 4.1.8, 4.1.9, 4.1.10 and 4.1.11 shall have been satisfied or waived by Owner Trustee, unless the failure of any such condition to be satisfied is the result of any action or inaction by Owner Trustee or by a Person within Owner Trustee's control.

4.3 Conditions Precedent to Obligations of Lessee. The obligation of Lessee to take the actions required by this Agreement to be taken by it at the Closing is subject to the satisfaction or waiver by Lessee, prior to or at the Closing, of the conditions precedent set forth below in this Section 4.3; provided that it shall not be a condition precedent to the obligations of Lessee that any document be delivered or action be taken that is to be delivered or be taken by Lessee or by a Person within Lessee's control.

4.3.1 Delivery of Documents. Executed original counterparts or copies of the following documents shall have been received by Lessee or its counsel, unless the failure to receive such document is the result of any action or inaction by Lessee or by a Person within Lessee's control:

(a) the documents described in Sections 4.1.1, [and] 4.2.1(b), [and 4.2.1(c)], [and 4.2.1(d)][3] except as specifically provided therein; and

(b) the Owner Participant Guarantee, if any.

4.3.2 Sales Tax. Owner Trustee and Owner Participant shall have provided such exemption certificates for sales, use, value added, goods and services, transfer, stamp or similar Tax purposes with respect to the delivery and lease of the Aircraft as Lessee may reasonably request, and Lessee shall be reasonably satisfied that no such Tax is payable with respect to such delivery and lease.

4.3.3 Tax Forms. Lessee shall have received from Owner Trustee a duly completed and executed original IRS Form W-9, and each of Lessee and Owner Trustee shall

[1] Include if Owner Participant Guarantor is foreign.
[2] Include if foreign OP.
[3] Include if foreign OP or foreign OP guarantor.

have received from Owner Participant a duly completed and executed original IRS Form [W-9][4] (and/or other applicable IRS Form(s)), in each case, establishing a complete exemption from U.S. federal withholding Taxes with respect to all payments of Rent or other amounts to or for the benefit of Owner Trustee or Owner Participant under the Operative Documents.

4.3.4 Representations, Warranties and Covenants. On the Delivery Date, the representations and warranties of each of Lessor, Trust Company, Owner Participant and Owner Participant Guarantor (if any) made herein and in the other Operative Documents shall be correct and accurate in all material respects, in each case as though made on and as of such date, or if such representations and warranties relate solely to an earlier date, as of such earlier date, and each of Lessor, Trust Company, Owner Participant and Owner Participant Guarantor (if any) shall have performed and observed, in all material respects, all of its covenants, obligations and agreements in this Agreement and in the other Operative Documents to which it is party to be observed and performed by it as of the Delivery Date.

4.3.5 Title. Title to the Aircraft shall have been conveyed to Owner Trustee (subject to the recordation of the FAA Bill of Sale with the FAA pursuant to Section 6.5.1 and the registration on the International Registry of the Sale of the Airframe and Engines from Manufacturer to Owner Trustee pursuant to Section 6.5.2), free and clear of Liens other than (a) the rights and interests of Owner Trustee and Lessee under the Lease and Lease Supplement No. 1 covering the Aircraft and (b) the beneficial interest of Owner Participant created by the Trust Agreement.

4.3.6 Filings. On the Delivery Date, the FAA Bill of Sale shall have been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code.

4.3.7 Application for Registration. Counsel to the FAA or Aviation Counsel shall have confirmed in writing that the Aircraft is registered or is eligible to be registered in the name of Owner Trustee, the Aircraft shall be registered with the FAA in the name of the Owner Trustee (or application for registration of the Aircraft in the name of Owner Trustee shall have been duly made with the FAA) and Lessee has temporary or permanent authority to operate the Aircraft.

4.3.8 Aircraft Status. Lessee shall have executed and delivered to the Manufacturer a Certificate of Acceptance (as such term in defined in the American/Airbus Purchase Agreement) with respect to the Aircraft.

4.3.9 Other Conditions Precedent. Each of the conditions set forth in Sections 4.1.2, 4.1.3, 4.1.5, 4.1.7, 4.1.8, 4.1.9, 4.1.10 and 4.1.11 shall have been satisfied or waived by Lessee, unless the failure of any such condition to be satisfied is the result of any action or inaction by Lessee or by a Person within Lessee's control.

[4] If foreign OP, replace W-9 with W-8BEN or other relevant IRS form(s).

4.4 Aviation Counsel Opinions.

4.4.1 Filing Opinion. Promptly following the filings and registrations described in Sections 6.5.1 and 6.5.2, Lessee, Owner Trustee and Owner Participant shall receive an opinion addressed to each of them from Aviation Counsel, substantially in the form of Exhibit D.

4.4.2 Recordation Opinion. Promptly following the registration of the Aircraft, the recording of the FAA Bill of Sale, the Lease and Lease Supplement No. 1 pursuant to the Transportation Code, and the receipt of appropriate and correct recording information from the FAA, Lessee, Owner Trustee and Owner Participant shall receive an opinion addressed to each of them from Aviation Counsel, as to the due registration of the Aircraft, the due recording of such instruments and the lack of filing of any intervening documents with respect to the Aircraft.

Section 5. Representations and Warranties.

5.1 Representations and Warranties of Lessee. Lessee hereby represents and warrants that as of the date hereof:

5.1.1 Organization. Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority[, as a debtor in possession under Section 1107 and 1108 of the Bankruptcy Code,]5 to own or hold under lease its properties and to enter into and perform its obligations under the Operative Documents to which it is or will be a party.

5.1.2 Corporate Authorization; No Violation. The execution, delivery and performance by Lessee of this Agreement and the other Operative Documents to which it is or will be a party have been duly authorized by all necessary corporate action on the part of Lessee [and by the Bankruptcy Court]6, do not require any stockholder approval or approval or consent of any trustee or holder of indebtedness or obligations of Lessee, except such as have been duly obtained, and do not and will not violate the certificate of incorporation or by-laws of Lessee or any current law, governmental rule, regulation, judgment or order binding on Lessee or violate or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under the Operative Documents) upon the property of Lessee under, any indenture, mortgage, contract or other agreement to which Lessee is a party or by which Lessee or its properties is or are bound or affected.

5.1.3 Approvals. Neither the execution and delivery by Lessee of, nor the performance by Lessee of its obligations under, nor the consummation by Lessee of the transactions contemplated in, this Agreement and the other Operative Documents to which Lessee is or will be a party, requires the consent or approval of, or the giving of notice to, or the registration with, or the taking of any other action in respect of, the Department of Transportation, the FAA or any other United States federal or state governmental authority

5 Include if the Closing occurs during the pendency of the Chapter 11 Case.

6 *Id.*

having jurisdiction, or the International Registry, except for (a) the filings and registrations referred to in Section 5.1.7, (b) [the Bankruptcy Court Order, (c)][7] notices, filings, recordings and other actions required to be given, made or performed after the Delivery Date and ([c][d]) such action, as a result of any act or omission by Owner Trustee, Owner Participant or any Affiliate of any thereof, as may be required under the United States federal securities laws or the securities or other laws of any state thereof or other jurisdiction applicable to sales of securities.

5.1.4 Valid and Binding Agreements. This Agreement has been duly executed and delivered by Lessee and constitutes, and each other Operative Document to which Lessee will be a party will be duly executed and delivered by Lessee and, when executed and delivered, will constitute, the legal, valid and binding obligation of Lessee enforceable against Lessee in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and general principles of equity and except, in the case of the Lease, as limited by applicable laws that may affect the remedies provided in the Lease, which laws, however, do not make the remedies provided in the Lease inadequate for the practical realization of the rights and benefits intended to be provided thereby.

5.1.5 Litigation. Except for such matters disclosed in press releases issued by [AMR Corporation][8] [American Airlines Group, Inc.][9] or Lessee or in public filings made with the Securities and Exchange Commission under the Exchange Act by [AMR Corporation] [American Airlines Group, Inc.] or Lessee, there are no pending or, to Lessee's knowledge, threatened actions or proceedings before any court, arbitrator or administrative agency which would materially adversely affect the ability of Lessee to perform its obligations under this Agreement or any of the other Operative Documents to which Lessee is or will be a party.

5.1.6 Securities Law. Neither Lessee nor any Person authorized to act on its behalf has directly or indirectly offered any interest in the Trust Estate or the Trust Agreement or any similar security to, or solicited any offer to acquire any of the same from, any Person in violation of the registration requirements of the Securities Act or any applicable securities law.

5.1.7 Registration and Recordation. Except for (a) the registration of the Aircraft with the FAA pursuant to the Transportation Code and periodic renewals of such registration as may be necessary under the FAA regulations governing U.S. registration of aircraft, (b) the filing for recordation with the FAA pursuant to the Transportation Code of the FAA Bill of Sale, the Lease and Lease Supplement No. 1 and (c) the registration on the International Registry of (i) the Sale of the Airframe and Engines from Manufacturer to Owner Trustee and (ii) the International Interests created under the Lease (as supplemented by Lease Supplement No. 1), no further filing or recording of any document is necessary or advisable in

[7] Include if the Closing occurs during the pendency of the Chapter 11 Case.
[8] Include here and in following lines if merger is not effective when the Closing occurs.
[9] Include and in following lines if merger is effective when the Closing occurs.

order to establish and perfect Owner Trustee's interests in the Aircraft as against Lessee and any third parties in any jurisdiction within the United States, other than the filing of a precautionary financing statement in respect thereof under Article 9 of the UCC as in effect in the State of Delaware and the filing of continuation statements with respect thereto required to be filed at periodic intervals under such UCC.

5.1.8 Certificated Air Carrier. Lessee is a Certificated Air Carrier.

5.2 Representations and Warranties of Owner Participant. Owner Participant hereby represents and warrants that as of the date hereof:

5.2.1 Organization. Owner Participant is [type of entity] duly organized, validly existing and in good standing under the laws of [jurisdiction of organization] and has the [corporate] power and authority to own or hold under lease its properties, to carry on its business and operations and to enter into and perform its obligations under the Operative Documents to which it is or will be a party.

5.2.2 Corporate Authorization; No Violation. The execution, delivery and performance by Owner Participant of this Agreement and the other Operative Documents to which it is or will be party have been duly authorized by all necessary [corporate] action on the part of Owner Participant, do not require any [stockholder] approval or approval or consent of any trustee or holder of indebtedness or obligations of Owner Participant, except such as have been duly obtained, or violate or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under the Operative Documents) upon the property of Owner Participant under, any indenture, mortgage, contract or other agreement to which Owner Participant is a party or by which Owner Participant or its properties is or are bound or affected. The execution, delivery and performance by Owner Participant of this Agreement and the other Operative Documents to which it is or will be party and the acquisition by Owner Participant of its interest in the Trust Estate (and the rights related thereto) do not and will not violate the [organizational documents] of Owner Participant or any current law, governmental rule, regulation, judgment or order binding on Owner Participant (including, without limitation, any such law, rule, regulation, judgment or order relating to money-laundering, anti-corruption or export control or imposing economic sanctions).

5.2.3 Approvals. Neither the execution and delivery by Owner Participant of, nor the performance by Owner Participant of its obligations under, nor the consummation by Owner Participant of the transactions contemplated in, this Agreement and the other Operative Documents to which Owner Participant is or will be a party, requires the consent or approval of, or the giving of notice to, or the registration with, or the taking of any other action in respect of any [jurisdiction of organization] governmental authority having jurisdiction.

5.2.4 Valid and Binding Agreements. This Agreement has been duly executed and delivered by Owner Participant and constitutes, and each other Operative Document to which Owner Participant will be a party will be duly executed and delivered by Owner Participant and, when executed and delivered, will constitute, the legal, valid and binding obligation of Owner Participant enforceable against Owner Participant in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and general principles of equity.

5.2.5 Litigation. There are no pending or, to Owner Participant's knowledge, threatened actions or proceedings before any court, arbitrator or administrative agency which would materially adversely affect the ability of Owner Participant to perform its obligations under this Agreement or any of the other Operative Documents to which Owner Participant is or will be a party.

5.2.6 Securities Law. Neither Owner Participant nor any Person authorized to act on its behalf has directly or indirectly offered any interest in the Trust Estate or the Trust Agreement or any similar security to, or solicited any offer to acquire any of the same from, any Person in violation of the registration requirements of the Securities Act or any other applicable securities law.

5.2.7 No Liens. On the Delivery Date, there are no Lessor's Liens attributable to it.

5.2.8 Citizenship. Either (a) Owner Participant is a Citizen of the United States or (b) the Trust Agreement is in a form that permits the Aircraft to be registered with the FAA in the name of Owner Trustee (without regard to any provision of applicable law that permits FAA registration of an aircraft by limiting its location and usage but with regard to voting trust provisions and provisions delegating certain control rights to Owner Trustee), notwithstanding the failure of Owner Participant to be a Citizen of the United States.

5.2.9 ERISA. Either (a) no part of the funds to be used by Owner Participant to make and hold its investment pursuant to this Agreement directly or indirectly constitutes assets of any "employee benefit plan" (as defined in Section 3(3) of ERISA) or of any "plan" (as defined in Section 4975(e) of the Code) or (b) its purchase and holding of its interest in the Trust Estate and its investment pursuant to this Agreement are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

5.2.10 Qualifying Institution. [Owner Participant is a Qualifying Institution (as defined in Section 8.2(a)(ii)) as of the Delivery Date.][10]

5.2.11 Tax Status. [Owner Participant is a domestic [corporation] [partnership] for U.S. federal income tax purposes.][11]

[10] If Owner Participant is not itself a Qualifying Institution, replace with the following representation: "On the Delivery Date, Owner Participant's obligations under the Operative Documents are guaranteed by Owner Participant Guarantor pursuant to the Owner Participant Guaranty. On the Delivery Date, Owner Participant Guarantor is a direct or indirect parent of Owner Participant and is a Qualifying Institution."

[11] If Owner Participant is a foreign entity, replace with language to the following effect: "Owner Participant is (x) taxed as a [corporation] [disregarded entity] for U.S. federal income tax purposes, (y) a corporation resident in [ ] for [ ] tax purposes [(by virtue of being managed and controlled in [__])] and (z) a resident of [ ] within the meaning of the income tax convention between [ ] and the United States (the "**Treaty**") and fully eligible for the benefits of the ["Business Profits"]["Industrial or Commercial Profits"], "Interest" and "Other Income" articles of the Treaty with respect to all payments under the Lease and the other Operative Documents and all income of Lessor with respect thereto." If a foreign Owner Participant is tax-transparent, add similar language regarding its owners. In addition, in the case of a foreign Owner Participant, Lessee will need to understand whether the Owner Participant's country imposes, under the Law in effect on the Delivery Date, any Taxes on the delivery of the Aircraft to Lessee under the Lease, or requires any stamp, value added or similar Taxes to be charged or collected by Lessee or Owner Trustee with respect to the Operative Documents or any Rent.

5.3 Representations and Warranties of Owner Trustee and Trust Company. Wells Fargo Bank Northwest, National Association, as Trust Company (except with respect to Sections 5.3.4(b), 5.3.5(b) and 5.3.7(b)) and as Owner Trustee, hereby represents and warrants that as of the date hereof:

5.3.1 Organization. Trust Company is a national banking association duly organized and validly existing and in good standing under the laws of the United States and has the corporate power, authority and legal right under the laws of the United States pertaining to its banking, trust and fiduciary powers to enter into and perform its obligations under the Operative Documents to which it is or will be a party.

5.3.2 Corporate Authorization. The execution, delivery and performance by each of Trust Company and Owner Trustee of this Agreement and the other Operative Documents to which it is or will be party have been duly authorized by all necessary corporate action on the part of Trust Company or Owner Trustee, as the case may be, do not require any stockholder approval or approval or consent of any trustee or holder of indebtedness or obligations of Trust Company or Owner Trustee, except as such as have been duly obtained, and do not and will not violate the certificate of incorporation or by-laws of Trust Company or any current law, governmental rule, regulation, judgment or order binding on Trust Company or Owner Trustee pertaining to its banking, trust or fiduciary powers or violate or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under the Operative Documents) upon the property of Trust Company or Owner Trustee under, any indenture, mortgage, contract or other agreement to which Trust Company or Owner Trustee is a party or by which Trust Company or Owner Trustee or its properties is or are bound or affected.

5.3.3 Approvals. Neither the execution and delivery by Trust Company or Owner Trustee of, nor the performance by Trust Company or Owner Trustee of its obligations under, nor the consummation by Trust Company or Owner Trustee of the transactions contemplated in, this Agreement and the other Operative Documents to which Trust Company or Owner Trustee is or will be a party, requires the consent or approval of, or the giving of notice to, or the registration with, or the taking of any other action in respect of, any United States federal or Utah state governmental authority having jurisdiction over its banking, trust or fiduciary powers.

5.3.4 Valid and Binding Agreements. (a) This Agreement has been duly executed and delivered by Trust Company and constitutes, and each other Operative Document to which Trust Company will be a party will be duly executed and delivered by Trust Company and, when executed and delivered, will constitute, the legal, valid and binding obligation of Trust Company enforceable against Trust Company in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and general principles of equity.

(b) This Agreement has been duly executed and delivered by Owner Trustee and constitutes, and each other Operative Document to which Owner Trustee will be a party will be duly executed and delivered by Owner Trustee and, when executed and delivered, will constitute, the legal, valid and binding obligation of Owner Trustee enforceable against Owner Trustee in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and general principles of equity.

5.3.5 Litigation. (a) There are no pending or, to Trust Company's knowledge, threatened actions or proceedings before any court, arbitrator or administrative agency which would materially adversely affect the financial condition of Trust Company or the ability of Trust Company to perform its obligations under this Agreement or any of the other Operative Documents to which Trust Company is or will be a party.

(b) There are no pending or, to Owner Trustee's knowledge, threatened actions or proceedings before any court, arbitrator or administrative agency which would materially adversely affect the financial condition of Owner Trustee or the ability of Owner Trustee to perform its obligations under this Agreement or any of the other Operative Documents to which Owner Trustee is or will be a party.

5.3.6 Securities Law. Neither Owner Trustee nor Trust Company nor any Person authorized to act on their respective behalf has directly or indirectly offered any interest in the Trust Estate or the Trust Agreement or any similar security for sale to, or solicited any offer to acquire any of the same from, any Person in violation of the registration requirements of the Securities Act or any applicable securities law.

5.3.7 No Liens; Title. (a) On the Delivery Date, there are no Lessor's Liens attributable to Trust Company.

(b) On the Delivery Date, there are no Lessor's Liens attributable to Owner Trustee.

(c) On the Delivery Date, Owner Trustee shall have received whatever title to the Aircraft was conveyed to it by Manufacturer.

5.3.8 Citizenship. Each of Owner Trustee and Trust Company is a Citizen of the United States (without making use of a voting trust agreement or a voting powers agreement).

5.3.9 No Taxes. There are no Taxes imposed by the State of Utah or any political subdivision thereof in connection with the execution and delivery by Trust Company or Owner Trustee of this Agreement or the other Operative Documents to which it is a party or the acquisition by Owner Trustee of its interest in the Aircraft. There are no Taxes imposed by the State of Utah or any political subdivision thereof on Owner Trustee or Trust Company (other than franchise or other taxes based on or measured by any fees or compensation received for services rendered as Owner Trustee) in connection with the ownership and leasing of the Aircraft under, or the performance by Trust Company or Owner Trustee of, the Lease or the other Operative Documents to which it is a party, which Taxes would not have been imposed if the Trust Agreement were not governed by Utah law and neither Trust Company nor Owner Trustee had its principal place of business in, held the Trust Estate in or performed its duties under the Trust Agreement and the other Operative Documents in the State of Utah.

Section 6. Covenants and Agreements.

6.1 Covenants of Lessee.

6.1.1 Corporate Existence; Certificated Air Carrier. Lessee shall at all times maintain its corporate existence (except as permitted by Section 6.1.3) and shall do or cause to be done all things necessary to preserve and keep in full force and effect its rights (charter and statutory) and franchises to the extent deemed necessary in the good faith judgment of Lessee in the ordinary course of business except for any right or franchise that Lessee determines is no longer necessary or desirable in the conduct of its business. Lessee shall, for as long as and to the extent required under Section 1110 in order that Lessor be entitled to the benefits of Section 1110 with respect to the Aircraft (if any), remain a Certificated Air Carrier.

6.1.2 Financial and Other Information. Lessee agrees to furnish Owner Trustee and Owner Participant:

(a) within 60 days after the end of each of the first three quarterly periods in each fiscal year of Lessee during the Term, either (i) a consolidated balance sheet of Lessee and its consolidated subsidiaries as of the close of such period, together with the related consolidated statements of income for such period, or (ii) a report of Lessee on Form 10-Q in respect of such period in the form filed with the Securities and Exchange Commission;

(b) within 120 days after the close of each fiscal year of Lessee during the Term, either (i) a consolidated balance sheet of Lessee and its consolidated subsidiaries as of the close of such fiscal year, together with the related consolidated statements of income for such fiscal year, as certified by independent public accountants, or (ii) a report of Lessee on Form 10-K in respect of such year in the form filed with the Securities and Exchange Commission;

(c) within 120 days after the close of each fiscal year of Lessee during the Term, a certificate of Lessee signed by a Responsible Officer of Lessee, to the effect that the signer has reviewed the relevant terms of the Lease and has made, or caused to be made under

his or her supervision, a review of the transactions and condition of Lessee during the accounting period covered by the financial statements referred to in clause (b) above, and that such review has not disclosed the existence during such accounting period, nor does the signer have knowledge of the existence as of the date of such certificate, of any Event of Default or, if any such Event of Default exists or existed, specifying the nature and period of existence thereof and what action Lessee has taken or is taking or proposes to take with respect thereto; and

(d) such other non-confidential information readily available to Lessee without undue expense as Owner Trustee shall reasonably request.

The items required to be furnished pursuant to clause (a) and clause (b) above shall be deemed to have been furnished on the date on which such item is posted on the Securities and Exchange Commission's website at www.sec.gov, and such posting shall be deemed to satisfy the requirements of clause (a) and clause (b); provided that Lessee shall deliver a paper copy of any item referred to in clause (a) and clause (b) above to Owner Trustee and Owner Participant if Owner Participant so requests.

6.1.3 Merger. Lessee shall not consolidate with or merge into any other Person, or convey, transfer or lease all or substantially all of its assets as an entirety to any Person, unless:

(a) the Person formed by such consolidation or into which Lessee is merged or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of Lessee as an entirety (the "**Successor**"):

(i) if and to the extent required under Section 1110 in order that Lessor continues to be entitled to any benefits of Section 1110 with respect to the Aircraft, shall be a Certificated Air Carrier; and

(ii) shall execute and deliver to Owner Trustee and Owner Participant an agreement in form reasonably satisfactory to Owner Participant containing an assumption by such Successor of the due and punctual performance and observance of each covenant and condition to be performed or observed by Lessee of each of the Operative Documents to which Lessee is a party;

(b) immediately after giving effect to such transaction, no Event of Default caused by such transaction shall have occurred and be continuing; and

(c) Lessee shall have delivered to Owner Trustee and Owner Participant an officer's certificate and an opinion of counsel (which may be Lessee's General Counsel), each stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement described in clause (a) above comply with this Section 6.1.3 and that all conditions precedent herein provided for relating to such transaction have been complied with (except that such opinion need not cover the matters referred to in clause (b) above and may rely, as to factual matters, on an officer's certificate of Lessee) and, in the case of such opinion, that such assumption agreement has been duly authorized, executed and delivered by the Successor, constitutes its legal, valid and binding obligation and is enforceable against the Successor in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity.

Upon any consolidation or merger, or any conveyance, transfer or lease of all or substantially all of the assets of Lessee as an entirety in accordance with this Section 6.1.3, the Successor shall succeed to, be substituted for, and may exercise every right and power of, and shall assume every obligation and liability of, Lessee under the Operative Documents with the same effect as if the Successor had been named as Lessee herein; and thereafter, Lessee shall be released and discharged from all obligations and covenants under the Operative Documents.

6.1.4 [*CTR*]

(a) [*CTR*]

(b) [*CTR*]

(c) [*CTR*]

(d) [*CTR*]

(e) [*CTR*]

6.2 Covenants of Owner Participant.

6.2.1 Owner Trustee Obligations. Owner Participant agrees that it will not direct Owner Trustee to take any action in violation of any agreement or undertaking of Owner Trustee in any of the Operative Documents.

6.2.2 Replacement of Owner Trustee. Owner Participant agrees not to remove the institution acting as Owner Trustee, and not to replace the institution acting as Owner Trustee in the event that such institution resigns as Owner Trustee, without in either case having obtained Lessee's prior written consent (such consent not to be unreasonably withheld); provided that Lessee's consent shall not be required if any Event of Default shall have occurred and be continuing. In any such event, a new Owner Trustee selected by Owner Participant which is a Citizen of the United States and, unless an Event of Default shall have occurred and be continuing, is acceptable to Lessee, shall be substituted for Owner Trustee; provided that Owner Participant shall not choose a replacement Owner Trustee which, in the good faith opinion of Lessee, may (or, if an Event of Default shall have occurred and be continuing, Owner Participant shall use its commercially reasonable efforts to select a replacement Owner Trustee which will not) result in additional liability to Lessee pursuant to Section 7.1. or 7.2, except in the case of a mandatory or voluntary resignation of Owner Trustee where Lessee has not proposed an alternative Owner Trustee that is reasonably satisfactory to Owner Participant.

6.2.3 Certain Payments. Owner Participant agrees to pay or cause Owner Trustee to pay all or any portion of [*CTR*] pursuant to Section 6.1.4(e) as and when specified in such Section.

6.2.4 Replacement Engines. Owner Participant agrees that, in the case of any Replacement Engine substituted pursuant to Section 8(d) of the Lease or any engine substituted pursuant to Section I of the Return Conditions, Owner Trustee is hereby authorized and directed to take the actions specified in Section 8(d) of the Lease or Section I of the Return Conditions, as applicable, with respect to such Replacement Engine or engine, as applicable.

6.3 Covenants of Owner Trustee and Trust Company.

6.3.1 FAA and International Registry Correspondence. Owner Trustee agrees to furnish to Lessee copies of (a) all periodic reports sent by it to the FAA (or to the aeronautical authority of the country of registry of the Aircraft if the Aircraft is not registered under the laws of the United States) or the International Registry relating to the Aircraft, (b) all notices, certificates of aircraft registration and other documents and correspondence received by it from the FAA (or from the aeronautical authority of the country of registry of the Aircraft if the Aircraft is not registered under the laws of the United States) or the International Registry relating to the Aircraft and (c) any other notices, assessments, affidavits, instruments or other documents relating to the Aircraft, the Trust Estate or Owner Trustee's ownership thereof in its possession after the date hereof.

6.3.2 Distribution of Funds. With respect to any amount stated in the Lease or any other Operative Document to be distributable by Trust Company or Owner Trustee to Lessee or Owner Participant, each of Trust Company and Owner Trustee, upon receipt thereof, agrees to distribute such amount (or cause such amount to be distributed) to Lessee or Owner Participant, as applicable, in accordance with the terms of the Lease or such other Operative Document.

6.3.3 Indebtedness and Other Business. Each of Trust Company and Owner Trustee agrees that Owner Trustee will not create, incur or assume any indebtedness for money borrowed, or enter into any business or other activity, except to the extent expressly provided in this Agreement or the other Operative Documents.

6.3.4 Trust Administration. Each of Owner Trustee and Trust Company agrees that it will perform all of its administrative duties under this Agreement and the other Operative Documents solely in the State of Utah or in such other location to which the situs of the Trust is moved in accordance with Section 6.4.9, except to the extent necessary to exercise any of its rights or remedies to the extent permitted by applicable laws in connection with an Event of Default or an event that with notice or lapse of time or both would become an Event of Default.

6.3.5 Banking Law Filing. Trust Company agrees to make any filing required to be made under Section 131.3 of the New York State Banking Law.

6.3.6 Funds Transfer Fees. Each of Owner Trustee and Trust Company agrees that it will not impose, directly or indirectly, any lifting charge, cable charge, remittance charge or any other charge or fee on any transfer by Lessee of funds to, through or by Owner Trustee and Trust Company pursuant to any Operative Document, except as may be otherwise agreed to in writing by Lessee (in which case such agreed charge or fee shall be for Lessee's account).

6.4 Other Covenants.

6.4.1 Lessor's Liens. Each of Owner Participant and Trust Company agrees that (a) it shall promptly, at its own cost and expense, take such action as may be necessary duly to discharge and satisfy in full any Lessor's Lien attributable to it if the same shall arise at any time (by bonding or otherwise, so long as Lessee's operation and use of the Aircraft is not impaired); provided that Owner Participant may, for a period of not more than 60 days, contest any such Lessor's Lien diligently and in good faith by appropriate proceedings so long as such contest does not involve any material risk of the sale, forfeiture or loss of or loss of use of the Airframe or any Engine or any material risk of criminal penalties or material civil penalties being imposed on Lessee, and (b) it shall indemnify and hold harmless the other parties hereto from and against any loss, cost, Tax, expense or damage (including reasonable legal fees and expenses) that may be suffered or incurred by any of them as a result of its failure to promptly discharge or satisfy in full any such Lessor's Lien.

6.4.2 Vesting of Title. Each of Owner Participant, Owner Trustee and Trust Company agrees that in each instance in which the Lease provides that title to the Aircraft, any Engine, engine, Part or Obsolete Part shall be transferred to or vest in Lessee, title to such Aircraft, Engine, engine, Part or Obsolete Part shall vest in Lessee, free and clear of all right, title and interest of such party, Lessor's Liens and Liens of the type described in Section 6(h) of the Lease, and each of Owner Participant, Owner Trustee and Trust Company shall do all acts necessary to discharge all such Liens and other rights held by it in such Aircraft, Engine, engine, Part or Obsolete Part.

6.4.3 Quiet Enjoyment. Each of Owner Participant, Owner Trustee and Trust Company agrees that, except as expressly permitted by Section 15 of the Lease following an Event of Default that has occurred and is continuing, notwithstanding anything herein or in any other Operative Document to the contrary, neither it nor any Person claiming by, through or under it shall (a) discharge the registration with the International Registry of the International Interests arising with respect to the Lease, (b) transfer the right to discharge any of such International Interests to any other Person or cause any such right to be so transferred (other than (i) in the case of any Back-Leveraging Transaction that complies with Section 8.3, to the applicable Back-Leveraging Party, or (ii) in connection with Section 8.1) or (c) take or cause to be taken any action inconsistent with Lessee's rights under the Lease and its right to quiet enjoyment of the Aircraft, the Airframe, any Engine or any Part, or otherwise in any way interfere with or interrupt the use, operation and continuing possession of the Aircraft, the Airframe, any Engine or any Part by Lessee or any sublessee, assignee or transferee under any sublease, assignment or transfer then in effect and permitted by the terms of the Lease.

6.4.4 Aircraft Registration. Each of Owner Participant, Owner Trustee and Trust Company agrees (a) to execute and deliver all documents and instruments required by the FAA from time to time or as Lessee reasonably requests for the purpose of effecting and continuing the United States registration of the Aircraft pursuant to Section 7(a) of the Lease, (b) to cooperate with Lessee, at Lessee's expense, in effecting and continuing any foreign re-registration of the Aircraft pursuant to Section 7(a) of the Lease and (c) to perform all action necessary or appropriate in order for Lessee to have temporary or permanent authority under applicable United States federal law to operate the Aircraft as contemplated by the Lease.

6.4.5 Interest in Certain Engines. Each of Owner Participant, Owner Trustee and Trust Company agrees, for the benefit of the lessor, conditional vendor or secured party of any airframe or any engine leased, purchased or owned by Lessee subject to a lease, conditional sale or other security agreement, that it will not acquire or claim, as against such lessor, conditional vendor or secured party, any right, title or interest in any engine or engines as the result of such engine or engines being installed on the Airframe at any time while such engine or engines are subject to such lease, conditional sale or other security agreement.

6.4.6 Compliance with Trust Agreement. Each of Owner Participant, Owner Trustee and Trust Company agrees (a) to comply with all of the terms of the Trust Agreement (as the same may hereafter be amended or supplemented from time to time in accordance with the terms thereof and clause (b) of this Section 6.4.6) applicable to it, (b) not to amend, supplement or otherwise modify any provision of the Trust Agreement without Lessee's prior written consent (such consent not to be unreasonably withheld) and (c) notwithstanding anything to the contrary contained in the Trust Agreement, not to terminate or revoke the Trust Agreement or the trusts created by the Trust Agreement without Lessee's prior written consent (such consent not to be unreasonably withheld).

6.4.7 Warranties. Each of Owner Participant, Owner Trustee and Trust Company agrees that, so long as no Event of Default shall have occurred and be continuing, Lessee shall, throughout the Term, have the benefit of and shall be entitled to enforce, either in its own name or in the name of Owner Trustee for the use and benefit of Lessee, any and all warranties of any Person (whether express or implied) in respect of the Aircraft, the Airframe, any Engine or any Part, and each of Owner Participant, Owner Trustee and Trust Company agrees to execute and deliver such further documents and take such further action, as may be reasonably requested by Lessee and at Lessee's cost and expense, as may be necessary to enable Lessee to obtain such warranty service or the benefits of any such warranty as may be furnished for the Aircraft, Airframe, any Engine or any Part by such Person. Each of Owner Participant, Owner Trustee and Trust Company hereby appoints and constitutes Lessee, for the duration of the Term except at such times as an Event of Default shall have occurred and be continuing, its agent and attorney-in-fact during the Term to assert and enforce, from time to time, in the name and for the account of Owner Trustee and Lessee, as their interests may appear, but in all cases at the cost and expense of Lessee, whatever claims and rights any of them may have against such Person.

6.4.8 Bankruptcy of Trust Estate. Each of Owner Participant, Trust Company and Owner Trustee agrees that it shall not commence or join in any action to subject the Trust Estate or the trust established by the Trust Agreement, as debtor, to the reorganization or liquidation provisions of the Bankruptcy Code or any other applicable bankruptcy or insolvency statute.

6.4.9 Change in Situs of Trust. Each of Owner Participant, Trust Company and Owner Trustee agrees that if, at any time, Lessee (a) certifies that Lessee has, or in its good faith opinion will, become obligated to pay an amount pursuant to Section 7.2, and such amount would be reduced or eliminated if the situs of the Trust were changed and (b) requests that the situs of the Trust be moved to another state in the United States from the state in which it is then located, Owner Participant shall direct such change in situs as may be specified in writing by

Lessee, and Owner Participant and Owner Trustee shall take whatever action as may be reasonably necessary to accomplish such change. All reasonable out-of-pocket fees and expenses of Owner Participant, Trust Company and Owner Trustee incurred in connection with such a change in situs shall be borne by Lessee. Notwithstanding anything to the contrary contained herein or in any other Operative Document, Owner Participant and Owner Trustee will not consent to or direct a change in the situs of the Trust without the prior written consent of Lessee; provided that such consent of Lessee shall not be required for any such change in situs in connection with an exercise of remedies pursuant to Section 15 of the Lease.

6.4.10 Insurance. Each of Owner Participant, Owner Trustee and Trust Company agrees not to obtain or maintain insurance for its own account if such insurance would limit or otherwise adversely affect the coverage or amounts payable under, or increase the premiums for, any insurance required to be maintained pursuant to Section 11 of the Lease or any other insurance maintained by Lessee.

6.4.11 Stamp Tax. Owner Participant shall pay any stamp, documentation or similar Tax imposed or levied upon or in respect of its execution or delivery of this Agreement or any other Operative Document by any jurisdiction outside the United States in which it (a) is organized, (b) has its principal office or an office through which it is acting hereunder or (c) executes or delivers any such document.

6.5 Filings.

6.5.1 FAA Filings. On the Delivery Date, Lessee and Owner Trustee will cause the FAA Bill of Sale, the Application for Aircraft Registration, the Lease and Lease Supplement No. 1 to be promptly filed and recorded, or filed for recording, with the FAA to the extent permitted under the Transportation Code or required under any other applicable United States law, in the following order: first, the FAA Bill of Sale; second, the Application for Aircraft Registration; and third, the Lease, to be effected by so filing the Lease with Lease Supplement No. 1 attached thereto.

6.5.2 International Registry Filings. On or promptly after the Delivery Date, Lessee and Owner Trustee will cause the registration of the following to be effected on the International Registry in accordance with the Cape Town Treaty in the following order: first, the Sale of the Airframe and Engines from Manufacturer to Owner Trustee; and second, the International Interests created under the Lease (as supplemented by Lease Supplement No. 1). Lessee and Owner Trustee each shall also, as and to the extent applicable, consent to such registrations upon the issuance of a request for such consent by the International Registry.

Section 7. Indemnification and Expenses.

7.1 General Indemnity.

7.1.1 Claims Indemnified. Subject to Section 7.1.2, if the Closing occurs, Lessee agrees to indemnify and hold harmless each Indemnified Person on an After-Tax Basis against any and all Claims imposed on, incurred by or asserted against such Indemnified Person resulting from or arising out of (a) Lessee's use, possession and operation of the Aircraft, including the control, delivery, redelivery, location, pooling, maintenance, repair, substitution,

replacement, registration, re-registration, sublease, storage, modification, alteration, return, transfer or other disposition of the Aircraft, the Airframe, any Engine or any Part (including, without limitation, with respect thereto, any such Claim for any death or injury to passengers or others, any such Claim for any damage to the environment, and any such Claim for patent, trademark or copyright infringement) and (b) any incorrectness of any representations or warranties of Lessee contained in any Operative Document, or any failure by Lessee to perform or observe any covenant, agreement or other obligation to be performed or observed by Lessee under the Lease and the other Operative Documents.

7.1.2 Claims Excluded. Lessee shall have no obligation to indemnify and hold harmless any Indemnified Person under Section 7.1 (or otherwise under the Operative Documents) with respect to Claims described in any one or more of the following subsections:

(a) Any Claim to the extent attributable to acts or events occurring after the earlier of (i) the return of the Aircraft to Lessor pursuant to Section 5 of the Lease and (ii) the expiration or earlier termination of the Lease except to the extent such Claim arises pursuant to the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing;

(b) Any Claim that is or is attributable to a Tax (including any Tax benefits), whether or not Lessee is required to indemnify therefor under Section 7.2, it being agreed that Section 7.2 sets forth Lessee's entire liability with respect to Taxes, other than Taxes taken into account in order to make an indemnity payment under this Section 7.1 on an After-Tax Basis;

(c) Any Claim to the extent attributable to the gross negligence or willful misconduct of any Indemnified Person (other than the gross negligence or willful misconduct imputed as a matter of law to any Indemnified Person solely by reason of its interest in the Aircraft);

(d) Any Claim to the extent attributable to the failure by any Indemnified Person to perform or observe any covenant, agreement or other obligation to be performed or observed by it under, or any incorrectness of any representations or warranties of any Indemnified Person contained in, the Lease or any other Operative Document or any agreement relating hereto or thereto to which any such Indemnified Person is a party;

(e) Any Claim that constitutes a Permitted Lien;

(f) Any Claim to the extent attributable to the Transfer (voluntary or involuntary) (i) by any Indemnified Person of any interest in the Aircraft, the Airframe, any Engine, any Part, the Trust Estate, Rent or any interest arising under any Operative Document, or any similar interest or security, in each case other than such a Transfer pursuant to the Return Conditions or Section 8 or 10 of the Lease or pursuant to the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing, or (ii) of any interest (direct or indirect) in any Indemnified Person;

(g) Any Claim to the extent attributable to a failure on the part of Owner Trustee to distribute in accordance with the Operative Documents any amounts received and distributable by it thereunder;

(h) Any Claim to the extent relating to any cost, fee, expense or other payment obligation (i) that is payable or borne by (A) Lessee pursuant to any expense, indemnification, compensation or reimbursement provision of any Operative Document other than this Section 7.1 or (B) a Person other than Lessee pursuant to any provision of any Operative Document or (ii) that such Indemnified Person expressly agrees shall not be payable or borne by Lessee;

(i) Any Claim to the extent that it is an ordinary and usual operating or overhead expense;

(j) Any Claim resulting from a violation of ERISA or a "prohibited transaction" under Section 4975 of the Code;

(k) Any Claim that would not have arisen but for the authorization, giving or withholding of any future amendments, supplements, waivers or consents with respect to any Operative Document, other than such (i) as are requested in writing by Lessee, or (ii) that occur as a result of the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing;

(l) Any Claim that would not have arisen but for any indebtedness, head lease, swap, hedge, or other financing (other than the Lease) arrangements of any Indemnified Person relating to the Aircraft, the Airframe, any Engine, any Part, Rent or any Operative Document; provided that, in the case of any such Claim against any Back-Leveraging Indemnified Person, such Claim shall only be excluded by this subsection (l) to the extent that the nature of such Claim is different than it would have been had such Back-Leveraging Indemnified Person (i) been Lessor or Owner Participant or an officer, director, servant, agent, successor and permitted assign of Lessor or Owner Participant, as applicable, and (ii) entered into the Operative Documents but not the other documents relating to the applicable Back-Leveraging Transaction;

(m) Any Claim that would not have arisen but for the failure of Trust Company, Owner Trustee or Owner Participant to be a Citizen of the United States; and

(n) Any Claim that is attributable to or relates to any broker's fee, commission or finder's fee in connection with any transaction contemplated by the Operative Documents (other than such fees of Lessee's lease advisor, SkyWorks Capital, LLC).

7.1.3 Indemnified Person. All rights (including, without limitation, the right to receive any indemnity payment under this Section 7.1) of an Indemnified Person and any member of such Indemnified Person's Related Indemnitee Group shall be exercised solely by an Indemnified Person who is a party to this Agreement or a Back-Leveraging Indemnified Person who is a party to a Lessee Consent and is bound by an agreement, for the benefit of Lessee, described in Section 8.3.2(a)(ii). If any Indemnified Person fails to comply with this Section 7.1, such Indemnified Person shall not be entitled to indemnity under this Section 7.1 with respect to any Claim to the extent (but only to the extent) that Lessee shall have been prejudiced by such failure and that such failure is not the result of or otherwise attributable to the failure of Lessee to comply with any of its duties or obligations under this Section 7.1.

7.1.4 Insured Claims. If any Claim indemnified by Lessee is covered by a policy of insurance maintained by Lessee pursuant to Section 11 of the Lease, each Indemnified Person agrees to cooperate, at Lessee's expense, with the insurers in the exercise of their rights to investigate, defend or compromise such Claim as may be required to retain the benefits of such insurance with respect to such Claim.

7.1.5 Claims Procedure. An Indemnified Person shall promptly notify Lessee of any Claim as to which indemnification is sought. Any amount payable by Lessee to any Indemnified Person pursuant to this Section 7.1 shall be paid within 30 days after receipt of a written demand therefor from such Indemnified Person accompanied by a written statement describing in reasonable detail the Claim which is the subject of and basis for such indemnity and the computation of the amount so payable.

Subject to the rights of insurers under policies of insurance maintained by Lessee, Lessee shall have the right to investigate, and the right in its sole discretion to defend or compromise, any Claim for which indemnification is sought under this Section 7.1, and each Indemnified Person shall cooperate with all reasonable requests of Lessee in connection therewith; provided that Lessee shall reimburse such Indemnified Person for all reasonable costs and expenses incurred by it in connection therewith. No Indemnified Person shall enter into a settlement or other compromise with respect to any Claim without the prior written consent of Lessee, unless such Indemnified Person waives its right and the rights of its Related Indemnitee Group to be indemnified with respect to such Claim. Where Lessee or the insurers under a policy of insurance maintained by Lessee undertake the defense of an Indemnified Person with respect to a Claim, no additional legal fees or expenses of such Indemnified Person in connection with the defense of such Claim shall be indemnified hereunder unless such fees or expenses were incurred at the request of Lessee or such insurers; provided, however, that, if in the written opinion (a "**Conflict Opinion**") of counsel to such Indemnified Person an actual or potential material conflict of interest exists where it is advisable for such Indemnified Person to be represented by separate counsel, the reasonable fees and expenses of such separate counsel shall be borne by Lessee. Subject to the requirements of any policy of insurance maintained by Lessee, an Indemnified Person may participate at its own expense in any judicial proceeding controlled by Lessee pursuant to the preceding provisions; provided that such party's participation does not, in the opinion of the independent counsel appointed by Lessee or its insurers to conduct such proceedings, interfere with such control; and such participation shall not constitute a waiver of the indemnification provided in this Section 7.1. Notwithstanding anything to the contrary contained herein, Lessee shall not under any circumstances be liable for the fees and expenses of more than one counsel for all Indemnified Persons except in the case of a delivery to Lessee of a Conflict Opinion with respect to each Indemnified Person seeking to be represented by separate counsel.

7.1.6 Subrogation. To the extent that a Claim indemnified by Lessee under this Section 7.1 is in fact paid in full by Lessee and/or an insurer under a policy of insurance maintained by Lessee, Lessee and/or such insurer, as the case may be, shall, without any further action, be subrogated to the rights and remedies of the Indemnified Person on whose behalf such Claim was paid (other than rights and remedies of such Indemnified Person under insurance policies maintained at its own expense) with respect to the transaction or event giving rise to such Claim. Such Indemnified Person shall give such further assurances or agreements and shall

cooperate with Lessee or such insurer, as the case may be, to permit Lessee or such insurer to pursue such rights and remedies, if any, to the extent reasonably requested by Lessee and at Lessee's expense. Should an Indemnified Person receive any payment from any party other than Lessee or its insurers, in whole or in part, with respect to any Claim paid in full by Lessee or its insurers hereunder, such Indemnified Person shall promptly pay the amount so received (but not an amount in excess of the amount Lessee or any of its insurers has paid in respect of such Claim) over to Lessee.

7.1.7 No Guaranty. Notwithstanding anything to the contrary contained in the Lease or in any other Operative Document, Lessee shall not have any responsibility for, or incur any liabilities as a result of, any residual value guaranty, deficiency guaranty or similar agreement in connection with the Aircraft, the Airframe, any Engine or any Part. In addition, nothing set forth in this Section 7.1 shall constitute a guarantee by Lessee that the Aircraft shall have any particular value, useful life or residual value.

7.2 General Tax Indemnity

7.2.1 Taxes Indemnified. Subject to Section 7.2.2, if the Closing occurs, Lessee agrees to indemnify and hold harmless each Tax Indemnitee on an After-Tax Basis against any and all Taxes imposed on any Tax Indemnitee, Lessee, the Aircraft, the Airframe, any Engine or any Part upon or with respect to (a) the Aircraft, the Airframe, any Engine or any Part, (b) the lease, possession, operation, use, non-use, control, purchase, sale, delivery, redelivery, location, pooling, maintenance, repair, substitution, replacement, registration, re-registration, purchase, sale, sublease, storage, modification, alteration, return, transfer or other disposition of the Aircraft, the Airframe, any Engine or any Part, (c) any Basic Rent or Supplemental Rent payable by or on behalf of Lessee, (d) any incorrectness of any representations or warranties of Lessee contained in any Operative Document, or any failure of Lessee to perform or observe any covenant, agreement or other obligation to be performed or observed by Lessee, under the Lease or any Operative Document or (e) the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing.

7.2.2 Taxes Excluded from Indemnity. Lessee shall have no obligation to indemnify and hold harmless any Tax Indemnitee under Section 7.2 (or otherwise under the Operative Documents) with respect to Taxes described in any one or more of the following subsections; provided that subsections (a) and (e) below shall not apply in determining the additional amount necessary to make any payment on an After-Tax Basis:

(a) Taxes imposed by any government or taxing authority on, based on, measured by or with respect to capital, net worth, retained earnings, gross or net income or gross or net receipts or proceeds or that are doing business, franchise, minimum or withholding Taxes; provided that this subsection (a) shall not apply to (i) any such Taxes imposed by any government or taxing authority located outside the United States to the extent such Taxes would have been imposed had the sole connection between the Tax Indemnitee and such government or taxing authority been (A) the location, use, operation or presence of the Aircraft, the Airframe, any Engine or any Part in such jurisdiction, (B) the presence or activity of Lessee or any Permitted Sublessee or any Affiliate of either in such jurisdiction or (C) Lessee's (or another Person on its behalf) making a payment from or through such jurisdiction or (ii) any sales, use, goods and services, license, value added or property Taxes, or Taxes of a similar nature, imposed by any government or taxing authority;

(b) Taxes that would not have been imposed but for (i) any Lessor's Lien, (ii) the gross negligence or willful misconduct of any Tax Indemnitee (other than gross negligence or willful misconduct imputed as a matter of law to such Tax Indemnitee solely by reason of its interest in the Aircraft), (iii) the breach or inaccuracy of any representation, warranty or covenant of any Tax Indemnitee contained in any Operative Document (unless attributable to the breach by Lessee of any representation, warranty or covenant of Lessee contained in any Operative Document), or (iv) a failure of any Tax Indemnitee to comply with any certification, information, documentation, reporting or other similar requirement, if such compliance is necessary or appropriate to claim any relief from such Taxes for which such Tax Indemnitee was eligible, unless such failure is due to the failure of Lessee to comply with its obligations under Section 7.2.5 below;

(c) Taxes imposed on or with respect to a Transfer (voluntary or involuntary) (i) by a Tax Indemnitee of any interest in the Aircraft, the Airframe, any Engine, any Part, the Trust Estate, Rent or any interest arising under any Operative Document or (ii) of any interest (direct or indirect) in a Tax Indemnitee, in each case other than a Transfer pursuant to the Return Conditions or Section 8 or 10 of the Lease or pursuant to the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing;

(d) Taxes to the extent imposed with respect to any period commencing after the earlier of (i) the return of the Aircraft to Lessor pursuant to Section 5 of the Lease and (ii) the expiration or earlier termination of the Lease; provided that there shall not be excluded by this subsection (d) any Taxes to the extent (x) attributable to events occurring or matters arising prior to or simultaneously with the earlier of such times, (y) imposed with respect to any payment by Lessee under the Operative Documents after such date or (z) arising pursuant to the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing;

(e) Taxes imposed by any government or taxing authority to the extent such Taxes would not have been imposed but for a connection between any Tax Indemnitee or any Affiliate thereof and such government or taxing authority unrelated to the transactions contemplated by the Operative Documents;

(f) Taxes to the extent such Taxes would not have been imposed but for an amendment or waiver with respect to any Operative Document, unless such amendment or waiver is (i) requested in writing by Lessee or (ii) made as a result of the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing;

(g) value added Taxes imposed in lieu of a net income Tax by the United States or any state or local government or taxing authority thereof or therein;

(h) Taxes resulting from a violation of ERISA or a "prohibited transaction" under Section 4975 of the Code;

(i) Taxes on, based on, measured by or with respect to any consideration payable for services rendered by Trust Company as owner trustee;

(j) Taxes that would not have been imposed but for any indebtedness, head lease, swap, hedge or other financing (other than the Lease) arrangements of any Tax Indemnitee relating to the Aircraft, the Airframe, any Engine, any Part, Rent or any Operative Document; provided that, for the avoidance of doubt, Taxes imposed on a Back-Leveraging Indemnified Person, if any, that has been added as a Tax Indemnitee in a Lessee Consent shall not be treated as described in this clause (j) to the extent that such Taxes would have been imposed on another Tax Indemnitee and would have been subject to indemnification by Lessee under this Section 7 had there been no such indebtedness, head lease, swap, hedge or other financing (other than the Lease) arrangements;

(k) Taxes in excess of the Taxes that would have been imposed and indemnified against by Lessee hereunder had there not been a Transfer (voluntary or involuntary) (i) by a Tax Indemnitee of any interest in the Aircraft, the Airframe, any Engine, any Part, the Trust Estate, Rent or any interest arising under any Operative Document or (ii) of any interest (direct or indirect) in a Tax Indemnitee, in each case other than a Transfer pursuant to the Return Conditions or Section 8 or 10 of the Lease or pursuant to the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing;

(l) withholding Taxes imposed by the U.S. federal government that would not have been imposed but for a Tax Indemnitee or any Person holding a direct or indirect interest in the Tax Indemnitee being other than a "United States person" within the meaning of Section 7701(a)(30) of the Code; or

(m) Taxes payable by Owner Participant under Section 6.4.11 of this Agreement.

7.2.3 Payment. Lessee shall pay any Tax for which it is liable pursuant to this Section 7.2 directly to the appropriate taxing authority, if allowable, or, if not so allowable, directly to the relevant Tax Indemnitee. Any amount payable directly to any Tax Indemnitee pursuant to this Section 7.2 shall be paid to such Tax Indemnitee on or prior to the later of (a) 30 days after receipt by Lessee of a written demand therefor from such Tax Indemnitee accompanied by a written statement describing in reasonable detail the Taxes that are the subject of such indemnity and the computation of the amount so payable, (b) one Business Day prior to the due date for the payment of such Taxes (including all extensions) or (c) in the case of amounts that are being contested in accordance with Section 7.2.4, the time such contest (including all appeals, if any) is finally resolved; provided that Lessee shall pay any amounts due pursuant to Section 7.2.4 at the time or times required by such Section. If requested by a Tax Indemnitee in writing, Lessee shall furnish to such Tax Indemnitee the original or a certified copy of a receipt (if any is reasonably available to Lessee) for Lessee's payment of any Tax directly to a taxing authority pursuant to this Section 7.2 or such other evidence of such payment

by Lessee as is reasonably acceptable to such Tax Indemnitee and reasonably available to Lessee. If, for any reason, Lessee makes any payment with respect to any Taxes of any Tax Indemnitee that are not the responsibility of Lessee with respect to such Tax Indemnitee under this Section 7, such Tax Indemnitee shall pay to Lessee, within 30 days of Lessee's demand therefor, an amount equal to the amount paid by Lessee with respect to such Taxes.

7.2.4 Contests; Refunds.

If a written claim is made against any Tax Indemnitee for any Tax for which Lessee may be obligated pursuant to this Section 7.2, such Tax Indemnitee shall promptly notify Lessee in writing of such claim. If requested by Lessee in writing, Lessee shall, subject to the conditions set forth in the next paragraph, be entitled at its sole expense to contest such Tax in the name of the relevant Tax Indemnitee or of Lessee through appropriate administrative and judicial proceedings (including pursuing all judicial appeals); provided that (a) no Event of Default under Section 14(a), (b), (f), (g), (h) or (i) of the Lease shall have occurred and be continuing, (b) if such contest shall be conducted in a manner requiring the payment of the Tax, Lessee shall advance to or for the benefit of such Tax Indemnitee (on an interest-free basis) the amount of such payment and shall agree to indemnify such Tax Indemnitee against any adverse tax consequences to such Tax Indemnitee resulting from such interest-free loan and (c) the action to be taken will not result in any material danger of forfeiture, sale or loss of the Aircraft, the Airframe or any Engine (unless Lessee shall have provided to Owner Trustee a bond or other sufficient protection against such risk reasonably acceptable to Owner Trustee) or any material risk of the imposition of criminal penalties. In any contest under this Section 7.2.4 conducted by Lessee, Lessee shall determine the forum and manner in which such contest shall be conducted and, upon the written request of the relevant Tax Indemnitee, shall advise such Tax Indemnitee of the status of such contest, and each Tax Indemnitee shall take reasonable steps to cooperate with Lessee, at Lessee's request and expense, in connection with such contest.

Lessee shall not be permitted to conduct such a contest in its name or in the name of the relevant Tax Indemnitee (and instead a Tax Indemnitee, at Lessee's request, shall contest in its own name as provided in the next paragraph) if (x) an Event of Default under Section 14(a), (b), (f), (g), (h) or (i) of the Lease shall have occurred and be continuing or (y) such contest involves issues for which Lessee is not obligated under this Section 7.2 that can not be severed by reasonable efforts of the Tax Indemnitee from all issues for which Lessee might be so obligated.

If requested by Lessee in writing, and if Lessee is not itself contesting a claim under this Section 7.2.4, the relevant Tax Indemnitee shall contest, diligently and in good faith, in the name of such Tax Indemnitee the validity, applicability and amount of the relevant Tax by (I) resisting payment thereof, (II) not paying the same except under protest, if protest be necessary or proper, or (III) if payment be made, using reasonable efforts to promptly obtain a refund thereof in appropriate administrative and judicial proceedings; provided that (1) Lessee shall have agreed to pay such Tax Indemnitee on demand all reasonable out-of-pocket costs and expenses which such Tax Indemnitee may incur in connection with contesting such claim, including, without limitation, all reasonable legal, accountants' and investigatory fees and disbursements, (2) if such contest shall be conducted in a manner requiring the payment of the Tax, Lessee shall advance to such Tax Indemnitee (on an interest-free basis) the amount of such payment and shall agree to indemnify such Tax Indemnitee against any adverse tax consequences to such Tax Indemnitee

resulting from such interest-free loan, (3) the action to be taken will not result in any material danger of forfeiture, sale or loss of the Aircraft, the Airframe or any Engine or Part (unless Lessee shall have provided to Owner Trustee a bond or other sufficient protection against such risk reasonably acceptable to Owner Trustee) and (4) if an Event of Default shall have occurred and be continuing, Lessee shall have provided security for its related tax indemnity obligation reasonably acceptable to such Tax Indemnitee. In any contest under this Section 7.2.4 conducted by a Tax Indemnitee, such Tax Indemnitee shall determine the forum for such contest and the manner in which it shall be conducted; provided that such Tax Indemnitee shall consult in good faith with Lessee and its counsel, and provide to Lessee and its counsel any communications to or from the relevant taxing authority or administrative or judicial body, with respect to the issues for which Lessee may be obligated under this Section 7.2.

If a refund (whether in cash or in any other form) shall be obtained by or for any Tax Indemnitee of all or part of any Tax paid by Lessee or for which Lessee shall have made an advance to, or reimbursed, such Tax Indemnitee, such Tax Indemnitee shall promptly pay Lessee an amount equal to the amount of such refund (which shall reduce the amount of any interest-free loan previously made by Lessee under this Section 7.2.4), together with any interest received on such refund attributable to such Tax that is properly attributable to the period subsequent to such payment or reimbursement by Lessee, reduced by any Taxes payable by such Tax Indemnitee as a result of the receipt or accrual of such refund and interest, and increased by any Tax benefit realized by such Tax Indemnitee as a result of any payment by such Tax Indemnitee pursuant to this sentence; provided that the subsequent loss of a refund for which payment has been made to Lessee under this paragraph shall be treated as an indemnifiable Tax hereunder without regard to the exclusions set forth in Section 7.2.2.

If, without the consent of Lessee, a Tax Indemnitee elects not to, or fails to, contest or cooperate in the contest of any Tax as required in accordance with this Section 7.2.4, or elects to settle, compromise or otherwise terminate any such contest, such election or failure shall constitute a waiver by each Tax Indemnitee of any right to any amount that might otherwise be payable by Lessee pursuant to this Section 7.2 with respect to such Tax (and any other Tax for which a successful contest is materially adversely affected because of such election or failure), other than any expenses of the contest, and, if Lessee has theretofore provided such Tax Indemnitee with an interest-free loan to pay such amount, such Tax Indemnitee shall promptly repay an amount which, after subtraction of any further net savings of Taxes actually realized by such Tax Indemnitee as a result of such repayment, shall be equal to the amount of such interest-free loan, together with interest on the amount of such loan from the date such loan was made to the date of repayment pursuant to this sentence at the rate that would have been paid by the relevant taxing authority had such contest resulted in a refund.

7.2.5 Reports and Returns; Information; Forms. If any report or return is required to be filed with respect to a Tax subject to indemnification by Lessee under this Section 7.2, Lessee shall timely file such report or return in its own name if it is permitted by applicable law to do so (unless Lessee has been notified by the relevant Tax Indemnitee that such Tax Indemnitee intends to file such report or return), showing ownership of the Aircraft in Owner Trustee. If requested by the relevant Tax Indemnitee, Lessee shall send a copy of such report or return to such Tax Indemnitee. If Lessee is not permitted by applicable Law to file any such report or return in its own name, or has insufficient information to do so, Lessee shall, upon

obtaining actual knowledge of such requirement, promptly notify the relevant Tax Indemnitee of such requirement and, to the extent it is able to do so, prepare and deliver to such Tax Indemnitee a proposed form of such report or return. Lessee shall furnish to each Tax Indemnitee, and each Tax Indemnitee shall furnish to Lessee, upon the written request of such Tax Indemnitee or Lessee, as the case may be, such data in its possession or otherwise reasonably available to it as may be reasonably requested to enable Lessee or such Tax Indemnitee, as the case may be, as is reasonably necessary to file any such returns or reports and to otherwise comply with the requirements of any taxing authority with respect to the transactions contemplated by the Lease.

Each Tax Indemnitee agrees to furnish from time to time to or as directed by Lessee, upon Lessee's written request and at Lessee's expense, such duly executed and properly completed forms, statements or certificates as may be necessary or appropriate in order to claim any available reduction of any Tax for which Lessee may be obligated under this Section 7.2 or to comply with the requirements of any taxing authority with respect to the transactions contemplated by the Lease; provided that Lessee shall have furnished such Tax Indemnitee with any information necessary to complete such form, statement or certificate that is not otherwise reasonably available to such Tax Indemnitee. If any form, statement or certificate provided by Owner Participant or another Tax Indemnitee to Lessee pursuant to any Operative Document becomes obsolete or incorrect, such Person shall promptly notify Lessee.

7.3 Survival; Other.

7.3.1 Survival. The indemnities and other obligations of Lessee (subject to Sections 7.1.2(a) and 7.2.2(d)), and the obligations of each Indemnified Person and Tax Indemnitee, under Sections 7.1, 7.2 and 7.3 shall survive the expiration or other termination of the Operative Documents.

7.3.2 Tax Savings. If, by reason of any Claims or Taxes paid or indemnified against by Lessee pursuant to Section 7.1 or 7.2, any Indemnified Person or Tax Indemnitee at any time realizes a net reduction in any Taxes not indemnified against by Lessee and not taken into account previously in computing the amount of any indemnity payable by Lessee under Section 7.1 or 7.2, such Indemnified Person or Tax Indemnitee shall promptly pay to Lessee an amount that, after subtraction of any further Tax savings such Indemnified Person or Tax Indemnitee realizes as a result of the payment thereof, is equal to the amount of such net Tax reduction; provided that any subsequent loss of a Tax benefit for which a payment has been made to Lessee under this Section 7.3.2 (or which was taken into account previously in computing an amount payable by Lessee under Section 7.2) shall be treated as an indemnifiable Tax hereunder without regard to the exclusions set forth in Section 7.2.2. Each Indemnified Person and each Tax Indemnitee shall in good faith use diligence in filing tax returns and in dealing with taxing authorities to seek and claim any Tax benefit that would result in such a reduction in Taxes and to minimize the Taxes indemnifiable by Lessee hereunder.

7.3.3 Non-Parties. If an Indemnified Person or Tax Indemnitee is not a party to this Agreement, Lessee may require such Indemnified Person or Tax Indemnitee to agree in writing, in a form reasonably acceptable to Lessee, to the terms of Section 7.1 or 7.2, as the case may be, and this Section 7.3, prior to making any payments to such Indemnified Person or Tax Indemnitee under Section 7.1 or 7.2, as the case may be.

7.3.4 Application of Payments During Event of Default. If, at the time an amount would otherwise be payable to Lessee under Section 7.1, 7.2 or 7.3.2, an Event of Default shall have occurred and be continuing, such amount shall be held by the relevant Indemnified Person or Tax Indemnitee as security for the obligations of Lessee under the Operative Documents. At such time as no Event of Default is continuing, such amount shall be paid to Lessee.

7.3.5 Verification. At the request of Lessee, any computation by an Indemnified Person or a Tax Indemnitee of any amount payable by or to Lessee pursuant to Section 7.1, 7.2 or 7.3.2 shall be verified and certified by a nationally recognized firm of independent accountants selected by the Indemnified Person or Tax Indemnitee, as the case may be, and reasonably acceptable to Lessee. In the event such accounting firm shall determine that the computation of any such amount is incorrect, it shall determine what it believes to be the correct amount, and, absent *prima facie* error, such determination shall be binding upon the parties. Such Indemnified Person or Tax Indemnitee, as the case may be, shall cooperate with such accounting firm and provide it with such information as is reasonably necessary for such verification and certification; provided that such accounting firm shall have entered into a confidentiality agreement reasonably satisfactory to such Indemnified Person or Tax Indemnitee. If Lessee or such Indemnified Person or Tax Indemnitee, as the case may be, has paid any amount under Section 7.1, 7.2 or 7.3.2 prior to such accounting firm's completion of its review, appropriate adjustments will be made promptly after such completion to take into account the determination by such firm. The costs of any such verification and certification shall be borne by Lessee unless such accounting firm determines that any amount payable (a) by Lessee to such Indemnified Person or Tax Indemnitee, as the case may be, is less than 95% of the amount determined by such Indemnifed Person or Tax Indemnitee to be so payable or (b) by such Indemnified Person or Tax Indemnitee, as the case may be, to Lessee is greater than the amount determined by such Indemnified Person or Tax Indemnitee to be so payable by at least 5%, in either of which cases the cost of such verification and certification shall be paid by such Indemnified Person or Tax Indemnitee. Notwithstanding anything to the contrary in the foregoing or elsewhere in the Operative Documents, neither Lessee, nor any other Person (other than the independent accountants referred to above), shall have any right to inspect an Indemnified Person's or a Tax Indemnitee's Tax returns, books or records.

7.3.6 Withholding Agent. Owner Trustee hereby agrees to act as the U.S. federal withholding Tax agent in respect of Rent and all other amounts payable to it, or distributable by it for or on account of Owner Participant under the Operative Documents, and to be responsible for preparing and filing IRS Forms 1042 and 1042-S (or any similar or successor forms), as well as any other governmental filings and information requirements in connection therewith, and making deposits of U.S. federal withholding Taxes (if any), in accordance with U.S. federal Tax Laws.

7.4 Expenses. Except as otherwise provided in this Section 7.4, each of Lessee and Owner Participant will be responsible for its own costs and expenses incurred in connection with the negotiation, preparation, execution and delivery of the Operative Documents. Lessee agrees promptly to pay (a) all the reasonable out-of-pocket costs and expenses incurred by Trust Company in connection with the negotiation, preparation, execution and delivery of the Operative Documents (including, without limitation, the reasonable fees, expenses and

disbursements of [Ray, Quinney & Nebeker P.C.,] special counsel for Trust Company); and (b) the reasonable fees, expenses and disbursements of Aviation Counsel in connection with the negotiation, preparation, execution and delivery of the Operative Documents. Lessee also agrees to pay all costs and expenses imposed by the FAA, the International Registry and the State of Delaware in connection with the registrations and filings described in Section 5.1.7. Lessee agrees to pay the initial and on-going fees of Trust Company in connection with the transactions contemplated hereby during the Term of the Lease.

Section 8. Assignment or Transfer of Interests.

8.1 Owner Trustee. Except as expressly provided in the Operative Documents, Owner Trustee shall not, directly or indirectly, Transfer any of its right, title or interest in and to the Aircraft, any of the Operative Documents, the Trust Estate or any proceeds therefrom without the prior written consent of Lessee; provided that such consent shall not be required for a Transfer pursuant to the exercise of remedies by Owner Trustee under and in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing, [*CTR*]:

(i) [*CTR*]

(ii) [*CTR*]

(iii) there shall be a [*CTR*]

(iv) the [*CTR*] shall not violate the Transportation Code, the Securities Act or any other Law (including, without limitation, ERISA, any laws or regulations imposing U.S. economic sanctions measures or any orders or licenses issued thereunder), or create a relationship that would be in violation thereof, and [*CTR*] shall not result in a "prohibited transaction" under Section 4975 of the Code;

(v) Owner Trustee shall cause any and all documents Lessee may request for the [*CTR*]

(vi) [*CTR*]

(vii) [*CTR*]

(viii) Lessee shall have received from each of [*CTR*]

(ix) as a precondition to any such [*CTR*], Owner Participant shall pay all reasonable expenses of Lessee, Trust Company, Owner Trustee and Owner Participant Guarantor, if any (including reasonable legal fees and expenses), in connection with the [*CTR*];

(x) with respect to any fees of Trust Company [*CTR*], Lessee shall not be obligated to pay any amount [*CTR*]

(xi) none of Lessee's obligations, responsibilities, liabilities, costs and risks in the use and operation of the Aircraft or under, relating to or in respect of the Operative Documents or otherwise, including, without limitation, under or in respect of any of Lessee's payment or indemnity obligations, shall be increased or altered, and none of Lessee's rights and benefits under any Operative Document shall be diminished, as a result of or in connection any [*CTR*]; and

(xii) in no event shall there be permitted hereunder more than [*CTR*]

8.2 Owner Participant.

(a) Owner Participant Transfer Requirements. Owner Participant shall not directly or indirectly Transfer any of its right, title or interest in and to all or any part of this Agreement, any of the other Operative Documents or the Trust Estate, except that Owner Participant may Transfer all (but not less than all) of its right, title and interest therein to a single bank, lending institution, leasing company, other financial institution, corporation, limited partnership, statutory trust, limited liability company or special purpose entity if, as preconditions to such Transfer:

(i) (A) the Person to whom such Transfer is made (the "**Transferee**") either is a Citizen of the United States or qualifies as a Citizen of the United States through a voting trust agreement, voting powers agreement or similar arrangement (including, without limitation, provisions delegating certain control rights to the Owner Trustee) by the Transferee or any Affiliate thereof, but in each case without reliance on any rule that would restrict in any way the use and operation of the Aircraft, and has the requisitepower, authority and legal right to enter into and carry out the transactions contemplated by the Operative Documents; (B) unless Lessee consents, the Transferee is not an airline or other commercial operator of aircraft, freight forwarder, or any other company directly or indirectly engaged in the business of passenger, cargo, freight or parcel transportation or any Affiliate of any thereof; (C)(1) the Transfer does not violate the Transportation Code, the Securities Act or any other Law (including, without limitation, ERISA, any laws or regulations imposing U.S. economic sanctions measures or any orders or licenses issued thereunder), or create a relationship that would be in violation thereof, (2) the Transfer does not result in a "prohibited transaction" under Section 4975 of the Code, (3) the Transfer does not adversely affect the registration of the Aircraft in the name of Owner Trustee with the FAA (or the aeronautical authority of the country of registry of the Aircraft if the Aircraft is not registered under the laws of the United States), (4) the Transfer will not subject Lessee to any additional regulation under, or require Lessee to give any notice to, register with, make any filings with or take any other action in respect of, any governmental authority or agency of any jurisdiction, (5) the Transfer does not require registration under the Securities Act or any foreign securities laws, require qualification of an indenture under the Trust Indenture Act, or require Lessee to sign any registration statement, (6) unless Lessee consents, the Transfer does not involve a Rule 144A, Regulation S or other capital markets or equity syndication transaction not described in the immediately preceding clause (5), and (7) the Transfer does not result in, or involve, incurrence by Lessee of any indebtedness for

accounting purposes (it being understood that, if any change in the lease accounting standards applicable to Lessee requires that Lessee, independently of the Transfer, capitalize its leases, including the Lease, in Lessee's books, such capitalization of the Lease is not intended to constitute, and shall not be construed as, incurrence by Lessee of any indebtedness for accounting purposes within the meaning of this clause (7)); (D) Owner Participant and the Transferee shall have entered into an agreement in the form attached hereto as Exhibit E (the "**Assumption Agreement**") or in such other form as shall be acceptable to Lessee; (E) Owner Participant shall have delivered to Owner Trustee and Lessee an opinion or opinions of counsel (which shall either be the in-house counsel of the Transferee or other counsel reasonably satisfactory to Lessee) to the effect that the Assumption Agreement has been duly authorized, executed and delivered by the Transferee and is enforceable against the Transferee in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally or by general principles of equity and to the effect that (subject to customary exceptions, qualifications and exclusions) such Transfer complies with clause (A) (except as to citizenship) and clause (C) (with respect to the Transportation Code and the Securities Act and no violation of Law) above (provided that, in determining observance with all factual matters contained in this Section, such counsel may rely on representations of the Transferee); and (F) the Transferee shall have provided to each of Lessee and Owner Trustee a duly completed and executed original IRS Form W-9 (and/or other applicable IRS Form(s)) establishing a complete exemption from U.S. federal withholding taxes with respect to all payments of Rent or other amounts to or for the benefit of Owner Trustee or Owner Participant under the Operative Documents; and

(ii) except with the consent of Lessee, either (A) the Transferee at the time of such Transfer either (I) has a combined capital and surplus of at least $40,000,000 immediately prior to the time of Transfer, or a tangible net worth of at least $40,000,000 immediately prior to the time of Transfer, exclusive of goodwill, all of the foregoing determined in accordance with generally accepted accounting principles, or (II) has assets of at least $1,000,000,000 or more and is engaged in the making, purchasing, holding or investing in loans, leases or similar extensions of credit in the ordinary course of its business, or (III) has debt obligations rated at least "A" by S&P or the equivalent or better rating by Moody's and the Transferee's payment obligations owed to Lessee shall rank at least pari passu with such rated debt obligations, or (IV) is otherwise approved in writing by Lessee, such approval not to be unreasonably withheld or delayed (any Transferee meeting any of the requirements of (I), (II), (III) or (IV) above being hereinafter referred to as a "**Qualifying Institution**"), or (B) if the Transferee is not itself a Qualifying Institution, a parent corporation of the Transferee which qualifies as a Qualifying Institution shall have executed and delivered to Owner Trustee and Lessee an absolute and unconditional guaranty, substantially in the form of Exhibit G or otherwise in form and substance reasonably satisfactory to Lessee ([the guaranty by [Name of initial Owner Participant Guarantor] or any other[1]] [any] such guaranty, an "**Owner**

[1] Insert if applicable.

Participant Guarantee") and [Name of initial Owner Participant Guarantor or] such parent the "**Owner Participant Guarantor**"), with respect to the obligations undertaken by the Transferee under the Assumption Agreement referred to above, together with an opinion of counsel (which may be the in-house counsel of the Qualifying Institution providing such guaranty or other counsel reasonably satisfactory to Lessee) to the effect that such guaranty is enforceable against the guarantor in accordance with its terms. The Transferee shall, at the time of Transfer, deliver to Owner Trustee and Lessee a certificate of a duly authorized officer of the Transferee or its guarantor evidencing satisfaction of the requirements of (I), (II) or (III), as applicable, set forth in this clause (ii).

It shall be a further condition to any such Transfer, and the parties hereby agree, that: (x) as determined at the time of such Transfer, none of Lessee's obligations, responsibilities, liabilities, costs and risks in the use and operation of the Aircraft or under, relating to or in respect of the Operative Documents or otherwise, including, without limitation, under or in respect of any of Lessee's payment or indemnity obligations, shall be increased or altered, and none of Lessee's rights and benefits under any Operative Document shall be diminished, as a result of or in connection with such Transfer or any aspect thereof or any other transaction relating thereto (it being acknowledged that an increase in the number of Indemnified Persons or Tax Indemnitees shall not, of itself, constitute an increase in Lessee's obligations under the Operative Documents); and (y) Lessee shall have no obligation, responsibility or liability of any kind under, relating to or in respect of such Transfer or any aspect thereof or any other transaction relating thereto, except acknowledging acceptance of the Assumption Agreement.

The transferor Owner Participant will pay or cause the Transferee to pay any fees, costs, charges and expenses incurred by Owner Trustee, Trust Company, Lessee or any other party in connection with any such Transfer (including, without limitation the reasonable out-of-pocket expenses of Lessee and its legal fees and expenses) whether or not such Transfer is consummated, and in no case will Lessee be responsible for (and Owner Participant will hold Lessee harmless from) any such fees, charges or expenses or for any fees, charges or expenses incurred by any party to a Back-Leveraging Transaction in connection with such Transfer.

(b) Effect of Transfer. Upon any such Transfer by Owner Participant to a Transferee permitted by this Section 8.2, the Transferee shall be deemed the "Owner Participant" for all purposes hereof (unless the context is inappropriate) and each reference herein or in any other Operative Document to "Owner Participant" shall thereafter be deemed a reference to the Transferee as Owner Participant (unless the context is inappropriate). Upon any such Transfer by Owner Participant to a Transferee permitted by this Section 8.2, the transferor Owner Participant shall be relieved of all of its duties, liabilities and obligations hereunder and under the Trust Agreement that have been expressly assumed by such Transferee; provided that in no event will any such Transfer release the transferor Owner Participant from any duty, liability or obligation (i) arising or relating to any event occurring prior to the effective time of such Transfer, (ii) on account of any breach by the transferor Owner Participant of any of its representations, warranties, covenants or obligations contained herein or in any other Operative Document or any Assumption Agreement, or for any fraudulent or willful misconduct engaged in by the transferor Owner Participant, (iii) that relates to any indemnity claimed by the transferor Owner Participant or (iv) relating to or arising out of any Lessor's Lien attributable to the

transferor Owner Participant. If Owner Participant proposes to Transfer its interests pursuant to this Section 8.2, it shall give at least 10 days prior written notice thereof to Owner Trustee and Lessee, specifying the name and address of the Transferee and the facts necessary to determine whether the conditions of this Section 8.2 have been or will be satisfied.

8.3 Back-Leverage.

8.3.1 Back Leveraging Transaction Requirements. Owner Trustee shall be permitted (in connection with any financing involving the Aircraft, including, without limitation, any multi-tiered debt financing) to grant a security interest (such grant, a "**Back-Leveraging Transaction**") in its interest in the Aircraft and the Operative Documents to a third party (such party, the "**Back-Leveraging Party**", and any other Person that is to benefit from such security interest in favor of the Back-Leveraging Party, a "**Back-Leveraging Lender**"), provided that the following requirements are satisfied:

(a) Owner Trustee shall give Lessee at least [*CTR*] prior written notice of such Back-Leveraging Transaction which notice shall identify the Back-Leveraging Party and each Designated Back-Leveraging Lender.

(b) Lessee shall be satisfied (in its reasonable opinion) that, and either the Lessee Consent or the security agreement and other transaction documents entered into in connection with such Back-Leveraging Transaction (the "**Back-Leveraging Documents**") will include representations, warranties and covenants from each of Owner Participant and Owner Trustee, and, in the case of clauses (i) through (iii) below, the Back-Leveraging Party and each Back-Leveraging Lender, for the benefit of Lessee to the effect that, notwithstanding anything to the contrary set forth herein or in any other Operative Document:

(i) (x) [*CTR*] none of Lessee's obligations, responsibilities, liabilities, costs and risks in the use and operation of the Aircraft or under, relating to or in respect of the Operative Documents or otherwise, including, without limitation, under or in respect of any of Lessee's payment or indemnity obligations, shall be increased or altered, and none of Lessee's rights and benefits under any Operative Document shall be diminished, as a result of or in connection with such Back-Leveraging Transaction or any aspect thereof or any other transaction relating thereto (except to the extent expressly set forth in Section 8.3.2), and (y) Lessee shall have no obligation, responsibility or liability of any kind under, relating to or in respect of the Back-Leveraging Transaction or any aspect thereof or any other transaction relating thereto (except to the extent expressly set forth in Section 8.3.2);

(ii) Lessee will not be required to remove any Liens on the Aircraft, the Airframe, any Engine, any Part, the Trust Estate or the Operative Documents relating to or that would not have arisen but for such Back-Leveraging Transaction;

(iii) (A) the rights and remedies of any Person under the Back-Leveraging Documents are subject in all respects to the Lease and the rights of Lessee under the Operative Documents, including, without limitation, that Lessee shall be entitled to exercise all of its rights under the Lease notwithstanding any provision to the

contrary in any Back-Leveraging Document, (B) neither the Back-Leveraging Party nor any Back-Leveraging Lender shall have any recourse to Lessee for any breach of any obligation of Owner Trustee, Trust Company, Owner Participant or any other Person in connection with any Back-Leveraging Document, (C) any amounts held by the Back-Leveraging Party or any Back-Leveraging Lender for which application is provided in the Lease shall be applied solely as provided in the Lease notwithstanding any provision to the contrary contained in any Back-Leveraging Document, (D) in the event of any transfer of title to Lessee (or any Permitted Sublessee) of the Aircraft, the Airframe, any Engine or any Part pursuant to the terms of the Lease, such title shall vest in Lessee (or such Permitted Sublessee) free and clear of the security interest of any Back-Leveraging Documents, (E) the security interest in connection with such Back-Leveraging Transaction shall not attach to any Part removed from the Aircraft except to the extent that Lessor has rights in such Part pursuant to the Lease, and (F) each of the Back-Leveraging Party and any Back-Leveraging Lender agrees, for the benefit of the lessor, conditional vendor or secured party of any airframe or any engine leased, purchased or owned by Lessee (or any Permitted Sublessee) subject to a lease, conditional sale or other security agreement, that it will not acquire or claim, as against such lessor, conditional vendor or secured party, any right, title or interest in any engine or engines as the result of such engine or engines being installed on the Airframe at any time while such engine or engines are subject to such lease, conditional sale or other security agreement; and

(iv) such Back-Leveraging Transaction and the Back-Leveraging Documents (A) will not violate any provisions of the Transportation Code, the Securities Act, the Trust Indenture Act or any other applicable Law (including, without limitation, ERISA) in any jurisdiction, or create a relationship that would be in violation thereof, (B) will not subject Lessee to any additional regulation under, or require Lessee to give notice to, register with, make any filings with or take any other action in respect of, any governmental authority or agency of any jurisdiction, (C) will not require Lessee to be an "issuer", "co-issuer" or registrant of securities, whether or not such securities are registered under the Securities Act or any other applicable law in any jurisdiction, (D) will not require any registration under the Securities Act or any foreign securities laws, require qualification of an indenture under the Trust Indenture Act, or require Lessee to sign any registration statement, (E) [*CTR*] will not involve a Rule 144A, Regulation S or other capital markets transaction not described in the immediately preceding clause (D), (F) will not result in a prohibited transaction under Section 4975 of the Code, and (G) will not result in, or involve, incurrence by Lessee of any indebtedness for accounting purposes (it being understood that, if any change in the lease accounting standards applicable to Lessee requires that Lessee, independently of the Back-Leveraging Transaction and the Back-Leveraging Documents, capitalize its leases, including the Lease, in Lessee's books, such capitalization of the Lease is not intended to constitute, and shall not be construed as, incurrence by Lessee of any indebtedness for accounting purposes within the meaning of this clause (G)).

(c) The Back-Leveraging Documents shall include a covenant of quiet enjoyment from the Back-Leveraging Party and each Back-Leveraging Lender for the benefit of Lessee substantially similar to Section 6.4.3.

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

(d) The registration on the International Registry of the "sale" of the Aircraft to Lessor and the International Interests created under the Lease shall rank prior to any other registration relating to any Back-Leveraging Transaction, and Lessor or Owner Participant, as applicable, and the Back-Leveraging Party and each Back-Leveraging Lender shall take all such actions reasonably requested by Lessee to establish and preserve such priority.

(e) Lessee shall not be required to provide information (financial or otherwise) for, obtain accountants' consents or otherwise participate in such Back-Leveraging Transaction (except as expressly provided in Section 8.3.2).

(f) There shall be no more than one Back-Leveraging Transaction at any time.

(g) Owner Participant shall pay all reasonable costs and expenses of the other parties hereto in connection with such Back-Leveraging Transaction, including, without limitation, reasonable counsel fees and disbursements, whether or not such Back-Leveraging Transaction is consummated.

For the avoidance of doubt, Lessee shall be satisfied (in its reasonable opinion) that the agreements of the Back-Leveraging Party and any Back-Leveraging Lender described in this Section 8.3.1 shall be binding upon each such Person's successors and assigns.

8.3.2 Lessee Participation. In connection with any such Back-Leveraging Transaction that meets the foregoing requirements of Section 8.3.1:

(a) at Owner Trustee's request, (i) if the definition of "Indemnified Person" shall have been modified in accordance with the following clause (ii), Lessee shall add the name (A) of the Back-Leveraging Party and, so long as there are fewer than 10 Back-Leveraging Lenders, each Back-Leveraging Lender notified to Lessee pursuant to Section 8.3.1(a) (each such Back-Leveraging Lender, a "**Designated Back-Leveraging Lender**") as an additional insured under the aircraft liability policies required pursuant to Section 11(a) of the Lease, in each case, with respect to the interests of such Person in its capacity as a Back-Leveraging Indemnified Person in the transactions contemplated by the Operative Documents [*CTR*] Lessor and Lessee shall [*CTR*]; and (iv) the Back-Leveraging Party shall agree in writing, for the benefit of Lessee, that any payments, amounts or proceeds of any kind or nature, including, without limitation, any insurance, condemnation or requisition proceeds, with respect to the Aircraft, Airframe or any Engine for which application is provided in the Operative Documents shall paid and applied solely as provided in the Operative Documents; and

(b) at Owner Trustee's request, Lessee shall enter into a consent and acknowledgment with Owner Trustee, Owner Participant, the Back-Leveraging Party and any Back-Leveraging Lender in form and substance reasonably acceptable to Lessee (a "**Lessee Consent**") confirming Lessee's obligations in Section 8.3.2(a) and containing other customary provisions not inconsistent with Section 8.3.1.

8.3.3 No Other Restructurings. Except as described in this Section 8.3, Owner Trustee and Owner Participant will have no other rights to restructure or refinance the transactions contemplated by the Operative Documents, including, without limitation, to include a "head-lease" structure, without Lessee's consent, such consent not to be unreasonably withheld.

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Section 9. Change of Citizenship.

9.1 Generally. Without prejudice to the representations, warranties or covenants regarding the status of any party hereto as a Citizen of the United States, each of Owner Participant, Owner Trustee and Trust Company agrees that, during the Term, in the event its status is to change or has changed as a Citizen of the United States or it makes public disclosure of circumstances as a result of which it believes that such status is likely to change, it will notify all the other parties to this Agreement of (a) such change in status promptly after obtaining actual knowledge thereof or (b) such belief as soon as practicable after such public disclosure but in any event within 10 Business Days after such public disclosure.

9.2 Owner Participant. Owner Participant covenants that if, at any time during the Term when the Aircraft is registered in the United States, Owner Participant is not or ceases to be a Citizen of the United States and the Aircraft would thereupon become ineligible for registration in the name of Owner Trustee under the Transportation Code as in effect at such time and the regulations then applicable thereunder (without regard to any "based and primarily used" provision, or other provision that in any way could restrict the use and operation of the Aircraft by Lessee but with regard to voting trust provisions and provisions delegating certain control rights to the Owner Trustee), then Owner Participant at its own expense shall promptly (and, in any event, within a period of 30 days) either transfer, pursuant to Article VIII of the Trust Agreement and Section 8.2 hereof, its right, title and interest in and to the Trust Agreement, the Trust Estate and this Agreement, or take such other action, as may be necessary to prevent any deregistration of the Aircraft or to make possible its registration in the United States (without regard to any "based and primarily used" provision, or other provision that in any way could restrict the use and operation of the Aircraft by Lessee but with regard to voting trust provisions and provisions delegating certain control rights to the Owner Trustee), as the case may be. Each party hereto agrees to take such steps, at Owner Participant's expense, as Owner Participant shall reasonably request in order to assist Owner Participant in complying with its obligations under this Section 9.2. Owner Participant agrees to indemnify and hold harmless the other parties hereto for any and all losses, liabilities, costs and expenses incurred by such parties arising from the failure of the Aircraft to be eligible for registration in the name of Owner Trustee attributable to Owner Participant's failure to be a Citizen of the United States at any time during the Term.

9.3 Owner Trustee. Trust Company covenants that, if at any time when the Aircraft is registered in the United States Trust Company is not or ceases to be a Citizen of the United States and the Aircraft would thereupon become ineligible for registration in the name of Owner Trustee under the Transportation Code as in effect at such time and the regulations then applicable thereunder (without regard to any "based and primarily used" provision, or other provision that in any way could restrict the use and operation of the Aircraft by Lessee), Trust Company shall resign immediately as Owner Trustee in accordance with Section 9.01 of the Trust Agreement. Trust Company agrees to indemnify and hold harmless the other parties hereto for any and all losses, liabilities, costs and expenses incurred by such parties arising from Trust Company's failure to be a Citizen of the United States at any time during the Term.

Section 10. Miscellaneous.

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

(a) if to Lessee:

American Airlines, Inc.
4333 Amon Carter Boulevard, MD 5662
Fort Worth, Texas 76155
Attention: Treasurer
Facsimile: 817.967.4318
Telephone: 817.963.1234

(b) if to Owner Participant:

[Name of Owner Participant]
[Address of Owner Participant]
Attention:
Facsimile:
Telephone:

(c) if to Owner Trustee:

Wells Fargo Bank Northwest, National Association

MAC: 1240-026
260 N. Charles Lindbergh Dr.
Salt Lake City, UT 84116
Attention: Corporate Trust Lease Group
Facsimile: 801.246.7142
Telephone: 801.246.6000

With a copy to the Owner Participant.

Any party, by notice to the other parties hereto, may designate different addresses for subsequent notices or communications. Whenever the words “notice” or “notify” or similar words are used herein, they mean the provision of formal notice as set forth in this Section 10.1.

10.2 Late Payments; Business Days; Currency. In the event that any amounts required to be paid hereunder are not paid when due, such amounts shall bear interest, to the extent permitted by applicable law, from the due date thereof to, but not including, the date such

amount is paid, at the Overdue Rate. If any amount required to be paid hereunder is due on a day that is not a Business Day, such amount shall be paid on the next succeeding Business Day with the same force and effect as if paid on the scheduled date of payment, and no interest shall accrue on the amount of such payment from and after such scheduled date to the time of payment on such next succeeding Business Day. All payment obligations by the parties hereto under the Operative Documents shall be payable in U.S. Dollars.

10.3 Concerning Owner Trustee. Wells Fargo Bank Northwest, National Association is entering into the Operative Documents solely in its capacity as Owner Trustee under the Trust Agreement and not in its individual capacity (except as expressly provided in the Operative Documents), and in no case shall Wells Fargo Bank Northwest, National Association (or any entity acting as successor Owner Trustee under the Trust Agreement) be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of Lessor or Owner Trustee under the Operative Documents; provided, however, that Wells Fargo Bank Northwest, National Association (or any successor Owner Trustee) shall be personally liable under the Operative Documents for its own gross negligence, its own simple negligence in the handling of funds actually received by it in accordance with the terms of the Operative Documents, its willful misconduct and its breach of its covenants, representations and warranties in the Operative Documents, to the extent covenanted or made in its individual capacity or as otherwise expressly provided in the Operative Documents; provided, further, that nothing contained in this Section 10.3 shall be construed to limit the exercise and enforcement in accordance with the terms of the Operative Documents of rights and remedies against the Trust Estate.

10.4 Confidential Information. All Confidential Information shall be held confidential by each of Owner Trustee, Trust Company and Owner Participant and shall not, without the prior written consent of Lessee, be furnished or disclosed to anyone other than (a) such party's bank examiners, auditors, accountants, agents and legal counsel, each with an absolute need to know such information; (b) any Person with whom such party is in good faith conducting negotiations relating to the possible Back-Leveraging Transaction or permitted transfer, sale or other disposition of its rights and obligations under this Agreement, the Lease and the other Operative Documents, if such Person shall have entered into an agreement for the express benefit of Lessee to hold such Confidential Information confidential in accordance with the provisions of this Section 10.4; (c) except as may be required by an order of any court or administrative agency or by any statute, rule, regulation or order of any governmental authority; and (d) except to the extent such Confidential Information becomes publicly available or becomes available on a non-confidential basis from a source other than any party to the Operative Documents or any Affiliate thereof. Notwithstanding anything to the contrary in the Operative Documents, except as reasonably necessary to comply with applicable securities law, the parties to the Operative Documents (and their respective employees, representatives and agents) may disclose to any and all persons, without limitation of any kind, the United States federal or state income tax treatment and tax structure of the transaction contemplated thereby and all materials of any kind provided to them relating to such tax treatment and tax structure. For this purpose, "tax structure" means any facts relevant to the United States federal or state income tax treatment of such transaction, but (unless otherwise required by applicable Law) does not include information relating to the identity of the parties. The obligations set forth in this Section 10.4 shall survive any termination or rescission of this Agreement or other Operative Documents, as the case may be.

10.5 Further Assurances. Each party hereto shall execute, acknowledge and deliver or shall cause to be executed, acknowledged and delivered, all such further agreements, instruments, certificates or documents, and shall do and cause to be done such further acts and things, including, without limitation, making or consenting to registrations on the International Registry with respect to the Lease contemplated by Section 2 and appointing Aviation Counsel as its "professional user entity" (as defined in the Cape Town Treaty) to make or consent to any registrations or discharges on the International Registry with respect to the Airframe or any Engine, in any case, as any other party hereto shall reasonably request in connection with the administration of, or to carry out more effectively the purposes of, or to better assure and confirm into such other party the rights and benefits to be provided under this Agreement; provided that this sentence is not intended to impose upon Lessee any additional liabilities not contemplated by this Agreement.

10.6 Third Party Beneficiary. Except for Indemnified Persons and Tax Indemnitees not a party hereto (each of which shall be deemed to be express third party beneficiaries with respect to the provisions of Section 7.1 or 7.2, as the case may be, subject to Section 7.3.3), this Agreement is not intended to, and shall not, provide any Person not a party hereto with any rights of any nature whatsoever against any of the parties hereto and no Person not a party hereto shall have any right, power or privilege in respect of any party hereto, or have any benefit or interest, arising out of this Agreement.

10.7 Miscellaneous.

10.7.1 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

10.7.2 Amendments. No term or provision of this Agreement may be amended, modified or supplemented orally, but only by an instrument in writing signed by the party against which the enforcement of the amendment, modification or supplement is sought.

10.7.3 Prior Agreements. This Agreement and the other Operative Documents, and all certificates, instruments and other documents relating thereto delivered and to be delivered from time to time pursuant to the Operative Documents, supersede any and all representations, warranties and agreements (other than any Operative Document) prior to the date of this Agreement, written or oral, between or among any of the parties hereto relating to the transactions contemplated hereby and thereby.

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

10.7.5 Binding Agreement. This Agreement shall be binding upon and inure to the benefit of, Owner Participant and, subject to the provisions of Section 8.2, its successors and permitted assigns, Owner Trustee and its successors as Owner Trustee under the Trust Agreement, Trust Company and its successors and permitted assigns, and Lessee and, subject to the terms of Section 6.1.3, its successors and permitted assigns.

10.7.6 No Waiver. No failure on the part of Owner Participant, Owner Trustee, Trust Company or Lessee to exercise, and no delay in exercising, any right, power or privilege under this Agreement or any other Operative Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder and thereunder. Except as may be expressly limited herein or by any other Operative Document, the remedies herein provided are cumulative and not exclusive of any remedies provided by Law.

10.7.7 Governing Law; Jurisdiction.

(a) THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK.

(b) [Except for the period prior to the Plan Effective Date, during which the Bankruptcy Court shall have exclusive jurisdiction, in][1] [In] relation to any legal action or proceeding arising out of or in connection with this Agreement or any other Operative Document, each of Owner Participant, Trust Company, Owner Trustee and Lessee (a) irrevocably submits to the nonexclusive jurisdiction of each of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York, and other courts with jurisdiction to hear appeals from such courts, and (b) to the maximum extent permitted by applicable Law, waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such action or proceeding, that the action or proceeding is brought in an inconvenient forum, that the venue of the action or proceeding is improper or that this Agreement or any other Operative Document or the subject matter hereof or thereof or any of the transactions contemplated hereby or thereby may not be enforced in or by such courts. [Owner Participant irrevocably designates and appoints [name of process agent] as process agent to receive for it and on its behalf service of process in any proceedings arising hereunder or under any other Operative Document to which it is a party. Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.][2]

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY

[1] Include for all deliveries occurring during the pendency of Lessee's Chapter 11 Case.

[2] Include only if there is a foreign Owner Participant.

APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY IN ANY LEGAL OR EQUITABLE ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY OR THE SUBJECT MATTER OF ANY OF THE FOREGOING.

10.7.8 Section 1110. It is the intention of the parties hereto that the Lease, to the fullest extent available under applicable law, entitles Lessor to the benefits of Section 1110 with respect to the Aircraft. In the furtherance of the forgoing, the parties hereby confirm that the Lease is to be treated as a lease for U.S. federal income tax purposes. Nothing contained in this paragraph shall be construed to limit Lessee's use and operation of the Aircraft under the Lease or constitute a representation or warranty by any party as to tax consequences.

10.7.9 Waiver of Immunity. To the extent that Owner Participant or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, and whether under the United States Foreign Sovereign Immunities Act of 1976 (or any successor legislation) or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon any Operative Documents to which it is a party, including, without limitation, immunity from suit or service of process, immunity from jurisdiction or judgment of any court or tribunal or execution of a judgment, or immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, Owner Participant hereby irrevocably and expressly waives any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as of the day and year first above written.

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

[NAME OF OWNER PARTICIPANT]

By: _____
Name:
Title:

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity (except as expressly provided herein) but solely as Owner Trustee

By: _____
Name:
Title:

EXHIBIT A

FORM OF OPINION OF [ASSOCIATE] GENERAL COUNSEL FOR LESSEE

[Letterhead of American Airlines, Inc.]

[ ], 20[ ]

To Each of the Addressees
Listed on Schedule I Attached Hereto:

Re: American Airlines, Inc.
One Airbus [Model] Aircraft
(U.S. Registration No. N[ ])

Ladies and Gentlemen:

I am [Associate] General Counsel of American Airlines, Inc., a Delaware corporation (the "**Lessee**"), and as such I am delivering this opinion in connection with the transactions contemplated by the Participation Agreement ([YEAR] MSN [MSN]), dated as of [ ], 20[ ] (the "**Participation Agreement**"), among Wells Fargo Bank Northwest, National Association, a national banking association, not in its individual capacity, except as expressly provided therein, but solely as owner trustee (in such capacity, the "**Lessor**", and in its individual capacity, the "**Trust Company"**), the Lessee and [Name of Owner Participant, type of entity and jurisdiction of organization] (the "**Owner Participant**"). This opinion is being delivered pursuant to Sections 4.1.1(i) and 4.2.1(a) of the Participation Agreement. Capitalized terms used herein without definition are used as defined in the Participation Agreement.

In so acting, I or attorneys under my supervision have examined (i) the Participation Agreement, (ii) the Lease Agreement ([YEAR] MSN [MSN]), dated as of [ ], 20[ ] (the "**Lease Agreement**"), between the Lessor and the Lessee, (iii) Lease Supplement No.1, dated today (the "**Lease Supplement**"), between the Lessor and the Lessee and (iv) the Trust Agreement ([YEAR] MSN [MSN]), dated as of [ ], 20[ ], between the Trust Company and the Owner Participant, each delivered on the date hereof by the Lessee to the Lessor (the documents listed in clauses (i) through (iv), collectively, the "**Operative Documents**") and have examined and relied upon the representations and warranties as to factual matters contained therein or made pursuant thereto and upon the originals, or copies certified or otherwise identified to our satisfaction, of such records, documents, certificates and other instruments as in our judgment are necessary or appropriate to enable me to render the opinion expressed below. In all such examinations, we have assumed the legal capacity of all natural persons executing documents, the genuineness of all signatures on original or certified copies, the authenticity of all original or certified copies and the conformity to original or certified documents of all copies submitted to us as conformed or reproduction copies.

Based on and subject to the foregoing and subject to the further assumptions and qualifications set forth below, I am of the following opinion:

1. The Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority[, as a debtor in possession under Sections 1107 and 1108 of the Bankruptcy Code,][1] to own and hold under lease its properties and to enter into and perform its obligations under the Participation Agreement, the Lease Agreement and the Lease Supplement (collectively, the "**Lessee Documents**").

2. The Lessee holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49 of the United States Code (such Title 49, the "**Transportation Code**") for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo.

3. The execution, delivery and performance by the Lessee of the Lessee Documents have been duly authorized by all necessary corporate action on the part of the Lessee [and by the Bankruptcy Court][2], do not require any stockholder approval or approval or consent of any trustee or holder of any indebtedness or obligations of the Lessee known to me, and do not violate any current law, governmental rule or regulation or any judgment or order known to me to be binding on the Lessee, or violate the Certificate of Incorporation or By-Laws of the Lessee, or violate the provisions of, or constitute a default under, or result in the creation of any Lien (other than as permitted by the terms of the Lease Agreement) upon the property of the Lessee under, any indenture, mortgage, contract or other agreement or instrument known to me to which the Lessee is a party or by which it or any of its property is bound.

4. Except for the filings referred to in paragraph 6 below [and the Bankruptcy Court Order][3], neither the execution and delivery by the Lessee of the Lessee Documents, nor the consummation by the Lessee of the transactions contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, the U.S. Department of Transportation, the FAA or any other Federal or State of New York or Texas governmental authority.

5. Each of the Lessee Documents has been duly executed and delivered by the Lessee and constitutes the valid and binding obligation of the Lessee, enforceable against the Lessee in accordance with its terms.

6. Except for (a) the filing for recordation with the FAA of the FAA Bill of Sale relating to the Aircraft showing the transfer of title from the Manufacturer to the Lessor and the filing with the FAA of the aircraft registration application relating to the Aircraft in accordance with the Transportation Code and the registration of the Aircraft in the name of the Lessor with

---

[1] Include if the Closing occurs during the pendency of the Chapter 11 case.

[2] *Id*

[3] *Id.*

the FAA, (b) the filing for recordation with the FAA of the Lease Agreement, with the Lease Supplement attached, in accordance with the Transportation Code, (c) the filing with the FAA of the appropriate FAA forms relating to filings, registrations and recordations under the Cape Town Treaty (including, without limitation, AC Form 8050-135) and (d) such filings, registrations and recordations as may be necessary or advisable under the Cape Town Treaty: (i) with respect to such portion of the Aircraft as is covered by the recording system established by the FAA pursuant to the Transportation Code, and assuming at the time of each such filing that no other unrecorded documents relating to the Aircraft have been filed pursuant to the Transportation Code but have not been shown on indices of filed but unrecorded documents made available to special Oklahoma City counsel, no further filing or recording of any document is necessary or advisable under the laws of the State of New York or Texas or the Federal laws of the United States of America in order to establish and perfect the interest of the Lessor in the Aircraft as against the Lessee and any third parties claiming by or through the Lessee in any applicable jurisdiction of the United States, except for periodic renewals of the registration of the Aircraft in the name of the Lessor with the FAA as may be necessary under the FAA regulations governing United States registration of aircraft; and (ii) with respect to such portion, if any, of the Aircraft as may not be covered by such recording system, no further filing or recording of any document (including any financing statement) is necessary or advisable under Article 9 of the Uniform Commercial Code as in effect in the State of New York (the "**NY UCC**") and Chapter 9 of the Uniform Commercial Code as in effect in the State of Texas (the "**Texas UCC**" and together with the NY UCC, the "**UCC**") in order to establish and perfect the interest of the Lessor in the Aircraft as against the Lessee and any third parties claiming by or though the Lessee in such States, except for the filing of a Uniform Commercial Code financing statement in the State of Delaware, and the filing of continuation statements with respect thereto required to be filed at periodic intervals under the Uniform Commercial Code of the State of Delaware and such other filings or recordings as may be necessary under the laws of the State of Delaware.

7. There are no pending or, to the best of my knowledge, threatened actions or proceedings before any court or administrative agency or arbitrator that would materially adversely affect the ability of the Lessee to perform its obligations under the Lessee Documents.

8. The Lessor for the Aircraft, as Lessor under the Lease Agreement, is entitled to the benefits of Section 1110 of the U.S. Bankruptcy Code (11 U.S.C. § 1110) with respect to the Airframe and Engines subject to the Lease Agreement on the date hereof.

My opinions set forth above are subject to (i) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' or lessors' rights or remedies generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), (iii) an implied covenant of good faith, reasonableness and fair dealing, and standards of materiality, and (iv) in the case of indemnity, contribution or exculpation provisions, public policy considerations. In addition, applicable laws and interpretations may affect the validity or enforceability of certain remedies provided for in the Lease Agreement, but such limitations do not, in my opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein). Without limiting the foregoing, I express no opinion as to the validity, binding effect or enforceability of any provision of the Operative Documents that purports to (w) waive, release or vary any statutory right of any party

or any duties owing to any party to the extent that such waiver, release or variation may be limited by Section 1-102(3) of the NY UCC or Section 1.302(b) of the Texas UCC, (x) prohibit the Lessee from transferring its respective rights in any Lessee Document, as the enforceability of such prohibition may be limited by Section 2A-303 of the UCC, (y) provide for liquidated damages in an amount that exceeds the amount that is reasonable in light of the anticipated harm caused by the Lessee's default or other applicable act or omission, or (z) provide that the terms thereof may not be waived or modified except in writing, or that any prohibited or unenforceable provision thereof may be severed without invalidating the remaining provisions thereof. In addition, the enforceability of any provision in the Operative Documents to the effect that certain determinations made by one party shall have conclusive effect may be limited under certain circumstances. I express no opinion as to (w) the enforceability of any purported right of set-off with respect to any contingent or unmatured obligations, (x) any reference to the subject matter jurisdiction of a United States Federal court to adjudicate any controversy, (y) any waiver of inconvenient forum or improper venue, or (z) any provisions of any Operative Document relating to the submission to the jurisdiction of any court other than the courts of the State of New York sitting in the County of New York and the United States District Court for the Southern District of New York. My opinion in paragraph 5 above with respect to the choice of law and choice of forum provisions of the Lessee Documents is given in reliance on, and is limited in scope to, Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York, and I express no opinion with respect to any such provision insofar as it exceeds such scope.

I express no opinion as to the validity, binding effect or enforceability of any of the Operative Documents, or of any security interest created under any of the Operative Documents, to the extent that such Operative Documents grant or purport to grant an interest that is not governed by the UCC or the Transportation Code. Except as set forth in paragraph 6 above, I express no opinion as to the validity or perfection of the interests purported to be created under the Operative Documents.

I have assumed that the Operative Documents constitute legal, valid and binding obligations of each party thereto (other than the Lessee) enforceable against such party in accordance with their respective terms. I also have relied on the opinion, dated today and addressed to you, relating to the Aircraft of Daugherty, Fowler, Peregrin, Haught & Jenson, P.C., special Oklahoma City counsel, and I have made no investigation of law or fact as to the matters stated in such opinion. My opinion is subject to all the assumptions, qualifications and limitations contained in such opinion. I have also assumed that the Operative Documents and the transactions contemplated thereby are not within the prohibitions of Section 406 of the Employee Retirement Income Security Act of 1974, as amended. I express no opinion herein as to the title to or any other interest of the Lessor in or to the Aircraft, Airframe, Engines or any part thereof, and in rendering the foregoing opinions I have assumed that the Lessor with respect to the Aircraft holds, and will continue to hold, good title to the Aircraft, free and clear of all Liens other than the Liens created by the Lessee Documents. With your permission, my opinion is limited to the laws of the States of New York and Texas, the General Corporation Law of the State of Delaware and the Federal laws of the United States of America, except that I express no opinion with respect to the antitrust, bankruptcy (except to the extent specifically set forth in paragraph 8 above), environmental, securities or tax laws of any jurisdiction, or with respect to the Cape Town Treaty or any laws, rules or regulations relating thereto or promulgated thereunder.

This opinion letter is limited to the matters stated, and no opinion is implied or may be inferred beyond the matters expressly stated herein. The opinions expressed herein are rendered only as of the date hereof, and I assume no responsibility to advise you of changes in law, facts, circumstances, events or developments which hereafter may be brought to my attention and which may alter, affect or modify the opinions expressed herein.

The opinions expressed herein are solely for the benefit of the addressee hereof in connection with the transactions contemplated by the Participation Agreement and may not be used for any other purpose. Neither my opinions nor this opinion letter may be relied upon by any other Person without my prior written consent.

Very truly yours,

SCHEDULE I

Wells Fargo Bank Northwest, National Association, as Owner Trustee

[Name of Owner Participant], as Owner Participant

[[Name of Owner Participant Guarantor], as Owner Participant Guarantor, if applicable]

EXHIBIT B

FORM OF OPINION OF SPECIAL COUNSEL FOR OWNER TRUSTEE

[Letterhead of Ray, Quinney & Nebeker P.C.]

[ ], 20[ ]

TO THE ADDRESSEES LISTED ON
SCHEDULE A ATTACHED HERETO

Re: **One Airbus [Model] aircraft bearing U.S. Registration Number N[ ] and Manufacturer's Serial Number [MSN]**

Dear Sir or Madam:

We have acted as counsel to Wells Fargo Bank Northwest, National Association, a national banking association, in its individual capacity ("**WFBN**") and as Owner Trustee (the "**Owner Trustee**") in connection with the transactions contemplated by that certain Participation Agreement ([YEAR] MSN [MSN]) dated as of [ ] (the "**Participation Agreement**") among Wells Fargo Bank Northwest, National Association, not in its individual capacity, except as expressly provided therein, but solely as Owner Trustee, [ ], a [jurisdiction] [type of entity], as Owner Participant (the "**Owner Participant**"), and American Airlines, Inc., as lessee (the "**Lessee**"). This opinion is being delivered pursuant to Section 4.1.1(i)(ii) of the Participation Agreement. Except as otherwise defined herein, all capitalized terms used herein shall have the respective meanings set forth in, or by reference to, Annex A to the Participation Agreement.

We have examined and relied on copies furnished to us of the following documents:

(a) the Participation Agreement;

(b) the Trust Agreement;

(c) the Lease Agreement; and

(d) the Lease Supplement No. 1, dated the date hereof (the documents described in items (a) through (d) being collectively referred to as the "**Operative Documents**").

We have examined and relied upon originals, or copies certified or otherwise identified to our satisfaction, of such records, documents, certificates and other instruments as we have deemed necessary or advisable for the purposes of rendering this opinion.

Based on and subject to the foregoing, we are of the opinion that:

1. WFBN is a national banking association duly organized and validly existing and in good standing under the laws of the United States and has the full corporate and trust power, authority and legal right in its individual capacity and as Owner Trustee, as the case may be, to execute and deliver the Operative Documents to which it is a party and perform its obligations thereunder. WFBN is a "citizen of the United States" within the meaning of 49 U.S.C. §40102(a)(15).

2. The execution, delivery and performance by WFBN and the Owner Trustee of the Operative Documents to which each is a party, the consummation by WFBN or the Owner Trustee, as the case may be, of the transactions contemplated thereby and compliance by WFBN or the Owner Trustee, as the case may be, with the terms thereof (i) have been duly authorized by all necessary corporate and trust action on the part of WFBN or the Owner Trustee, as the case may be, (ii) do not contravene, or result in a breach of or constitute any default under WFBN's charter documents or by-laws or the provisions of any indenture, mortgage, contract or other agreement, in each case known to us, to which it is party or by which it or any of its properties is or may be bound or affected and (iii) does not and will not contravene any law or governmental rule or regulation of the United States or the State of Utah governing the banking or trust powers of WFBN, or any order or judgment known to us and applicable to or binding on WFBN or the Owner Trustee, as the case may be.

3. Each of the Operative Documents to which WFBN or the Owner Trustee, as the case may be, is a party has been duly executed and delivered by WFBN, in its individual capacity or as Owner Trustee, as the case may be, and is the legal, valid and binding obligation of WFBN, in its individual capacity or as Owner Trustee, as the case may be, enforceable against WFBN, in its individual capacity or as Owner Trustee, as the case may be, in accordance with its terms.

4. No taxes, fees or other charges (other than taxes payable by the Owner Trustee on or measured by any compensation received by the Owner Trustee for its services) are required to be paid under the laws of the State of Utah or any political subdivision thereof (i) in connection with the execution, delivery or performance by WFBN or the Owner Trustee of the Operative Documents; and (ii) by any party to the Operative Documents with respect to the transactions contemplated thereby in either case solely because the Trust is created under, and the Trust Agreement is governed by, the laws of the State of Utah or because WFBN is a national banking association with its principal place of business in Salt Lake City, Utah, and administers the Trust Estate in Utah.

5. To our knowledge, there exist no Liens affecting the right, title and interest of the Owner Trustee in and to the Aircraft resulting from Claims against WFBN not related to the ownership of the Aircraft or the administration of the Trust or any other transaction contemplated by the Trust Agreement and the other Operative Documents.

6. To our knowledge, there are no pending or threatened actions or proceedings against or affecting WFBN or the Owner Trustee before any court or administrative agency or arbitration board or tribunal, individually or in the aggregate, which, if determined adversely to it, would materially adversely affect the power or ability of WFBN or the Owner Trustee to perform its obligations under the Operative Documents.

7. No consent, license, approval or authorization of, or filing, registration or qualification with, or giving of notice or taking of any other action with respect to, any Utah or local government authority or agency, or any United States federal government agency or agency regulating the banking or trust powers of WFBN is required in connection with the execution, delivery and performance by WFBN, either in its individual capacity or as Owner Trustee, of the Operative Documents to which it, in such capacity, is a party or any of the transactions contemplated thereby, other than any such consent, license, approval, authorization, filing, registration, qualification, notice or action as has been duly obtained, given or taken and is in full force and effect.

The foregoing opinions are subject to the following assumptions, exceptions and qualifications:

A. The foregoing opinions are limited to the laws of the State of Utah and the federal laws of the United States of America governing the banking and trust powers of WFBN. In addition, without limiting the foregoing we express no opinion with respect to (i) federal securities laws, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended, (ii) Title 49 of the United States Code Annotated (previously known as the Federal Aviation Act of 1958), as amended (except with respect to the opinion set forth in paragraph 1 above concerning the citizenship of WFBN), (iii) the Federal Communications Act of 1934, as amended, or (iv) state securities or blue sky laws. Insofar as the foregoing opinions relate to the legality, validity, binding effect and enforceability of the Operative Documents involved in these transactions, which by their terms are governed by the laws of a state other than Utah, we have assumed that such documents constitute legal, valid, binding and enforceable agreements under the laws of such other state, as to which we express no opinion.

B. The opinion set forth in paragraph 1 above concerning the citizenship of WFBN is based upon the facts contained in an affidavit of WFBN, made by its authorized officer, which facts we have not independently verified.

C. The foregoing opinions regarding enforceability of any document or instrument are subject to (i) applicable bankruptcy, insolvency, moratorium, reorganization, receivership and similar laws affecting the rights and remedies of creditors generally, and (ii) general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

D. As to the documents involved in these transactions, we have assumed that each is a legal, valid and binding obligation of each party thereto, other than WFBN or the Owner Trustee, and is enforceable against each such party in accordance with their respective terms.

E. We have assumed that all signatures, other than those of the Owner Trustee or WFBN, on documents and instruments involved in these transactions are genuine, that all documents and instruments submitted to us as originals are authentic, and that all documents and instruments submitted to us as copies conform with the originals, which facts we have not independently verified.

F. We do not purport to be experts in respect of, or express any opinion concerning laws, rules or regulations applicable to, the particular nature of the equipment involved in these transactions.

G. We have made no investigation of, and we express no opinion concerning, the nature of the title to any part of the equipment involved in these transactions or the priority of any mortgage or security interest.

H. We have assumed that the Participation Agreement and the transactions contemplated thereby are not within the prohibitions of Section 406 of the Employee Retirement Income Security Act of 1974.

I. In addition to any other limitation by operation of law upon the scope, meaning, or purpose of this opinion, this opinion speaks only as of the date hereof. We have no obligation to advise the recipients of this opinion (or any third party) of changes of law or fact that may occur after the date hereof, even though the change may affect the legal analysis, a legal conclusion or an information confirmation herein.

J. The opinions expressed in this letter are solely for the use of the parties to which it is addressed in matters directly related to the Participation Agreement and the transactions contemplated thereunder and these opinions may not be relied on by any other persons or for any other purpose without our prior written approval. The opinions expressed in this letter are limited to the matters set forth in this letter, and no other opinions should be inferred beyond the matters expressly stated.

Very truly yours,

RAY QUINNEY & NEBEKER P.C.

SCHEDULE A

American Airlines, Inc., as Lessee

[ ], as Owner Participant

[ ], as Owner Participant Guarantor, if applicable

EXHIBIT C

[INTENTIONALLY LEFT BLANK]

EXHIBIT D

FORM OF OPINION OF AVIATION COUNSEL

To the Parties Named on
Schedule 1 attached hereto

RE: One (1) Airbus model (shown on the IR as) aircraft bearing manufacturer's serial number and U.S. Registration No. N (the "**Airframe**") and two (2) model (shown on the IR as) aircraft engines bearing manufacturer's serial numbers and (the "**Engines**")

Ladies and Gentlemen:

Acting as special legal counsel in connection with the transactions contemplated by the instruments described below, this opinion is furnished to you with respect to (i) the registration of interests with the International Registry (the "**IR**") created pursuant to, and according to the provisions of, the Convention on International Interests in Mobile Equipment (the "**Convention**"), the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the "**Protocol**"), both signed in Cape Town, South Africa on November 16, 2001, together with the Regulations for the International Registry (the "**Regulations**"), the International Registry Procedures (the "**Procedures**"), and all other rules, amendments, supplements, and revisions thereto (collectively, the "**CTT**"), all as in effect on this date in the United States of America, as a Contracting State, and (ii) the recordation of instruments and the registration of airframes with the Federal Aviation Civil Aircraft Registry (the "**FAA**") under the requirements of Title 49 of the United States Code (the "**Transportation Code**").

Terms capitalized herein and not otherwise defined herein shall have the meanings given in the CTT.

On , we examined and filed with the FAA the following described instruments at the respective times listed below:

(a) AC Form 8050-2 Aircraft Bill of Sale dated (the "**FAA Bill of Sale**") by Airbus S.A.S., as seller (the "**Seller**"), which conveyed title to the Airframe to Wells Fargo Bank Northwest, National Association, as owner trustee (the "**Owner Trustee**") under the Trust Agreement ([Year] MSN [MSN]) dated as of (the "**Trust Agreement**") between as owner participant and the Owner Trustee, which FAA Bill of Sale was filed at .M., C. .T.;

(b) AC Form 8050-1 Aircraft Registration Application dated (the "**Aircraft Registration Application**") by the Owner Trustee, with respect to the Airframe, to which was/were attached the Affidavit(s) required by Section 47.7(c)(2)(ii/iii) of the Federal Aviation Regulations (the "**Affidavit(s)**") which Aircraft Registration Application with the Affidavit(s) attached was filed at .M., C. .T.;

(c) the Trust Agreement was filed at .M., C. .T.; and

(d) Lease Agreement ([Year] MSN [MSN]) dated as of between the Owner Trustee, as lessor, and American Airlines, Inc., as lessee (the "**Lessee**"), with Lease Supplement No. 1 dated between the Owner Trustee, as lessor, and the Lessee covering the Airframe and Engines attached thereto (collectively, the "**Lease**"), which Lease was filed at .M., C. .T.

We have also examined a copy of the Warranty Bill of Sale dated (the "**Warranty Bill of Sale**") from the Seller conveying title to the Airframe and the Engines to the Owner Trustee.

The interest created by the FAA Bill of Sale and the Warranty Bill of Sale is referred to herein as the "**CTT Sale**". The interest created by the Lease is referred to herein as the "**CTT Lease Interest**". The CTT Sale and the CTT Lease Interest are referred to herein collectively as the "**CTT Interests**".

Based upon our examination of the foregoing instruments and such records of the FAA and the IR as we deemed necessary to render this opinion, it is our opinion that:

1. the Airframe and the Engines constitute Aircraft Objects based upon the Interim Updatable List of Eligible Aircraft Objects compiled by the FAA;
2. the Aircraft Registration Application with the Affidavit(s) attached and the Trust Agreement are in due form for filing and have been duly filed with the FAA pursuant to and in accordance with the Transportation Code;
3. the FAA Bill of Sale and the Lease are in due form for recordation by, and have been duly filed for recordation with, the FAA pursuant to and in accordance with the Transportation Code;
4. the Airframe is eligible for registration by the FAA for purposes of the Transportation Code in the name of the Owner Trustee and the filing with the FAA of the FAA Bill of Sale, the Aircraft Registration Application, the Trust Agreement and the Affidavit(s) will cause the FAA to register the Airframe, in due course, in the name of the Owner Trustee, at which time the FAA will issue an AC Form 8050-3 Certificate of Aircraft Registration in the name of the Owner Trustee, pursuant to and in accordance with the Transportation Code;
5. the owner of the Airframe for registration purposes at the FAA is the Owner Trustee and the Airframe and the Engines are free and clear of liens and encumbrances of record at the FAA except as created by the Lease;
6. the rights of the Owner Trustee, as lessor, and the Lessee under the Lease, with respect to the Airframe and the Engines at the FAA, are perfected;

7. based upon the Priority Search Certificates obtained from the IR, copies of which are attached hereto as Schedule 2 and incorporated herein by reference:

   (a) the Airframe and the Engines are subject only to the CTT Lease Interest;

   (b) the CTT Lease Interest has been duly registered on the IR and constitutes a first priority International Interest in the Airframe and the Engines; and

   (c) the CTT Sale has been duly registered on the IR and constitutes a Sale with respect to the Airframe and the Engines;

8. the CTT Interests are entitled to the priorities, protections and benefits of the CTT, subject to the statements on Exhibit A attached hereto;

9. no further registration on the IR of the CTT Interests is required under the CTT in order to maintain the effectiveness and priority thereof and no other registration of the Airframe or filings other than filings with the FAA (which have been duly effected) are necessary in order to:

   (a) maintain the registration of the Airframe in the name of the Owner Trustee, subject to compliance with the provisions of Title 14, Section 47.40 of the Code of Federal Regulations relating to re-registration and renewal of the registration of the Airframe; and

   (b) maintain the lien and priority of the Lease, with respect to the Airframe and the Engines; and

10. no authorization, approval, consent, license or order of, or registration with, or the giving of notice to, the FAA is required for the valid authorization, delivery and performance of the Trust Agreement and the Lease, except for such filings as are referred to above.

In the event the CTT Interests are not subject to the CTT, then the interests created thereby are governed by the Transportation Code or applicable law.

This opinion is subject to certain comments, limitations and assumptions as listed in Exhibit A attached hereto and incorporated herein by reference.

In rendering this opinion we have relied upon the opinion of the Aeronautical Center Counsel dated , a copy of which is attached hereto.

Very truly yours,

ROBIN D. JENSON
For the Firm

SCHEDULE 1

American Airlines, Inc., as Lessee

Wells Fargo Bank Northwest, National Association, as Owner Trustee

[Name of Owner Participant], as Owner Participant

[Name of Owner Participant Guarantor], as Owner Participant Guarantor, if applicable

SCHEDULE 2

[the Priority Search Certificates attached hereto]

EXHIBIT A

Assumptions and Limitations

In rendering the foregoing opinion we have assumed that:

(i) the records maintained by the FAA are accurate in all respects;

(ii) the Priority Search Certificates are accurate in all respects, contain all the registered information and data on the IR in connection with the Airframe and the Engines to which they relate, and have not been altered since the date of such Priority Search Certificates;

(iii) there have been no registrations made on the IR against the Airframe and the Engines using descriptions which vary from the IR descriptions shown above for the Airframe and the Engines and, for the purposes of this opinion, only the models and serial numbers contained in the IR descriptions of the Airframe and the Engines shown above were utilized for the IR searches;

(iv) the IR descriptions of the Airframe and the Engines are as noted above and are accurate and complete descriptions with respect to the registrations on the IR;

(v) at the time the Lease was concluded, the Debtor was situated, pursuant to the CTT, in the United States;

(vi) the necessary parties under the Lease have given the consents in writing to the registration with the IR of the interests in the Airframe and the Engines created thereby;

(vii) each of the CTT Interests is effective under applicable local law to constitute an interest, a sale, an assignment or a discharge which is subject to the CTT and registration on the IR;

(viii) all of the registrations indicated on the Priority Search Certificates are fully and properly constituted and validly created under the CTT;

(ix) all documents identified in this opinion, all documents in the records maintained by the FAA for the Airframe and the Engines, as well as any registrations on the IR pertaining to the Airframe and the Engines, are valid, enforceable and sufficient under the relevant applicable law or the CTT to create, effect or terminate the rights and interests they purport to create, effect or terminate;

(x) in rendering this opinion, we have assumed that:

(a) the Owner Trustee qualifies as a "citizen of the United States" as defined in the Transportation Code;

(b) the instruments described above are valid and enforceable under applicable local law; and

(c) there are no documents with respect to the Airframe or the Engines which have been filed for recordation with the FAA under the FAA's recording system but which have not yet been listed in the available records of such system as having been so filed;

(xi) there has been no subordination or variation of any priority that would be acquired pursuant to the terms of the CTT, in connection with the registrations on the IR evidenced by the Priority Search Certificates other than pursuant to any subordination indicated on the Priority Search Certificates;

(xii) the Airframe is not registered under the civil aircraft registry of any other country;

(xiii) the Interim Updatable List of Eligible Aircraft Objects compiled by the FAA, insofar as it relates to the Airframe and the Engines, is accurate in all respects;

(xiv) the Airframe and the Engines have been accurately described by manufacturer's name, model and serial number by the parties in the instruments described above; and

(xv) the United States Contracting State search certificate description of declarations, withdrawals of declarations and categories of non-consensual rights or interests, as communicated to the Registrar by UNIDROIT as the Depositary as having been declared by the United States, and the date on which each such declaration or withdrawal of declaration is recorded, are accurate in all respects.

In addition, our opinion is subject to the following limitations:

(i) a search on the IR pursuant to the CTT requires that the searching party enter the exact manufacturer, model or serial number of an airframe or engine being searched using the appropriate drop down boxes, where available, and if a registration has been made on the IR against the Airframe or the Engines which describes the Airframe or the Engines differently (i.e. any space, comma, dash, added number or character, missing number or character, or any other discrepancy whatsoever in the description of the manufacturer, model or serial number) the Priority

Search Certificates will produce an inaccurate search result; accordingly, there may be registrations on the IR against the Airframe and the Engines which are not reflected on the Priority Search Certificates and which may have priority over subsequent registrations on the IR or filings with the FAA;

(ii) the opinion relating to the registration of the Airframe with the FAA is issued only as to its current eligibility for registration and not with respect to events which may occur in the future which may affect the continued eligibility for registration;

(iii) as to matters of United States Citizenship as defined in the Transportation Code, the undersigned has relied upon representations made in the Aircraft Registration Application;

(iv) because the FAA does not maintain registration records for engines for nationality purposes, we cannot independently verify the owner, make, model, or serial numbers of the Engines;

(v) in rendering this opinion, we are subject to the accuracy of the FAA, its employees and agents in the filing, indexing, cross-referencing, imaging and recording of instruments filed with the FAA;

(vi) no opinion is expressed herein as to laws other than the CTT and the Transportation Code;

(vii) this opinion as to the status of the records of the FAA as to the Airframe covers only that period of time during which the Airframe has been subject to United States Registration;

(viii) the Lease was filed with the FAA with certain information intentionally omitted from the FAA filing counterpart as containing confidential or proprietary information and we have relied upon the opinion of John H. Cassady, Deputy Chief Counsel of the FAA issued September 16, 1994 (Federal Register/Volume 59, Number 182/September 21, 1994) and the current practices of the FAA with respect to the eligibility of the Lease for recordation with the confidential omissions; and

(ix) since our examination was limited to records maintained by the FAA and the IR, our opinion:

(a) in respect of rights derived from FAA filings, does not cover liens, claims or encumbrances of which the parties have actual notice as contemplated by 49 U.S.C. §44108(a);

(b) in respect of rights derived from FAA filings or registrations with the IR, does not cover liens, claims or encumbrances which are perfected without the filing of notice thereof with the FAA or the IR, including without limitation, federal tax liens, liens arising under Section 1368(a) of Title 29 of the United States Code, liens arising under 49 U.S.C. §46304 and certain artisan's liens;

(c) does not cover liens perfected in foreign jurisdictions, except to the extent applicable law would regulate their priority based on registration with the IR; and

(d) does not cover any rights to arrest or detain an airframe or an engine under any applicable law.

EXHIBIT E

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ([YEAR] MSN [MSN]), dated as of [ ] (as amended, modified or supplemented from time to time, this "**Agreement**)", among (i) **[NAME OF ASSIGNOR]**, a [jurisdiction] [type of entity] (together with its successors and permitted assigns, "**Assignor**"), (ii) **[NAME OF ASSIGNEE]**, a [jurisdiction] [type of entity] (together with its successors and permitted assigns, "**Assignee**") and (iii) **AMERICAN AIRLINES, INC.**, a Delaware corporation (together with its successors and permitted assigns, "**Lessee**").

RECITALS:

1. Reference is made to one Airbus [Model] aircraft bearing the manufacturer's serial number [MSN] and U.S. Registration No. [Reg. No.] (as more fully described in the Participation Agreement referred to below, the "**Aircraft**").

2. Assignor and Assignee desire to effect (a) the transfer by Assignor to Assignee of all of the right, title and interest of Assignor (except as reserved below) in and to (i) the Operative Documents, (ii) the Trust Estate and (iii) the proceeds from any of the foregoing and (b) the assumption by Assignee of the obligations of Assignor accruing under the Operative Documents (such transfer and assumption, the "**Assignment and Assumption**").

3. The Participation Agreement ([YEAR] MSN [MSN]), dated as of [ ], among Lessee, Assignor, as Owner Participant, and Wells Fargo Bank Northwest, National Association, a national banking association, not in its individual capacity except as expressly provided therein, but solely as Owner Trustee (as amended, modified or supplemented from time to time, the "**Participation Agreement**") permits such Assignment and Assumption upon satisfaction of certain conditions heretofore or concurrently herewith being complied with.

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

1. Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined herein shall have the meanings set forth, and shall be construed and interpreted in the manner described, in the Participation Agreement.

2. Conditions to Effectiveness; Effective Time.

(a) Prior to the Effective Time or, in the case of subclause [(v)] [(vi)] [(vii)], at the Effective Time:

(i) Assignor or Assignee shall have paid or reimbursed Owner Trustee, Trust Company, Lessee or any other party for any fees, charges or expenses incurred by Owner Trustee, Trust Company, Lessee or any such party in connection with the Assignment and Assumption (including, without limitation the reasonable out-of-pocket expenses of Lessee and its legal fees and expenses);

(ii) Assignee shall have provided to each of Lessee and Owner Trustee a duly completed and executed original IRS Form [ ][1] establishing a complete exemption from U.S. federal withholding Taxes with respect to all payments of Rent or other amounts to or for the benefit of Owner Trustee or Owner Participant under the Operative Documents;

(iii) Assignee shall have delivered to each of Lessee and Owner Trustee a legal opinion of [ ] in accordance with Section 8.2(a) of the Participation Agreement;

(iv) Assignee shall have delivered to each of Lessee and Owner Trustee a certificate of a duly authorized officer of [Assignee/Owner Participant Guarantor] in accordance with Section 8.2(a) of the Participation Agreement;

(v) [Owner Participant Guarantor shall have delivered to each of Lessee and Owner Trustee [describe the Owner Participant Guarantee] in accordance with Section 8.2(a) of the Participation Agreement;]

(vi) [Assignee shall have provided to each of Lessee and Owner Trustee evidence of Assignee's appointment of the process agent as provided in Section 11(c) and of such process agent's acceptance of such appointment;][2]; and

(vii) the representations and warranties of Assignor and Assignee made herein shall be correct and accurate in all material respects, in each case as though made on and as of such date, or if such representations and warranties relate solely to an earlier date, as of such earlier date.

(b) Subject to the satisfaction or waiver of the conditions set forth in subsection (a) by the parties hereto, this Agreement shall become effective at [[a.m.][p.m.]] on [ ] (the "**Effective Time**").

3. Assignment. Assignor has transferred, and does hereby transfer unto Assignee, as of the Effective Time, all of its present and future right, title and interest in and to the Operative Documents, the Trust Estate, and any proceeds from the foregoing, except such rights of Assignor as have arisen or accrued to Assignor prior to the Effective Time (including specifically, but without limitation, the right to receive any amounts due or accrued to Assignor under the Operative Documents as of a time prior to the Effective Time and the right to receive any indemnity payment pursuant to the Participation Agreement with respect to events occurring prior to such time), in each case subject to the rights of Lessee thereunder.

---

[1] Insert the applicable IRS form number(s).

[2] Include if foreign OP; otherwise, insert "[intentionally omitted]".

4. Assumption. Assignee hereby accepts the Transfer set forth in Section 3 and assumes and undertakes all of the duties and obligations of Assignor whenever accrued (other than duties and obligations of Assignor required to be performed by Assignor prior to the Effective Time under the Operative Documents) pursuant to the Operative Documents, including without limitation, any obligations it may have under any Operative Document with regard to Lessee or Owner Trustee, in each case subject to Lessee's rights thereunder. Assignee hereby confirms that from and after the Effective Time it (a) shall be deemed a party to the Participation Agreement and the Trust Agreement, (b) shall be deemed the party named as the "Owner Participant" for all purposes of the Operative Documents and (c) shall be bound by, and shall perform and observe, all of the terms of each Operative Document (including the agreements and obligations of Assignor set forth therein) as if therein named the Owner Participant. Assignor hereby assumes the risk of any adverse tax or other adverse consequences of the Assignment and Assumption to any party to, or any Indemnified Person or Tax Indemnitee under, any of the Operative Documents (other than Assignee). Based on the terms and conditions of this Agreement and the representations, warranties and covenants of Assignor and Assignee contained herein, Lessee agrees that from and after the Effective Time Assignee shall be deemed the party named as the "Owner Participant" for all purposes of the Operative Documents.

5. Release of Assignor. Assignor will remain liable for the duties, obligations and liabilities of the "Owner Participant" under the Operative Documents except for the duties, obligations and liabilities expressly assumed by Assignee under Section 4. Except as provided in the preceding sentence, Assignor shall be relieved of all of its duties, obligations and liabilities under the Operative Documents; provided that Assignor shall in no event be released from any such duty, obligation or liability (i) arising or relating to any event occurring prior to the Effective Time, (ii) on account of any breach by Assignor of any of its representations, warranties, covenants or obligations contained herein or in any Operative Document or any other Assumption Agreement, or for any fraudulent or willful misconduct engaged in by Assignor, (iii) that relates to any indemnity claimed by Assignor or (iv) relating to or arising out of any Lessor's Lien attributable to Assignor.

6. Appointment as Attorney-in-Fact. In furtherance of the assignment set forth in Section 3, Assignor hereby constitutes and appoints Assignee the true and lawful attorney of Assignor, with full power of substitution, in the name of Assignee or in the name of Assignor but on behalf of and for the benefit of and at the expense of Assignee, to collect for the account of Assignee all items sold, transferred or assigned to Assignee pursuant hereto; to institute and prosecute, in the name of Assignor or otherwise, but at the expense of Assignee, all proceedings that Assignee may deem proper in order to collect, assert or enforce any claim, right or title of any kind in or to the items sold, transferred or assigned; to defend and compromise at the expense of Assignee any and all actions, suits or proceedings as to title to or interest in any of the property acquired by Assignee; and to do all such acts and things in relation thereto at the expense of Assignee as Assignee shall reasonably deem advisable. Assignor hereby acknowledges that this appointment is coupled with an interest and is irrevocable by Assignor in any manner or for any reason.

7. Payments. Assignor hereby covenants and agrees to pay over to Assignee, if and when received following the Effective Time, any amounts (including any sums payable as interest in respect thereof) paid to or for the benefit of Assignor that, under Section 3, belong to Assignee, and Assignee hereby covenants and agrees to pay over to Assignor, if and when received following the Effective Time, any amounts (including any sums payable as interest in respect thereof) paid to or for the benefit of Assignee that, under Section 3, belong to Assignor.

8. Representations and Warranties of Assignor. Assignor represents and warrants that:

(a) Assignor is [type of entity] duly organized, validly existing and in good standing under the laws of [jurisdiction of organization] and has the [corporate] power and authority to own or hold under lease its properties, to carry on its business and operations and to enter into and perform its obligations under this Agreement.

(b) The execution, delivery and performance by Assignor of this Agreement have been duly authorized by all necessary [corporate] action on the part of Assignor, do not require any [stockholder] approval or approval or consent of any trustee or holder of indebtedness or obligations of Assignor, except such as have been duly obtained, or violate or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under the Operative Documents) upon the property of Assignor under, any indenture, mortgage, contract or other agreement to which Assignor is a party or by which Assignor or its properties is or are bound or affected. The execution, delivery and performance by Assignor of this Agreement do not and will not violate the [organizational documents] of Assignor or any current law, governmental rule, regulation, judgment or order binding on Assignor (including, without limitation, any such law, rule, regulation, judgment or order relating to money-laundering, anti-corruption or export control or imposing economic sanctions).

(c) Neither the execution and delivery by Assignor of, nor the performance by Assignor of its obligations under, nor the consummation by Assignor of the transactions contemplated in, this Agreement requires the consent or approval of, or the giving of notice to, or the registration with, or the taking of any other action in respect of any [jurisdiction of organization] governmental authority having jurisdiction.

(d) This Agreement has been duly executed and delivered by Assignor and constitutes the legal, valid and binding obligation of Assignor enforceable against Assignor in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and general principles of equity.

(e) There are no pending or, to Assignor's knowledge, threatened actions or proceedings before any court, arbitrator or administrative agency which would materially adversely affect the ability of Assignor to perform its obligations under this Agreement or the Operative Documents.

(f) Neither Assignor nor any Person authorized to act on its behalf has directly or indirectly offered any interest in the Trust Estate or the Trust Agreement or any similar security to, or solicited any offer to acquire any of the same from, any Person in violation of the registration requirements of the Securities Act or any other applicable securities law.

(g) At the Effective Time, there are no Lessor's Liens attributable to Assignor.

(h) No Person acting on behalf of Assignor is or will be entitled to any broker's fee, commission or finder's fee in connection with any transaction contemplated by this Agreement or the Operative Documents.

(i) The Assignment and Assumption (1) does not violate the Transportation Code, the Securities Act or any other Law (including, without limitation, ERISA, any laws or regulations imposing U.S. economic sanctions measures or any orders or licenses issued thereunder), or create a relationship that would be in violation thereof, (2) does not result in a "prohibited transaction" under Section 4975 of the Code, (3) does not adversely affect the registration of the Aircraft in the name of Owner Trustee with the FAA (or the aeronautical authority of the country of registry of the Aircraft if the Aircraft is not registered under the laws of the United States), (4) will not subject Lessee to any additional regulation under, or require Lessee to give any notice to, register with, make any filings with or take any other action in respect of, any governmental authority or agency of any jurisdiction, (5) does not require registration under the Securities Act or any foreign securities laws, require qualification of an indenture under the Trust Indenture Act, or require Lessee to sign any registration statement, (6) unless Lessee consents, the Transfer contemplated hereby does not involved a Rule 144A, Regulation S or other capital markets or equity syndication transaction not described in the immediately preceding clause (5), and (7) does not result in, or involve, incurrence by Lessee of any indebtedness for accounting purposes (it being understood that, if any change in the lease accounting standards applicable to Lessee requires that Lessee, independently of the Transfer contemplated hereby, capitalize its leases, including the Lease, in Lessee's books, such capitalization of the Lease is not intended to constitute, and shall not be construed as, incurrence by Lessee of any indebtedness for accounting purposes within the meaning of this clause (7)).

(j) Assignor has fully performed all of its obligations under the Operative Documents, which obligations by their terms are required to be satisfied or performed prior to the Effective Time or prior to the consummation of the transactions contemplated hereby.

9. Representations and Warranties of Assignee. Assignee represents and warrants that:

(a) Assignee is [type of entity] duly organized, validly existing and in good standing under the laws of [jurisdiction of organization] and has the [corporate] power and authority to own or hold under lease its properties, to carry on its business and operations, to enter into and perform its obligations under this Agreement and to perform its obligations under the Operative Documents to which it is or will be a party.

(b) The execution, delivery and performance by Assignee of this Agreement, and the performance by Assignee of the Operative Documents to which it is or will be party, have been duly authorized by all necessary [corporate] action on the part of Assignee, do not require any [stockholder] approval or approval or consent of any trustee or holder of indebtedness or obligations of Assignee, except such as have been duly obtained, or violate or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than

as permitted under the Operative Documents) upon the property of Assignee under, any indenture, mortgage, contract or other agreement to which Assignee is a party or by which Assignee or its properties is or are bound or affected. The execution, delivery and performance by Assignee of this Agreement and the performance by Assignee of the Operative Documents to which it is or will be party and the acquisition by Assignee of its interest in the Trust Estate (and the rights related thereto) do not and will not violate the [organizational documents] of Assignee or any current law, governmental rule, regulation, judgment or order binding on Assignee (including, without limitation, any such law, rule, regulation, judgment or order relating to money-laundering, anti-corruption or export control or imposing economic sanctions).

(c) Neither the execution and delivery by Assignee of this Agreement, nor the performance by Assignee of its obligations under, nor the consummation by Assignee of the transactions contemplated in, this Agreement and the Operative Documents to which Assignee is or will be a party, requires the consent or approval of, or the giving of notice to, or the registration with, or the taking of any other action in respect of any [jurisdiction of organization] governmental authority having jurisdiction.

(d) This Agreement has been duly executed and delivered by Assignee and constitutes, and each Operative Document to which Assignee will be a party will constitute, the legal, valid and binding obligation of Assignee enforceable against Assignee in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and general principles of equity.

(e) There are no pending or, to Assignee's knowledge, threatened actions or proceedings before any court, arbitrator or administrative agency which would materially adversely affect the ability of Assignee to perform its obligations under this Agreement or any Operative Document to which it is or will be a party.

(f) Neither Assignee nor any Person authorized to act on its behalf has directly or indirectly offered any interest in the Trust Estate or the Trust Agreement or any similar security to, or solicited any offer to acquire any of the same from, any Person in violation of the registration requirements of the Securities Act or any other applicable securities law.

(g) At the Effective Time, there are no Lessor's Liens attributable to Assignee, and the execution, delivery and performance of this Agreement will not result in any Lessor's Lien attributable to Assignee.

(h) Either (i) Assignee is a Citizen of the United States or (ii) the Trust Agreement is in a form that permits the Aircraft to be registered with the FAA in the name of Owner Trustee (without regard to any provision of applicable law that permits FAA registration of an aircraft by limiting its location and usage but with regard to voting trust provisions and provisions delegating certain control rights to the Owner Trustee), notwithstanding the failure of Assignee to be a Citizen of the United States.

(i) Assignee is not an airline or other commercial operator of aircraft, freight forwarder, or any other company directly or indirectly engaged in the business of passenger, cargo, freight or parcel transportation, or any Affiliate thereof.

(j) Either (a) no part of the funds to be used by Assignee to make and hold its investment pursuant to this Agreement directly or indirectly constitutes assets of any "employee benefit plan" (as defined in Section 3(3) of ERISA) or of any "plan" (as defined in Section 4975(e) of the Code) or (b) its purchase and holding of its interest in the Trust Estate and its investment pursuant to this Agreement are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions.

(k) Assignee is a Qualifying Institution (as such term is defined in Section 8.2(a)(ii) of the Lease) (or a parent corporation of the Assignee which qualifies as a Qualifying Institution shall have executed and delivered to Lessee a guaranty substantially in the form of Exhibit G to the Participation Agreement or otherwise in form and substance reasonably satisfactory to Lessee).

(l) The Assignment and Assumption (1) does not violate the Transportation Code, the Securities Act or any other Law (including, without limitation, ERISA, any laws or regulations imposing U.S. economic sanctions measures or any orders or licenses issued thereunder), or create a relationship that would be in violation thereof, (2) does not result in a "prohibited transaction" under Section 4975 of the Code, (3) does not adversely affect the registration of the Aircraft in the name of Owner Trustee with the FAA (or the aeronautical authority of the country of registry of the Aircraft if the Aircraft is not registered under the laws of the United States), (4) will not subject Lessee to any additional regulation under, or require Lessee to give any notice to, register with, make any filings with or take any other action in respect of, any governmental authority or agency of any jurisdiction, (5) does not require registration under the Securities Act or any foreign securities laws, require qualification of an indenture under the Trust Indenture Act, or require Lessee to sign any registration statement, (6) unless Lessee consents, the Transfer contemplated hereby does not involve a Rule 144A, Regulation S or other capital markets or equity syndication transaction not described in the immediately preceding clause (5), and (7) does not result in, or involve, incurrence by Lessee of any indebtedness for accounting purposes (it being understood that, if any change in the lease accounting standards applicable to Lessee requires that Lessee, independently of the Transfer contemplated hereby, capitalize its leases, including the Lease, in Lessee's books, such capitalization of the Lease is not intended to constitute, and shall not be construed as, incurrence by Lessee of any indebtedness for accounting purposes within the meaning of this clause (7)).

(m) [Assignee is a domestic [corporation][partnership] for U.S. federal income tax purposes.][3]

[3] If Assignee is a foreign entity, replace with language to the following effect: "Assignee is (x) taxed as a [corporation] for U.S. federal income tax purposes, (y) a corporation resident in [ ] for [ ] tax purposes [(by virtue of being managed and controlled in [ ])] and (z) a resident of [ ] within the meaning of the income tax convention between [ ] and the United States (the "**Treaty**") and fully eligible for the benefits of the ["Business Profits"]["Industrial or Commercial Profits"], "Interest" and "Other Income" articles of the Treaty with respect to all payments under the Lease and the other transaction documents and all income of Lessor with respect thereto." If a foreign Assignee is tax-transparent, add similar language regarding its owners. In addition, a foreign Assignee will need to provide an opinion or representation substantially to the following effect: "Under applicable Law in effect at the Effective Time, assuming the Aircraft is not located or used by Lessee or any sublessee of Lessee at or after the Effective Time in [Assignee's country] and neither Lessee, Owner Trustee nor Trust Company is acting, or has acted, under the Operative Documents through an office or other fixed place of business or an agent in [Assignee's country], neither Lessee nor Owner Trustee will be required to charge, withhold or otherwise collect any sales, stamp, value added or similar Tax imposed by [Assignee's country], or any political subdivision thereof, with respect to the Operative Documents or any Rent payable at or after the Effective Time."

10. Certain Agreements.

(a) Assignee agrees that, except as expressly permitted by Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing, notwithstanding anything herein or in any Operative Document to the contrary, neither it nor any Person claiming by, through or under it shall take or cause to be taken any action inconsistent with Lessee's rights under the Lease and Lessee's right to quiet enjoyment of the Aircraft, the Airframe, any Engine or any Part, or otherwise in any way interfere with or interrupt the use, operation and continuing possession of the Aircraft, the Airframe, any Engine or any Part by Lessee or any sublessee, assignee or transferee under any sublease, assignment or transfer then in effect and permitted by the terms of the Lease.

(b) Notwithstanding anything to the contrary contained herein or in the Operative Documents, each of Assignor and Assignee hereby agrees, for the benefit of Lessee, that as determined at the Effective Time none of Lessee's obligations, responsibilities, liabilities, costs and risks in the use and operation of the Aircraft or under, relating to or in respect of the Operative Documents or otherwise, including, without limitation, under or in respect of any of Lessee's payment or indemnity obligations, shall be increased or altered, and none of Lessee's rights and benefits under any Operative Document shall be diminished, as a result of or in connection with the Assignment and Assumption or any aspect thereof or any other transaction relating thereto (it being acknowledged that an increase in the number of indemnitees shall not, of itself, constitute an increase in Lessee's obligations under the Operative Documents).

11. Miscellaneous.

(a) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

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

(c) THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THIS AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK. [Assignee irrevocably designates and appoints [name of process agent] as process agent to receive for it and on its behalf service of process in any proceedings arising hereunder or under any other Operative Document to which it is a party. Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.][4]

(d) To the extent that Assignee or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, and whether under the United States Foreign Sovereign Immunities Act of 1976 (or any successor legislation) or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon any Operative Documents to which it is a party, including, without limitation, immunity from suit or service of process, immunity from jurisdiction or judgment of any court or tribunal or execution of a judgment, or immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, Assignee hereby irrevocably and expressly waives any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

[4] Include only if Assignee is a foreign entity.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption Agreement to be duly executed as of the day and year first above written.

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

Accepted and Agreed:

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

EXHIBIT F

FORM OF BUYER FURNISHED EQUIPMENT BILL OF SALE

Know all persons by these presents that American Airlines, Inc., a corporation organized and existing under the laws of the State of Delaware, and having its chief executive office at 4333 Amon Carter Blvd., Ft. Worth, TX 76155 ("**Seller**"), was this [*day*] [*month*] [*year*] the owner of the title to the equipment listed on Annex A hereto and all appliances, components, parts, instruments, appurtenances, accessories, furnishings, modules and other equipment of any nature, incorporated therein, installed thereon or attached thereto on the date hereof (the "**BFE**"). The Seller does this day of [month] [year], grant, convey, bargain, sell, transfer, deliver and set over all of its rights, title and interest in and to the BFE to the following entity and to its successors and assigns forever, such BFE to be the property thereof:

[Insert Name/Address of OT]

(the "**Buyer**")

The Seller hereby warrants to the Buyer, its successors and assigns that it has good and lawful right to sell, deliver and transfer title to the BFE to the Buyer and that there is hereby conveyed to the Buyer good, legal and valid title to the BFE, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever.

This Warranty Bill of Sale will be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this day of [month], [year] in [Blagnac/Hamburg].

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

ANNEX A
TO
BFE BILL OF SALE

LA 1 – Participation Agreement

EXHIBIT G

FORM OF OWNER PARTICIPANT GUARANTEE

GUARANTEE ([YEAR] MSN [MSN])

dated as of •, 20•

---

by

[NAME OF OWNER PARTICIPANT GUARANTOR]

TABLE OF CONTENTS

GUARANTEE

GUARANTEE dated as of [•], 20[•] by **[OWNER PARTICIPANT GUARANTOR]**, a **[FORM OF ENTITY]** organized and existing under the laws of **[JURISDICTION]** (together with its successors and assigns, "**Guarantor**"), for the benefit of the parties listed in Exhibit A attached hereto (together with their respective successors and assigns, the "**Beneficiaries**").

WHEREAS, [OWNER PARTICIPANT], a [FORM OF ENTITY] organized and existing under the laws of [JURISDICTION] (together with its successors and assigns, the "**Owner Participant**") is majority-owned subsidiary of Guarantor;

WHEREAS, Guarantor derives substantial benefit from the Owner Participant entering into the transactions contemplated by the OP Documents;

WHEREAS, American Airlines, Inc. ("**American**"), as lessee, the Owner Participant and Wells Fargo Bank Northwest, National Association, a national banking association, not in its individual capacity except as expressly provided herein, but solely as owner trustee, as lessor ("**Lessor**"), entered into a Participation Agreement ([YEAR] MSN [MSN]), dated as of the date hereof (as may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the "**Participation Agreement**");

WHEREAS, American and Lessor entered into a Lease Agreement ([YEAR] MSN [MSN]) dated as of the date hereof (as may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the "**Lease**");

[WHEREAS, substantially contemporaneously herewith, the Owner Participant and the Beneficiary are entering into a Lessee Consent and Agreement ([YEAR] MSN [MSN]), dated as of the date hereof (as may be amended, supplemented or otherwise modified from time to time in accordance with its terms, the "**Lessee Consent**"), among Lessor, the Owner Participant, the Beneficiary and the other parties named therein;][1]

WHEREAS, it is a condition to the Lessee's obligation to enter into the transactions contemplated by the Participation Agreement that Guarantor agrees to guarantee the obligations of the Owner Participant in each of the Operative Documents executed or to be executed by the Owner Participant or by which the Owner Participant is bound (such Operative Documents, [together with the Lessee Consent,][2]in each case, as amended, modified or supplemented from time to time, being referred to herein as the "**OP Documents**");

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

[1] Insert if there is a contemporaneous leveraging transaction.

[2] *Id.*

Section 1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings given them in Annex A to the Lease.

Section 2. Affirmation of Representations and Warranties under OP Documents. Guarantor hereby represents and warrants to the Beneficiaries that all of the representations and warranties of the Owner Participant contained in the OP Documents are true and correct as of the date hereof.

Section 3. Guarantee.

3.1 Guarantee of Obligations under OP Documents. Guarantor irrevocably and unconditionally guarantees to the Beneficiaries the due and punctual performance of and compliance with all covenants, agreements, terms and conditions of each of the OP Documents required to be performed or complied with by the Owner Participant (including, without limitation, in the case of a Back-Leveraging Transaction, the Owner Participant's representations, warranties and covenants described in Section 8.3.1(b) of the Participation Agreement and compliance of the applicable Back-Leveraging Transaction with the terms of Section 8.3 of the Participation Agreement) (all such payment obligations and other covenants, agreements, terms and conditions, being referred to herein as the "**Obligations**"). In case the Owner Participant shall fail to perform or comply with any Obligation, Guarantor will forthwith perform and comply with such Obligation or cause the same forthwith to be performed or complied with, and, in case the Owner Participant shall fail to pay or perform duly and punctually any Obligation required to be made or performed by the Owner Participant under any OP Document when and as the same shall be due and payable, or required to be performed, as the case may be, in accordance with the terms of such OP Document, Guarantor will immediately pay or perform, as the case may be, the same to the Person entitled thereto and in addition, pay such further amount, if any, as shall be sufficient to cover all reasonable costs and expenses (including, without limitation, all reasonable fees and disbursements of counsel) that may be paid or incurred by the Beneficiaries in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting any or all of the Obligations.

3.2 Unconditional Obligations. The guarantee by Guarantor contained in Section 3.1 hereof is a primary obligation of Guarantor and is an unconditional, absolute, present and continuing obligation and is not conditioned in any way upon the institution of suit or the taking of any other action with respect to the representations and warranties of the Owner Participant contained in any OP Document or any attempt to enforce performance of or compliance with the Obligations (including, without limitation, any payment obligations). To the extent that performance or compliance with the guarantee by Guarantor contained in Section 3.1 hereof requires the payment of money, such guarantee is an absolute, unconditional, present and continuing guarantee of payment and not of collectability and is in no way conditioned or contingent upon the validity, or enforceability of any OP Document or any of the Obligations or any collateral security, other guarantee, if any, or credit support therefor or any attempt to collect from the Owner Participant or any other entity or to perfect or enforce any security or upon any other condition or contingency or upon any other action, occurrence or circumstance whatsoever. Such guarantee shall continue to be effective, or be reinstated, as the case may be, if at any time payment, in whole or in part, of any of the sums due to any of the Beneficiaries pursuant to the

terms of any OP Document is rescinded or must otherwise be restored or returned upon the bankruptcy, insolvency, reorganization, arrangement, adjustment, composition, dissolution, liquidation, or the like, of the Owner Participant or Guarantor, or upon or as a result of, the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Owner Participant or Guarantor or any substantial part of their respective property, or otherwise, all as though such payment had not been made notwithstanding any termination of this Guarantee or any OP Document. Guarantor shall not commence against the Owner Participant any "case" (as defined in Title 11 of the United States Code, the "**Bankruptcy Code**") under the Bankruptcy Code or any similar proceeding under any state insolvency, bankruptcy or similar statute.

3.3 Guarantor's Obligations Not Affected. The obligations of Guarantor under this Guarantee shall remain in full force and effect without regard to, and shall not be impaired or affected by:

3.3.1 any extension, indulgence or renewal in respect of the payment of any amount payable, or the performance of any Obligation; or

3.3.2 any amendment or modification of or addition or supplement to or deletion from any of the terms of any OP Document, or any other agreement (including, without limitation, any collateral security, other guarantee, if any, or other credit support or right of offset with respect thereto) which may be made relating to any OP Document or any Obligation; or

3.3.3 any compromise, waiver, release or consent or other action or inaction in respect of any of the terms of any OP Document, or any other agreement (including, without limitation, any collateral security, other guarantee, if any, or other credit support or right of offset with respect thereto) which may be made relating to any OP Document or any Obligation; or

3.3.4 any exercise or non-exercise by any of the Beneficiaries of any right, power, privilege or remedy under or in respect of this Guarantee or any OP Document, or any waiver of any such right, power, privilege or remedy or of any default in respect of this Guarantee or any OP Document or any guarantee or other agreement executed pursuant hereto, or any receipt of any security or any release of any security; or

3.3.5 any bankruptcy, insolvency, reorganization, arrangement, adjustment, composition, dissolution, liquidation, or the like, of the Owner Participant, Guarantor or any other Person; or

3.3.6 any limitation of the liability of the Owner Participant under the terms of any OP Document which may now or hereafter be imposed by any statute, regulation or rule of law; or

3.3.7 any merger or consolidation of the Owner Participant or Guarantor into or with any other person or entity, or any sale, lease or transfer of any or all of the assets of the Owner Participant or Guarantor to any other person or entity; or

3.3.8 any indebtedness of the Owner Participant to any person or entity, including Guarantor; or

3.3.9 any claim, set-off, deduction or defense Guarantor or the Owner Participant may have against any of the Beneficiaries, whether hereunder or under any OP Document or independent of or unrelated to the transactions contemplated by the OP Documents; or

3.3.10 any change in law; or

3.3.11 absence of any notice to, or knowledge by, Guarantor of the existence or occurrence of any of the matters or events set forth in the foregoing subdivisions (a) through (j); or

3.3.12 any sale, transfer or other disposition by the Owner Participant of any right, title or interest in and to any OP Document or the Aircraft; or

3.3.13 any other circumstance whatsoever, whether similar or dissimilar to the foregoing, whether foreseen or unforeseen, that might otherwise constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or that might otherwise limit recourse against Guarantor. No obligations of the Owner Participant are affected hereby.

3.4 Waiver. Guarantor unconditionally waives, to the fullest extent permitted by Law, (a) notices of the creation of any Obligation under the OP Documents or any of the matters referred to in Section 3.3 hereof or any notice of or proof of reliance by any of the Beneficiaries upon this Guarantee or acceptance of this Guarantee (the Obligations shall conclusively be deemed to have been created, contracted, incurred or renewed, extended, amended or waived in reliance upon this Guarantee and all dealings between the Owner Participant or Guarantor and any Beneficiary shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee), (b) all notices which may be required by statute, rule of law or otherwise, now or hereafter in effect, to preserve intact any rights of any of the Beneficiaries against Guarantor, including, without limitation, any demand, presentment and protest, proof of notice of non-payment under any OP Document, and notice of default or any failure on the part of the Owner Participant to perform and comply with any Obligation, (c) any right to the enforcement, assertion or exercise by any of the Beneficiaries of any right, power, privilege or remedy conferred herein or in any OP Document or otherwise, (d) any requirement of promptness or diligence on the part of any of the Beneficiaries, or (e) any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety, or which might otherwise limit recourse against Guarantor.

3.5 Waiver of Rights of Subrogation and Contribution. Guarantor will not assert any right to which it may become entitled, whether by subrogation, contribution or otherwise, against the Owner Participant or any of its properties, by reason of the performance by Guarantor of its obligations under this Agreement, nor shall Guarantor seek or be entitled to seek any reimbursement from the Owner Participant in respect of payments made by Guarantor until such time as all of the Obligations of the Owner Participant under the OP Documents shall be duly and fully performed.

3.6 Payments. Guarantor hereby guarantees that all payments hereunder shall be paid without set-off, counterclaim, deduction or withholding (or, if there is any such deduction or withholding for Taxes, Guarantor hereby agrees to pay additional amounts such that Guarantor bears such Taxes), and shall be made in U.S. Dollars; provided, that such Beneficiary shall have provided Guarantor with any withholding form, certificates or documents that such Beneficiary is legally entitled to provide if necessary or advisable to reduce or eliminate such withholding taxes, provided, however, that no Beneficiary shall be required to deliver such form, certificates or documents to reduce or eliminate any withholding taxes imposed by any non U.S. jurisdiction as a result of payments being made from, or Guarantor's or Owner Participant's connection with, such jurisdiction unless (x) Guarantor shall have provided to such Beneficiary timely notice of the requirement for such documentation, (y) such Beneficiary determines in good faith that it would suffer no risk of adverse consequences by providing the applicable form, and (z) Guarantor has agreed to pay, and does pay after demand therefor, on an After-Tax Basis, all costs and expenses incurred by such Beneficiary in providing the applicable form. If any payment of Guarantor hereunder is converted into a claim, proof, judgment or order in a currency other than Dollars, Guarantor will indemnify the Beneficiaries as an independent obligation against any loss arising out of or as a result of such receipt or conversion.

Section 4. Representations, Warranties and Covenants of Guarantor.

4.1 Representations and Warranties of Guarantor. As of the date hereof, Guarantor hereby represents and warrants that: (a) it is a [FORM OF ENTITY] duly organized and validly existing under the laws of [JURISDICTION] and has the corporate power and authority to carry on its present business and operations, to own or hold under lease its properties and to enter into and perform its obligations under this Guarantee, and this Guarantee has been duly authorized, executed and delivered by it and is legal, valid and binding on it and is enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity; (b) the execution and delivery by Guarantor of this Guarantee and compliance by it with all of the provisions hereof do not and will not contravene any Law or any order of any court or governmental authority or agency applicable to or binding on it or contravene the provisions of, or constitute a default under, [its certificate of incorporation or by-laws] or any indenture, mortgage, contract or any agreement or instrument to which it is a party or by which it or any of its property may be bound or affected; (c) no authorization or approval or other action by, and no notice to or filing with, any [jurisdiction of organization] governmental authority having authority over Guarantor or its assets is required for the due execution, delivery or performance by it of this Guarantee; (d) there are no pending or threatened actions or proceedings before any court or administrative agency which would materially adversely affect its ability to perform its obligations under this Guarantee; (e) the Owner Participant is a majority-owned subsidiary of Guarantor; and (f) Guarantor is a Qualifying Institution.

4.2 Covenants of Guarantor. For so long as the Owner Participant is a party to the OP Documents:

4.2.1 Guarantor agrees that it will not impair Owner Participant's ability to perform its obligations under the OP Documents; and

4.2.2 Guarantor agrees to comply with the terms and conditions of Section 10.4 of the Participation Agreement with respect to any Confidential Information.

Section 5. Costs and Expenses. Guarantor will pay all reasonable costs and expenses (including, without limitation, reasonable legal fees and expenses) incurred by or on behalf of any of the Beneficiaries in connection with the enforcement of Guarantor's obligations under this Guarantee.

Section 6. Survival of Representations, Warranties and Agreements. The representations, warranties and agreements of Guarantor contained herein shall survive the execution and delivery of this Guarantee and the consummation of the transactions contemplated hereby and by the Operative Documents.

Section 7. Notices, etc. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, authorizations, directions, consents or waivers required or permitted under the terms and provisions of this Guarantee shall be in English and in writing, and given by United States registered or certified mail, return receipt requested, postage prepaid, overnight courier service or facsimile, and any such notice shall be effective when received (or, if delivered by facsimile, upon completion of transmission and confirmation by the sender (by a telephone call to a representative of the recipient or by machine confirmation) that such transmission was received) and addressed, (a) if to Guarantor, at • or at such other address as Guarantor shall from time to time designate in writing to American, (b) if to American, at 4333 Amon Carter Boulevard, Mail Drop 5662, Ft. Worth, Texas 76155, Attention: Treasurer, Fax: (817) 967-4318, Tel: (817) 963-1234 or at such other address as American shall from time to time designate in writing to Guarantor, or (c) if to the Lessor, at • or at such other address as the Lessor shall from time to time designate in writing to Guarantor

Section 8. Amendments and Waivers. Neither this Guarantee nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by Guarantor and the Beneficiaries.

Section 9. Severability of this Guarantee. Any provision of this Guarantee which is prohibited and unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10. Miscellaneous. This Guarantee shall remain in full force and effect until payment in full of all sums payable hereunder under the OP Documents, and performance in full of all obligations of Guarantor hereunder, it being understood that upon the transfer of the Owner Participant's interest pursuant to the terms of the OP Documents, subject to the payment in full of all sums due and payable hereunder and performance in full of all obligations of Guarantor hereunder and subject to such transfer complying with Section 8.2 of the Participation Agreement, this Guarantee shall terminate. This Guarantee constitutes the entire agreement and

supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. The index preceding this Guarantee and the headings of the various Sections of this Guarantee are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof. The terms of this Guarantee shall be binding upon the successors of Guarantor, and shall inure to the benefit of the Beneficiaries and their successors and permitted assigns. Guarantor hereby irrevocably submits to the nonexclusive jurisdiction of each of the Supreme Court of the State of New York, New York County and the United States District Court for the Southern District of New York, and other courts with jurisdiction to hear appeals from such court and other courts with jurisdiction to hear appeals from such court for the purposes of any suit, action or other proceeding arising out of this Guarantee, the subject matter hereof or any of the transactions contemplated hereby. **THIS GUARANTEE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THIS GUARANTEE IS BEING DELIVERED IN THE STATE OF NEW YORK.**

Section 11. [Agent for Service of Process. Guarantor agrees that its designated agent for service of process relating to any proceedings arising out of or connected with this Guarantee is •. Guarantor agrees that service of process in any action or proceeding described in Section 10 may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such agent for service of process at its address referred to in the first sentence of this Section 11. Guarantor, by notice to the Beneficiaries, may designate a different agent and address for subsequent service of process; provided that Guarantor will take all action, including the filing of any and all documents and instruments, as may be necessary so that it shall at all times have an agent for service of process for the above purposes in the County of New York, State of New York. Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.][3]

Section 12. Time of the Essence. The time stipulated in this Guarantee for all payments by Guarantor to any of the Beneficiaries and for prompt, punctual performance of Guarantor's obligations under this Guarantee shall be of the essence for this Guarantee.

Section 13. Waiver of Immunity. To the extent that Owner Participant or any of its properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, and whether under the United States Foreign Sovereign Immunities Act of 1976 (or any successor legislation) or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon any Operative Documents to which it is a party, including, without limitation, immunity from suit or service of process, immunity from jurisdiction or judgment of any court or tribunal or execution of a judgment, or immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, Owner Participant hereby irrevocably and expressly waives any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere.

[3] Include if Guarantor is foreign.

IN WITNESS WHEREOF, the undersigned has caused this Guarantee to be duly executed by its duly authorized officer as of the day and year first above written.

[GUARANTOR]

By: _____

Title:

EXHIBIT A

BENEFICIARIES

American Airlines, Inc., as Lessee (and its successors and permitted assigns)

Wells Fargo Bank Northwest, National Association, Owner Trustee and Lessor (and its successors and permitted assigns)

EXHIBIT H

FORM OF ENGINE WARRANTY AGREEMENT

THIS ENGINE WARRANTY ASSIGNMENT AGREEMENT (the "Assignment Agreement") dated as of , 201 is made by and between American Airlines, Inc., a corporation organized under the laws of Delaware (the "Assignor"), and Wells Fargo Bank Northwest, National Association, not in its individual capacity, but solely as Owner Trustee (the "Assignee"). Unless the context otherwise requires, terms which are capitalized but not otherwise defined herein shall have the meaning given to them in the General Terms Agreement or Lease, as applicable, such terms being as themselves herein defined.

W I T N E S S E T H:

WHEREAS:

(A) The Assignor and the Engine Manufacturer are parties to the General Terms Agreement providing, among other things, for product support, including warranties for the support, of the engines covered thereby, including the Engines, and related equipment given to the Assignor by the Engine Manufacturer;

(B) The Assignor has agreed to transfer all of its right, title and interest in and to the Aircraft, including the Engines, to the Assignee pursuant to the Participation Agreement ([Year] MSN [MSN]);

(C) The Assignee has agreed to lease the Aircraft, including the Engines, to the Assignor pursuant to the Lease;

(D) The Assignee wishes to acquire certain rights and interest in and to warranties relating to the Engines, and the Assignor, on the terms and conditions hereinafter set forth, is willing to assign to the Assignee such rights and interests of the Assignor in and to such warranties, and the Assignee is willing to accept such assignment, as hereinafter set forth; and

(E) The Engine Manufacturer is willing to execute and deliver to the Assignee the Engine Consent and Agreement in substantially the form of the Schedule 1 hereto (the "Engine Consent and Agreement").

NOW, THEREFORE, in consideration of the mutual covenants herein contained and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

For all purposes of this Assignment Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

"Aircraft" shall mean one Airbus Model A319-100 Aircraft bearing manufacturer's serial number , including the Engines installed on such Aircraft.

"Engine" shall mean each of the CFM56-5B engines bearing manufacturer's serial numbers and .

"Engine Manufacturer" shall mean CFM International, Inc., a Delaware corporation.

"Event of Default" has the meaning given to such term in the Lease.

"General Terms Agreement" shall mean the General Terms Agreement dated as of November 18, 2011 between the Engine Manufacturer and the Assignor, insofar as such General Terms Agreement relates to the Engines, as heretofore amended, modified or supplemented, excluding all letter agreements thereto, except as otherwise set forth herein.

"Lease" means the Lease Agreement ([Year] MSN [MSN]) dated as of , 201 and entered into between the Assignor and the Assignee, whereby the Assignee has agreed to lease the Engines to the Assignor.

"Letter Agreement No. 2" or "LA2" means Letter Agreement No. 2 to the General Terms Agreement dated November 18, 2011 between the Engine Manufacturer and the Assignor, related to warranties and product support regarding the Engines.

"Participation Agreement" means the Participation Agreement ([Year] MSN [MSN]) dated as of , 201 and entered into among Assignor, Assignee and the Owner Participant named therein, whereby the Assignee has agreed to lease to the Assignor and the Assignor has agreed to lease the Engines from the Assignee.

"Warranties" means, solely with respect to each Engine, and each Module and Product related to such Engine, Engine Manufacturer's New Engine Standard Warranty, Reconditioning Alternative, New Parts Standard Part Warranty, Ultimate Life Warranty, Standard Ultimate Life Warranty Parts Credit Allowance, Campaign Change Warranty, Warranty for Special Tools and Ground Equipment, Warranty Pass-On, Vendor Back-Up Warranty and Vendor Interface Warranty as set forth in the Engine Warranty Plan, paragraphs A.2, A.3, B.2., C.1., C.2.b., D, E, F, G, and H, which forms part of the General Terms Agreement, and as limited by the applicable terms of the General Terms Agreement and Engine Warranty Plan, as more particularly set out in Exhibit A hereto.

2. Assignment and Authorization of Assignor.

2.1 The Assignor does hereby sell, assign, transfer and set over unto the Assignee, its successors and permitted assigns, all of the Assignor's remaining rights and interests in and to the Warranties as and to the extent that the same relate to each Engine and the operation thereof, including, without limitation, in such assignment, (a) all claims for damages in respect of such Engine arising as a result of any default by the Engine Manufacturer in respect of the Warranties, and (b) any and all rights of the Assignor to compel performance of the terms of the Warranties; reserving exclusively to the Assignor, however, (i) all of the Assignor's rights and interests in and to the Warranties and/or the General Terms Agreement as and to the extent that the same relate to engines other than such Engine and the purchase and operation of such engines, and (ii) any and all letter agreements with the exception of LA2, as specifically provided herein. The Assignee hereby accepts such assignment.

2.2 Notwithstanding the foregoing, during the Term of the Lease, so long, and only so long, as no Event of Default shall have occurred and be continuing, the Assignee hereby authorizes the Assignor, to exercise in the Assignor's name all rights in respect of the Warranties as and to the extent that the same relate to each Engine, except that the Assignor may not enter into any change order or other amendment, modification or supplement to the General Terms Agreement in respect of the Warranties relating to any Engine without the prior written consent of the Assignee (such consent not to be unreasonably withheld or delayed) if such change order, amendment, modification or supplement would result in any rescission, cancellation or termination of the Warranties with respect to such Engine or otherwise adversely affect the rights of the Assignee under the Warranties with respect to such Engine.

2.3 For all purposes of this Assignment Agreement, the Engine Manufacturer shall not be deemed to have knowledge of and need not recognize the occurrence, the continuance or the discontinuance of any Event of Default, or the expiration of the Term of the Lease, unless and until the Engine Manufacturer shall have received from the Assignee written notice thereof addressed to the Engine Manufacturer's General Counsel—Commercial Engines at CFM International, Inc., c/o GE Aviation, One Neumann Way, Mail Drop F125, Cincinnati, Ohio 45215-6301, U.S.A., with copy to: Attn: Contracts Administration, CFM International, Inc., 1 Neumann Way, Mail Drop Y7, Cincinnati, OH 45215, U.S.A., and, in acting in accordance with the Warranties, the General Terms Agreement and this Assignment Agreement, the Engine Manufacturer may conclusively rely on such notice. Until such time as notice of an Event of Default, or of the expiration of the Term of the Lease, shall have been given by the Assignee to the Engine Manufacturer, the Engine Manufacturer shall with respect to the Warranties deal solely and exclusively with the Assignor. The Assignee shall promptly, after such Event of Default has been remedied or waived, give written notice of the same to the Engine Manufacturer's General Counsel—Commercial Engines as provided above, with a copy to the Assignor at its address for notices set forth in the Lease, and upon the Engine Manufacturer's receipt of such notice, the Engine Manufacturer shall resume the sole and exclusive dealings with the Assignor authorized, in the absence of notice of an Event of Default, or the expiration of the Term of the Lease, by this Section 2 and by the Engine Consent and Agreement.

3. Assignor's Continuing Obligations.

3.1 It is expressly agreed that, notwithstanding anything herein contained to the contrary: (a) the Assignor shall at all times remain liable to the Engine Manufacturer under the terms and conditions of the General Terms Agreement to perform all duties and obligations of the Assignor thereunder to the same extent as if this Assignment Agreement had not been executed, (b) the exercise by the Assignee of any of the rights assigned hereunder shall not release the Assignor from any of its duties or obligations to the Engine Manufacturer under the General Terms Agreement, except to the extent that such exercise by the Assignee shall constitute performance of such duties and obligations, (c) the Assignor will exercise its rights and perform its obligations under the General Terms Agreement in respect of each Engine to the extent that such rights and obligations have not been assigned hereunder, and (d) except as specifically provided in Section 3.2 with respect to the Assignee, the Assignee shall not have any obligation or liability under the General Terms Agreement by reason of or arising out of this Assignment Agreement or be obligated to perform any of the obligations or duties of the Assignor under the General Terms Agreement or to make any payment or to make any inquiry as to the sufficiency of any payment received by it or to present or file and claim or to take any action to collect or enforce any claim for any payment assigned hereunder.

3.2 Notwithstanding anything contained in this Assignment Agreement to the contrary (but without in any way releasing the Assignor from any of its duties or obligations under the General Terms Agreement), the Assignee confirms expressly for the benefit of the Engine Manufacturer that, in exercising any rights in and to the Warranties, or in making any claim with respect thereto, the applicable terms and conditions of the General Terms Agreement (including any conditions, liabilities, and limitations), and the Warranties, shall apply to and be binding upon the Assignee to the same extent as the Assignor.

3.3 Nothing contained herein shall subject the Engine Manufacturer to any obligation or liability to which it would not otherwise be subject under the General Terms Agreement or modify in any respect the contract rights of the Engine Manufacturer thereunder or subject the Engine Manufacturer to any multiple or duplicative obligation or liability under the General Terms Agreement or limit any rights of set-off the Engine Manufacturer may have against the Assignor under applicable law. No further assignment of any remaining Warranties, including, but not limited to, assignments for security purposes, are permitted without the express prior written consent of the Engine Manufacturer.

3.4 Effective at any time after an Event of Default has occurred, and for so long as such Event of Default is continuing, and following the expiration of the Term of the Lease, the Assignor does hereby constitute the Assignee, its successors and permitted assigns, the Assignor's true and lawful attorney, irrevocably, with full power (in the name of the Assignor or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due under or arising out of the General Terms Agreement in respect of each Engine, but only to the extent that the same have been expressly assigned by this Assignment Agreement and, for such period as the Assignee may exercise rights with respect thereto under this Assignment Agreement, to

endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute (or, if previously commenced, assume control of) any proceedings and to obtain any recovery in connection therewith that the Assignee may deem to be necessary or advisable with respect to such monies and claims for monies.

3.5 So long as the Engine Manufacturer acts in good faith in accordance with this Assignment Agreement, the Engine Manufacturer may rely conclusively on any notice given by the Assignee hereunder without inquiring as to the accuracy of, or the entitlement of the Assignee to give, such notice.

4. Further Assistance.

4.1 The Assignor agrees that, at any time and from time to time upon the written request of the Assignee, the Assignor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Assignee shall reasonably request in order to obtain the full benefits of this Assignment Agreement and of the rights and powers herein granted.

5. Representations, Warranties and Covenants.

5.1 The Assignor does hereby represent and warrant that (i) a true and complete copy of the Warranties have been provided to the Assignee and that such provisions constitute all the provisions of the Warranties relevant to the rights assigned pursuant hereto, (ii) the General Terms Agreement is in full force and effect and is enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally, and the Assignor and the Engine Manufacturer are not in default thereunder, (iii) the Assignor has, with the authorized execution of the Engine Consent and Agreement, received all necessary consents of assignment in the transfer contemplated herein, and (iv) the rights assigned and transferred by the Assignor under Section 2, subject to the rights expressly reserved by this Assignment Agreement, are all the representations, warranties and indemnities provided to the Assignor by the Engine Manufacturer with respect to the rights assigned hereby relating to the Warranties.

5.2 The Assignor does hereby represent and warrant that it has not assigned or pledged the Warranties as they relate to any Engine to anyone other than the Assignee, and hereby covenants that, so long as the Warranties with respect to any Engine remain assigned to the Assignee pursuant to this Assignment Agreement, the Assignor will not, without the prior written consent of the Assignee, assign or pledge the whole or any part of the Warranties that relates to such Engine. The Assignee shall not assign the whole or any part of the Warranties hereby assigned in respect of any Engine unless (i) such assignment is back to the Assignor in connection with the substitution of such Engine pursuant to Section 8(d) of the Lease or (ii) such assignment is consented to in writing by the Engine Manufacturer.

5.3 The Assignee agrees that it will not enter into any agreement with the Engine Manufacturer that would amend, modify, rescind, cancel or terminate the General Terms Agreement in respect of the Warranties or take other action to amend, modify, rescind, cancel or terminate any of the Assignor's rights in respect of the Warranties, without the prior written consent of the Assignor, except if the Engine Manufacturer shall have been notified in writing that an Event of Default has occurred and is continuing or the Term of the Lease has expired.

5.4 Each of the Assignor and the Assignee agrees that this Assignment Agreement may not be amended, extended, modified, supplemented, terminated or waived orally. Any and all amendments, extensions, modifications, supplements, terminations or waivers must be presented in writing and be signed by the Engine Manufacturer and the party against whom the enforcement of such amendment, modification, supplement, termination or waiver is sought to be charged.

6. Confidentiality.

6.1 The Assignee agrees, expressly for the benefit of the Engine Manufacturer, that it will not, without the prior written consent of the Engine Manufacturer, disclose, directly or indirectly to any third party, any terms of the Warranties or any other portion of the General Terms Agreement at any time disclosed to it by the Assignor incident to effecting the assignment herein; provided, that (a) the Assignee may use, retain, and disclose any such information to its special counsel and public accountants, who shall maintain the confidentiality of such terms, (b) the Assignee may disclose any such terms as required by applicable law, governmental regulations, subpoena, or other written demand under color of legal right for such information but it shall first, as soon as practicable upon receipt of such demand and to the extent permitted by applicable laws, furnish a copy thereof to the Assignor and the Engine Manufacturer, and the Assignee shall afford the Assignor and the Engine Manufacturer reasonable opportunity, at the moving party's cost and expense, to obtain a protective order or other satisfactory assurance reasonably satisfactory to the Engine Manufacturer of confidential treatment for the information required to be disclosed, (c) the Assignee may disclose such terms to any bona fide potential purchaser or lessee of the Engine, subject to execution by such prospective purchaser or lessee of a written confidentiality statement setting forth the same or substantially similar terms as those referred to in this Section 6, and (d) the Assignee may disclose such terms as permitted under Section 10.4 of the Participation Agreement as if this Agreement were specifically referred to therein, and subject to execution by such persons to whom the disclosure is made under Section 10.4 of a written confidentiality statement setting forth the same or substantially similar terms as those referred to in this Section 6.

7. Miscellaneous.

7.1 This Assignment Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

7.2 This Assignment Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

IN WITNESS WHEREOF, the parties hereto have caused this Engine Warranty Assignment to be duly executed and effective as of the day and year first above written.

AMERICAN AIRLINES, INC.

By: _____

Name: _____

Title: _____

Date: _____

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION,
not in its individual capacity, but solely as
Owner Trustee

By: _____

Name: _____

Title: _____

Date: _____

ENGINE WARRANTY PLAN

[To be attached.]

ENGINE CONSENT AND AGREEMENT

CFM International, Inc., a Delaware corporation (the "Engine Manufacturer"), hereby acknowledges notice and receipt of the Engine Warranty Assignment Agreement made by and between American Airlines, Inc. (the "Assignor") and Wells Fargo Bank Northwest, National Association, not in its individual capacity, but solely as Owner Trustee (the "Assignee"), dated as of , 201 (the "Assignment Agreement"). Terms defined in the Assignment Agreement shall be used herein with the same meaning.

The Engine Manufacturer hereby consents to the assignment of the Warranties by the Assignor to the Assignee pursuant to the Assignment Agreement and hereby confirms to the Assignee that (a) all representations, warranties, indemnities, and agreements of the Engine Manufacturer under the Warranties with respect to the Engine shall, subject to the terms and conditions thereof, inure to the benefit of the Assignee to the same extent as to Assignor therein except as provided otherwise in Section 2 of the Assignment Agreement; (b) the Assignee shall not be liable for any of the obligations or duties of the Assignor under the General Terms Agreement, nor shall the Assignment Agreement give rise to any duties or obligations whatsoever on the part of the Assignee owing to the Engine Manufacturer, except for the Assignee's agreement in the Assignment Agreement with respect to the Engines to the effect that in exercising any right assigned to it under the Warranties or in making any claim with respect thereto, the terms and conditions of the General Terms Agreement (including any conditions, liabilities, and limitations) relating to any Engine, and the Warranties, shall apply to and be binding upon the Assignee to the same extent as the Assignor; and (c) the Engine Manufacturer will continue to pay to the Assignor all payments that the Engine Manufacturer may be required to make (and that have been assigned to Assignee under the Assignment Agreement) in respect of any Engine under the Warranties unless and until the Engine Manufacturer shall have received written notice from the Assignee, addressed to its General Counsel—Commercial Engines at CFM International, Inc., c/o GE Aviation, One Neumann Way, Mail Drop F125, Cincinnati, Ohio 45215-6301, U.S.A., with copy to: Attn: Contracts Administration, CFM International, Inc., 1 Neumann Way, Mail Drop Y7, Cincinnati, OH 45215, U.S.A., that an Event of Default has occurred and is continuing or the Term of the Lease has expired and that payments should be made otherwise.

The Engine Manufacturer shall not be deemed to have knowledge of any change in the authority of Assignor or Assignee, as the case may be, to exercise the rights established in the Assignment Agreement until the Engine Manufacturer has received written notice thereof. Any performance by the Engine Manufacturer that discharges its obligations under the Warranties in accordance with the terms of the General Terms Agreement as of the date hereof will satisfy the respective interests of the Assignor and Assignee. So long as the Engine Manufacturer acts in good faith in accordance with the Assignment Agreement and this Engine Consent and Agreement, the Engine Manufacturer may rely conclusively on any notice given by the Assignee without inquiring as to the accuracy of, or the entitlement of the Assignee to give such notice.

Notwithstanding any provision to the contrary in this Engine Consent and Agreement or in the Assignment Agreement, the Engine Manufacturer shall not be construed as being a party to the Assignment Agreement and nothing contained herein shall subject the Engine Manufacturer to any multiple or duplicative liability or to any obligation or liability to which it would not otherwise be subject under the General Terms Agreement other than the fact that such obligation or liability in respect to the Warranties shall be owed to the Assignee and such rights shall be exercisable subject to the rights of the assignment created under the Assignment Agreement. Nothing contained herein shall modify in any respect the contract rights of the Engine Manufacturer under the General Terms Agreement or limit any rights of set-off the Engine Manufacturer may have under applicable law. No further assignment of any remaining Warranties, including, without limitation, assignments for security purposes, are permitted without the express written consent of the Engine Manufacturer; provided that the Assignee may assign the Warranties in respect of any Engine back to the Assignor in connection with the substitution of such Engine pursuant to Section 8(d) of the Lease, in which case the Assignee shall give the Engine Manufacturer a written notice of such assignment, addressed to its General Counsel—Commercial Engines at CFM International, Inc., c/o GE Aviation, One Neumann Way, Mail Drop F125, Cincinnati, Ohio 45215-6301, U.S.A.

To the extent permitted by applicable law, this Engine Consent and Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Dated as of _____, 201_

CFM INTERNATIONAL, INC.

By: _____

Name: _____

Title: _____

ANNEX A

DEFINITIONS

ANNEX B

PAYMENT INFORMATION

Payments to Owner Trustee/Lessor: Payments made to Owner Trustee pursuant to the terms of the Operative Documents shall be made to the following account of Lessor:

[ ]

or to such other account of Lessor in the United States as may be specified in a notice delivered by Owner Trustee to Lessee and Owner Participant in accordance with Section 10.1 at least 10 Business Days prior to the due date after which payments are to be made pursuant to such notice.

Payments to Owner Participant: Payments made to Owner Participant pursuant to the terms of the Operative Documents shall be made to the following account of Owner Participant:

[ ]

or to such other account of Owner Participant in the United States as may be specified in a notice delivered by Owner Participant to Owner Trustee and Lessee in accordance with Section 10.1 at least 10 Business Days prior to the due date after which payments are to be made pursuant to such notice.

Payments to Lessee: Payments made to Lessee pursuant to the terms of the Operative Documents shall be made to the following account of Lessee:

[ ]

or to such other account of Lessee in the United States as may be specified in a notice delivered by Lessee to Owner Trustee and/or Owner Participant in accordance with Section 10.1 at least 10 Business Days prior to the due date after which payments are to be made pursuant to such notice.

SCHEDULE A

CERTAIN TERMS

Insurance Threshold Amount:	$[*CTR*]
Obsolete Parts cap (for purposes of Section 8(c) of the Lease)	[A319 - $[*CTR*] A320 - $[*CTR*] A321 - $[*CTR*]][1]

PERMITTED COUNTRIES

[*CTR*]

[1] Insert value for applicable aircraft type.

SCHEDULE B

RE-REGISTRATION CONDITIONS

Lessee's right to cause or permit the Aircraft to be re-registered pursuant to Section 7(a) of the Lease is subject to the satisfaction of the conditions below or waiver thereof by Lessor and Owner Participant, as applicable:

(a) no Event of Default shall have occurred and be continuing at the date of such request or at the effective date of the change in registration; provided that it shall not be necessary to comply with this condition if the change in registration involves the registration of the Aircraft under the laws of the United States;

(b) each of Lessor and Owner Participant shall have received a legal opinion addressed to it from counsel to Lessee admitted to practice in the jurisdiction of registration (which counsel shall be reasonably satisfactory to Owner Participant) (i) to the effect that (A) after giving effect to such change in registration, all filing, recording or other action necessary to perfect and protect Lessor's rights and interests in and to the Aircraft and the Lease has been accomplished (or if such opinion cannot be given at the time by which Lessor has been requested to consent to a change in registration, (x) the opinion shall detail what filing, recording or other action is necessary and (y) Lessor and Owner Participant shall have received a certificate from Lessee that all possible preparations to accomplish such filing, recording and other action shall have been done, and such filing, recording and other action shall be accomplished and a supplemental opinion to that effect shall be delivered to Lessor and Owner Participant on or prior to the effective date of such change in registration), (B) the terms of the Lease are legal, valid and binding and enforceable against Lessee in such jurisdiction (subject to bankruptcy and equitable remedies exceptions and other customary exceptions), and (C) it is not necessary for Lessor or Owner Participant to qualify to do business in such jurisdiction or otherwise satisfy any other applicable law, rule or regulation existing at the date of such request (or if such opinion cannot be given, the opinion shall detail what other existing law, rule or regulation must be satisfied by Lessor or Owner Participant, as the case may be) solely as a result of the proposed re-registration, and (ii) if such re-registration is in connection with a sublease to a Permitted Sublessee and such country is not, at the time of re-registration, the United States or a Permitted Country, to the effect that there exist no possessory rights in favor of Permitted Sublessee under the laws of such country that would, assuming at such time Permitted Sublessee is not insolvent or bankrupt, prevent the return of the Aircraft in accordance with and when permitted by the terms of Sections 14 and 15 of the Lease upon the exercise of remedies by Lessor of its remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing;

(c) Lessor and Owner Participant shall have received assurances reasonably satisfactory to Owner Participant to the effect that the insurance provisions of the Lease shall have been complied with after giving effect to such change in registration;

(d) such re-registration will not result in the imposition by such country of any Taxes on Lessor or Owner Participant for which Lessee is not required to indemnify Lessor or Owner Participant, as the case may be, unless Lessee agrees to indemnify Lessor or Owner Participant, as the case may be, for any Taxes imposed by such country in connection with or relating to the transactions contemplated by the Lease that would not have been imposed but for such re-registration; provided that it shall not be necessary to comply with the conditions contained in this clause (d) if such change in registration results in the re-registration of the Aircraft under the laws of the United States, except to the extent that the provisions of the tax indemnification provisions relating to Lessor or Owner Participant, as the case may be, were amended in effecting a previous foreign registration;

(e) such re-registration will not divest Lessor of title to the Aircraft; and

(f) Lessee shall have paid or made provision for the payment of all reasonable out-of-pocket expenses (including reasonable attorneys' fees) of Lessor and Owner Participant in connection with such change in registration;

provided, further, that Lessee shall not cause the Aircraft to be registered under the laws of any foreign jurisdiction without the prior written consent of Owner Participant if (1) the civil aviation laws of such foreign jurisdiction impose unusual requirements on lessors of civil aircraft, and (2) Lessor or Owner Participant, as the case may be, would be required to comply with such unusual requirements upon the registration of the Aircraft in such foreign jurisdiction, and compliance therewith by Lessor or Owner Participant, as the case may be, would result in a material burden on the business activities of Lessor or Owner Participant, as the case may be.

EXHIBIT IV

FORM OF DEFINITIONS ANNEX

[NAME OF OWNER PARTICIPANT]
DEFINITION ANNEX ([YEAR]) MSN [MSN])

LA 1 – Annex A

ANNEX A

DEFINITIONS

General Provisions

(a) In each Operative Document (as defined below), unless otherwise expressly provided, a reference to:

(i) each of "Lessee," "Lessor," "Owner Trustee," "Owner Participant" or any other Person includes, without prejudice to the provisions of any Operative Document, any successor in interest to it and any permitted transferee, permitted purchaser or permitted assignee of it;

(ii) words importing the plural include the singular and words importing the singular include the plural;

(iii) any agreement, instrument or document, or any annex, schedule or exhibit thereto, or any other part thereof, includes, without prejudice to the provisions of any Operative Document, that agreement, instrument or document, or annex, schedule or exhibit, or part, respectively, as amended, modified or supplemented from time to time in accordance with its terms, and any agreement, instrument or document entered into in substitution or replacement therefor;

(iv) any provision of any law includes any such provision as amended, modified, supplemented, substituted, reissued or reenacted prior to the Delivery Date (as defined below in this Annex A), and thereafter from time to time;

(v) the word "government" includes any instrumentality or agency thereof;

(vi) the words "Agreement," "this Agreement," "hereby," "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in any Operative Document refer to such Operative Document as a whole and not to any particular provision of such Operative Document;

(vii) the words "including," "including, without limitation," "including, but not limited to," and terms or phrases of similar import when used in any Operative Document, with respect to any matter or thing, mean including, without limitation, such matter or thing; and

(viii) a "Section," a "subsection," an "Exhibit," an "Annex" or a "Schedule" in any Operative Document, or in any annex thereto, is a reference to a section or a subsection of, or an exhibit, an annex or a schedule to, such Operative Document or such annex, respectively.

(b) Each attachment, appendix, exhibit, annex, supplement and schedule to each Operative Document is incorporated in, and shall be deemed to be a part of, such Operative Document.

(c) Headings and tables of contents used in any Operative Document are for convenience only and shall not in any way affect the construction of, or be taken into consideration in interpreting, such Operative Document.

Defined Terms

"**AD**" has the meaning set forth in Section 7(a) of the Lease.

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

"**After-Tax Basis**", in the context of determining the amount of a payment to be made on such basis, means the payment of an amount which, after subtraction of the net increase, if any, in U.S. federal, state and local income tax liability incurred by the Indemnified Person or Tax Indemnitee to whom the payment is made as a result of the receipt or accrual of such payment (taking into account any current Tax benefits realized by such Indemnified Person or Tax Indemnitee as a result of the event or circumstances giving rise to such payment), shall equal the amount that would have been payable if no net increase in such tax liability had been incurred.

"**Aircraft**" means the Airframe together with the two Engines described in Lease Supplement No. 1 (or any Replacement Engine substituted for any of such Engines under, and pursuant to the terms of, the Lease) (except in each case for any Excluded Equipment), whether or not any of such initial or substituted Engines may from time to time be installed on such Airframe or may be installed on any other airframe or on any other aircraft.

"**Aircraft Protocol**" means the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements, and revisions thereto, as in effect in the United States.

"**Airframe**" means (i) the aircraft described in Lease Supplement No. 1 (except (x) Engines or engines from time to time installed thereon and any and all Parts related to such Engines or engines and (y) any Excluded Equipment) to be leased under the Lease by Lessor to Lessee and (ii) any and all Parts so long as the same shall be incorporated or installed in or attached to such aircraft, or so long as title thereto shall remain vested in Lessor in accordance with the terms of Section 8 of the Lease after removal from such aircraft.

"**American/Airbus Purchase Agreement**" means the A320 Family Aircraft Purchase Agreement, dated July 20, 2011, between Lessee and the Manufacturer, as amended, supplemented or otherwise modified from time to time.

"**Application for Aircraft Registration**" means the application for registration on Federal Aviation Administration AC Form 8050-1 with respect to the Aircraft in the name of Owner Trustee.

"**Approved Program**" means a maintenance program for aircraft of the same make and model as the Aircraft which shall be (i) the Maintenance Program, (ii) the MPD, or (iii) such other maintenance program approved by Lessor (such approval not to be unreasonably withheld); provided that for purposes of this clause (iii), such approval right shall, in connection with the re-registration or subleasing of the Aircraft, Airframe or any Engine, only be required at the time of the initial re-registration or at the commencement of such sublease, as applicable. For purposes of the foregoing sentence, with respect to the flight/hours/cycles/calendar time limitations of Parts and inspections, references to the MPD mean the most restrictive applicable limitation set forth therein.

"**Assumption Agreement**" has the meaning set forth in Section 8.2(a)(i)(D) of the Participation Agreement.

"**Aviation Counsel**" means Daugherty, Fowler, Peregrin, Haught & Jenson, a Professional Corporation, or such other nationally recognized special aviation counsel located in Oklahoma City, Oklahoma as is designated by Lessee.

"**Back-Leveraging Documents**" has the meaning set forth in Section 8.3.1(b) of the Participation Agreement.

"**Back-Leveraging Indemnified Person**" has the meaning set forth in Section 8.3.2(a) of the Participation Agreement.

"**Back-Leveraging Lender**" has the meaning set forth in Section 8.3.1 of the Participation Agreement.

"**Back-Leveraging Party**" has the meaning set forth in Section 8.3.1 of the Participation Agreement.

"**Back-Leveraging Transaction**" has the meaning set forth in Section 8.3.1 of the Participation Agreement.

"**Bankruptcy Code**" means the United States Bankruptcy Code, 11 United States Code §§ 101 et seq.

["Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York having jurisdiction over the Chapter 11 Case.][1]

["Bankruptcy Court Order" means the bankruptcy order entitled "Order pursuant to 11 U.S.C. § 365(a) and Fed. R. Bankr. P. 6004 Approving Assumption of (A) the A320 Family Aircraft Purchase Agreement Made July 20, 2011, as Amended, between Airbus S.A.S. and American Airlines, Inc.; and (B) the General Terms Agreement by and among IAE International Aero Engines AG and American Airlines, Inc., as Amended and Supplemented", dated as of January 23, 2013 and entered by the Bankruptcy Court on January 23, 2013.][2]

"**Basic Rent**" means the basic rent payable to Lessor for the Aircraft pursuant to Section 3(b) of the Lease in the amounts and payable at the times as provided therein.

"**Basic Term**" means the term for which the Aircraft is leased under the Lease pursuant to Section 3(a) thereof commencing on the Delivery Date and ending on the Lease Expiry Date, or such earlier date on which the Lease is terminated in accordance with the provisions thereof.

"**Bills of Sale**" means the FAA Bill of Sale and the Warranty Bill of Sale collectively.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which commercial banks are authorized or required by law, regulation or executive order to be closed in Fort Worth, Texas or New York, New York or the city and state in which the principal corporate trust office of Owner Trustee is located.

"**Cape Town Convention**" means the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements, and revisions thereto, as in effect in the United States.

"**Cape Town Treaty**" means, collectively, the official English language text of (i) the Cape Town Convention, (ii) the Aircraft Protocol, (iii) all rules and regulations adopted pursuant thereto and as in effect in the United States and (iv) with respect to each of the foregoing described in clauses (i) through (iii), all amendments, supplements and revisions thereto as in effect in the United States.

"**Certificated Air Carrier**" means an air carrier holding an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49, United States Code, for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo or that otherwise is certified or registered to the extent required to fall within the purview of Section 1110.

---

[1] Include if the Closing occurs during the pendency of the Chapter 11 Case. Consider whether use of this term will change if a general stipulation is entered.

2 *Id.*

[**"Chapter 11 Case"** means the voluntary cases commenced by Lessee and certain of its Affiliates under chapter 11 of the Bankruptcy Code, which are jointly administered and are currently pending before the Bankruptcy Court, styled In re AMR Corporation, et al., Chapter 11 Case Number 11-15463 (SHL).][3]

"**Citizen of the United States**" has the meaning specified for such term in Section 40102(a)(15) of Title 49 of the United States Code or any similar legislation of the U.S. enacted in substitution or replacement therefor.

"**Claim**" or "**Claims**" means any and all liabilities, obligations, losses, damages, penalties, claims, costs, actions or suits of whatsoever kind and nature (whether or not on the basis of negligence, strict or absolute liability or liability in tort) and, except as otherwise expressly provided, shall include all reasonable costs, disbursements and expenses (including reasonable legal fees and expenses) in connection therewith or related thereto.

"**Closing**" has the meaning set forth in Section 3 of the Participation Agreement.

"**Code**" means the U.S. Internal Revenue Code of 1986, as currently in effect or hereafter amended.

"**Confidential Information**" means the provisions of, and all matters relating to, the Lease (other than any portions of the Lease recorded with the FAA and available for public inspection), the Participation Agreement and the other Operative Documents including, without limitation, (i) the existence and terms of any sublease of the Airframe or Engines pursuant to Section 7(b) of the Lease and the identity of the Permitted Sublessee thereunder (other than any portions of any sublease recorded with the FAA and available for public inspection); (ii) all information obtained in connection with any inspection conducted pursuant to Section 12(a) or 12(b) of the Lease or obtained from Lessee in electronic form pursuant to Section 12(c) of the Lease; (iii) each certification furnished pursuant to Section 11(a) and Section 11(b) of the Lease; and (iv) all information contained in each report furnished pursuant to Section 11(e) of the Lease.

"**Conflict Opinion**" has the meaning set forth in Section 7.1.5 of the Participation Agreement.

"**CRAF Program**" means the Civil Reserve Air Fleet Program authorized under 10 U.S.C. §9511 et seq. or any similar or substitute program under the laws of the United States.

"**Delivery Date**" has the meaning specified in Lease Supplement No. 1.

[3] Include if the Closing occurs during the pendency of the Chapter 11 Case.

"**Designated Back-Leveraging Lender**" has the meaning set forth in Section 8.3.2(a) of the Participation Agreement.

"**Dollars**" and "**$**" mean the lawful currency of the United States.

"**EASA**" means the European Aviation Safety Agency of the European Union and any successor agency.

"**Engine**" means (i) each of the engines listed by manufacturer's serial numbers in Lease Supplement No. 1, whether or not from time to time installed on the Airframe or installed on any other airframe or on any other aircraft; (ii) any Replacement Engine which may from time to time be substituted, pursuant to the Return Conditions or Sections 8(d) or 10(d) of the Lease, for an Engine leased under the Lease; and (iii) any and all Parts incorporated or installed in or attached to such Engine or Replacement Engine or any and all Parts removed from such Engine or Replacement Engine so long as title thereto shall remain vested in Lessor in accordance with the terms of Section 8 of the Lease after removal from such Engine or Replacement Engine, but in each case, except any Excluded Equipment. Except as otherwise set forth in the Lease, at such time as a Replacement Engine shall be so substituted, the replaced Engine shall cease to be an Engine. The term "Engines" also means, as of any date of determination, all Engines then leased under the Lease.

"**Engine Manufacturer**" means [CFM International, Inc.][4] [IAE International Aero Engines AG][5].

"**Engine Warranty Agreement**" means the Engine Warranty Assignment Agreement, in substantially the form attached to the Participation Agreement as Exhibit H, dated as of the Delivery Date, between Lessee and Lessor, to which an Engine Consent and Agreement executed by the Engine Manufacturer is attached.

"**ERISA**" means the Employee Retirement Income Security Act of 1974 and the regulations promulgated and rulings issued thereunder.

"**Event of Default**" has the meaning set forth in Section 14 of the Lease.

"**Event of Loss**" with respect to any property means any of the following events with respect to such property:

(i) loss of such property or the use thereof due to theft, disappearance, destruction, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever;

[4] Include for A319 and A320 aircraft.
[5] Include for A321 aircraft.

(ii) any damage to such property that results in an insurance settlement with respect to such property on the basis of a total loss or a compromised or constructive total loss;

(iii) the condemnation, confiscation or seizure of, or requisition of title to or use of, such property (other than a requisition for use of the Aircraft, the Airframe or any Engine by the U.S. government or any agency or instrumentality thereof which shall not have resulted in loss of possession of such property for a period continuing beyond the end of the Term) which, in the case of any event referred to in this clause (other than requisition of title), shall have resulted in the loss of possession of such property by Lessee (or any Permitted Sublessee) for a period in excess of 120 consecutive days or a shorter period that ends on or after the last day of the Term (in which event the Event of Loss pursuant to this clause (iii) shall be deemed to have occurred on the last day of the Term);

(iv) as a result of any rule, regulation, order or other action by the FAA, the Department of Transportation or other governmental body of the U.S. or other country of registry of the Aircraft having jurisdiction, the use of such property in the normal course of passenger air transportation shall have been prohibited for a period of six consecutive months, unless Lessee (or any Permitted Sublessee), prior to the expiration of such six-month period, shall have undertaken and shall be diligently carrying forward all steps which in its judgment are necessary or desirable to permit the normal use of such property by Lessee (or any Permitted Sublessee) or, in any event, if such use shall have been prohibited for a period of twelve consecutive months; or

(v) the operation or location of the Aircraft, while under requisition for use by the U.S. government, in any area excluded from coverage by any insurance policy in effect with respect to the Aircraft required by the terms of Section 11 of the Lease, if Lessee shall be unable to obtain indemnity or insurance in lieu thereof from the U.S. government;

provided that if such property shall be returned to Lessee in usable condition after the occurrence of an event described in clause (i), (iii) or (v) above but prior to the date on which Stipulated Loss Value would be payable pursuant to Section 10(a) of the Lease, then such event shall, at the option of Lessee, not constitute an Event of Loss.

"**Exchange Act**" means the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder.

"**Excluded Equipment**" means (i) defibrillators, enhanced emergency medical kits and other medical and emergency equipment, (ii) airphones and other components or systems installed on or affixed to the Airframe that are used to provide individual telecommunications or electronic entertainment or services to passengers aboard the Aircraft, (iii) branded passenger convenience or service items, and (iv) cargo containers.

"**Export Administration Regulations**" means the United States Export Administration Regulations, 15 C.F.R. §§ 730-774, as amended, modified or supplemented from time to time, and any successor thereto.

"**FAA**" or "**Federal Aviation Administration**" means the Federal Aviation Administration of the U.S. and any successor governmental authority.

"**FAA Bill of Sale**" means the bill of sale for the Aircraft on Federal Aviation Administration AC Form 8050-2 executed by the Manufacturer in favor of Owner Trustee.

"**Fair Market Rental Value**" means the rental value which could be obtained in an arm's-length transaction between an informed and willing lessee under no compulsion to lease and an informed and willing lessor in possession under no compulsion to lease, assuming that the Aircraft is unencumbered by the Lease and is in the condition required thereby; provided that, in determining such value under Section 15 of the Lease, the Aircraft shall be valued on an "as-is, where-is" basis, taking into account customary brokerage and other reasonable costs and out-of-pocket expenses that would be typically incurred in connection with the re-letting of equipment such as the Airframe, Engines or any Part thereof. Such value shall be determined by mutual written agreement between Lessor and Lessee or, in the absence of mutual written agreement, pursuant to an Independent Appraisal, except in determining such value under Section 15 of the Lease, such value shall be determined by Independent Appraisal as provided therein.

"**Fair Market Sales Value**" means the sales value which could be obtained in an arm's-length transaction between an informed and willing purchaser under no compulsion to purchase and an informed and willing seller in possession under no compulsion to sell, assuming that the Aircraft is unencumbered by the Lease and is in the condition required thereby; provided that, in determining such value under Section 15 of the Lease, the Aircraft shall be valued on an "as-is, where-is" basis, taking into account customary brokerage and other reasonable costs and out-of-pocket expenses that would be typically incurred in connection with the sale of equipment such as the Airframe, Engines or any Part thereof. Such value shall be determined by mutual written agreement between Lessor and Lessee or, in the absence of mutual written agreement, pursuant to an Independent Appraisal, except in determining such value under Section 15 of the Lease, such value shall be determined by Independent Appraisal as provided therein.

"**Indemnified Person**" means Owner Trustee, Trust Company and Owner Participant (including, for this purpose, a Person identified in writing to Lessee by Owner Participant who manages or services Owner Participant's interest in the Trust Estate) and each Back-Leveraging Indemnified Person that has been added as an "Indemnified Person" in a Lessee Consent and their respective officers, directors, servants, agents, successors and permitted assigns, but excluding any such Person in its capacity as the manufacturer, supplier or subcontractor of the Aircraft, Airframe or Engines or any Part and any officer, director, servant, agent, successor or permitted assign of such Person in such capacity.

"**Independent Appraisal**" means an appraisal mutually agreed to by two nationally recognized independent aircraft appraisers, one of which appraisers shall be chosen by Lessor and one by Lessee, or, if such appraisers cannot agree on such appraisal, an appraisal arrived at by a third nationally recognized independent aircraft appraiser chosen by the mutual consent of such two appraisers; provided that if either party shall fail to appoint a nationally recognized independent aircraft appraiser within 15 days after a written request to do so by the other party, the "Independent Appraisal" shall be the appraisal rendered by the appraiser that has been appointed; provided, further, that if both Lessor and Lessee appoint nationally recognized independent aircraft appraisers but such appraisers cannot agree on an appraisal and fail to appoint a third nationally recognized independent aircraft appraiser within 20 days after the date of the appointment of the second of such appraisers, then either party may apply to the American Arbitration Association to make such appointment. In the event such third independent appraiser shall be chosen to provide such appraisal, unless the parties agree otherwise, such appraisal shall be required to be made within 20 days of such appointment. Notwithstanding the foregoing, if an Independent Appraisal is used to determine the Fair Market Rental Value for the purposes of Section 21 of the Lease, the time periods set forth in the two preceding sentences shall be shortened to the extent necessary to allow the Fair Market Rental Value to be determined within 30 days after Lessee provides its revocable notice of its intent to renew the Lease pursuant to Section 21 of the Lease. Notwithstanding the foregoing, if an Independent Appraisal is used to determine the Fair Market Rental Value and/or Fair Market Sales Value for the purposes of Section 15 of the Lease, an Independent Appraisal shall be an appraisal prepared by Ascend Worldwide Limited, BK Associates, Inc., AVITAS, Inc. or another nationally recognized independent aircraft appraiser chosen in good faith by Owner Participant. The fees and expenses of appraisers for an Independent Appraisal, whenever undertaken pursuant to the Lease, shall be borne equally by Lessor and Lessee, and Lessor and Lessee each shall separately bear any fees, costs and expenses of its respective attorneys and experts (other than the appraisers referred to above) incurred in connection with such Independent Appraisal, except that the costs of an Independent Appraisal undertaken pursuant to Section 15 of the Lease shall be for the account of Lessee.

"**Inspecting Party**" has the meaning set forth in Section 12(a) of the Lease.

"**Insurance Threshold Amount**" has the meaning set forth in Schedule A to the Participation Agreement.

"**International Interest**" has the meaning ascribed to the defined term "international interest" under the Cape Town Treaty.

"**International Registry**" means the international registry established pursuant to the Cape Town Treaty.

"**Investment Company Act**" means the Investment Company Act of 1940, and the rules and regulations promulgated thereunder.

"**Law**" means and includes (a) any statute, decree, constitution, regulation, order, judgment or other directive of any governmental authority; (b) any treaty, pact, compact or other agreement to which any governmental authority is a signatory or party; (c) any judicial or administrative interpretation or application of any Law described in (a) or (b) above; and (d) any amendment or revision of any Law described in (a), (b) or (c) above.

"**Lease**" or "**Lease Agreement**" means that certain Lease Agreement ([YEAR] MSN [MSN]), dated as of [ ], [YEAR], between Lessor and Lessee.

"**Lease Expiry Date**" means the tenth (10th) anniversary of the Delivery Date.

"**Lease Period**" means the period commencing on and including each Lease Period Date and ending on and including (i) the day immediately preceding the next subsequent Lease Period Date, (ii) the Lease Expiry Date, in the case of final Lease Period during the Basic Term, or (iii) the last day of any Renewal Term, in the case of the final Lease Period during such Renewal Term.

"**Lease Period Date**" means, during the Basic Term or any Renewal Term, each date specified in Schedule A to Lease Supplement No. 1.

"**Lease Supplement**" means (i) Lease Supplement No. 1 and (ii) any other supplement to the Lease Agreement from time to time executed and delivered in connection with one or more Replacement Engines.

"**Lease Supplement No. 1**" means a lease supplement, substantially in the form of Exhibit A to the Lease, entered into between Lessor and Lessee on the Delivery Date for the purpose of subjecting the Aircraft to the Lease.

"**Lessee**" means American Airlines, Inc., a Delaware corporation.

"**Lessee Consent**" has the meaning set forth in Section 8.3.2(b) of the Participation Agreement.

"**Lessor**" means Owner Trustee as lessor under the Lease.

"**Lessor's Liens**" means any Lien on or relating to or affecting the Aircraft, the Airframe, any Engine or any Part, title thereto or any interest therein, the Lease or the Trust Estate arising as a result of:

(i) Claims against or affecting Trust Company, Owner Trustee, Owner Participant or any Owner Participant Guarantor, as applicable, not related to ownership of the Aircraft or the transactions contemplated by the Lease and the other Operative Documents;

(ii) acts or omissions of Trust Company, Owner Trustee, Owner Participant or any Owner Participant Guarantor, as applicable, not related to the transactions contemplated by, or not expressly provided for under the terms of, the Lease and the other Operative Documents;

(iii) Taxes or Claims imposed against Trust Company, Owner Trustee, Owner Participant or any Owner Participant Guarantor, as applicable, which are not indemnified against by Lessee pursuant to Section 7.1, 7.2 or 7.3 of the Participation Agreement; or

(iv) Taxes or Claims imposed against Trust Company, Owner Trustee, Owner Participant or any Owner Participant Guarantor, as applicable, arising out of any voluntary or involuntary Transfer (other than pursuant to the Return Conditions or Section 8 or 10 of the Lease or pursuant to the exercise of remedies in accordance with Section 15 of the Lease in connection with an Event of Default that shall have occurred and be continuing) by Trust Company, Owner Trustee, Owner Participant or any Owner Participant Guarantor, as applicable, of its respective interest in the Aircraft, the Airframe, any Engine, any Part, any Obsolete Part, the Trust Estate, Rent or any interest arising under any Operative Document, including, without limitation, by means of granting a security interest therein;

provided that an arrangement expressly permitted by Section 8.3 of the Participation Agreement shall not constitute a Lessor's Lien so long as such arrangement remains compliant with Section 8.3 of the Participation Agreement.

"**LIBOR**" means, with respect to any Rent payment not paid when due, the rate for deposits in Dollars for a period of one month which appears on the Reuters Screen LIBOR01 Page (or successor page) as of 11:00 A.M., London time, two London Banking Days prior to the date such Rent payment came due. If such rate does not appear on the Reuters Screen LIBOR01 Page (or successor page), the rate will be determined on the basis of the rates at which deposits in Dollars are offered by the principal London offices of the Reference Banks at approximately 11:00 A.M., London time, on the date two London Banking Days prior to the date such Rent payment came due to prime banks in the London interbank market for a period of one month commencing on such date and in an amount of $10,000,000. Lessor will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for such overdue Rent payment will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for such overdue Rent payment will be the arithmetic mean of the rates quoted by major banks in New York City, selected by Lessor, at approximately 11:00 A.M., New York City time, on the date two London Banking Days prior to the date such Rent payment came due for loans in Dollars to leading European banks for a period of one month commencing on such date and in an amount of $10,000,000.

"**Lien**" means any mortgage, pledge, lien, charge, encumbrance, lease, conditional sale or security interest.

"**London Banking Day**" means any day on which commercial banks are not authorized or required to close in London, England and which is also a day on which dealings in U.S. Dollar deposits are carried out in the London Interbank market.

"**Loss Payee**" means Lessor, except as otherwise provided in a Lessee Consent.

"**Loss Payment Date**" has the meaning specified in Section 10(a) of the Lease.

"**Maintenance Program**" has the meaning specified in Section 7(a)(ii) of the Lease.

"**Manufacturer**" means Airbus S.A.S.

"**Marketing Inspection**" has the meaning specified in Section 12(b) of the Lease.

"**Moody's**" means Moody's Investors Services, Inc. (or any successor thereto that is a nationally recognized statistical rating organization).

"MPD" means the maintenance planning document published by the Manufacturer and applicable to the Aircraft, as revised from time to time.

"**New Owner Participant**" has the meaning set forth in Section 8.1 of the Participation Agreement.

"**New Owner Trustee**" has the meaning set forth in Section 8.1 of the Participation Agreement.

"**Obsolete Parts**" has the meaning specified in Section 8(c) of the Lease.

"**Operative Documents**" means the Lease, the Participation Agreement, the Trust Agreement, the Engine Warranty Agreement and any Owner Participant Guarantee.

"**Overdue Rate**" means, as at any date of determination, an interest rate equal to 2% per annum plus the applicable LIBOR, calculated on the basis of a 360-day year and the number of actual days elapsed.

"**Owner Participant**" means [Name of Owner Participant], a [jurisdiction] [type of entity].

"**Owner Participant Guarantee**" means [(i) for so long as [Name of Owner Participant] is the Owner Participant, the Guarantee ([YEAR] MSN [MSN]), dated as of [ ], by [Name of Owner Participant Guarantor], and (ii) otherwise,][6] an absolute and unconditional guarantee by the applicable Owner Participant Guarantor, substantially in the form of Exhibit G to the Participation Agreement or, otherwise, in form and substance reasonably satisfactory to Lessee, delivered pursuant to Section 8.2(a)(ii) of the Participation Agreement.

"**Owner Participant Guarantor**" [(i) with respect to the period during which [Name of Owner Participant] is Owner Participant under the Operative Documents, means [Name of Owner Participant Guarantor] and (ii)][7] with respect to the period during which any Transferee is Owner Participant under the Operative Documents, has the meaning set forth in Section 8.2.(a)(ii) of the Participation Agreement.

[6] Include if there will be an Owner Participant Guarantee for the initial Owner Participant.

[7] Include if there will be an Owner Participant Guarantee for the initial Owner Participant.

"**Owner Trustee**" means (i) Wells Fargo Bank Northwest, National Association, a national banking association, not in its individual capacity, but solely in its capacity as owner trustee under the Trust Agreement, or (ii) if Wells Fargo Bank Northwest, National Association is not then serving as Owner Trustee under the Trust Agreement, the successor Owner Trustee under the Trust Agreement.

"**Participation Agreement**" means that certain Participation Agreement ([YEAR] MSN [MSN]), dated as of [ ], [YEAR], among Lessee, Owner Trustee, Trust Company and Owner Participant.

"**Parts**" means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (other than (i) complete Engines or engines and (ii) any Excluded Equipment), so long as the same are incorporated or installed in or attached to the Airframe or any Engine or so long as title thereto remains vested in Lessor in accordance with the terms of Section 8 of the Lease after removal from the Airframe or any Engine.

"**Permitted Country**" means each of the countries listed in Schedule A to the Participation Agreement.

"**Permitted Investment**" means each of the following:

(i) direct obligations of the U.S. and agencies thereof;

(ii) obligations fully guaranteed by the U.S.;

(iii) certificates of deposit issued by, or bankers acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the U.S. or one of the states thereof having combined capital and surplus and retained earnings of at least $100,000,000, and having a rating of A, its equivalent or better by Moody's or S&P (or if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States);

(iv) commercial paper of any holding company of a bank, trust company or national banking association described in clause (iii);

(v) bearer note deposits with, or certificates of deposit issued by, or promissory notes of, any subsidiary incorporated under the laws of Canada (or any province thereof) of any bank, trust company or national banking association described in clause (iii), (viii) or (ix);

(vi) commercial paper of companies having a rating assigned to such commercial paper by Moody's or S&P (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States) equal to either of the two highest ratings assigned by such organization;

(vii) U.S. dollar-denominated certificates of deposit issued by, or time deposits with, the European subsidiaries of (A) any bank, trust company or national banking association described in clause (iii) or (B) any other bank described in clause (viii) or (ix);

(viii) U.S.-issued Yankee certificates of deposit issued by, or bankers acceptances of, or commercial paper issued by, any bank having combined capital and surplus and retained earnings of at least $100,000,000 and headquartered in Canada, Japan, the United Kingdom, France, Germany, Switzerland or The Netherlands;

(ix) U.S. dollar-denominated time deposits with any Canadian bank having a combined capital and surplus and retained earnings of at least $100,000,000 and having a rating of A, its equivalent or better by Moody's or S&P (or, if neither such organization shall rate such institution at any time, by any nationally recognized rating organization in the United States);

(x) Canadian Treasury Bills fully hedged to U.S. dollars;

(xi) repurchase agreements with any financial institution having combined capital and surplus and retained earnings of at least $100,000,000 collateralized by transfer of possession of any of the obligations described in clauses (i) through (x) above; and

(xii) money market mutual funds that are registered with the Security and Exchange Commission under the Investment Company Act and operated in accordance with Rule 2a-7 and that at the time of such investment are rated "Aaa" by Moody's and/or "AAA" by S&P.

"**Permitted Lien**" has the meaning specified in Section 6 of the Lease.

"**Permitted Sublessee**" means:

(i) the Manufacturer or Engine Manufacturer (or any Affiliate of either thereof);

(ii) any Certificated Air Carrier;

(iii) any foreign air carrier that is principally based in and a domiciliary of a Permitted Country, if, at the time Lessee enters into a sublease with such foreign air carrier, Lessor receives an opinion from counsel to Lessee (which counsel shall be reasonably satisfactory to Lessor) to the effect that:

(A) all filing, recording and other action necessary to perfect and protect Lessor's rights and interests in and to the Aircraft and the Lease has been accomplished;

(B) there exist no possessory rights in favor of such sublessee under the laws of such sublessee's country which would, upon bankruptcy or insolvency of or other default by Lessee and assuming that at the time of such bankruptcy, insolvency or other default by Lessee, such sublessee is not insolvent or bankrupt, prevent the return of an Engine or the Airframe and each Engine or engine subject to such sublease to Lessor in accordance with and when permitted by the terms of Sections 14 and 15 of the Lease upon the exercise by Lessor of its remedies under Section 15 of the Lease; and

(C) the terms of the Lease are legal, valid, binding and enforceable in the country in which such foreign air carrier is principally based (subject to customary exceptions); or

(iv) any foreign air carrier not described in clause (iii) above consented to in writing by Lessor (such consent not to be unreasonably withheld);

provided that in the case of any such foreign air carrier referred to in clause (iii) or (iv) above (other than a foreign air carrier principally based in Taiwan), the U.S. maintains full diplomatic relations with the country in which such foreign air carrier is principally based at the time such sublease is entered into.

"**Person**" means any individual person, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, trustee, unincorporated organization or government.

["**Plan Effective Date**" means the effective date of any plan of reorganization filed by Lessee in the Chapter 11 Case that is confirmed pursuant to Section 1129 of the Bankruptcy Code.] [8]

"**Qualifying Institution**" has the meaning specified in Section 8.2(a)(ii) of the Participation Agreement.

"**Reference Banks**" means Citibank, JP Morgan Chase Bank, Deutsche Bank, and such other or additional banking institutions as may be designated from time to time by mutual agreement of Lessee and Lessor.

[8] Include if the Closing occurs during the pendency of the Chapter 11 Case.

"**Reference Stipulated Loss Value Determination Date**" means (i) with respect to Section 10 of the Lease, the Stipulated Loss Value Determination Date on or immediately preceding the Loss Payment Date, (ii) with respect to Section 15(c) of the Lease, the Stipulated Loss Value Determination Date on or immediately preceding the Specified Payment Date and (iii) with respect to Section 15(d) of the Lease, the Stipulated Loss Value Determination Date on or immediately preceding the Sale Date.

"**Related Aircraft**" means any aircraft that is a "Leased Aircraft" (as defined in the American/Airbus Purchase Agreement) other than the Aircraft.

"**Related Lease**" means, as of any date of determination, any aircraft lease agreement in substantially the form of the Lease Agreement with respect to any Related Aircraft between Lessee, as lessee, and Wells Fargo Bank Northwest, National Association, as owner trustee (or a successor trust company or any other bank or trust company pursuant to a "Trust Transfer" with respect to such aircraft lease agreement), as lessor, provided that, as of such date, the "Owner Participant" with respect to such aircraft lease agreement and Owner Participant with respect to the Lease Agreement are identical or are Affiliates and the further conditions in both of the following clauses (A) and (B) are satisfied: (A) with respect to such aircraft lease agreement, either (x) Owner Participant is and has been the "Owner Participant" since the inception of such aircraft lease agreement or (y) Owner Participant is and became "Owner Participant" as a result of a direct Transfer of the owner participant interest meeting the requirements of Section 8.2 of the related "Participation Agreement" from Airbus Financial Services or an Affiliate of Airbus Financial Services who has been such an Affiliate since the inception of such aircraft lease agreement, provided that Airbus Financial Services or such Affiliate prior to such Transfer had been the "Owner Participant" with respect to such aircraft lease agreement at all times since the inception of such aircraft lease agreement, and (B) with respect to the Lease Agreement, Owner Participant is and has been [name of initial Owner Participant] since the inception of the Lease Agreement.

"**Related Indemnitee Group**" with respect to any Indemnified Person, subject to Section 8.3.2(a) of the Participation Agreement, means each of such Indemnified Person's officers, directors, servants, agents, successors and permitted assigns.

"**Renewal Term**" has the meaning set forth in Section 21 of the Lease.

"**Rent**" means Basic Rent and Supplemental Rent.

"**Replaced Engine**" has the meaning set forth in Section 8(d)(i) of the Lease.

"**Replacement Engine**" means an engine of the same make and model as the Replaced Engine (or engine of the same or another manufacturer of a comparable or an improved model and suitable for installation and use on the Airframe and compatible with the other Engine) which shall have been substituted under the Lease pursuant to the Return Conditions or Sections 8(d) or 10(d) of the Lease, together with all Parts relating to such engine, but in each case excluding any Excluded Equipment.

"**Re-registration Conditions**" means the terms and conditions set forth in Schedule B to the Participation Agreement.

"**Responsible Officer**" means, with respect to Lessee, its Chairman of the Board, its President, any Executive Vice President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer, the Secretary or any other management employee (i) whose power to take the action in question has been authorized, directly or indirectly, by the Board of Directors of Lessee, (ii) working under the supervision of any such Chairman of the Board, President, Executive Vice President, Senior Vice President, Chief Financial Officer, Vice President, Treasurer or Secretary and (iii) whose responsibilities include the administration of the transactions and agreements contemplated by the Lease and other Operative Documents.

"**Return Conditions**" means the return conditions set forth in Annex B to the Lease.

"**Return Date**" has the meaning set forth in Annex B to the Lease.

"**S&P**" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, a subsidiary of The McGraw-Hill Companies, Inc. (or any successor thereto that is a nationally recognized statistical rating organization).

"**Sale**" has the meaning ascribed to the term "sale" in the Cape Town Treaty.

"**Sale Date**" has the meaning specified in Section 15(d) of the Lease.

"**Section 1110**" means Section 1110 of the Bankruptcy Code.

"**Securities Act**" means the Securities Act of 1933, and the rules and regulations promulgated thereunder.

[*CTR*] has the meaning set forth in Section 6.1.4 of the Participation Agreement.

[*CTR*] has the meaning set forth in Section 6.1.4 of the Participation Agreement.

"**Specified Payment Date**" has the meaning set forth in Section 15(c) of the Lease.

"**Specified Persons**" means Owner Trustee, Trust Company, Owner Participant and, to the extent provided in Section 8.3 of the Participation Agreement, each Back-Leveraging Indemnified Person. that has been added as an "Indemnified Person" in a Lessee Consent.

"**Stipulated Loss Value**" with respect to the Aircraft means (i) during the Basic Term, the amount set forth in Schedule B to Lease Supplement No. 1 opposite the Stipulated Loss Value Determination Date that is the Reference Stipulated Loss Value Determination Date and (ii) during any Renewal Term, the amount determined as provided in Section 21 of the Lease applicable to the Stipulated Loss Value Determination Date that is the Reference Stipulated Loss Value Determination Date.

[*CTR*] = [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

"**Stipulated Loss Value Determination Date**" means (i) during the Basic Term, each date specified in Schedule B to Lease Supplement No. 1 and (ii) during any Renewal Term, each Lease Period Date occurring during such Renewal Term.

"**Sublease Period**" means any period during which a sublease permitted by the terms of the Lease is in effect.

"**Successor**" has the meaning set forth in Section 6.1.3(a) of the Participation Agreement.

"**Supplemental Rent**" means all amounts (other than Basic Rent) which Lessee agrees to pay to Lessor, Owner Participant or any other Indemnified Person or Tax Indemnitee pursuant to any Operative Document, including without limitation payments of Stipulated Loss Value and indemnities payable under Sections 7.1 and 7.2 of the Participation Agreement.

"**Tax**" or "**Taxes**" means all governmental or quasi-governmental fees (including, without limitation, license, filing and registration fees) and all taxes (including, without limitation, franchise, excise, stamp, value added, income, gross receipts, sales, use, property, personal and real, tangible and intangible taxes), withholdings, assessments, levies, imposts, duties or charges, of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon or other additions thereto imposed, levied or assessed by any country, taxing authority or governmental subdivision thereof or therein or by any international authority, including any taxes imposed on any Person as a result of such Person being required to collect and pay over withholding taxes.

"**Tax Indemnitee**" means Lessor, Owner Trustee, Trust Company, Owner Participant and each Back-Leveraging Indemnified Person that has been added as a "Tax Indemnitee" in a Lessee Consent (including any security trustee that has been so added) and their respective officers, directors, servants, agents, successors and permitted assigns, and, with respect to any Tax imposed on a consolidated or combined group of companies of which Lessor, Owner Trustee, Trust Company, Owner Participant or any such Back-Leveraging Indemnified Person is a member, such group and any member thereof, but excluding any such Person in its capacity as the manufacturer, supplier or subcontractor of the Aircraft, Airframe or Engines or any Part and any officer, director, servant, agent, successor or permitted assign of such Person in such capacity.

"**Term**" means the Basic Term and, if actually entered into, any Renewal Term.

"**Transfer**" means an offer, sale, assignment, transfer, participation, conveyance or other disposition.

"**Transferee**" has the meaning set forth in Section 8.2(a)(i)(A) of the Participation Agreement.

"**Transportation Code**" means that portion of Title 49 of the United States Code comprising those provisions formerly referred to as the Federal Aviation Act of 1958, as amended.

"**Trust**" means the trust created under the Trust Agreement.

"**Trust Agreement**" means that certain Trust Agreement ([YEAR] MSN [MSN]), dated as of [ ], [YEAR], between Owner Participant and Trust Company.

"**Trust Company**" means (i) Wells Fargo Bank Northwest, National Association, a national banking association, in its individual capacity, or (ii) if such Wells Fargo Bank Northwest, National Association is not then serving as Owner Trustee under the Trust Agreement, the entity serving as Owner Trustee, in its individual capacity.

"**Trust Estate**" means all estate, right, title and interest of Owner Trustee in and to the Aircraft, the Participation Agreement, the Lease and the other Operative Documents, including, without limitation, all amounts of Basic Rent, Supplemental Rent, insurance proceeds (other than any insurance proceeds payable under liability policies to or for the benefit of Trust Company, for its own account or in its individual capacity, or to Owner Participant) and requisition, indemnity or other payments of any kind for or with respect to the Aircraft including, without limitation, any and all payments and proceeds received by Owner Trustee after the termination of the Lease with respect to the Aircraft resulting from the sale, lease or other disposition thereof.

"**Trust Indenture Act**" means the Trust Indenture Act of 1939.

"**Trust Transfer**" has the meaning set forth in Section 8.1 of the Participation Agreement.

"**UCC**" means the Uniform Commercial Code, as in effect in any applicable jurisdiction.

"**U.S.**" or "**United States**" means the United States of America.

"**Warranty Bill of Sale**" means the warranty (as to title) bill of sale with respect to the Aircraft executed by the Manufacturer in favor of Owner Trustee.

Exhibit 10.3

EXECUTION VERSION

CREDIT AND GUARANTY AGREEMENT
dated as of June 27, 2013

among

AMERICAN AIRLINES, INC.,
as the Borrower,

AMR CORPORATION,
as Parent and a Guarantor,

THE SUBSIDIARIES OF PARENT FROM TIME TO TIME PARTY HERETO
OTHER THAN THE BORROWER,
as Guarantors,

THE LENDERS PARTY HERETO,

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent,

CITIGROUP GLOBAL MARKETS INC.,
as Left Lead Arranger for the Revolving Facility and Syndication Agent,

BARCLAYS BANK PLC,
GOLDMAN SACHS BANK USA,
J.P. MORGAN SECURITIES LLC
and MORGAN STANLEY SENIOR FUNDING, INC.,
as Documentation Agents,

CITIGROUP GLOBAL MARKETS INC.,
DEUTSCHE BANK SECURITIES INC.,
BARCLAYS BANK PLC,
GOLDMAN SACHS BANK USA,
J.P. MORGAN SECURITIES LLC
and MORGAN STANLEY SENIOR FUNDING, INC.,
as Joint Lead Arrangers,

and

DEUTSCHE BANK SECURITIES, INC., CITIGROUP GLOBAL MARKETS INC., BARCLAYS BANK PLC, GOLDMAN SACHS BANK USA, J.P. MORGAN SECURITIES LLC, MORGAN STANLEY SENIOR FUNDING, INC., CREDIT SUISSE SECURITIES (USA) LLC
and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Joint Bookrunners

TABLE OF CONTENTS

Article X

MISCELLANEOUS

INDEX OF APPENDICES

CREDIT AND GUARANTY AGREEMENT, dated as of June 27, 2013, among AMERICAN AIRLINES, INC., a Delaware corporation (the "*Borrower*"), AMR CORPORATION, a Delaware corporation ("*Parent*"), the direct and indirect Domestic Subsidiaries of Parent from time to time party hereto other than the Borrower, each of the several banks and other financial institutions or entities from time to time party hereto as a lender (the "*Lenders*"), DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent for the Lenders (together with its permitted successors in such capacity, the "*Administrative Agent*"), as collateral agent (in such capacity, the "*Collateral Agent*") and as an issuing lender (in such capacity, an "*Issuing Lender*"), CITIGROUP GLOBAL MARKETS INC., DEUTSCHE BANK SECURITIES INC., BARCLAYS BANK PLC, GOLDMAN SACHS BANK USA, J.P. MORGAN SECURITIES LLC and MORGAN STANLEY SENIOR FUNDING, INC., as joint lead arrangers (collectively, the "*Joint Lead Arrangers*"), and DEUTSCHE BANK SECURITIES, INC., CITIGROUP GLOBAL MARKETS INC., BARCLAYS BANK PLC, GOLDMAN SACHS BANK USA, J.P. MORGAN SECURITIES LLC, MORGAN STANLEY SENIOR FUNDING, INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, as joint bookrunners.

INTRODUCTORY STATEMENT

The Borrower has applied to the Lenders for a loan facility of $2,050,000,000 comprised of (a) a revolving credit and revolving letter of credit facility in an aggregate principal amount of $1,000,000,000 as set forth herein and (b) a term loan facility in an aggregate principal amount of $1,050,000,000 as set forth herein.

The proceeds of the Loans may be used for general corporate purposes, including, without limitation, the financing of aircraft-related capital expenditures, the repayment of existing Indebtedness and the funding of exit costs and pension catch-up payments.

To provide guarantees and security for the repayment of the Loans, the reimbursement of any draft drawn under a Letter of Credit and the payment of the other obligations of the Borrower and the Guarantors hereunder and under the other Loan Documents, the Borrower and the Guarantors will, among other things, provide to the Administrative Agent and the Lenders the following (each as more fully described herein):

(a) a guaranty from each Guarantor of the due and punctual payment and performance of the Obligations of the Borrower pursuant to Article IX; and

(b) a security interest with respect to the Collateral from the Borrower and each other Grantor (if any) pursuant to the Collateral Documents.

Accordingly, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Defined Terms.

"*ABR*," when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the Alternate Base Rate.

"*Account*" shall mean all "accounts" as defined in the UCC, and all rights to payment for interest (other than with respect to debt and credit card receivables).

"*Account Collateral*" shall have the meaning set forth in the SGR Security Agreement.

"*Account Control Agreements*" shall mean (a) an Account Control Agreement in the form of Exhibit E hereto and (b) each other three-party security and control agreement entered into by any Grantor, the Collateral Agent and a financial institution which maintains one or more deposit accounts or securities accounts that have been pledged to the Collateral Agent as Collateral hereunder or under any other Loan Document, in each case giving the Collateral Agent exclusive control over the applicable account and in form and substance reasonably satisfactory to the Administrative Agent.

"*Acquired Debt*" shall mean, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into such specified Person, or becomes a Subsidiary of such specified Person, to the extent such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging, consolidating or amalgamating with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional Collateral*" shall mean (a) cash or Cash Equivalents pledged to the Collateral Agent pursuant to the applicable Collateral Document, (b) additional Route Authorities, Slots and/or Foreign Gate Leaseholds pledged to the Collateral Agent pursuant to a security agreement substantially in the form of the SGR Security Agreement (or in the case of the Borrower or another Grantor that has previously entered into such a security agreement, supplement(s) to the SGR Security Agreement or such security agreement, as applicable, describing such additional Route Authorities, Slots and/or Foreign Gate Leaseholds (in the case of Slots or Foreign Gate Leaseholds, associated with any additional Scheduled Service designated in such supplement(s))), (c) aircraft or spare engines pledged to a trustee as provided in Section 8.01(d) pursuant to Aircraft Security Agreement(s) or supplement(s) thereto, (d) Ground Service Equipment, Flight Simulators, spare parts, QEC Kits or Real Property Assets located in the United States pledged to the Collateral Agent pursuant to security agreement(s) (or

mortgage(s) in the case of Real Property Assets) in a form reasonably satisfactory to the Administrative Agent and (e) any other assets acceptable to the Required Lenders that may be appraised pursuant to an Appraisal of the type set forth in clause (3) of the definition thereof pledged to the Collateral Agent pursuant to security agreement(s) or mortgage(s), as applicable, in a form reasonably satisfactory to the Administrative Agent.

"*Administrative Agent*" shall have the meaning set forth in the first paragraph of this Agreement.

"*Administrative Agent Fee Letter*" shall have the meaning set forth in Section 2.19.

"*Affiliate*" shall mean, as to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings. No Person (other than Parent or any Subsidiary of Parent) in whom a Receivables Subsidiary makes an Investment in connection with a Qualified Receivables Transaction will be deemed to be an Affiliate of Parent or any of its Subsidiaries solely by reason of such Investment. A specified Person shall not be deemed to control another Person solely because such specified Person has the right to determine the aircraft flights operated by such other Person under a code sharing, capacity purchase or similar agreement. Prior to the AMR/LCC Merger, none of US Airways or any of its Subsidiaries shall be deemed an Affiliate of Parent or any of its Subsidiaries.

"*Affiliate Transaction*" shall have the meaning set forth in Section 6.05(a).

"*Agents*" shall mean, collectively, the Administrative Agent and the Collateral Agent, and "*Agent*" shall mean either one of them.

"*Aggregate Exposure*" shall mean, with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender's Commitments at such time and (b) thereafter, the sum of (i) the aggregate then outstanding principal amount of such Lender's Term Loans and (ii) the amount of such Lender's Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"*Aggregate Exposure Percentage*" shall mean, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"*Agreement*" shall mean this Credit and Guaranty Agreement.

"*Aircraft Related Equipment*" shall mean aircraft (including engines, airframes, propellers and appliances), engines, propellers, spare parts, aircraft parts, Flight Simulators and other training devices, QEC Kits, passenger loading bridges, other flight or Ground Service Equipment.

"*Aircraft Related Facilities*" shall mean (i) airport terminal facilities, including without limitation, baggage systems, loading bridges and related equipment, building, infrastructure and maintenance facilities, tooling facilities, club rooms, apron, fueling systems or facilities, signage/image systems, administrative offices, information technology systems or security systems, (ii) airline support facilities, including without limitation, cargo, catering, mail, ground service equipment, ramp control, deicing, hangars, aircraft parts/storage, training, office and reservations facilities or (iii) all equipment and tooling used in connection with the foregoing.

"*Aircraft Security Agreement*" shall mean (i) with respect to any aircraft (comprised of an airframe and its related engines) that may be pledged by a Grantor as Additional Collateral or Qualified Replacement Assets after the date hereof, a security agreement substantially in the form of Exhibit F and (ii) with respect to any spare engine that may be pledged by a Grantor as Additional Collateral or Qualified Replacement Assets after the date hereof, a spare engine security agreement based on the form of aircraft security agreement in Exhibit F but with (x) such changes to conform such form of aircraft security agreement to the description of terms of the security agreement applicable to spare engines in Exhibit G and (y) such other changes proposed by the Borrower and reasonably acceptable to the Administrative Agent.

"*Airline/Parent Merger*" shall mean the merger or consolidation, if any, of Parent with any airline Subsidiary of Parent.

"*Airlines Merger*" shall mean the merger, asset transfer, consolidation or other transaction which results in one or more airline Subsidiaries of Parent operating under a single operating certificate.

"*Airport Authority*" shall have the meaning set forth in the SGR Security Agreement.

"*AISI"* shall mean Aircraft Information Services, Inc.

"*Alternate Base Rate*" shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the sum of the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the sum of the One-Month LIBOR in effect on such day plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the One-Month LIBOR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the One-Month LIBOR, respectively.

"*Alternative Plan*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*AMR Group Member*" shall mean AMR Corporation, a Delaware corporation, or any Person that is directly or indirectly controlled by AMR Corporation. For the purposes of this definition, "control" shall mean the power, directly or indirectly, to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or otherwise.

"*AMR/LCC Merger*" shall mean the merger contemplated by the AMR/LCC Merger Agreement.

"*AMR/LCC Merger Agreement*" shall mean the Agreement and Plan of Merger, dated as of February 13, 2013, among Parent, AMR Merger Sub, Inc. and US Airways Group, Inc., as amended from time to time.

"*Applicable Margin*" shall mean the rate per annum determined pursuant to the following:

Class of Loans	Applicable Margin Eurodollar Loans	Applicable Margin ABR Loans
Class B Term Loans	3.75%	2.75%
Revolving Loans	3.50%	2.50%

"*Appraisal*" shall mean (i) the Initial Appraisal and (ii) any other appraisal, dated the date of delivery thereof, prepared by (1) with respect to any Route Authorities, Slots and Foreign Gate Leaseholds, MBA or, if MBA is unwilling or unable to provide an appraisal as set forth below or ceases to be independent, SH&E or, if SH&E is unwilling or unable to provide such appraisal or ceases to be independent, any other appraiser appointed by the Borrower and reasonably acceptable to the Administrative Agent, (2) with respect to any aircraft, airframe or engine, any of MBA, SH&E, Ascend, BK, AISI or AVITAS or, if each such appraiser is unwilling or unable to provide an appraisal or ceases to be independent, any other appraiser appointed by the Borrower and reasonably acceptable to the Administrative Agent and (3) with respect to any other type of property, MBA or SH&E or, if each such appraiser is unwilling or unable to provide an appraisal or ceases to be independent, any other appraiser appointed by the Borrower and reasonably acceptable to the Administrative Agent (in each case of any appraiser specified above in clauses (1), (2) and (3), including its successor). Any Appraisal with respect to:

(1) Route Authorities, Slots and/or Foreign Gate Leaseholds shall have methodology, assumptions and form of presentation consistent in all material respects with the Initial Appraisal (including the utilization of a "Discount Rate" of 11.5% and a perpetuity growth rate of 1.5%, and, if, with respect to all of the Scheduled Services between the United States and a particular country, the Appraised Value of the related Route Authorities, Slots and Foreign Gate Leaseholds is a negative number, such Appraised Value shall be deemed to be zero);

(2) an aircraft, airframe, or engine shall be a desktop appraisal of the current market value of such aircraft, airframe or engine, which does not include any inspection of such aircraft, airframe or engine or the related maintenance records and which assumes its maintenance status is half-life; or

(3) any other type of property shall be based upon a methodology and assumptions deemed appropriate by the applicable appraisal firm.

"*Appraised Value*" shall mean, as of any date, (x) with respect to any cash pledged or being pledged at such time as Collateral or maintained in the Collateral Proceeds Account, 160% of the face amount thereof, (y) with respect to any Cash Equivalents pledged or being pledged at such time as Collateral or maintained in the Collateral Proceeds Account, 160% of the fair market value thereof, as determined by the Administrative Agent in accordance with customary financial market practices determined no earlier than 45 days prior to such date and (z) with respect to any other type of property, the value of such property, as reflected in the most recent Appraisal relating to such property delivered on or prior to such date; provided that with respect to any Collateral consisting of property described in clause (z), (A) if no Appraisal relating to such Collateral has been delivered to the Administrative Agent prior to such date, the Appraised Value of such Collateral shall be deemed to be zero and (B) if an Appraisal relating to such Collateral has been delivered to the Administrative Agent prior to such date, but no Appraisal relating to such Collateral has been delivered to the Administrative Agent by the last day of the 30 day period prior to June 1 or December 1 referred to in Section 5.06(1) (such last day, the "*Required Appraisal Date*") that immediately precedes such date, then the Appraised Value of such Collateral shall be deemed to be zero for the period from such Required Appraisal Date to the date an Appraisal relating to such Collateral is delivered to the Administrative Agent.

"*Approved Fund*" shall have the meaning set forth in Section 10.02(b).

"*Approved Plan of Reorganization*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*ARB Indebtedness*" shall mean, with respect to Parent or any of its Subsidiaries, without duplication, all Indebtedness or obligations of Parent or such Subsidiary created or arising with respect to any limited recourse revenue bonds issued for the purpose of financing or refinancing improvements to, or the construction or acquisition of, airport and other related facilities and equipment, the use or construction of which qualifies and renders interest on such bonds exempt from certain federal or state taxes.

"*Ascend*" shall mean Ascend Worldwide Limited.

"*Assignment and Acceptance*" shall mean an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.02), and accepted by the Administrative Agent, substantially in the form of Exhibit C.

"*AVITAS*" shall mean AVITAS, Inc.

"*Banking Product Obligations*" shall mean, as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person in respect of any treasury, depository and cash management services, netting services and automated clearing house transfers of funds services, including obligations for the payment of fees, interest, charges, expenses, attorneys'

fees and disbursements in connection therewith. Treasury, depository and cash management services, netting services and automated clearing house transfers of funds services include, without limitation: corporate purchasing, fleet and travel credit card and prepaid card programs, electronic check processing, electronic receipt services, lockbox services, cash consolidation, concentration, positioning and investing, fraud prevention services, and disbursement services.

"*Bankruptcy Case*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*Bankruptcy Case Event of Default*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*Bankruptcy Code*" shall mean The Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. Section 101 et seq.

"*Bankruptcy Court*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*Bankruptcy Court Order*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*Bankruptcy Event*" shall mean, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"*Bankruptcy Law*" shall mean the Bankruptcy Code or any similar federal or state law for the relief of debtors.

"*Beneficial Owner*" shall have the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time.

"*BK*" shall mean BK Associates, Inc.

"*Board*" shall mean the Board of Governors of the Federal Reserve System of the United States.

"*Board of Directors*" shall mean:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors or other governing body of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members, manager or managers or any controlling committee of managing members or managers thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Borrower*" shall have the meaning set forth in the first paragraph of this Agreement.

"*Borrowing*" shall mean the incurrence, conversion or continuation of Loans of a single Type made from all the Revolving Lenders or the Term Lenders, as the case may be, on a single date and having, in the case of Eurodollar Loans, a single Interest Period.

"*Borrowing Date*" shall mean any Business Day specified in a notice pursuant to Sections 2.03 and 2.04 as a date on which the Borrower requests the Lenders to make Loans hereunder or an Issuing Lender to issue Letters of Credit hereunder.

"*Business Day*" shall mean any day other than a Saturday, Sunday or other day on which commercial banks in New York City are required or authorized to remain closed (and, for a Letter of Credit, other than a day on which the Issuing Lender issuing such Letter of Credit is closed); provided, however, that when used in connection with the borrowing or repayment of a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits on the London interbank market.

"*Calculation Date*" shall have the meaning set forth in the definition of "*Fixed Charge Coverage Ratio*."

"*Capital Lease Obligation*" shall mean, at the time any determination is to be made, the amount of the liability in respect of a lease that would at that time be required to be capitalized and reflected as a liability on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Markets Offering*" shall mean any offering of "securities" (as defined under the Securities Act) in (a) a public offering registered under the Securities Act, or (b) an offering not required to be registered under the Securities Act (including, without limitation, a private placement under Section 4(2) of the Securities Act, an exempt offering pursuant to Rule 144A and/or Regulation S of the Securities Act and an offering of exempt securities).

"*Capital Stock*" shall mean:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing clauses (1) through (4) any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Collateralization*" or "*Cash Collateralize*" shall have the meaning set forth in Section 2.02(j). The terms "*Cash Collateralized*," "*Cash Collateralizes*" and "*Cash Collateralizing*" shall have correlative meanings.

"*Cash Equivalents*" shall mean, as of the date acquired, purchased or made, as applicable:

(1) marketable securities or other obligations (a) issued or directly and unconditionally guaranteed as to interest and principal by the United States government or (b) issued or unconditionally guaranteed as to interest and principal by any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within three years after such date;

(2) direct obligations issued by any state of the United States of America or any political subdivision of any such state or any instrumentality thereof, in each case maturing within three years after such date and having a rating of at least A- (or the equivalent thereof) from S&P or A3 (or the equivalent thereof) from Moody's;

(3) obligations of domestic or foreign companies and their subsidiaries (including, without limitation, agencies, sponsored enterprises or instrumentalities chartered by an Act of Congress, which are not backed by the full faith and credit of the United States), including, without limitation, bills, notes, bonds, debentures, and mortgage-backed securities; provided that, in each case, the security has a maturity or weighted average life of three years or less from such date;

(4) investments in commercial paper maturing no more than one year after such date and having, on such date, a rating of at least A-2 from S&P or at least P-2 from Moody's;

(5) certificates of deposit (including investments made through an intermediary, such as the certificated deposit account registry service), bankers' acceptances, time deposits, Eurodollar time deposits and overnight bank deposits maturing within three years from such date and issued or guaranteed by or placed with, and any money market deposit accounts issued or offered by, any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia that has a combined capital and surplus and undivided profits of not less than $250,000,000;

(6) fully collateralized repurchase agreements with counterparties whose long term debt is rated not less than A- by S&P and A3 by Moody's and with a term of not more than six months from such date;

(7) Investments in money in an investment company registered under the Investment Company Act of 1940, as amended, or in pooled accounts or funds offered through mutual funds, investment advisors, banks and brokerage houses which invest its assets in obligations of the type described in clauses (1) through (6) above, in each case, as of such date, including, but not be limited to, money market funds or short-term and intermediate bonds funds;

(8) shares of any money market mutual fund that, as of such date, (a) complies with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended and (b) is rated AAA (or the equivalent thereof) by S&P and Aaa (or the equivalent thereof) by Moody's;

(9) auction rate preferred securities that, as of such date, have the highest rating obtainable from either S&P or Moody's and with a maximum reset date at least every 30 days;

(10) investments made pursuant to the Borrower's or any of its Restricted Subsidiaries' investment guidelines;

(11) deposits available for withdrawal on demand with commercial banks organized in the United States having capital and surplus in excess of $100,000,000;

(12) securities with maturities of three years or less from such date issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A2 by Moody's; and

(13) any other securities or pools of securities that are classified under GAAP as cash equivalents or short-term investments on a balance sheet as of such date.

"*Certificate Delivery Date*" shall have the meaning set forth in Section 6.09(a).

"*Change in Law*" shall mean, after the date hereof, (a) the adoption of any law, rule or regulation after the date of this Agreement (including any request, rule, regulation, guideline, requirement or directive promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel II or Basel III) or (b) compliance by any Lender or Issuing Lender (or, for purposes of Section 2.14(b), by any lending office of such Lender or Issuing Lender through which Loans and/or Letters of Credit are issued or maintained or by such Lender's or Issuing Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"*Change of Control*" shall mean the occurrence of any of the following:

(1) the sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Parent and its Subsidiaries taken as a whole, or the Borrower and its Subsidiaries taken as a whole, to any Person (including any "person" (as that term is used in Section 13(d)(3) of the Exchange Act)) (other than Parent or any of its Subsidiaries); or

(2) the consummation of any transaction (including, without limitation, any merger or consolidation, the result of which is that any Person (including any "person" (as defined above)) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of Parent (measured by voting power rather than number of shares), other than, in the case of clause (1) above or this clause (2), (A) any such transaction where the Voting Stock of Parent (measured by voting power rather than number of shares) outstanding immediately prior to such transaction constitutes or is converted into or exchanged for a majority of the outstanding shares of the Voting Stock of such Person or Beneficial Owner (measured by voting power rather than number of shares) or (B) any sale, transfer, conveyance or other disposition to, or any merger or consolidation of Parent with or into any Person (including any "person" (as defined above)) which owns or operates (directly or indirectly through a contractual arrangement) a Permitted Business (a "*Permitted Person*") or a Subsidiary of a Permitted Person, in each case under this clause (B), if immediately after such transaction no Person (including any "person" (as defined above)) is the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock of such Permitted Person (measured by voting power rather than number of shares).

For the avoidance of doubt, the AMR/LCC Merger, any Airline/Parent Merger and any Airlines Merger will not be a Change of Control under this Agreement.

"*Class*," when used in reference to any Loan or Borrowing, shall refer to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Class B Term Loans or Incremental Term Loans that are not Class B Term Loans or other tranche or sub-tranche of Term Loans or Revolving Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment or a Term Loan Commitment. In addition, any extended tranche of Term Loans or Revolving Commitments shall constitute a Class of Loans separate from which they were converted.

"*Class B Term Loans*" shall have the meaning set forth in Section 2.01(b).

"*Closing Date*" shall mean the date on which this Agreement has been executed and the conditions precedent set forth in Section 4.01 have been satisfied or waived.

"*Closing Date Transactions*" shall mean the Transactions other than (x) the borrowing of Loans after the Closing Date and the use of the proceeds thereof and (y) the request for and issuance of Letters of Credit hereunder after the Closing Date.

"*Co-Branded Card Agreement*" shall mean that certain America West Co-Branded Card Agreement, dated as of January 25, 2005, between US Airways (as successor in interest to America West Airlines, Inc.) and Barclays Bank Delaware (as successor in interest to Juniper Bank), as amended, restated, supplemented or otherwise modified from time to time, including pursuant to that certain Assignment and First Amendment to the America West Co-Branded Card Agreement, dated as of August 8, 2005, among US Airways, America West Airlines, Inc. and Barclays Bank Delaware (as successor in interest to Juniper Bank).

"*Code*" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"*Collateral*" shall mean (i) the assets and properties of the Grantors upon which Liens have been granted to the Collateral Agent to secure the Obligations including, without limitation, any Qualified Replacement Assets, Additional Collateral and all of the "Collateral" as defined in the Collateral Documents, but excluding all such assets and properties released from such Liens pursuant to the applicable Collateral Document and (ii) each of the Letter of Credit Account and the Collateral Proceeds Account, together with all amounts on deposit therein and all proceeds thereof.

"*Collateral Agent*" shall have the meaning set forth in the first paragraph of this Agreement (and, as specified in Section 1.02(b), shall include any successor).

"*Collateral Coverage Ratio*" shall mean, as of any date, the ratio of (i) the Appraised Value of the Collateral with respect to such date to (ii) the sum, without duplication, of (w) the Total Revolving Extensions of Credit then outstanding (other than LC Exposure that has been Cash Collateralized in accordance with Section 2.02(j)), plus (x) the aggregate principal amount of all Term Loans then outstanding, plus (y) the aggregate principal amount of all Pari Passu Senior Secured Debt then outstanding plus (z) the aggregate amount of all Designated Hedging Obligations and Designated Banking Product Obligations that constitute "Obligations" then outstanding (such sum, the "*Total Obligations*").

"*Collateral Coverage Ratio Certificate*" shall mean an Officer's Certificate calculating the Collateral Coverage Ratio substantially in the form of Exhibit H hereto.

"*Collateral Documents*" shall mean, collectively, the SGR Security Agreement, the Account Control Agreement(s), any Intercreditor Agreement (on and after the execution thereof), any Other Intercreditor Agreement (on and after the execution thereof) and other agreements, instruments or documents that create or purport to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties, in each case so long as such agreement, instrument or document shall not have been terminated in accordance with its terms.

"*Collateral Proceeds Account*" shall mean a segregated account or accounts held by or under the control of the Collateral Agent into which the Net Proceeds of any Recovery Event or Disposition of Collateral may be deposited in accordance with the provisions of this Agreement.

"*Commitment*" shall mean, as to any Lender, the sum of the Revolving Commitment, if any, and the Term Loan Commitment, if any, of such Lender, it being understood that the "*Term Loan Commitment*" of a Lender shall remain in effect until the Term Loans have been funded in full in accordance with this Agreement.

"*Commitment Fee*" shall have the meaning given to such term in Section 2.20(a).

"*Commitment Fee Rate*" shall mean 0.75% per annum.

"*Commodity Exchange Act*" shall mean the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

"*Consolidated EBITDAR*" shall mean, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with any Disposition of assets, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(3) the Fixed Charges of such Person and its Restricted Subsidiaries, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(4) any foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period, to the extent that such losses were deducted in computing such Consolidated Net Income; plus

(5) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any

future period or amortization of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Restricted Subsidiaries to the extent that such depreciation, amortization and other non-cash charges or expenses were deducted in computing such Consolidated Net Income; plus

(6) the amortization of debt discount to the extent that such amortization was deducted in computing such Consolidated Net Income; plus

(7) deductions for grants to any employee of Parent or its Restricted Subsidiaries of any Equity Interests during such period to the extent deducted in computing such Consolidated Net Income; plus

(8) any net loss arising from the sale, exchange or other disposition of capital assets by Parent or its Restricted Subsidiaries (including any fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets and all securities) to the extent such loss was deducted in computing such Consolidated Net Income; plus

(9) any losses arising under fuel hedging arrangements entered into prior to the Closing Date and any losses actually realized under fuel hedging arrangements entered into after the Closing Date, in each case to the extent deducted in computing such Consolidated Net Income; plus

(10) proceeds from business interruption insurance for such period, to the extent not already included in computing such Consolidated Net Income; plus

(11) any expenses and charges that are covered by indemnification or reimbursement provisions in connection with any permitted acquisition, merger (including the AMR/LCC Merger, any Airlines Merger or any Airline/Parent Merger), disposition, incurrence of Indebtedness, issuance of Equity Interests or any investment to the extent (a) actually indemnified or reimbursed and (b) deducted in computing such Consolidated Net Income; plus

(12) non-cash items, other than the accrual of revenue in the Ordinary Course of Business, to the extent such amount increased such Consolidated Net Income; minus

(13) the sum of (A) income tax credits and (B) interest income included in computing such Consolidated Net Income;

in each case, determined on a consolidated basis in accordance with GAAP.

"*Consolidated Net Income*" shall mean, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiary of such Person), determined in accordance with GAAP and without any reduction in respect of preferred stock dividends; provided that:

(1) all (a) extraordinary, nonrecurring, special or unusual gains and losses or income or expenses, including, without limitation, any expenses related to a facilities closing and any reconstruction, recommissioning or reconfiguration of fixed assets for alternate uses; any severance or relocation expenses; executive recruiting costs; restructuring or reorganization costs (whether incurred before or after the effective date of any applicable reorganization plan, including, following the AMR/LCC Merger and Parent's reorganization plan); curtailments or modifications to pension and post-retirement employee benefit plans; (b) any expenses (including, without limitation, transaction costs, integration or transition costs, financial advisory fees, accounting fees, legal fees and other similar advisory and consulting fees and related out-of-pocket expenses), cost-savings, costs or charges incurred in connection with any issuance of securities (including the notes), Permitted Investment, acquisition, disposition, recapitalization or incurrence or repayment of Indebtedness permitted under the indenture, including a refinancing thereof (in each case whether or not successful) (including but not limited to any one or more of the AMR/LCC Merger, any Airlines Merger and any Airline/Parent Merger) and (c) gains and losses realized in connection with any sale of assets, the disposition of securities, the early extinguishment of Indebtedness or associated with Hedging Obligations, together with any related provision for taxes on any such gain, will be excluded;

(2) the net income (but not loss) of any Person that is not the specified Person or a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included for such period only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or Restricted Subsidiary of the specified Person;

(3) the net income (but not loss) of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(4) the cumulative effect of a change in accounting principles on such Person will be excluded;

(5) the effect of non-cash gains and losses of such Person resulting from Hedging Obligations, including attributable to movement in the mark-to-market valuation of Hedging Obligations pursuant to Financial Accounting Standards Board Statement No. 133 will be excluded;

(6) any non-cash compensation expense recorded from grants by such Person of stock appreciation or similar rights, stock options or other rights to officers, directors or employees, will be excluded;

(7) the effect on such Person of any non-cash items resulting from any write-up, write-down or write-off of assets (including intangible assets, goodwill and deferred financing costs) in connection with any acquisition, disposition, merger, consolidation or similar transaction (including but not limited to any one or more of the AMR/LCC Merger, any Airlines Merger and any Airline/Parent Merger) or any other non-cash impairment charges incurred subsequent to the Closing Date resulting from the application of Financial Accounting Standards Board Accounting Standards Codifications 205—Presentation of Financial Statements, 350—Intangibles—Goodwill and Other, 360—Property, Plant and Equipment and 805—Business Combinations (excluding any such non-cash item to the extent that it represents an accrual of or reserve for cash expenditures in any future period except to the extent such item is subsequently reversed), will be excluded;

(8) any provision for income tax reflected on such Person's financial statements for such period will be excluded to the extent such provision exceeds the actual amount of taxes paid in cash during such period by such Person and its consolidated Subsidiaries; and

(9) any amortization of deferred charges resulting from the application of Financial Accounting Standards Board Accounting Standards Codifications 470-20 Debt With Conversion and Other Options that may be settled in cash upon conversion (including partial cash settlement) will be excluded.

"*Consolidated Tangible Assets*" shall mean, as of any date of determination, Consolidated Total Assets of Parent and its consolidated Restricted Subsidiaries excluding goodwill, patents, trade names, trademarks, copyrights, franchises and any other assets properly classified as intangible assets, in accordance with GAAP.

"*Consolidated Total Assets*" shall mean, as of any date of determination, the sum of the amounts that would appear on a consolidated balance sheet of Parent and its consolidated Restricted Subsidiaries as the total assets of Parent and its Restricted Subsidiaries in accordance with GAAP.

"*Convertible Indebtedness*" shall mean Indebtedness of Parent or a Restricted Subsidiary of Parent permitted to be incurred under the terms of this Agreement that is either (a) convertible or exchangeable into common stock of Parent (and cash in lieu of fractional shares) and/or cash (in an amount determined by reference to the price of such common stock) or (b) sold as units with call options, warrants or rights to purchase (or substantially equivalent derivative transactions) that are exercisable for common stock of Parent or a parent company of the issuer and/or cash (in an amount determined by reference to the price of such common stock).

"*Credit Card*" shall mean any agreement or plan relating to a credit card, debit card, charge card, purchasing card or other similar system.

"*Credit Facilities*" shall mean, one or more debt facilities, commercial paper facilities, reimbursement agreements or other agreements (other than the Loan Documents) providing for the extension of credit, or securities purchase agreements, indentures or similar agreements, whether secured or unsecured, in each case, with banks, insurance companies, financial institutions or other lenders or investors providing for, or acting as initial purchasers of, revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit, surety bonds, insurance products or the issuance and sale of securities, in each case, as amended, restated, modified, renewed, extended, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities) in whole or in part from time to time.

"*Default*" shall mean any event that, unless cured or waived, is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Defaulting Lender*" shall mean, at any time (a) any Lender (including any Agent in its capacity as Lender) that has failed, within two (2) Business Days from the date required to be funded or paid by it hereunder, to fund or pay (x) any portion of the Revolving Loans, (y) any portion of the participations in any Letter of Credit required to be funded hereunder or (z) any other amount required to be paid by it hereunder to the Administrative Agent, any Issuing Lender or any other Lender (or its banking Affiliates), (b) any Lender (including any Agent in its capacity as Lender) that has notified the Borrower, the Administrative Agent, any Issuing Lender or any other Lender or has made a public statement, in each case, verbally or in writing and has not rescinded such notice or publication, to the effect, that it does not intend or expect to comply with any of its funding obligations (i) under this Agreement or (ii) generally under other agreements in which it commits to extend credit, (c) any Lender (including any Agent in its capacity as Lender), that has failed, within three (3) Business Days after request by the Administrative Agent, any Issuing Lender, any other Lender or the Borrower, acting in good faith, to provide a confirmation in writing from an authorized officer or other authorized representative of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's, such Issuing Lender's, such other Lender's or the Borrower's, as applicable, receipt of such confirmation in form and substance satisfactory to the Administrative Agent and the Borrowers or (d) any Agent or any Lender that has become, or has had its Parent Company become, the subject of a Bankruptcy Event.

"*Designated Banking Product Agreement*" shall mean any agreement evidencing Designated Banking Product Obligations entered into by Parent or the Borrower and any Person that, at the time such Person entered into such agreement, was a Revolving Lender or a banking Affiliate of a Revolving Lender, in each case designated by the relevant Lender and Parent or the Borrower, by written notice to the Administrative Agent, as a "Designated Banking Product Agreement"; provided that, so long as any Revolving Lender is a Defaulting Lender, such Revolving Lender shall not have any rights hereunder with respect to any Designated Banking Product Agreement entered into while such Revolving Lender was a Defaulting Lender.

"*Designated Banking Product Obligations*" shall mean any Banking Product Obligations, in each case as designated by any Revolving Lender (or a banking Affiliate thereof) and Parent or the Borrower from time to time and agreed to by the Administrative Agent as constituting "Designated Banking Product Obligations," which notice shall include (i) a copy of an agreement providing an agreed-upon maximum amount of Designated Banking Product Obligations that can be included as Obligations, and (ii) the acknowledgment of such Lender (or such banking Affiliate) that its security interest in the Collateral securing such Designated Banking Product Obligations shall be subject to the Loan Documents; provided that, after giving effect to such designation, the aggregate agreed-upon maximum amount of all "Designated Banking Product Obligations" included as Obligations, together with the aggregate agreed-upon maximum amount of all "Designated Hedging Obligations" included as Obligations, shall not exceed $100,000,000 in the aggregate.

"*Designated Hedging Agreement*" shall mean any Hedging Agreement entered into by Parent or the Borrower and any Person that, at the time such Person entered into such Hedging Agreement, was a Revolving Lender or an Affiliate of a Revolving Lender, as designated by the relevant Lender (or Affiliate of a Lender) and Parent or the Borrower, by written notice to the Administrative Agent, as a "Designated Hedging Agreement," which notice shall include a copy of an agreement providing for (i) a methodology agreed to by Parent or the Borrower, such Lender or Affiliate of a Lender, and the Administrative Agent for reporting the outstanding amount of Designated Hedging Obligations under such Designated Hedging Agreement from time to time, (ii) an agreed-upon maximum amount of Designated Hedging Obligations under such Designated Hedging Agreement that can be included as Obligations and (iii) the acknowledgment of such Lender or Affiliate of a Lender that its security interest in the Collateral securing such Designated Hedging Obligations shall be subject to the Loan Documents; provided that, after giving effect to such designation, the aggregate agreed-upon maximum amount of all "Designated Hedging Obligations" included as Obligations, together with the aggregate agreed-upon maximum amount of all "Designated Banking Product Obligations" included as Obligations, shall not exceed $100,000,000 in the aggregate; provided, further, that so long as any Revolving Lender is a Defaulting Lender, such Revolving Lender shall not have any rights hereunder with respect to any Designated Hedging Agreement entered into while such Revolving Lender was a Defaulting Lender.

"*Designated Hedging Obligations*" shall mean, as applied to any Person, all Hedging Obligations of such Person under Designated Hedging Agreements after taking into account the effect of any legally enforceable netting arrangements included in such Designated Hedging Agreements; it being understood and agreed that, on any date of determination, the amount of such Hedging Obligations under any Designated Hedging Agreement shall be determined based upon the "settlement amount" (or similar term) as defined under such Designated Hedging Agreement or, with respect to a Designated Hedging Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any termination payments then due and payable) under such Designated Hedging Agreement.

"*Disposition*" shall mean, with respect to any property, any sale, lease, sale and leaseback, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"*Disqualified Institution*" shall mean (i) any airline, commercial air freight carrier, air freight forwarder or entity engaged in the business of parcel transport by air, (ii) any Affiliate of any Person described in clause (i) above (other than any Affiliate of such Person as a result of common control by a Governmental Authority or instrumentality thereof which Affiliate is not actively involved in the management and/or operation of such Person) and (iii) any Persons designated in writing by the Borrower to the Administrative Agent prior to the Closing Date.

"*Disqualified Stock*" shall mean any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale), is convertible or exchangeable for Indebtedness or Disqualified Stock, or is redeemable at the option of the holder of the Capital Stock, in whole or in part (other than as a result of a change of control or asset sale), on or prior to the date that is 91 days after the Term Loan Maturity Date. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require Parent or any of its Restricted Subsidiaries to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that Parent or such Restricted Subsidiary may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 6.01. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that Parent and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends. For the avoidance of doubt, the preferred stock to be issued to the creditors of Parent pursuant to Parent's plan of reorganization, as amended, will not constitute Disqualified Stock.

"*Documentation Agents*" shall mean Barclays Bank PLC, Goldman Sachs Bank USA, J.P. Morgan Securities LLC and Morgan Stanley Senior Funding, Inc.

"*Dollars*" and "*$*" shall mean lawful money of the United States of America.

"*Domestic Subsidiary*" shall mean any Restricted Subsidiary of Parent that was formed under the laws of the United States or any state of the United States or the District of Columbia other than (i) any Restricted Subsidiary substantially all of the assets of which are equity interests in one or more Foreign Subsidiaries, intellectual property relating to such Foreign Subsidiaries and other assets (including cash and Cash Equivalents) relating to an ownership interest in such Foreign Subsidiaries and (ii) any Subsidiary of a Foreign Subsidiary.

"*DOT*" shall mean the United States Department of Transportation and any successor thereto.

"*Dutch Auction*" shall mean an auction of Term Loans conducted pursuant to Section 10.02(g) to allow the Borrower to purchase Term Loans at a discount to par value and on a non-pro rata basis, in each case in accordance with the applicable Dutch Auction Procedures.

"*Dutch Auction Procedures*" shall mean, with respect to a purchase of Term Loans by the Borrower pursuant to Section 10.02(g), Dutch auction procedures to be reasonably agreed upon by the Borrower and the Administrative Agent in connection with any such purchase.

"*Eligible Assignee*" shall mean (a) a commercial bank having total assets in excess of $1,000,000,000, (b) a finance company, insurance company or other financial institution or fund, in each case reasonably acceptable to the Administrative Agent, which in the ordinary course of business extends credit of the type contemplated herein or invests therein and has total assets in excess of $200,000,000 and whose becoming an assignee would not constitute a prohibited transaction under Section 4975 of the Code or Section 406 of ERISA, (c) any Lender or any Affiliate of any Lender, provided that, in the case of any assignment of Revolving Commitments, such Affiliate has total assets in excess of $200,000,000, (d) an Approved Fund of any Lender, provided that, in the case of any assignment of Revolving Commitments, such Approved Fund has total assets in excess of $200,000,000, (e) (i) in the case of any Revolving Lender, any other financial institution reasonably satisfactory to the Administrative Agent, provided that such financial institution has total assets in excess of $200,000,000, and (ii) in the case of any Term Lender, any other Person (other than any Defaulting Lender, Disqualified Institution or natural Person) reasonably satisfactory to the Administrative Agent and (f) solely with respect to assignments of Term Loans to the extent permitted under Section 10.02(g), the Borrower; provided that, so long as no Event of Default has occurred and is continuing, no Disqualified Institution shall constitute an Eligible Assignee unless otherwise consented to by the Borrower; provided, further, that, except as provided in clause (f) above, neither the Borrower nor any Guarantor shall constitute an Eligible Assignee.

"*Emergence Date*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*Emergence EBITDAR*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*Environmental Laws*" shall mean all applicable laws (including common law), statutes, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or legally binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating to the protection of the environment, preservation or reclamation of natural resources, the handling, treatment, storage, disposal, Release or threatened Release of, or the exposure of any Person (including employees) to, any Hazardous Materials.

"*Environmental Liability*" shall mean any liability (including any liability for damages, natural resource damage, costs of environmental investigation, remediation or monitoring or costs, fines or penalties) resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or the arrangement for disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement, lease or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"*Equity Interests*" shall mean Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*ERISA*" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

"*ERISA Affiliate*" shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 and 430 of the Code, is treated as a single employer under Section 414 of the Code.

"*Escrow Accounts*" shall mean (1) accounts of Parent or any Subsidiary, solely to the extent any such accounts hold funds set aside by Parent or any Subsidiary to manage the collection and payment of amounts collected, withheld or incurred by Parent or such Subsidiary for the benefit of third parties relating to: (a) federal income tax withholding and backup withholding tax, employment taxes, transportation excise taxes and security related charges, (b) any and all state and local income tax withholding, employment taxes and related charges and fees and similar taxes, charges and fees, including, but not limited to, state and local payroll withholding taxes, unemployment and supplemental unemployment taxes, disability taxes, workman's or workers' compensation charges and related charges and fees, (c) state and local taxes imposed on overall gross receipts, sales and use taxes, fuel excise taxes and hotel occupancy taxes, (d) passenger facility fees and charges collected on behalf of and owed to various administrators, institutions, authorities, agencies and entities, (e) other similar federal, state or local taxes, charges and fees (including without limitation any amount required to be withheld or collected under applicable law) and (f) other funds held in trust for, or otherwise pledged to or segregated for the benefit of, an identified beneficiary; or (2) accounts, capitalized interest accounts, debt service reserve accounts, escrow accounts and other similar accounts of Parent or any Subsidiary or funds established in connection with the ARB Indebtedness.

"*Eurodollar*," when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the LIBO Rate.

"*Eurodollar Tranche*" shall mean the collective reference to Eurodollar Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"*Event of Default*" shall have the meaning set forth in Section 7.01.

"*Excess Cash Flow*" shall mean, for any period, (i) Consolidated EBITDAR of Parent for such period, minus (plus) (ii) any increase (decrease) in Working Capital of Parent from the first day of such period to the last day of such period, minus (iii) the sum of (A) payments by the Borrower, Parent or any Guarantor of scheduled principal and interest with respect to the consolidated Indebtedness of Parent (but excluding Indebtedness that is solely the obligation of any Subsidiary that is not a Guarantor) during such period, to the extent such

payments are not prohibited under this Agreement, (B) receipt by the Borrower, Parent or any Guarantor of principal related to this Agreement or, without prejudice to any other provision herein, any other debt refinancing, (C) income taxes paid during such period, (D) aircraft rentals paid during such period under Operating Leases, (E) cash used during such period for capital expenditures, (F) deposit and pre delivery payments made in respect of Aircraft Related Equipment, and (G) an amount equal to pension or FASB 106 payments made in excess, if any, of pension or FASB 106 expenses, plus (iv) an amount equal to the excess of pension or FASB 106 expense in excess, if any, of pension or FASB 106 payments; provided that, following the AMR/LCC Merger, for purposes of calculating Excess Cash Flow for any period prior to the AMR/LCC Merger, (a) Consolidated EBITDAR shall be calculated as the sum of Consolidated EBITDAR of US Airways. and the Consolidated EBITDAR of Parent, in each case, for such period, (b) Working Capital shall be calculated as the sum of the Working Capital of US Airways and the Working Capital of Parent, in each case, for such period and (c) amounts described in clause (iii) above shall be calculated as the sum of such amounts with respect to Parent, the Borrower and the Guarantors (in each case, as such terms are defined prior to giving effect to the AMR/LCC Merger) and with respect to US Airways and LCC, in each case, for such period.

"*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.

"*Excluded Contributions*" shall mean net cash proceeds received by Parent after the Closing Date from:

(1) contributions to its common equity capital (other than from any Subsidiary); or

(2) the sale (other than to a Subsidiary or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of Parent or any Subsidiary) of Qualifying Equity Interests,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate executed on or around the date such capital contributions are made or the date such Equity Interests are sold, as the case may be. Excluded Contributions will not be considered to be net proceeds of Qualifying Equity Interests for purposes of clause (a)(3)(B) of Section 6.01.

"*Excluded Information*" shall have the meaning set forth in Section 10.02(g).

"*Excluded Subsidiary*" shall mean each Subsidiary of Parent (1) that is a captive insurance company, (2) that is formed or exists for purposes relating to the investment in one or more tranches of Indebtedness of any other Subsidiary, other tranches of which have been (or are to be) offered in whole or in part to Persons who are not Affiliates of Parent, (3) that is a Regional Airline, (4) that is prohibited by applicable law, rule, regulation or contract existing on the Closing Date (or, in the case of any newly acquired Subsidiary, in existence at the time of acquisition but not entered into in contemplation thereof) from Guaranteeing, or granting Liens to secure, the Obligations or if Guaranteeing, or granting Liens to secure, the Obligations would require governmental (including regulatory) consent, approval, license or authorization unless such consent, approval, license or authorization has been received, (5) with respect to which the

Borrower and the Administrative Agent reasonably agree that the burden or cost or other consequences of providing a guarantee of the Obligations shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom, (6) with respect to which the provision of such guarantee of the Obligations would result in material adverse tax consequences to Parent or one of its Subsidiaries (as reasonably determined by the Borrower and notified in writing to the Administrative Agent) or (7) that is an Unrestricted Subsidiary. Following the AMR/LCC Merger, (i) Airways Assurance Limited LLC, (ii) AWHQ LLC and (iii) US Airways Company Store LLC shall each constitute an "Excluded Subsidiary."

"*Excluded Swap Obligation*" shall mean, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof). If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"*Excluded Taxes*" shall mean, with respect to the Administrative Agent, any Lender, any Issuing Lender or any other recipient of any payment to be made by or on account of any Obligation of the Borrower or any Guarantor hereunder or under any Loan Document, (a) any Taxes (i) based on (or measured by) its net income, profits or capital, or any franchise taxes, imposed by the United States of America or any political subdivision thereof or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Taxes (other than a connection arising from such recipient's having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or enforced, this Agreement or any Loan Document), (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction in which such recipient is located, (c) any withholding Tax or gross income Tax that is imposed on amounts payable to such recipient pursuant to a law in effect at the time such recipient becomes a party to this Agreement or designates a new lending office, except, and then only to the extent that, such recipient's assignor was entitled, at the time of assignment to such recipient, or such Lender was entitled at the time of designation of a new lending office, to receive additional amounts from the Borrower with respect to such withholding Tax pursuant to Section 2.16(a), (d) any withholding Tax that is attributable to such recipient's failure to deliver the documentation described in Section 2.16(f) or 2.16(g), (e) any Tax that is imposed by reason of FATCA and (f) in the case of a recipient that is an intermediary, partnership or other flow-through entity for U.S. tax purposes, any withholding Tax or gross income Tax, to the extent that such Tax is imposed based upon the status of a beneficiary, partner or member of such recipient pursuant to a law in effect at the time such beneficiary, partner or member of such recipient becomes a beneficiary, partner or member of such recipient, except to the extent that amounts with respect to such Taxes were payable pursuant to Section 2.16(a) to such recipient in respect of the assignor (or predecessor in interest) of such beneficiary, partner or member immediately before such beneficiary, partner or member acquired its interest in such recipient from such assignor (or predecessor in interest)).

"*Existing Indebtedness*" shall mean all Indebtedness of Parent and its Subsidiaries (other than Indebtedness incurred under clauses (1) or (3) of the definition of "*Permitted Debt*") in existence on the Closing Date, until such amounts are repaid.

"*Extended Revolving Commitment*" shall have the meaning set forth in Section 2.28(b)(ii).

"*Extended Term Loan*" shall have the meaning set forth in Section 2.28(a)(ii).

"*Extension*" shall mean a Term Loan Extension or a Revolver Extension, as the case may be.

"*Extension Amendment*" shall have the meaning set forth in Section 2.28(d).

"*Extension of Credit*" shall mean, as to any Lender, the making of a Loan, or the issuance of, or participation in, a Letter of Credit by such Lender.

"*Extension Offer*" shall mean a Term Loan Extension Offer or a Revolver Extension Offer, as the case may be.

"*FAA*" shall mean the Federal Aviation Administration of the United States of America and any successor thereto.

"*FAA Slot*" shall have the meaning set forth in the SGR Security Agreement.

"*Facility*" shall mean each of the Revolving Facility and the Term Loan Facility.

"*Fair Market Value*" shall mean the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by a Responsible Officer of the Borrower or Parent (unless otherwise provided in this Agreement); provided that any such Responsible Officer shall be permitted to consider the circumstances existing at such time (including, without limitation, economic or other conditions affecting the United States airline industry generally and any relevant legal compulsion, judicial proceeding or administrative order or the possibility thereof) in determining such Fair Market Value in connection with such transaction.

"*FASB*" shall mean the Financial Accounting Standards Board.

"*FATCA*" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement, any amended or successor provisions that are substantially comparable and not materially more onerous to comply with, any regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the foregoing.

"*Federal Funds Effective Rate*" shall mean, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as

published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"*Fee Letters*" shall mean the Administrative Agent Fee Letter and the Joint Lead Arranger Fee Letter.

"*Fees*" shall collectively mean the Commitment Fees, the Upfront Fees, the Letter of Credit Fees and other fees referred to in Section 2.19.

"*Fixed Charge Coverage Ratio*" shall mean, with respect to any specified Person for any specified period, the ratio of the Consolidated EBITDAR of such Person for such period to the Fixed Charges of such Person for such period. If the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect (as determined in good faith by a responsible financial or accounting officer of the Borrower or Parent and certified in an Officer's Certificate to the Administrative Agent) to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible financial or accounting officer of the Borrower or Parent and certified in an Officer's Certificate delivered to the Administrative Agent, and including any operating expense reductions for such period resulting from such acquisition that have been realized or for which all of the material steps necessary for realization have been taken) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated EBITDAR attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"*Fixed Charges*" shall mean, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period to the extent that such interest expense is payable in cash (and such interest income is receivable in cash); plus

(2) the interest component of leases that are capitalized in accordance with GAAP of such Person and its Restricted Subsidiaries for such period to the extent that such interest component is related to lease payments payable in cash; plus

(3) any interest expense actually paid in cash for such period by such specified Person on Indebtedness of another Person that is guaranteed by such specified Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such specified Person or one of its Restricted Subsidiaries; plus

(4) the product of (A) all cash dividends accrued on any series of preferred stock of such Person or any of its Restricted Subsidiaries for such period, other than to Parent or a Restricted Subsidiary of Parent, times (B) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with GAAP; plus

(5) the aircraft rent expense of such Person and its Restricted Subsidiaries for such period to the extent that such aircraft rent expense is payable in cash,

all as determined on a consolidated basis in accordance with GAAP.

"*Flight Simulators*" shall mean the flight simulators and flight training devices owned by Parent or any of its Restricted Subsidiaries.

"*Flyer Miles Obligations*" shall mean, at any date of determination, all payment and performance obligations of the Borrower under any card marketing agreement with respect to credit cards co-branded by the Borrower and a financial institution, including the AADVANTAGE Participation Agreement between the Company and Citibank (South Dakota), N.A., effective as of June 10, 2008, as amended, restated, modified, supplemented, replaced or extended from time to time.

"*Foreign Aviation Authority*" shall have the meaning set forth in the SGR Security Agreement.

"*Foreign Gate Leasehold*" shall have the meaning set forth in the SGR Security Agreement.

"*Foreign Lender*" shall mean any Lender that is not a "United States person" as defined in Section 7701(a)(3) of the Code.

"*Foreign Slot*" shall have the meaning set forth in the SGR Security Agreement.

"*Foreign Subsidiary*" shall mean any direct or indirect Subsidiary of Parent that was not formed under the laws of the United States or any state of the United States or the District of Columbia.

"*GAAP*" shall mean generally accepted accounting principles in the United States of America, which are in effect from time to time, including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, statements and pronouncements of the Financial Accounting Standards Board, such other statements by such other entity as have been approved by a significant segment of the accounting profession and the rules and regulations of the SEC governing the inclusion of financial statements in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC. Notwithstanding the foregoing definition, with respect to leases (whether or not they are required to be capitalized on a Person's balance sheet under generally accepted accounting principles in the United States of America in effect as of the date of this Agreement) and with respect to financial matters related to leases, including assets, liabilities and items of income and expense, "GAAP" shall mean (other than for purposes of Sections 5.01(a) and 5.01(b)), and determinations and calculations shall be made in accordance with, generally accepted accounting principles in the United States of America, which are in effect as of the date hereof.

"*Governmental Authority*" shall have the meaning set forth in the SGR Security Agreement.

"*Grantor*" shall mean the Borrower and any Guarantor that shall at any time pledge Collateral under a Collateral Document.

"*Ground Service Equipment*" shall mean the ground service equipment, de-icers, ground support equipment, aircraft cleaning devices, materials handling equipment, passenger walkways and other similar equipment owned by Parent or any of its Restricted Subsidiaries.

"*Guarantee*" shall mean a guarantee (other than (a) by endorsement of negotiable instruments for collection or (b) customary contractual indemnities, in each case in the Ordinary Course of Business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions).

"*Guaranteed Obligations*" shall have the meaning set forth in Section 9.01(a).

"*Guarantors*" shall mean, collectively, Parent and each Domestic Subsidiary of Parent that becomes pursuant to Section 5.09 a party to the Guaranty. As of the Closing Date, Parent is the sole Guarantor.

"*Guaranty*" shall mean the guaranty set forth in Article IX.

"*Guaranty Obligations*" shall have the meaning set forth in Section 9.01(a).

"*Hazardous Materials*" shall mean all radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature that are regulated pursuant to, or could reasonably be expected to give rise to liability under any Environmental Law.

"*Hedging Agreement*" shall mean any agreement evidencing Hedging Obligations.

"*Hedging Obligations*" shall mean, with respect to any Person, all obligations and liabilities of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, fuel prices or other commodity prices, but excluding (x) clauses in purchase agreements and maintenance agreements pertaining to future prices and (y) fuel purchase agreements and fuel sales that are for physical delivery of the relevant commodity.

For the avoidance of doubt, any Permitted Convertible Indebtedness Call Transaction will not constitute Hedging Obligations.

"*IATA*" shall mean the International Air Transport Association and any successor thereto.

"*Immaterial Subsidiaries*" shall mean one or more Subsidiaries of Parent (other than any Subsidiary that is a Guarantor, any Excluded Subsidiary, any Subsidiary that is not a Domestic Subsidiary, any Receivables Subsidiary and any Regional Airline), for which (a) the assets of all such Subsidiaries constitute, in the aggregate, no more than 7.5% of the total assets of Parent and its Subsidiaries on a consolidated basis (determined as of the last day of the most recent fiscal quarter of Parent for which internal financial statements are available) and (b) the revenues of all such Subsidiaries account for, in the aggregate, no more than 7.5% of the total revenues of Parent and its Subsidiaries on a consolidated basis for the twelve-month period ending on the last day of the most recent fiscal quarter of Parent for which internal financial statements are available; provided that a Subsidiary will not be considered to be an Immaterial Subsidiary if it (1) directly or indirectly guarantees, or pledges any property or assets to secure, any Obligations, Pari Passu Senior Secured Debt or Junior Lien Obligations or (2) owns any properties or assets that constitute Collateral.

"*Increase Effective Date*" shall have the meaning set forth in Section 2.27(a).

"*Increase Joinder*" shall have the meaning set forth in Section 2.27(c).

"*Incremental Commitments*" shall have the meaning set forth in Section 2.27(a).

"*Incremental Revolving Commitment*" shall have the meaning set forth in Section 2.27(a).

"*Incremental Term Loan Commitment*" shall have the meaning set forth in Section 2.27(a).

"*Incremental Term Loans*" shall have the meaning set forth in Section 2.27(c)(i).

"*Indebtedness*" shall mean, with respect to any specified person, any indebtedness of such person (excluding air traffic liability, accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed, and excluding in any event trade payables arising in the Ordinary Course of Business; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person. Indebtedness shall be calculated without giving effect to the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

For the avoidance of doubt, (a) Banking Product Obligations, (b) obligations under leases (other than leases determined to be Capital Lease Obligations under GAAP as in effect on the date of this Agreement), (c) obligations to fund pension plans and retiree liabilities, (d) Disqualified Stock and preferred stock, (e) Flyer Miles Obligations and other obligations in respect of the pre-purchase by others of frequent flyer miles, (f) maintenance deferral agreements, (g) an amount recorded as Indebtedness in the Company's financial statements solely by operation of Financial Accounting Standards Board Accounting Standards Codification 840-40-55 or any successor provision of GAAP but which does not otherwise constitute Indebtedness as defined hereinabove, (h) obligations under the Co-Branded Card Agreement, (i) a deferral of pre-delivery payments relating to the purchases of Aircraft Related Equipment and (j) obligations under flyer miles participation agreements do not constitute Indebtedness, whether or not such obligations would appear as a liability upon a balance sheet of a specified Person.

"*Indemnified Taxes*" shall mean Taxes, other than Excluded Taxes, imposed on or with respect to any payments made by the Borrower or any Guarantor under this Agreement or any other Loan Document.

"*Indemnitee*" shall have the meaning set forth in Section 10.04(b).

"*Initial Appraisal*" shall mean the report of MBA dated June 3, 2013, as delivered to the Administrative Agent by the Borrower pursuant to Section 4.01(e).

"*Installment*" shall have the meaning set forth in Section 2.10(b).

"*Intercreditor Agreement*" shall have the meaning set forth in Section 10.18.

"*Interest Election Request*" shall mean a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

"*Interest Payment Date*" shall mean (a) as to any Eurodollar Loan having an Interest Period of one or three months, the last day of such Interest Period, (b) as to any Eurodollar Loan having an Interest Period of more than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (c) with respect to ABR Loans, the last Business Day of each March, June, September and December.

"*Interest Period*" shall mean, as to any Borrowing of Eurodollar Loans, the period commencing on the date of such Borrowing (including as a result of a conversion from ABR Loans) or on the last day of the preceding Interest Period applicable to such Borrowing and ending on (but excluding) the numerically corresponding day (or if there is no corresponding day, the last day) in the calendar month that is one, three or six months thereafter (or, if available to all affected Lenders, 12 months or a shorter period as agreed to by the Administrative Agent and the affected Lenders), as the Borrower may elect in the related notice delivered pursuant to Section 2.03 or 2.05; provided that (i) if any Interest Period would end on a day which shall not be a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) no Interest Period shall end later than the applicable Termination Date.

"*Investments*" shall mean, with respect to any Person, all direct or indirect investments made from and after the Closing Date by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees), capital contributions or advances (but excluding advance payments and deposits for goods and services and commission, travel and similar advances to officers, employees and consultants made in the Ordinary Course of Business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities of other Persons, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If Parent or any Restricted Subsidiary of Parent sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of Parent after the Closing Date such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of Parent, Parent will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of Parent's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in Section 6.01. Notwithstanding the foregoing, any Equity Interests retained by Parent or any of its Subsidiaries after a disposition or dividend of assets or Capital Stock of any Person in connection with any partial "spin-off" of a Subsidiary or similar transactions shall not be deemed to be an Investment. The acquisition by Parent or any Restricted Subsidiary of Parent after the Closing Date of a Person that holds an Investment in a third Person will be deemed to be an Investment by Parent or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in Section 6.01. Except as otherwise provided in this Agreement, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Issuing Lender*" shall mean (i) the Administrative Agent (or any of its Affiliates reasonably acceptable to the Borrower), in each of its capacity as an issuer of Letters of Credit hereunder, and their respective successors in such capacity as provided in Section 2.02(i) and

(ii) any other Lender agreeing to act in such capacity, which other Lender shall be reasonably satisfactory to the Borrower and the Administrative Agent. Each Issuing Lender may, in its reasonable discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Lender reasonably acceptable to the Borrower, which Affiliate shall agree in writing reasonably acceptable to the Borrower to be bound by the provisions of the Loan Documents applicable to an Issuing Lender, in which case the term "Issuing Lender" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"*Joint Lead Arranger Fee Letter*" shall have the meaning set forth in Section 2.19.

"*Joint Lead Arrangers*" shall have the meaning set forth in the first paragraph of this Agreement.

"*Junior Secured Debt*" shall mean Indebtedness permitted to be incurred under Section 6.03(b)(20) and permitted to be secured by a Lien on Collateral under Section 6.06 or any Flyer Miles Obligations.

"*Latest Maturity Date*" shall mean, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time, including the latest maturity date of any Term Loan.

"*LC Commitment*" shall mean the commitment of each Issuing Lender to issue Letters of Credit in face amount not to exceed the amount set forth under the heading "LC Commitment" opposite its name in Annex A hereto or in the Assignment and Acceptance pursuant to which such Issuing Lender became a party hereto or in any other agreement or instrument pursuant to which such Issuing Lender becomes an Issuing Lender or increases its LC Commitment, in each case, as any of the same may be changed from time to time with the consent of the Borrower and any such Issuing Lender. The original aggregate amount of the LC Commitments shall not exceed $1,000,000,000.

"*LC Disbursement*" shall mean a payment made by an Issuing Lender pursuant to a Letter of Credit issued by it.

"*LC Exposure*" shall mean, at any time, the sum of (a) the aggregate maximum undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time; provided, that in the case of any escalating Letter of Credit where the face amount thereof is subject to escalation with no conditions, the LC Exposure with respect to such Letter of Credit shall be determined by referring to the maximum face amount to which such Letter of Credit may be so escalated. The LC Exposure of any Revolving Lender at any time shall be its Revolving Commitment Percentage of the total LC Exposure at such time.

"*LCC*" shall mean US Airways, Inc., a Delaware corporation.

"*LCC Closing Date*" shall mean May 24, 2013.

"*LCC Indenture*" shall mean the Indenture, dated as of May 24, 2013, between US Airways and Wilmington Trust, National Association, as trustee, as amended or supplemented from time to time.

"*Leased Collateral*" shall have the meaning set forth in the definition of "Permitted Disposition."

"*Leased Slots*" shall have the meaning set forth in the definition of "Permitted Disposition."

"*Lenders*" shall have the meaning set forth in the first paragraph of this Agreement.

"*Letter of Credit*" shall mean any irrevocable letter of credit issued pursuant to Section 2.02, which letter of credit shall be (i) a standby letter of credit, (ii) issued for general corporate purposes of Parent or any Subsidiary of Parent; provided that in any case the account party of a Letter of Credit must be the Borrower, (iii) denominated in Dollars and (iv) otherwise in such form as may be reasonably approved from time to time by the Administrative Agent and the applicable Issuing Lender.

"*Letter of Credit Account*" shall mean the account established by the Borrower after the Closing Date under the sole and exclusive control of the Collateral Agent maintained at the office of the Collateral Agent at 60 Wall Street, New York, New York 10005, which shall be used solely for the purposes set forth herein.

"*Letter of Credit Fees*" shall mean the fees payable in respect of Letters of Credit pursuant to Section 2.21.

"*Letter of Credit Request*" shall mean a request by the Borrower, executed by a Responsible Officer of the Borrower, for the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit) in accordance with Section 2.02 in substantially the form of Exhibit D-2 or such other form as reasonably acceptable to the applicable Issuing Lender.

"*LIBO Rate*" shall mean, with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum appearing on Bloomberg Page BBAM1 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for Dollar deposits with a maturity comparable to such Interest Period, provided, that solely in respect of the Class B Term Loans, the LIBO Rate shall not be less than 1.0%. In the event that the rate identified in the foregoing sentence (without regard to the proviso) is not available at such time for any reason, then such rate shall be the rate at which Dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, provided that solely in respect of the Class B Term Loans, such rate shall not be less than 1.0%.

"*Lien*" shall mean, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (but excluding any transaction pursuant to clause (6) of the definition of "*Permitted Disposition*"), including any conditional sale or other title retention agreement, any option or other agreement to sell or give a security interest in and, except in connection with any Qualified Receivables Transaction, any agreement to give any financing statement under the UCC (or equivalent statutes) of any jurisdiction.

"*Liquidity*" shall mean the sum of (i) all unrestricted cash and Cash Equivalents of Parent and its Restricted Subsidiaries, (ii) cash and Cash Equivalents of Parent and its Restricted Subsidiaries restricted in favor of the Facilities, (iii) the aggregate principal amount committed and available to be drawn by Parent and its Restricted Subsidiaries (taking into account all borrowing base limitations or other restrictions) under all revolving credit facilities (including the Revolving Facility) of Parent and its Restricted Subsidiaries and (iv) the scheduled net proceeds (after giving effect to any expected repayment of existing Indebtedness using such proceeds) of any Capital Markets Offering of Parent or any of its Restricted Subsidiaries that has priced but has not yet closed (until the earliest of the closing thereof, the termination thereof without closing or the date that falls five (5) Business Days after the initial scheduled closing date thereof).

"*Loan Documents*" shall mean this Agreement, the Collateral Documents, any Intercreditor Agreement, any Other Intercreditor Agreement, the Administrative Agent Fee Letter, the Arranger Fee Letter and any other instrument or agreement (which is designated as a Loan Document therein) executed and delivered by the Borrower or a Guarantor to the Administrative Agent, the Collateral Agent, any Issuing Lender or any Lender, in each case, as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time in accordance with the terms hereof.

"*Loan Parties*" shall mean the Borrower and the Guarantors.

"*Loan Request*" shall mean a request by the Borrower, executed by a Responsible Officer of the Borrower, for a Loan in accordance with Section 2.03 in substantially the form of Exhibit D-1.

"*Loans*" shall mean, collectively, the Revolving Loans and the Term Loans.

"*Margin Stock*" shall have the meaning set forth in Section 3.12(a).

"*Marketing and Service Agreements*" shall mean those certain business, marketing and service agreements among US Airways and/or any of its Subsidiaries and any of Mesa Airlines, Inc., Chautauqua Airlines, Inc., Trans States Airlines, Inc., United Air Lines, Inc., Republic Airline, Inc., SkyWest Airlines and Air Wisconsin Airlines Corporation and such other parties or agreements from time to time that include, but are not limited to, code-sharing, pro-rate, capacity purchase, service, frequent flyer, ground handling and marketing agreements that are entered into in the Ordinary Course of Business.

"*Material Adverse Change*" shall mean any event, change, condition, occurrence, development or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

"*Material Adverse Effect*" shall mean a material adverse effect on (a) the consolidated business, operations or financial condition of Parent and its Restricted Subsidiaries, taken as a whole, (b) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder or (c) the ability of the Borrower and the Guarantors, collectively, to pay the Obligations.

"*Material Indebtedness*" shall mean Indebtedness of the Borrower and/or Guarantors (other than the Loans and obligations relating to Letters of Credit) outstanding under the same agreement in a principal amount exceeding $150,000,000.

"*MBA*" shall mean Morten Beyer & Agnew.

"*Minimum Extension Condition*" shall have the meaning set forth in Section 2.28(c).

"*Moody's*" shall mean Moody's Investors Service, Inc.

"*Net Adjusted Debt*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*Net Proceeds*" shall mean the aggregate cash and Cash Equivalents received by Parent or any of its Restricted Subsidiaries in respect of any Disposition of Collateral (including, without limitation, any cash or Cash Equivalents received in respect of or upon the sale or other disposition of any non-cash consideration received in any Disposition of Collateral) or Recovery Event, net of: (a) the direct costs and expenses relating to such Disposition of Collateral and incurred by Parent or a Restricted Subsidiary (including the sale or disposition of such non-cash consideration) or any such Recovery Event, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Disposition of Collateral or Recovery Event, taxes paid or payable as a result of the Disposition of Collateral or Recovery Event, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements; (b) any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established or to be established, in each case, in accordance with GAAP and (c) any portion of the purchase price from a Disposition of Collateral placed in escrow pursuant to the terms of such Disposition of Collateral (either as a reserve for adjustment of the purchase price, or for satisfaction of indemnities in respect of such Disposition of Collateral) until the termination of such escrow.

"*Net Proceeds Amount*" shall have the meaning set forth in Section 2.12(a).

"*New Lender*" shall have the meaning set forth in Section 2.27(a).

"*Non-Defaulting Lender*" shall mean, at any time, a Lender that is not a Defaulting Lender.

"*Non-Extending Lender*" shall have the meaning set forth in Section 10.08(g).

"*Non-Lender Secured Party*" shall have the meaning provided in the SGR Security Agreement.

"*Non-Recourse Debt*" shall mean Indebtedness:

(1) as to which neither Parent nor any of its Restricted Subsidiaries (A) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (B) is directly or indirectly liable as a guarantor or otherwise; and

(2) as to which the holders of such Indebtedness do not otherwise have recourse to the stock or assets of Parent or any of its Restricted Subsidiaries (other than the Equity Interests of an Unrestricted Subsidiary).

"*Non-Recourse Financing Subsidiary*" shall mean any Unrestricted Subsidiary that (a) has no Indebtedness other than Non-Recourse Debt and (b) engages in no activities other than those relating to the financing of specified assets and other activities incidental thereto.

"*Obligations*" shall mean the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition of bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), the Loans, the Designated Hedging Obligations, the Designated Banking Product Obligations, and all other obligations and liabilities of the Borrower to any Agent, any trustee appointed pursuant to Section 8.01(d) with respect to an Aircraft Security Agreement, any Issuing Lender or any Lender (or (i) in the case of Designated Hedging Obligations, any obligee with respect to such designated Hedging Obligations who was a Lender or an Affiliate of a Lender when the related Designated Hedging Agreement was entered into or (ii) in the case of Designated Banking Product Obligations, any obligee with respect to such Designated Banking Product Obligations who was a Lender or a banking Affiliate of any Lender at the time the related Designated Banking Product Agreement was entered into), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under this Agreement or any other Loan Document, whether on account of principal, interest, reimbursement obligations, fees, indemnities, out-of-pocket costs, and expenses (including all fees, charges and disbursements of counsel to any Agent, any Issuing Lender or any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided, however, that the aggregate amount of all Designated Hedging Obligations and Designated Banking Product Obligations (in each case valued in accordance with the definitions thereof) at any time outstanding that shall be included as "Obligations" shall not exceed $100,000,000; provided, further that in no event shall the Obligations include Excluded Swap Obligations.

"*Officer's Certificate*" shall mean a certificate delivered by the Borrower on its own behalf or on behalf of an Affiliate of the Borrower or Parent signed by any one of the following officers of the Borrower or (at the Borrower's option) Parent: the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, the President, the Chief Financial Officer, any Executive Vice President, any Senior Vice President, any Vice President, the Secretary, the Treasurer or any Assistant Treasurer.

"*OID*" shall have the meaning given to such term in Section 2.27(c)(iii).

"*One-Month LIBOR*" shall mean, for any day, the rate for deposits in Dollars for a one-month period appearing on the Bloomberg Page BBAM1 as of 11:00 a.m., London time, on such day.

"*Operating Lease*" shall mean, as applied to any Person, any lease (including, without limitation, leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) under which such Person is lessee, that is not a lease representing Capital Lease Obligations.

"*Ordinary Course of Business*" shall mean with respect to Parent or any of its Subsidiaries, (a) in the ordinary course of business of, or in furtherance of an objective that is in the ordinary course of business of, Parent and its Subsidiaries, (b) customary and usual in the commercial airline industry in the United States or (c) consistent with the past or current practice of one or more commercial air carriers in the United States.

"*Other Intercreditor Agreement*" shall mean an intercreditor agreement in form and substance reasonably satisfactory to the Borrower and the Administrative Agent.

"*Other Taxes*" shall mean any and all present or future court stamp, mortgage, recording, filing or documentary taxes or any other similar, charges or similar levies arising from any payment made hereunder or from the execution, performance, delivery, registration of or enforcement of this Agreement or any other Loan Document.

"*Outstanding Letters of Credit*" shall have the meaning set forth in Section 2.02(j).

"*Parent*" shall have the meaning set forth in the first paragraph of this Agreement.

"*Parent Company*" shall mean, with respect to a Revolving Lender, the bank holding company (as defined in Regulation Y issued by the Board), if any, of such Revolving Lender, and/or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Revolving Lender.

"*Pari Passu Notes*" shall mean Indebtedness of the Borrower or any Guarantor in the form of senior secured notes; provided that (i) immediately after giving pro forma effect thereto, the use of proceeds therefrom and the pledge of additional assets as Additional Collateral (if any) (A) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (B) the Collateral Coverage Ratio shall be no less than 1.6 to 1.0 and the aggregate amount of Liquidity shall be no less than (x) prior to the AMR/LCC Merger, $1,500,000,000 or (y) on or after the AMR/LCC Merger, $2,000,000,000; (ii) such Indebtedness is secured by the Collateral on a *pari passu* basis with the Term Loan Facility and Revolving Facility pursuant to the Collateral Documents; (iii) such Indebtedness shall benefit from substantially the same guarantees as the guarantees of the Term Loan Facility and Revolving Facility provided hereunder; (iv) such Indebtedness matures no earlier than the Term Loan Maturity Date and (v) such Indebtedness constitutes "Priority Lien Debt" as defined under, and in accordance with the terms of, the Collateral Documents.

"*Pari Passu Senior Secured Debt*" shall mean (i) any Pari Passu Notes (and any Guarantee thereof by the Borrower or Parent) and (ii) any Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, extend, defease or discharge any such Indebtedness specified in clause (i).

"*Participant*" shall have the meaning set forth in Section 10.02(d)(i).

"*Participant Register*" shall have the meaning set forth in Section 10.02(d)(i).

"*Patriot Act*" shall mean the USA Patriot Act, Title III of Pub. L. 107-56, signed into law on October 26, 2001 and any subsequent legislation that amends or supplements such Act or any subsequent legislation that supersedes such Act.

"*Payroll Accounts*" shall mean depository accounts used only for payroll.

"*Permitted Bond Hedge Transaction*" shall mean any call or capped call option (or substantively equivalent derivative transaction) on Parent's common stock purchased by the issuer of any Convertible Indebtedness in connection with the issuance of any such Convertible Indebtedness; provided that the purchase price for such Permitted Bond Hedge Transaction, less the proceeds received by the issuer of such Convertible Indebtedness from the sale of any related Permitted Warrant Transaction, does not exceed the net proceeds received by such issuer from the sale of such Convertible Indebtedness issued in connection with the Permitted Bond Hedge Transaction.

"*Permitted Business*" shall mean any business that is similar, or reasonably related, ancillary, supportive or complementary to, or any reasonable extension of the businesses in which Parent and its Restricted Subsidiaries are engaged on the date of this Agreement.

"*Permitted Convertible Indebtedness Call Transaction*" shall mean any Permitted Bond Hedge Transaction and any Permitted Warrant Transaction.

"*Permitted Debt*" shall have the meaning set forth in Section 6.03(b).

"*Permitted Disposition*" shall mean, with respect to Dispositions of Collateral, any of the following:

(1) any single transaction or series of related transactions that involves the Disposition of assets having a Fair Market Value of less than $25,000,000 during any six-month period;

(2) Dispositions between or among any of Parent and any of its Restricted Subsidiaries that are Grantors (including any Person that shall become a Grantor simultaneous with such Disposition); provided that (i) concurrently with any Disposition of Collateral to any such Grantor or any Person that shall become a Grantor simultaneous

with such Disposition, such Grantor or Person shall have granted a security interest in such Collateral to the Collateral Agent pursuant to a security agreement or mortgage, as applicable, in substantially the same form as the security agreement or mortgage covering such Collateral prior to such Disposition; and (ii) if reasonably requested by the Collateral Agent, concurrently with, or promptly after, such Disposition, the Collateral Agent shall receive an opinion of counsel to the Borrower (which may be in-house counsel) (x) in the case of Collateral that consists of Route Authorities, Slots and/or Foreign Gate Leaseholds, as to the creation and perfection under Article 9 of the UCC of the Lien of the security agreement or mortgage, as applicable, and subject to assumptions and qualifications (including as provided in the opinion delivered pursuant to Section 4.01(f)(i)), and (y) in the case of any other Collateral, as to the creation and perfection of the Lien of such security agreement or mortgage, as applicable, in form and substance reasonably satisfactory to the Collateral Agent; provided, further that this clause (2) shall not permit any Disposition of the Letter of Credit Account or any amounts on deposit therein; provided, further, that following such Deposition, such Collateral is subject to a Lien with the priority and perfection required by the applicable Collateral Document immediately prior to such Disposition (and otherwise subject only to Permitted Liens) in favor of the Collateral Agent or trustee (as applicable) for the benefit of the Secured Parties;

(3) any Liens not prohibited by Section 6.06;

(4) Disposition of cash or Cash Equivalents in exchange for other cash or Cash Equivalents constituting Collateral and having reasonably equivalent value therefor; provided that this clause (4) shall not permit any Disposition of the Letter of Credit Account or any amounts on deposit therein;

(5) the abandonment or Disposition of assets no longer useful or used in the business; provided that such abandonment or Disposition is (A) in the Ordinary Course of Business consistent with past practices and (B) with respect to assets that are not material to the business of Parent and its Restricted Subsidiaries;

(6) the lease or sublease of, use, license or sublicense agreement, swap or exchange agreement or similar arrangement with respect to, assets and properties that constitute Collateral in the Ordinary Course of Business, so long as, in the case of any Pledged Slot or Pledged Foreign Gate Leasehold (the "*Leased Collateral*"), (A) such transaction has a term of one year or less, or in the case of Leased Collateral comprised of Pledged Slots ("*Leased Slots*"), does not extend beyond three comparable IATA traffic seasons or (B) if the term of such transaction is longer than provided for in clause (6)(A), a Responsible Officer of the Borrower determines in good faith and certifies in a Collateral Coverage Ratio Certificate delivered to the Administrative Agent prior to entering into any such transaction that (i) immediately after giving effect to such transaction, the Collateral Coverage Ratio with respect to the date of commencement of such transaction (for purposes of calculating such Collateral Coverage Ratio, including the Appraised Value of the Leased Collateral but excluding the proceeds of such transaction and the intended use thereof) would be at least 1.6 to 1.0; provided that in the event that the Leased Collateral is comprised of one or more Leased Slots, (x) the

Borrower shall deliver to the Administrative Agent an Appraisal of the portion of the Collateral comprised of Route Authorities, Slots and Foreign Gate Leaseholds, which Appraisal gives pro forma effect to such transaction with respect to such Leased Slots and (y) the Appraised Value stated in such Appraisal shall be used as the value of the portion of Collateral comprised of Route Authorities, Slots and Foreign Gate Leaseholds in the calculation of the Collateral Coverage Ratio with respect to the date of commencement of such transaction, (ii) the Collateral Agent's Liens on such Collateral are not materially adversely affected by such transaction; provided that the certification in this clause (ii) shall not be required with respect to any Leased Collateral comprised of Slots or Foreign Gate Leaseholds and (iii) no Event of Default exists at the time of such transaction;

(7) any retiming or other adjustment of the time or time period for landing or takeoff with respect to any Slot (whether accomplished by modification, substitution or exchange) for which no consideration is received by the Borrower or any of its Affiliates; provided that in the event that any such retiming or other adjustment of the time or time period for landing or takeoff with respect to any Slot shall be deemed to constitute a new Slot, such new Slot shall not constitute consideration received by the Borrower or any of its Affiliates for purposes of this clause (7);

(8) any Disposition of a Route Authority, Slot or Foreign Gate Leasehold resulting from any legislation, regulation, policy or other action of the FAA, the DOT, any applicable Foreign Aviation Authority, Airport Authority or any other Governmental Authority that affects the existence, availability or value of properties or rights of the same type as the Route Authorities, Slots or Foreign Gate Leaseholds to air carriers generally (and not solely to the Borrower), including any such legislation, regulation, policy or action relating to the applicability of Foreign Slots or FAA Slots to flight operations at any airport and for which no consideration is received by the Borrower or any of its Affiliates, provided that any other Route Authority, Slot or Foreign Gate Leasehold, as the case may be, received by the Borrower or any of its Affiliates in connection with such Disposition shall not constitute consideration;

(9) any Disposition of property resulting from an event of loss with respect to any aircraft, airframe, engine or spare engine if the Grantor is replacing such aircraft, airframe, engine or spare engine in accordance with the terms of the applicable Aircraft Security Agreement; and

(10) any Disposition of Collateral permitted by any of the Collateral Documents (to the extent such permission is not made by cross-reference to, or incorporation by reference of, a Disposition of Collateral permitted under Section 6.04(ii)).

"*Permitted Investments*" shall mean:

(1) any Investment in Parent or in a Restricted Subsidiary of Parent;

(2) any Investment in cash, Cash Equivalents and any foreign equivalents;

(3) any Investment by Parent or any Restricted Subsidiary of Parent in a Person, if as a result of such Investment:

(A) such Person becomes a Restricted Subsidiary of Parent; or

(B) such Person, in one transaction or a series of related and substantially concurrent transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Parent or a Restricted Subsidiary of Parent;

(4) any Investment made as a result of the receipt of non-cash consideration from a Disposition of assets;

(5) any acquisition of assets or Capital Stock in exchange for the issuance of Qualifying Equity Interests;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the Ordinary Course of Business of Parent or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (B) litigation, arbitration or other disputes;

(7) Investments represented by Hedging Obligations or made in connection therewith (including any cash collateral or other collateral that does not constitute Collateral provided to or by Parent or any of its Restricted Subsidiaries in connection with any Hedging Obligation);

(8) loans or advances to officers, directors or employees made in the Ordinary Course of Business of Parent or any Restricted Subsidiary of Parent in an aggregate principal amount not to exceed $20,000,000 ($30,000,000 following the AMR/LCC Merger) at any one time outstanding;

(9) prepayment or purchase of any Loans in accordance with the terms and conditions of this Agreement;

(10) any Guarantee of Indebtedness permitted to be incurred pursuant to Section 6.03 other than a Guarantee of Indebtedness of an Affiliate of Parent that is not a Restricted Subsidiary of Parent;

(11) any Investment existing on, or made pursuant to binding commitments existing on, the Closing Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Closing Date; provided that the amount of any such Investment may be increased (A) as required by the terms of such Investment as in existence on the Closing Date or (B) as otherwise permitted under this Agreement;

(12) (a) Investments or commitments to make Investments of US Airways and its Restricted Subsidiaries existing on the date of the AMR/LCC Merger and any Investments consisting of extensions, modifications or renewals of such Investments and (b) any other Investments or commitments to make Investments acquired after the Closing Date and any Investments consisting of extensions, modifications or renewals of such Investments as a result of the acquisition by Parent or any Restricted Subsidiary of Parent of another Person, including by way of a merger, amalgamation or consolidation with or into Parent or any of its Restricted Subsidiaries in a transaction that is not prohibited by Section 6.10 after the Closing Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(13) the acquisition by a Receivables Subsidiary in connection with a Qualified Receivables Transaction of Equity Interests of a trust or other Person established by such Receivables Subsidiary to effect such Qualified Receivables Transaction; and any other Investment by Parent or a Subsidiary of Parent in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Transaction;

(14) Receivables arising in the Ordinary Course of Business, and Investment in Receivables and related assets including pursuant to a Receivables Repurchase Obligation;

(15) Investments in connection with outsourcing initiatives in the Ordinary Course of Business;

(16) Permitted Bond Hedge Transactions which constitute Investments;

(17) Investments having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value other than a reduction for all returns of principal in cash and capital dividends in cash), when taken together with all Investments made pursuant to this clause (17) that are at the time outstanding, not to exceed 30% of the Consolidated Total Assets of Parent and its Restricted Subsidiaries at the time of such Investment;

(18) Investments consisting of reimbursable extensions of credit; provided that any such Investment made pursuant to this clause (18) shall not be permitted if unreimbursed within 90 days of any such extension of credit;

(19) Investments in connection with financing any pre-delivery, progress or other similar payments relating to the acquisition of Aircraft Related Equipment;

(20) Investments in Non-Recourse Financing Subsidiaries (other than Receivables Subsidiaries in connection with Qualified Receivables Transactions), in an aggregate amount outstanding at any time not to exceed $200,000,000 ($300,000,000 following the AMR/LCC Merger);

(21) Investments consisting of payments to or on behalf of any Person (including without limitation any third-party service provider) for purposes of improving or reconfiguring aircraft or Aircraft Related Equipment owned or operated by such Person in order to enhance or improve the brand under which Parent or any of its Affiliates operate, in an aggregate amount outstanding at any time not to exceed $200,000,000 ($300,000,000 following the AMR/LCC Merger);

(22) Investments in travel or airline related businesses made in connection with Marketing and Service Agreements, alliance agreements, distribution agreements, agreements relating to flight training, agreements relating to insurance arrangements, agreements relating to spare parts management systems and other similar agreements which Investments under this clause (22) (excluding Investments existing on the Closing Date) shall not exceed $200,000,000 ($300,000,000 following the AMR/LCC Merger) at any time outstanding;

(23) Investments consisting of payroll advances and advances for business and travel expenses in the Ordinary Course of Business;

(24) Investments made by way of any endorsement of negotiable instruments received in the Ordinary Course of Business and presented to any bank for collection or deposit;

(25) Investments consisting of stock, obligations or securities received in settlement of amounts owing to Parent or any Restricted Subsidiary in the Ordinary Course of Business or in a distribution received in respect of an Investment permitted hereunder;

(26) Investments made in Unrestricted Subsidiaries not to exceed $20,000,000 ($30,000,000 following the AMR/LCC Merger) in any fiscal year in the aggregate;

(27) Investments in fuel and credit card consortia and in connection with agreements with respect to fuel consortia, credit card consortia and fuel supply, in each case, in the Ordinary Course of Business;

(28) Investments consisting of advances and loans to Affiliates of Parent or any of its Restricted Subsidiaries, in an aggregate amount outstanding at any time not to exceed $200,000,000 ($300,000,000 following the AMR/LCC Merger);

(29) Investments made in Excluded Subsidiaries consistent with past practice and not to exceed $20,000,000 ($30,000,000 following the AMR/LCC Merger) per fiscal year in the aggregate;

(30) Guarantees incurred in the Ordinary Course of Business of obligations that do not constitute Indebtedness of any regional air carrier doing business with any of Parent’s Restricted Subsidiaries in connection with the regional air carrier’s business with such Restricted Subsidiary; advances to airport operators of landing fees and other customary airport charges for carriers on behalf of which Parent or any of its Restricted Subsidiaries provides ground handling services;

(31) so long as no Default or Event of Default has occurred and is continuing, any Investment by Parent and/or any Restricted Subsidiary of Parent;

(32) Investments consisting of guarantees of Indebtedness of any Person to the extent that such Indebtedness is incurred by such Person in connection with activities related to the business of Parent or any Restricted Subsidiary of Parent and Parent has determined that the incurrence of such Indebtedness is beneficial to the business of Parent or any of its Restricted Subsidiaries, in an aggregate amount outstanding at any time not to exceed $200,000,000 ($300,000,000 following the AMR/LCC Merger); and

(33) ownership by each of Parent and its Restricted Subsidiaries of the Capital Stock of each of its wholly-owned Subsidiaries.

"*Permitted Liens*" shall mean:

(1) Liens held by the Collateral Agent or trustee (as applicable) securing Obligations;

(2) Liens securing Junior Secured Debt, provided that such Liens shall (x) rank junior to the Liens in favor of the Collateral Agent securing the Obligations and (y) be subject to any Intercreditor Agreement or any Other Intercreditor Agreement;

(3) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently pursued; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(4) Liens imposed by law, including carriers', vendors', materialmen's, warehousemen's, landlord's, mechanics', repairmen's, employees' or other like Liens, in each case, incurred in the Ordinary Course of Business;

(5) Liens arising by operation of law in connection with judgments, attachments or awards which do not constitute an Event of Default hereunder;

(6) Liens created for the benefit of (or to secure) the Obligations or any Guaranty Obligations;

(7) Liens on Receivables and related assets of the type specified in the definition of "Qualified Receivables Transaction," incurred in connection with a Qualified Receivables Transaction;

(8) (A) any overdrafts and related liabilities arising from treasury, netting, depository and cash management services or in connection with any automated clearing house transfers of funds, in each case as it relates to cash or Cash Equivalents, if any, and (B) Liens arising by operation of law or that are contractual rights of set-off in favor of the depository bank or securities intermediary in respect of the Letter of Credit Account or the Collateral Proceeds Account;

(9) licenses, sublicenses, leases and subleases by any Grantor as they relate to any aircraft, airframe, engine or any other Additional Collateral and to the extent (A) such licenses, sublicenses, leases or subleases do not interfere in any material respect with the business of Parent and its Restricted Subsidiaries, taken as a whole, and in each case, such license, sublicense, lease or sublease is to be subject to the Liens granted to the Collateral Agent pursuant to the Collateral Documents or (B) otherwise expressly permitted by the Collateral Documents;

(10) mortgages, easements (including, without limitation, reciprocal easement agreements and utility agreements), rights of way, covenants, reservations, encroachments, land use restrictions, encumbrances or other similar matters and title defects, in each case as they relate to Real Property Assets, which (A) do not interfere materially with the ordinary conduct of the business of Parent and its Subsidiaries, taken as a whole, or their utilization of such property, (B) do not materially detract from the value of the property to which they attach or materially impair the use thereof to Parent and its Subsidiaries, taken as a whole and (C) do not materially adversely affect the marketability of the applicable property;

(11) salvage or similar rights of insurers, in each case as it relates to any aircraft, airframe, engine or any Additional Collateral, if any;

(12) in each case as it relates to any aircraft, Liens on appliances, parts, components, instruments, appurtenances, furnishings and other equipment installed on such aircraft and separately financed by a Grantor, to secure such financing;

(13) Liens incurred in the Ordinary Course of Business of Parent or any Restricted Subsidiary of Parent with respect to obligations that do not exceed in the aggregate $20,000,000 ($30,000,000 following the AMR/LCC Merger) at any one time outstanding;

(14) Liens on Collateral directly resulting from (x) any Disposition permitted under Section 6.04 or (y) any sale of such Collateral in compliance with Section 6.04;

(15) any Transfer Restriction that applies to the transfer or assignment (other than the pledge, grant or creation of a security interest or mortgage) of any asset, right or property constituting Collateral;

(16) with respect to engines (including spare engines) or parts (including spare parts), Liens relating to any pooling, exchange, interchange, borrowing or maintenance servicing agreement or arrangement customary in the airline industry and entered into in the Ordinary Course of Business;

(17) with respect to spare parts, purchase money security interest Liens held by a vendor for goods purchased from such vendor, in each case arising in the Ordinary Course of Business and for which the Borrower or the applicable Grantor pays such vendor within 60 days of such purchase;

(18) Liens on Collateral permitted by any of the Collateral Documents;

(19) Liens securing Pari Passu Senior Secured Debt, provided that such Liens shall (x) rank *pari passu* with the Liens in favor of the Collateral Agent securing the Obligations and (y) be subject to any Intercreditor Agreement or any Other Intercreditor Agreement;

(20) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the Ordinary Course of Business;

(21) in the case of any leased real property, any interest or title of the lessor thereof;

(22) Liens of creditors of any Person to whom Parent's or any of its Restricted Subsidiaries' assets constituting Collateral of the type described in clause (c), (d) or (e) of the definition of "Additional Collateral" are consigned for sale in the Ordinary Course of Business, so long as such Liens of such creditors are subject and subordinate to the Liens of the Collateral Agent on such Collateral;

(23) Liens arising from precautionary UCC and similar financing statements relating to Operating Leases not otherwise prohibited under any Loan Document; and

(24) Liens on Ground Service Equipment constituting Collateral solely to the extent attributable to the possession or use of such Ground Service Equipment constituting Collateral by any Subsidiary of Parent, so long as such Liens are subject and subordinate to the Lien of the Collateral Agent on such Collateral.

"*Permitted Person*" shall have the meaning set forth in the definition of "*Change of Control*."

"*Permitted Refinancing Indebtedness*" shall mean any Indebtedness (or commitments in respect thereof) of Parent or any of its Restricted Subsidiaries incurred in exchange for, or the net proceeds of which are used to renew, refund, extend, refinance, replace, defease or discharge all or a portion of other Indebtedness of any of Parent or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the original principal amount (or accreted value, if applicable) when initially incurred of the Indebtedness renewed, refunded, extended, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness (whether or not capitalized or accreted or payable on a current basis) and the amount of all fees and expenses, including premiums, incurred in connection therewith (such original principal amount plus such amounts described above, collectively, for purposes of this clause (1), the "*preceding amount*")); provided that with respect to any such Permitted Refinancing Indebtedness that is refinancing secured Indebtedness and is secured by the same collateral, the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness shall not exceed the greater of the preceding amount and the Fair Market Value of the assets securing such Permitted Refinancing Indebtedness (which Fair Market Value may, at the time of an advance commitment, be determined to be the Fair Market Value at the time of such commitment or (at the option of the issuer of such Indebtedness) the Fair Market Value projected for the time of incurrence of such Indebtedness);

(2) if such Permitted Refinancing Indebtedness has a maturity date that is after the Term Loan Maturity Date (with any amortization payment comprising such Permitted Refinancing Indebtedness being treated as maturing on its amortization date), such Permitted Refinancing Indebtedness has a Weighted Average Life to Maturity that is (A) equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, extended, refinanced, replaced, defeased or discharged or (B) more than 60 days after the Term Loan Maturity Date;

(3) if the Indebtedness being renewed, refunded, extended, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Loans, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Loans on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being renewed, refunded, extended, refinanced, replaced, defeased or discharged; and

(4) notwithstanding that the Indebtedness being renewed, refunded, refinanced, extended, replaced, defeased or discharged may have been repaid or discharged by Parent or any of its Restricted Subsidiaries prior to the date on which the new Indebtedness is incurred, Indebtedness that otherwise satisfies the requirements of this definition may be designated as Permitted Refinancing Indebtedness so long as such renewal, refunding, refinancing, extension, replacement, defeasance or discharge occurred not more than 36 months prior to the date of such incurrence of Permitted Refinancing Indebtedness.

"*Permitted Warrant Transaction*" shall mean any call option, warrant or right to purchase (or substantively equivalent derivative transaction) on Parent's common stock sold by Parent substantially concurrently with any purchase of a related Permitted Bond Hedge Transaction.

"*Person*" shall mean any person, including any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or other entity and, for the avoidance of doubt, includes the DOT, the FAA, any Airport Authority, any Foreign Aviation Authority and any other Governmental Authority.

"*Plan*" shall mean any "employee benefit plan" (other than a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA), that is maintained or is contributed to by the Borrower or any ERISA Affiliate and that is a pension plan subject to the provisions of Title IV of ERISA, Sections 412 or 430 of the Code or Section 302 of ERISA.

"*Plan Effective Date*" shall have the meaning set forth in Annex B (Chapter 11 Matters).

"*Pledged Foreign Gate Leaseholds*" shall mean, as of any date, the Foreign Gate Leaseholds included in the Collateral as of such date.

"*Pledged Route Authorities*" shall mean, as of any date, the Route Authorities included in the Collateral as of such date.

"*Pledged Slots*" shall mean, as of any date, the Slots included in the Collateral as of such date.

"*Prime Rate*" shall mean the rate of interest per annum publicly announced from time to time by the Administrative Agent, as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by the Administrative Agent in connection with extensions of credit to debtors); each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"*QEC Kits*" shall mean the quick engine change kits owned by Parent or any of its Restricted Subsidiaries.

"*Qualified Receivables Transaction*" shall mean any transaction or series of transactions entered into by Parent or any of its Subsidiaries pursuant to which Parent or any of its Subsidiaries sells, conveys or otherwise transfers to (a) a Receivables Subsidiary or any other Person (in the case of a transfer by Parent or any of its Subsidiaries) and (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or grants a security interest in, any Receivables (whether now existing or arising in the future) of Parent or any of its Subsidiaries, and any assets related thereto including, without limitation, all Equity Interests and other investments in the Receivables Subsidiary, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such Receivables, proceeds of such Receivables and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving Receivables, other than assets that constitute Collateral or proceeds of Collateral.

"*Qualified Replacement Assets*" shall mean Additional Collateral of the types described in clauses (b), (c), (d) and (e) of the definition of "Additional Collateral."

"*Qualifying Collateral*" shall mean Collateral other than Foreign Gate Leaseholds.

"*Qualifying Equity Interests*" shall mean Equity Interests of Parent other than Disqualified Stock.

"*Real Property Assets*" shall mean parcels of real property owned in fee by the Borrower or any other Grantor and together with, in each case, all buildings, improvements, facilities, appurtenant fixtures and equipment, easements and other property and rights incidental or appurtenant to the ownership of such parcel of real property or any leasehold interests in real property held by the Borrower or any other Grantor.

"*Receivables*" shall mean Accounts, and shall also include ticket receivables, sales of frequent flyer miles and other present and future revenues and receivables that may be the subset of a Qualified Receivables Transaction.

"*Receivables Repurchase Obligation*" shall mean any obligation of a seller of Receivables in a Qualified Receivables Transaction to repurchase Receivables and related assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a Receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" shall mean (x) a Subsidiary of Parent which engages in no activities other than in connection with the financing or securitization of Receivables and which is designated by the Board of Directors of the Borrower or of Parent (as provided below) as a Receivables Subsidiary (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (1) is guaranteed by Parent or any Restricted Subsidiary of Parent (other than comprising a pledge of the Capital Stock or other interests in such Receivables Subsidiary (an "*incidental pledge*"), and excluding any guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to representations, warranties, covenants and indemnities entered into in the Ordinary Course of Business in connection with a Qualified Receivables Transaction), (2) is recourse to or obligates Parent or any Restricted Subsidiary of Parent in any way other than through an incidental pledge or pursuant to representations, warranties, covenants and indemnities entered into in the Ordinary Course of Business in connection with a Qualified Receivables Transaction or (3) subjects any property or asset of Parent or any Subsidiary of Parent (other than accounts receivable and related assets as provided in the definition of "*Qualified Receivables Transaction*"), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to representations, warranties, covenants and indemnities entered into in the Ordinary Course of Business in connection with a Qualified Receivables Transaction, (b) with which neither Parent nor any Subsidiary of Parent has any material contract, agreement, arrangement or understanding (other than pursuant to the Qualified Receivables Transaction) other than (i) on terms no less favorable to Parent or such Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Parent, and (ii) fees payable in the Ordinary Course of Business in connection with servicing accounts receivable and (c) with which neither Parent nor any Subsidiary of Parent has any obligation to maintain or preserve such Subsidiary's financial condition, other than a minimum capitalization in customary amounts, or to cause such Subsidiary to achieve certain levels of operating results or (y) any Subsidiary of a Receivables Subsidiary. Any such designation by the Board of Directors of the Borrower or of Parent will be evidenced to the Administrative Agent by filing with the Administrative Agent a certified copy of the resolution of the Board of the Borrower or of Directors of Parent giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions. For the avoidance of doubt, Parent and any Restricted Subsidiary of Parent may enter into Standard Securitization Undertakings for the benefit of a Receivables Subsidiary.

"*Recovery Event*" shall mean any settlement of or payment by the applicable insurer in respect of any property or casualty insurance claim or any condemnation proceeding relating to any Collateral or any Event of Loss (as defined in the related Collateral Document pursuant to which a security interest in such Collateral is granted to the Collateral Agent or trustee (as applicable), if applicable).

"*Refinanced Loans*" shall have the meaning set forth in Section 10.08(e).

"*Refinanced Revolving Loans*" shall have the meaning set forth in Section 10.08(e).

"*Refinanced Term Loans*" shall have the meaning set forth in Section 10.08(e).

"*Regional Airline*" shall mean AMR Eagle Holding Corporation and its Subsidiaries and, in addition, (following the AMR/LCC Merger), Piedmont Airlines, Inc. and PSA Airlines, Inc. and their respective Subsidiaries.

"*Register*" shall have the meaning set forth in Section 10.02(b)(iv).

"*Related Parties*" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, partners, members, employees, agents and advisors of such Person and such Person's Affiliates.

"*Release*" shall have the meaning specified in Section 101(22) of the Comprehensive Environmental Response Compensation and Liability Act.

"*Replaceable Lender*" shall have the meaning set forth in Section 10.02(j).

"*Replacement Loans*" shall have the meaning set forth in Section 10.08(e).

"*Replacement Revolving Loans*" shall have the meaning set forth in Section 10.08(e).

"*Replacement Term Loans*" shall have the meaning set forth in Section 10.08(e).

"*Repricing Event*" shall mean (a) any prepayment, repayment, refinancing, substitution or replacement of all or a portion of the Class B Term Loans with the proceeds of, or any conversion of Class B Term Loans into, any new or replacement Class of, or new facility of, syndicated term loans by the Borrower in the principal amount of the Class B Term Loans prepaid, repaid, refinanced, substituted, replaced or converted and secured by the Collateral (including Replacement Term Loans or other term loans under this Agreement) having an "effective yield," determined by the Administrative Agent in consultation with the Borrower (taking into account interest rate margin and benchmark floors, recurring fees and all upfront or similar fees or original issue discount (amortized over four years) paid to the lenders providing such Indebtedness, but excluding any arrangement, structuring, syndication or other fees payable in connection therewith that are not shared ratably with all lenders or holders of such term loans in their capacities as lenders or holders of such term loans), less than the "effective yield" applicable to the Class B Term Loans being prepaid, repaid, refinanced, substituted, replaced or converted (determined on the same basis as provided in the preceding parenthetical) and (b) any amendment to this Agreement (including pursuant to a Replacement Term Loan or other term loans under this Agreement) to the Class B Term Loans or any tranche thereof which reduces the

"effective yield" applicable to such Class B Term Loans (as determined on the same basis as provided in clause (a)), in each case only if the primary purpose of such prepayment, repayment, substitution, replacement or amendment was to reduce the "effective yield" applicable to such Class B Term Loans.

"*Required Class Lenders*" shall mean (i) with respect to any Class of Term Loans, the Term Lenders having more than 50% of all outstanding Term Loans of such Class and (ii) with respect to the Revolving Loans, the Required Revolving Lenders. The outstanding Term Loans and Term Loan Commitments of any Defaulting Lender should be disregarded for purposes of any determination with respect to a Class of Term Loans.

"*Required Lenders*" shall mean, at any time, Lenders holding more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the sum of (i) the aggregate principal amount of all Term Loans outstanding and (ii) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding. The Revolving Extensions of Credit, outstanding Loans and Commitments of any Defaulting Lender shall be disregarded in determining the "Required Lenders" at any time.

"*Required Revolving Lenders*" shall mean, at any time, Lenders holding more than 50% of the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding. The Revolving Extensions of Credit and Revolving Commitments of any Defaulting Lender shall be disregarded in determining the "Required Revolving Lenders" at any time.

"*Required Term Lenders*" shall mean, at any time, Lenders holding more than 50% of (a) until the Closing Date, the Term Loan Commitments then in effect and (b) thereafter, the aggregate principal amount of all Term Loans outstanding. The outstanding Term Loans and Term Loan Commitments of any Defaulting Lender shall be disregarded in determining the "Required Term Lenders" at any time.

"*Responsible Officer*" shall mean, with respect to any Person, the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, the President, the Chief Financial Officer, any Executive Vice President, any Senior Vice President, any Vice President, the Secretary, the Treasurer or any Assistant Treasurer.

"*Restricted Investment*" shall mean an Investment other than a Permitted Investment.

"*Restricted Payments*" shall have the meaning set forth in Section 6.01(a)(iv).

"*Restricted Subsidiary*" of a Person shall mean any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Revolver Availability Date*" shall mean the Plan Effective Date or such earlier date as may be agreed by each Revolving Lender, any affected Issuing Lender, the Administrative Agent and the Borrower.

"*Revolver Extension*" shall have the meaning set forth in Section 2.28(b).

"*Revolver Extension Offer*" shall have the meaning set forth in Section 2.28(b).

"*Revolver Extension Offer Date*" shall have the meaning set forth in Section 2.28(b)(i).

"*Revolving Availability Period*" shall mean the period from and including the Revolver Availability Date to but excluding the Revolving Facility Termination Date with respect to the applicable Revolving Commitments.

"*Revolving Commitment*" shall mean the commitment of each Revolving Lender to make Revolving Loans and participate in Letters of Credit hereunder in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite its name in Annex A hereto or in the Assignment and Acceptance pursuant to which such Revolving Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Total Revolving Commitments is $1,000,000,000.

"*Revolving Commitment Percentage*" shall mean, at any time, with respect to each Revolving Lender, the percentage obtained by dividing its Revolving Commitment at such time by the Total Revolving Commitment or, if the Revolving Commitments have been terminated, the Revolving Commitment Percentage of each Revolving Lender that existed immediately prior to such termination.

"*Revolving Extension of Credit*" shall mean, as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding and (b) such Lender's Revolving Commitment Percentage of the LC Exposure then outstanding.

"*Revolving Facility*" shall mean the Revolving Commitments and the Revolving Loans made and Letters of Credit issued thereunder.

"*Revolving Facility Maturity Date*" shall mean, with respect to (a) Revolving Commitments that have not been extended pursuant to Section 2.28, June 27, 2018, and (b) with respect to Extended Revolving Commitments, the final maturity date therefor as specified in the applicable Extension Offer accepted by the respective Revolving Lender or Revolving Lenders, except that (for both clause (a) and (b) above), (x) if the Plan Effective Date has not occurred on or before June 27, 2014, then "Revolving Facility Maturity Date" shall mean June 27, 2014 and (y) if the Emergence Date occurs under a Chapter 11 plan of reorganization that is not either the Approved Plan of Reorganization or the Alternative Plan, then the Revolving Facility Maturity Date shall mean such Emergence Date.

"*Revolving Facility Termination Date*" shall mean the earlier to occur of (a) the Revolving Facility Maturity Date with respect to the applicable Revolving Commitments, (b) the acceleration of the Loans (if any) and the termination of the Commitments in accordance with the terms hereof and (c) the termination of the applicable Revolving Commitments as a whole pursuant to Section 2.11.

"*Revolving Lender*" shall mean each Lender having a Revolving Commitment.

"*Revolving Loans*" shall have the meaning set forth in Section 2.01(a).

"*Route Authorities*" shall have the meaning set forth in the SGR Security Agreement.

"*S&P*" shall mean Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"*Sale of a Grantor*" shall mean, with respect to any Collateral, an issuance, sale, lease, conveyance, transfer or other disposition of the Capital Stock of the applicable Grantor that owns such Collateral other than (1) an issuance of Equity Interests by a Grantor to Parent or another Restricted Subsidiary of Parent and (2) an issuance of directors' qualifying shares.

"*Scheduled Services*" shall have the meaning set forth in the SGR Security Agreement.

"*SEC*" shall mean the United States Securities and Exchange Commission.

"*Secured Parties*" shall mean each Agent, any trustee appointed pursuant to Section 8.01(d) with respect to an Aircraft Security Agreement, the Issuing Lenders, the Lenders and all other holders of Obligations.

"*Securities Act*" shall mean the Securities Act of 1933, as amended.

"*SGR Security Agreement*" shall have the meaning set forth in Section 4.01(c).

"*SH&E*" shall mean ICF SH&E, Inc.

"*Significant Subsidiary*" shall mean any Restricted Subsidiary of Parent that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of this Agreement.

"*Slot*" shall have the meaning set forth in the SGR Security Agreement.

"*Solvency Representation Date*" shall have the meaning set forth in Section 3.16.

"*Solvent*" shall mean, with respect to any Person, that as of the date of determination, (1) the sum of such Person's debt and liabilities (including contingent and subordinated liabilities) does not exceed the fair value of such Person's present assets; (2) such Person's capital is not unreasonably small in relation to its business as contemplated on the Solvency Representation Date (as defined in Section 3.16); (3) such Person is able to pay its debts and liabilities as they become due (whether at maturity or otherwise) and (4) the present fair saleable value of the property of such Person is greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured. For purposes of this

definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5 or any other analogous criteria in any jurisdiction).

"*South American Countries*" shall have the meaning set forth in the SGR Security Agreement.

"*Standard Securitization Undertakings*" shall mean all representations, warranties, covenants, indemnities, performance Guarantees and servicing obligations entered into by Parent or any Subsidiary (other than a Receivables Subsidiary), which are customary in connection with any Qualified Receivables Transaction.

"*Stated Maturity*" shall mean, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Closing Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Statutory Reserve Rate*" shall mean a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in reserve percentage.

"*Subject Company*" shall have the meaning set forth in Section 6.10(a).

"*Subsidiary*" shall mean, with respect to any Person:

(1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof); and

(2) any partnership, joint venture or limited liability company of which (A) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise and (B) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Swap Obligation*" shall mean, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"*Syndication Agent*" shall mean Citigroup Global Markets Inc.

"*Taxes*" shall mean any and all present or future taxes, levies, imposts, duties, assessments, fees, deductions, charges or withholdings imposed by any Governmental Authority including any interest, additions to tax or penalties applicable thereto.

"*Term B Lender*" shall mean each Lender having a Term Loan Commitment for Class B Term Loans or, as the case may be, an outstanding Class B Term Loan.

"*Term Lender*" shall mean each Lender having a Term Loan Commitment or, as the case may be, an outstanding Term Loan.

"*Term Loan*" shall mean the Class B Term Loans and any other Class of Term Loan hereunder.

"*Term Loan Commitment*" shall mean the commitment of each Term Lender to make Term Loans hereunder and, in the case of the Class B Term Loans, in an aggregate principal amount not to exceed the amount set forth under the heading "Class B Term Loan Commitment" opposite its name in Annex A hereto or in the Assignment and Acceptance pursuant to which such Term Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate amount of the Term Loan Commitments as of the Closing Date is $1,050,000,000. The Term Loan Commitments as of the Closing Date are for Class B Term Loans.

"*Term Loan Extension*" shall have the meaning set forth in Section 2.28(a).

"*Term Loan Extension Offer*" shall have the meaning set forth in Section 2.28(a).

"*Term Loan Facility*" shall mean the Term Loan Commitments and the Term Loans made thereunder.

"*Term Loan Maturity Date*" shall mean, with respect to (a) Class B Term Loans that have not been extended pursuant to Section 2.28, June 27, 2019 and (b) with respect to Extended Term Loans, the final maturity date therefor as specified in the applicable Extension Offer accepted by the respective Term Lenders (as the same may be further extended pursuant to Section 2.28) except that (for both clause (a) and (b) above), (x) if the Plan Effective Date has not occurred on or before June 27, 2014, then "Term Loan Maturity Date" shall mean June 27, 2014 and (y) if the Emergence Date occurs under a Chapter 11 plan of reorganization that is not either the Approved Plan of Reorganization or the Alternative Plan, then the Term Loan Maturity Date shall mean such Emergence Date.

"*Term Loan Termination Date*" shall mean the earlier to occur of (a) the Term Loan Maturity Date and (b) the acceleration of the Term Loans in accordance with the terms hereof.

"*Termination Date*" shall mean (i) with respect to the Revolving Loans, the Revolving Facility Termination Date applicable to the related Revolving Commitments and (ii) with respect to the Term Loans, the Term Loan Termination Date.

"*Title 14*" shall have the meaning set forth in the SGR Security Agreement.

"*Title 49*" shall have the meaning set forth in the SGR Security Agreement.

"*Total Obligations*" shall have the meaning provided in the definition of "*Collateral Coverage Ratio*."

"*Total Revolving Commitment*" shall mean, at any time, the sum of the Revolving Commitments at such time.

"*Total Revolving Extensions of Credit*" shall mean, at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

"*Transactions*" shall mean the execution, delivery and performance by the Borrower and Guarantors of this Agreement and the other Loan Documents to which they may be a party, the creation of the Liens in the Collateral in favor of the Collateral Agent for the benefit of the Secured Parties, the borrowing of Loans and the use of the proceeds thereof, and the request for and issuance of Letters of Credit hereunder.

"*Transfer Restriction*" shall have the meaning set forth in the SGR Security Agreement.

"*Type*," when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate and when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment or a Term Loan Commitment.

"*UCC*" shall mean the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

"*United States Citizen*" shall have the meaning set forth in Section 3.02.

"*Unrestricted Subsidiary*" shall mean any Subsidiary of Parent (other than the Borrower or LCC) that is designated by Parent as an Unrestricted Subsidiary in compliance with Section 5.05 or any Subsidiary of an Unrestricted Subsidiary, but only if such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by Section 6.05, is not party to any agreement, contract, arrangement or understanding with Parent or any Restricted Subsidiary of Parent unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Parent or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Parent;

(3) is a Person with respect to which neither Parent nor any of its Restricted Subsidiaries has any direct or indirect obligation (A) to subscribe for additional Equity Interests or (B) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of Parent or any of its Restricted Subsidiaries; and

(5) does not own any assets or properties that constitute Collateral.

"*Unused Total Revolving Commitment*" shall mean, at any time, (a) the Total Revolving Commitment less (b) the Total Revolving Extensions of Credit.

"*Upfront Fee*" shall have the meaning set forth in Section 2.20(b).

"*US Airways*" shall mean US Airways Group, Inc., a Delaware corporation.

"*Use or Lose Rule*" shall mean with respect to Slots, any applicable utilization requirements issued by the FAA, other Governmental Authorities, any Foreign Aviation Authorities or any Airport Authorities.

"*Voting Stock*" of any specified Person as of any date shall mean the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (A) the amount of each then remaining Installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (B) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"*Withholding Agent*" shall mean any of the Borrower, a Guarantor and the Administrative Agent.

"*Working Capital*" shall mean, as of any date, (i) the current assets (excluding cash and Cash Equivalents) of Parent minus (ii) the current liabilities of Parent (other than the current portion of long term debt), in each case, determined on a consolidated basis and otherwise, in accordance with GAAP as of such date.

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, extended, amended and restated or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, unless expressly provided otherwise, (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (f) "knowledge" or "aware" or words of similar import shall mean, when used in reference to the Borrower or the Guarantors, the actual knowledge of any Responsible Officer of the Borrower or such Guarantors, as applicable.

SECTION 1.03. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Upon any such request for an amendment, the Borrower, the Required Lenders and the Administrative Agent agree to consider in good faith any such amendment in order to amend the provisions of this Agreement so as to reflect equitably such accounting changes so that the criteria for evaluating Parent's consolidated financial condition shall be the same after such accounting changes as if such accounting changes had not occurred.

ARTICLE II

AMOUNT AND TERMS OF CREDIT

SECTION 2.01. Commitments of the Lenders; Term Loans.

(a) *Revolving Commitments*.

(i) Each Revolving Lender severally, and not jointly with the other Revolving Lenders, agrees, upon the terms and subject to the conditions herein set forth, to make revolving credit loans denominated in Dollars (each a "*Revolving Loan*" and collectively, the "*Revolving Loans*") to the Borrower at any time and from time to time during the Revolving Availability Period in an aggregate principal amount not to exceed, when added to such Revolving Lender's LC Exposure, the Revolving Commitment of such Revolving Lender, which Revolving Loans may be repaid and reborrowed in accordance with the provisions of this Agreement. At no time shall the sum of the then outstanding aggregate principal amount of the Revolving Loans plus the LC Exposure exceed the Total Revolving Commitment.

(ii) Each Borrowing of a Revolving Loan shall be made from the Revolving Lenders pro rata in accordance with their respective Revolving Commitments; provided, however, that the failure of any Revolving Lender to make any Revolving Loan shall not in itself relieve the other Revolving Lenders of their obligations to lend.

(b) *Closing Date Term Loan Commitments*. Each Term B Lender severally, and not jointly with the other Term B Lenders, agrees, upon the terms and subject to the conditions herein set forth, to make a term loan denominated in Dollars (each a "*Class B Term Loan*" and collectively the "*Class B Term Loans*") to the Borrower on the Closing Date in an aggregate principal amount not to exceed the Term Loan Commitment for Class B Term Loans of such Term B Lender, which Class B Term Loans shall constitute Term Loans for all purposes of this Agreement and shall be repaid in accordance with the provisions of this Agreement. Any amount borrowed under this Section 2.01(b) and subsequently repaid or prepaid may not be reborrowed. Each Term B Lender's Term Loan Commitment for Class B Term Loans shall terminate immediately and without further action on the Closing Date after giving effect to the funding by such Term B Lender of the Class B Term Loans to be made by it on such date.

(c) *Type of Borrowing*. Each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement. There may be multiple Borrowings incurred, converted or continued on the same day.

(d) *Amount of Borrowing*. At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is in an integral multiple of $1,000,000 and not less than $1,000,000. At the time that each ABR Borrowing is

made, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 and not less than $1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire Unused Total Revolving Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.02(e). Borrowings of more than one Type may be outstanding at the same time.

(e) *Limitation on Interest Period*. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, (i) any Borrowing of a Revolving Loan if the Interest Period requested with respect thereto would end after the Revolving Facility Maturity Date with respect to the applicable Revolving Commitments or (ii) any Borrowing of a Term Loan if the Interest Period requested with respect thereto would end after the applicable Term Loan Maturity Date.

SECTION 2.02. Letters of Credit.

(a) *LC Commitment*. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of and (subject to the representation in the second sentence of clause (b) below being true and correct) each Issuing Lender agrees to issue Letters of Credit in Dollars upon request of the Borrower at any time and from time to time from the Revolver Availability Date to but excluding the date that is five (5) Business Days prior to the Revolving Facility Maturity Date, for the Borrower's own account or the account of any other Subsidiary of Parent; provided that no Issuing Lender shall issue (or amend, renew or extend) any Letter of Credit if, after giving effect to such issuance (or amendment, renewal or extension), (i) the LC Exposure in respect of Letters of Credit issued by it would exceed its LC Commitment or (ii) the aggregate amount of the Unused Total Revolving Commitment would be less than zero.

(b) *Notice of Issuance, Amendment, Renewal, Extension.* The Borrower may request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit) by delivering (i) telephonic notice promptly followed by written Letter of Credit Request or (ii) hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Lender (which approval shall not be unreasonably withheld, delayed or conditioned)) to the applicable Issuing Lender and the Administrative Agent (at least two (2) Business Days in advance of the requested date of issuance, amendment, renewal or extension) a written Letter of Credit Request requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying (1) the date of issuance, amendment, renewal or extension (which shall be a Business Day), (2) the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section 2.02), (3) the amount of such Letter of Credit, (4) the name and address of the beneficiary thereof and (5) such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. Upon the issuance, amendment, renewal or extension of each Letter of Credit, the Borrower shall be deemed to represent and warrant that, after giving effect to such issuance, amendment, renewal or extension, (x) the LC Exposure shall not exceed the LC Commitment and (y) the aggregate amount of the Unused Total Revolving Commitment shall not be less than zero. If requested by the applicable Issuing Lender, the Borrower also shall submit a letter of credit application on such Issuing Lender's standard form in connection with any request for a Letter of Credit;

provided that, to the extent such standard form (and/or any related reimbursement agreement) is inconsistent with the Loan Documents, the Loan Documents shall control. Upon receipt of a written notice from the Administrative Agent that the applicable conditions in Section 4.02 have been satisfied, the Issuing Lender shall issue the requested Letter of Credit in accordance with its usual and customary procedures. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) *Expiration Date*. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is (x) one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) or (y) such later date as may be agreed by the Borrower and the Issuing Lender, and (ii) the date that is five (5) Business Days prior to the Revolving Facility Maturity Date with respect to the applicable Revolving Commitments (provided that, to the extent that all of the participations in such Letter of Credit held by the holders of such Revolving Commitments have been re-allocated or Cash Collateralized pursuant to the terms of any Extension Amendment, such Revolving Commitments shall be disregarded for purposes of this clause (ii)).

(d) *Participations*. By the issuance of a Letter of Credit (or an amendment, renewal or extension of a Letter of Credit, including any amendment increasing the amount thereof), and without any further action on the part of the applicable Issuing Lender or the Revolving Lenders, such Issuing Lender hereby grants to each Revolving Lender (other than such Issuing Lender), and each Revolving Lender (other than such Issuing Lender) hereby acquires from such Issuing Lender, a participation in such Letter of Credit equal to such Revolving Lender's Revolving Commitment Percentage of the amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender (other than the applicable Issuing Lender) hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Lender, such Revolving Lender's Revolving Commitment Percentage of the amount of each LC Disbursement made by such Issuing Lender and not reimbursed by the Borrower on the date due as provided in Section 2.02(e), or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender (other than the applicable Issuing Lender) acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence of an Event of Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) *Reimbursement*.

(i) If an Issuing Lender shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement (whether or not such Letter of Credit was issued for the Borrower's own account or in its name for the account or name of any other Subsidiary of the Parent) by paying to the Administrative Agent an amount equal to the

amount of such LC Disbursement not later than the first Business Day following the date the Borrower receives notice from the Issuing Lender of such LC Disbursement; provided that, in the case of any LC Disbursement, to the extent not reimbursed and, subject to the satisfaction (or waiver) of the conditions to borrowing set forth herein, including, without limitation, making a request in accordance with Section 2.03(a) that such payment shall be financed with an ABR Revolving Borrowing, as the case may be, in an equivalent amount, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing.

(ii) If the Borrower fails to make any payment due under the preceding paragraph (i) with respect to a Letter of Credit when due (including by a Borrowing), the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Revolving Lender's Revolving Commitment Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Revolving Commitment Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.04 with respect to Revolving Loans made by such Revolving Lender (and Section 2.04 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Issuing Lender the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this Section 2.02(e) with respect to any LC Disbursement, the Administrative Agent shall distribute such payment to the applicable Issuing Lender or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Lender, then to such Revolving Lenders and such Issuing Lender as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse the applicable Issuing Lender for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Revolving Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) *Obligations Absolute*. The Borrower's obligation to reimburse LC Disbursements as provided in Section 2.02(e) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.02, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Revolving Lenders, nor the applicable Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing

thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Lender. Nothing in the preceding two sentences shall be construed to excuse an Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower (i) that are caused by such Issuing Lender's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof or (ii) that result from such Issuing Lender's willful or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of such Letter of Credit. The parties hereto expressly agree that, in the absence of gross negligence, bad faith or willful misconduct on the part of the applicable Issuing Lender (as finally determined by a court of competent jurisdiction), the applicable Issuing Lender shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Lender may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) *Disbursement Procedures*. The applicable Issuing Lender shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The applicable Issuing Lender shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment, whether the applicable Issuing Lender has made or will make an LC Disbursement thereunder and the amount of such LC Disbursement; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the applicable Issuing Lender and the Revolving Lenders with respect to any such LC Disbursement in accordance with the terms herein.

(h) *Interim Interest*. If the applicable Issuing Lender shall make any LC Disbursement, then, unless the Borrower shall reimburse (including by a Borrowing) such LC Disbursement in full not later than the first Business Day following the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse (including by a Borrowing) such LC Disbursement when due pursuant to Section 2.02(e), then Section 2.08 shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Lender, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to Section 2.02(e) to reimburse the applicable Issuing Lender shall be for the account of such Lender to the extent of such payment.

(i) *Replacement of the Issuing Lender*. Any Issuing Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the

Revolving Lenders of any such replacement of an Issuing Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Lender pursuant to Section 2.21. From and after the effective date of any such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of the Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) *Replacement of Letters of Credit; Cash Collateralization*. The Borrower shall (i) upon or prior to the occurrence of the earlier of (A) the Revolving Facility Maturity Date with respect to all Revolving Commitments and (B) the acceleration of the Revolving Loans (if any) and the termination of the Revolving Commitments in accordance with the terms hereof, (x) cause all Letters of Credit which expire after the earlier to occur of (A) the Revolving Facility Maturity Date with respect to all Revolving Commitments and (B) the acceleration of the Revolving Loans (if any) and the termination of the Revolving Commitments in accordance with the terms hereof (the "*Outstanding Letters of Credit*") to be returned to the applicable Issuing Lender undrawn and marked "cancelled" or (y) if the Borrower does not do so in whole or in part either (A) provide one or more "back-to-back" letters of credit to each applicable Issuing Lender with respect to any such Outstanding Letters of Credit in a form reasonably satisfactory to each such Issuing Lender and the Administrative Agent, issued by a bank reasonably satisfactory to each such Issuing Lender and the Administrative Agent, and/or (B) deposit cash in the Letter of Credit Account, as collateral security for the Borrower's reimbursement obligations in connection with any such Outstanding Letters of Credit, such cash (or any applicable portion thereof) to be promptly remitted to the Borrower upon the expiration, cancellation or other termination or satisfaction of the Borrower's reimbursement obligations with respect to such Outstanding Letters of Credit, in whole or in part, in an aggregate principal amount for all such "back-to-back" letters of credit and any such Cash Collateralization equal to 102% of the then outstanding amount of all LC Exposure (less the amount, if any, on deposit in the Letter of Credit Account prior to taking any action pursuant to clauses (A) or (B) above), and (ii) if required pursuant to Section 2.02(l), 2.12(c), 2.12(d), 2.12(e), 2.12(g), 2.26(d)(ii), 2.26(e)(ii), 2.26(f) or 7.01 or pursuant to any Extension Amendment, deposit in the Letter of Credit Account an amount required pursuant to Section 2.02(l), 2.12(c), 2.12(d), 2.12(e), 2.12(g), 2.26(d)(ii), 2.26(e)(ii), 2.26(f) or 7.01, or pursuant to any such Extension Amendment, as applicable (any such deposit or provision of "back-to-back" letters of credit described in the preceding clause (i) or clause (ii), "*Cash Collateralization*" (it being understood that any LC Exposure shall be deemed to be "*Cash Collateralized*" only to the extent a deposit or provision of "back-to-back" letters of credit as described above is made in an amount equal to 102% of the amount of such LC Exposure)). The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the Letter of Credit Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent (in accordance with its usual and customary practices for investments of this type) and at the Borrower's risk and reasonable expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such

account and shall be paid to the Borrower on its request. Moneys in such account shall be applied by the Administrative Agent to reimburse the applicable Issuing Lender for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time. If the Borrower is required to provide Cash Collateralization hereunder pursuant to Section 2.02(l), 2.12(c), 2.12(d), 2.12(e), 2.12(g), 2.26(d)(ii), 2.26(e)(ii) or 2.26(f), or the terms of any Extension Amendment, such Cash Collateralization (to the extent not applied as contemplated by the applicable section) shall be returned to the Borrower within three (3) Business Days after the applicable section (or Extension Amendment) no longer requires the provision of such Cash Collateralization.

(k) *Issuing Lender Agreements*. Unless otherwise requested by the Administrative Agent, each Issuing Lender shall report in writing to the Administrative Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit during the immediately preceding week, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Lender expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension, the aggregate face amount of the Letters of Credit to be issued, amended, renewed, or extended by it (and whether, subject to Section 2.02(b), the face amount of any such Letter of Credit was changed thereby) and the aggregate face amount of such Letters of Credit outstanding after giving effect to such issuance, amendment, renewal or extension, (iii) on each Business Day on which such Issuing Lender makes any LC Disbursement, the date of such LC Disbursement and the amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Lender on such day, the date of such failure, and the amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request. The Issuing Lender shall furnish a copy of each Letter of Credit to the Borrower and the Administrative Agent promptly following the issuance, amendment, renewal and extension thereof.

(l) *Provisions Related to Extended Revolving Commitments*. If the Revolving Facility Maturity Date in respect of any tranche of Revolving Commitments occurs prior to the expiration of any Letter of Credit with respect to which Lenders holding such Revolving Commitments hold participation interests, then (i) if one or more other tranches of Revolving Commitments in respect of which the Revolving Facility Maturity Date shall not have occurred are then in effect, such Letters of Credit automatically shall be deemed to have been issued (including for purposes of the obligations of the Revolving Lenders to purchase participations therein and to make payments in respect thereof pursuant to Section 2.02(d) or (e) and for any reallocations required pursuant to Section 2.26(d)(i)) under (and ratably participated in by Revolving Lenders pursuant to) the Revolving Commitments in respect of such non-terminating tranches up to an aggregate amount not to exceed the aggregate principal amount of the Unused Total Revolving Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to the immediately preceding clause (i), the Borrower shall Cash Collateralize any such Letter of Credit in accordance with Section 2.02(j). For the avoidance of doubt, commencing with the Revolving Facility Maturity Date of any tranche of Revolving Commitments, the sublimit for Letters of Credit under any tranche of Revolving Commitments that has not so then matured shall be as agreed in the relevant Extension Amendment with such Revolving Lenders (to the extent such Extension Amendment so provides).

SECTION 2.03. Requests for Loans.

(a) *Revolving Loans*. Unless otherwise agreed to by the Administrative Agent in connection with making the initial Revolving Loans, to request a Revolving Loan, the Borrower shall notify the Administrative Agent of such request by (i) telephone or (ii) by hand or by facsimile delivery of a written Loan Request (A) in the case of a Eurodollar Loan, not later than 2:00 p.m., New York City time, three (3) Business Days before proposed Borrowing Date and (B) in the case of an ABR Loan, not later than 11:00 a.m., New York City time, on the proposed Borrowing Date. Each such telephonic Revolving Loan request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Loan Request signed by the Borrower. Each such telephonic Revolving Loan request and written Loan Request shall specify the following information in compliance with Section 2.01:

(i) the aggregate amount of the requested Revolving Loan (which shall comply with Section 2.01(d));

(ii) the Borrowing Date of such Revolving Loan, which shall be a Business Day;

(iii) whether such Revolving Loan is to be an ABR Loan or a Eurodollar Loan; and

(iv) in the case of a Eurodollar Loan, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period."

If no election as to the Type of Revolving Loan is specified, then the requested Revolving Loan shall be an ABR Loan. If no Interest Period is specified with respect to any requested Eurodollar Loan, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Loan Request in accordance with this Section 2.03(a), the Administrative Agent shall advise each Revolving Lender of the details thereof and of the amount of such Revolving Lender's Loan to be made as part of the requested Revolving Loan.

(b) *Term Loans*. Unless otherwise agreed to by the Administrative Agent, to request the Term Loans, the Borrower shall notify the Administrative Agent of such request by telephone (i) in the case of a Eurodollar Loan, not later than 2:00 p.m., New York City time, two (2) Business Days before the Closing Date and (ii) in the case of an ABR Loan, not later than 1:00 p.m., New York City time one (1) Business Day before the Closing Date. Each such telephonic Term Loan request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Loan Request signed by the Borrower. Each such telephonic and written Loan Request shall specify the following information in compliance with Section 2.01:

(i) the aggregate amount of the requested Term Loan (which shall comply with Section 2.01(d));

(ii) the Borrowing Date of such Term Loan, which shall be a Business Day;

(iii) whether such Term Loan is to be an ABR Loan or a Eurodollar Loan; and

(iv) in the case of a Eurodollar Loan, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period."

If no election as to the Type of Term Loan is specified, then the requested Term Loan shall be an ABR Loan. If no Interest Period is specified with respect to any requested Eurodollar Loan, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Loan Request in accordance with this Section 2.03(b), the Administrative Agent shall advise each Term Lender of the details thereof and of the amount of such Term Lender's Loan to be made as part of the requested Term Loan.

SECTION 2.04. Funding of Loans.

(a) Each Revolving Lender shall make each Revolving Loan to be made by it hereunder on the proposed Borrowing Date by wire transfer of immediately available funds by 12:00 noon, New York City time, or such earlier time as may be reasonably practicable, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. Upon satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account designated by the Borrower in the applicable Loan Request; provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.02(e) shall be remitted by the Administrative Agent to the relevant Issuing Lender.

(b) Each Term Lender shall make each Term Loan to be made by it hereunder on the Borrowing Date by wire transfer of immediately available funds by 12:00 p.m., New York City time, or such earlier time as may be reasonably practicable, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. Upon satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account designated by the Borrower in the applicable Loan Request.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed Borrowing Date (or, with respect to any ABR Loan made on same-day notice, prior to 11:00 a.m., New York City time, on the Borrowing Date of such Loan) that such Lender will not make available to the Administrative Agent such Lender's share of such Loan, the Administrative Agent may assume that such Lender has made such share available on such Borrowing Date in accordance with paragraph (a) and/or (b) of this Section 2.04 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Loan available to the

Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith upon written demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate otherwise applicable to such Loan. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Loan and the Borrower shall not be obligated to repay such amount pursuant to the preceding sentence if not previously repaid.

SECTION 2.05. Interest Elections.

(a) The Borrower may elect from time to time to (i) convert ABR Loans to Eurodollar Loans, (ii) convert Eurodollar Loans to ABR Loans, provided that any such conversion of Eurodollar Loans may be made only on the last day of an Interest Period with respect thereto or (iii) continue any Eurodollar Loan as such upon the expiration of the then current Interest Period with respect thereto.

(b) To make an Interest Election Request pursuant to this Section 2.05, the Borrower shall notify the Administrative Agent of such election by telephone or by hand or facsimile delivery or by electronic mail of a written Interest Election Request by the time that a Loan Request would be required under Section 2.03(a) or Section 2.03(b) if the Borrower were requesting a Loan of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, electronic mail or telecopy to the Administrative Agent of a written Interest Election Request in substantially the same form as a Loan Request signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.01:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a one-month Eurodollar Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, and upon the request of the Required Lenders, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.06. Limitation on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $1,000,000 or a whole multiple of $1,000,000 in excess thereof and (b) no more than twenty Eurodollar Tranches shall be outstanding at any one time.

SECTION 2.07. Interest on Loans.

(a) Subject to the provisions of Section 2.08, each ABR Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 days or 366 days in a leap year) at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(b) Subject to the provisions of Section 2.08, each Eurodollar Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal, during each Interest Period applicable thereto, to the LIBO Rate for such Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Accrued interest on all Loans shall be payable in arrears on each Interest Payment Date applicable thereto, on the Termination Date with respect to such Loans and thereafter on written demand and upon any repayment or prepayment thereof (on the amount repaid or prepaid); provided that in the event of any conversion of any Eurodollar Loan to an ABR Loan, accrued interest on such Loan shall be payable on the effective date of such conversion.

SECTION 2.08. Default Interest. If the Borrower or any Guarantor, as the case may be, shall default in the payment of the principal of or interest on any Loan or in the payment of any other amount becoming due hereunder (including, without limitation, the reimbursement pursuant to Section 2.02(e) of any LC Disbursements), whether at Stated Maturity, by acceleration or otherwise, the Borrower or such Guarantor, as the case may be, shall on written demand of the Administrative Agent from time to time pay interest, to the extent permitted by law, on all overdue amounts up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days or, when the Alternate Base Rate is applicable, a year of 365 days or 366 days in a leap year) equal to (a) with respect to the principal amount of any Loan, the rate then applicable for such Borrowings plus 2.0%, and (b) in the case of all other amounts, the rate applicable for ABR Loans plus 2.0%.

SECTION 2.09. Alternate Rate of Interest. In the event, and on each occasion, that on the date that is two (2) Business Days prior to the commencement of any Interest Period for a Eurodollar Loan, the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrower absent manifest error) that reasonable means do not exist for ascertaining the applicable LIBO Rate, the Administrative Agent shall, as soon as practicable thereafter, give written, facsimile or telegraphic notice of such determination to the Borrower and the Lenders and, until the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Borrowing of Eurodollar Loans hereunder (including pursuant to a refinancing with Eurodollar Loans and including any request to continue, or to convert to, Eurodollar Loans) shall be deemed a request for a Borrowing of ABR Loans.

SECTION 2.10. Amortization of Term Loans; Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of each Revolving Lender the then unpaid principal amount of each Revolving Loan then outstanding on the Revolving Facility Termination Date applicable to such Revolving Loan.

(b) The principal amounts of the Class B Term Loans shall be repaid in consecutive quarterly installments (each, an "*Installment*") of 0.25% of the original aggregate principal amount thereof, on the last day of each March, June, September and December, commencing on September 30, 2013. Notwithstanding the foregoing, (1) such Installments shall be reduced in connection with any mandatory or voluntary prepayments of the Class B Term Loans in accordance with Sections 2.12 and 2.13, as applicable and (2) the Term Loans, together with all other amounts owed hereunder with respect thereto, shall, in any event, be paid in full no later than the applicable Term Loan Termination Date.

(c) 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 made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. The Borrower shall have the right, upon reasonable notice, to request information regarding the accounts referred to in the preceding sentence.

(e) The entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section 2.10 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided 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 obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(f) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall promptly execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns in a form furnished by the Administrative Agent and reasonably acceptable to the Borrower. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.02) be represented by one or more promissory notes in such form payable to such payee and its registered assigns.

SECTION 2.11. Optional Termination or Reduction of Revolving Commitments. Upon at least one (1) Business Day prior written notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate the Total Revolving Commitment (subject to compliance with Section 2.12(e)), or from time to time in part permanently reduce the Unused Total Revolving Commitment; provided that each such notice shall be revocable at any time prior to such reduction or termination, as the case may be, or to the extent such termination or reduction would have resulted from a refinancing of the Obligations, which refinancing shall not be consummated or shall otherwise be delayed. Each such reduction of the Unused Total Revolving Commitment shall be in the principal amount not less than $1,000,000 and in an integral multiple of $1,000,000. Simultaneously with each reduction or termination of the Revolving Commitment, the Borrower shall pay to the Administrative Agent for the account of each Revolving Lender the Commitment Fee accrued and unpaid on the amount of the Revolving Commitment of such Revolving Lender so terminated or reduced through the date thereof. Any reduction of the Unused Total Revolving Commitment pursuant to this Section 2.11 shall be applied to reduce the Revolving Commitment of each Revolving Lender on a pro rata basis.

SECTION 2.12. Mandatory Prepayment of Loans; Commitment Termination.

(a) If, as a result of a Disposition of Collateral or Recovery Event, the Borrower is not in compliance with Section 6.04 within the time periods set forth in Section 6.04, the Borrower shall deposit, on the next Business Day (or, if later, within five (5) Business Days of Parent or any of its Subsidiaries receiving any Net Proceeds as a result of such Disposition of Collateral or Recovery Event), cash in an amount (the "*Net Proceeds Amount*") equal to the amount of such received Net Proceeds (solely to the extent necessary to maintain compliance with Section 6.04) into the Collateral Proceeds Account that is maintained with the Collateral Agent for such purpose and subject to an Account Control Agreement and thereafter such Net Proceeds Amount shall be applied (to the extent not otherwise applied pursuant to the immediately succeeding proviso and solely to the extent the Borrower is not in compliance with Section 6.04) in accordance with the requirements of Section 2.12(c); provided that (i) the Borrower may use such Net Proceeds Amount to replace with Qualified Replacement Assets or, solely in the case of any Net Proceeds Amount in respect of any Recovery Event, repair the assets which are the subject of such Disposition of Collateral or Recovery Event within 365 days after such deposit is made, (ii) all such Net Proceeds Amounts shall be subject to release as provided in Section 6.09(c) or, at the option of the Borrower at any time, may be applied in accordance with the requirements of Section 2.12(c) and (iii) upon the occurrence of an Event of Default, the amount of any such deposit may be applied by the Administrative Agent in accordance with Section 2.12(c); provided, further that any release of any Net Proceeds Amount pursuant to clause (ii) of this Section 2.12(a) shall be conditioned on the Borrower being in compliance with Section 6.04 after giving effect thereto (it being understood that the failure to be in compliance with Section 6.04 shall not prevent the release of any Net Proceeds Amount in connection with any repair or replacement of assets permitted hereunder so long as no decrease in the Collateral Coverage Ratio will result therefrom).

(b) The Borrower shall prepay the Loans (without, in the case of any Revolving Loan, any corresponding reduction in Revolving Commitments) when and in an amount necessary to comply with Section 6.09(b)(y).

(c) Amounts required to be applied to the prepayment of Loans pursuant to Sections 2.12(a) and (b) shall be applied to prepay the outstanding Term Loans in accordance with Section 2.17(e)(i) and/or the outstanding Revolving Loans in accordance with Section 2.17(e)(ii) (and to provide Cash Collateralization for the outstanding LC Exposure following the repayment of all outstanding Revolving Loans), in an amount necessary to comply with Section 6.04 or 6.09(b), as the case may be, in each case as directed by the Borrower. Any such prepayments of Revolving Loans (and Cash Collateralization of the outstanding LC Exposure) shall not result in a corresponding permanent reduction in the Revolving Commitments. Any Cash Collateralization of outstanding LC Exposure shall be consummated in accordance with Section 2.02(j). The application of any prepayment pursuant to this Section 2.12 shall be made, *first*, to ABR Loans and, *second*, to Eurodollar Loans. Term Loans prepaid pursuant to this Section 2.12 may not be reborrowed.

(d) If at any time the Total Revolving Extensions of Credit for any reason exceed the Total Revolving Commitment at such time, the Borrower shall prepay Revolving Loans on a pro rata basis in an amount sufficient to eliminate such excess. If, after giving effect to the prepayment of all outstanding Revolving Loans, the Total Revolving Extensions of Credit exceed the Total Revolving Commitment then in effect, the Borrower shall Cash Collateralize outstanding Letters of Credit to the extent of such excess.

(e) Upon the Revolving Facility Termination Date applicable to any Revolving Commitment, such Revolving Commitment shall be terminated in full and the Borrower shall repay the applicable Revolving Loans in full and, except as the Administrative Agent may otherwise agree in writing, if any Letter of Credit remains outstanding, comply with Section 2.02(j) in accordance therewith.

(f) All prepayments under this Section 2.12 shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus, if applicable, any accrued and unpaid Fees and any losses, costs and expenses, as more fully described in Section 2.15.

(g) If a Change of Control occurs, within thirty (30) days following the occurrence of such Change of Control, the Borrower (or Parent (or any third party on behalf of the Borrower)) shall (i) prepay all of the outstanding Loans at a prepayment price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of prepayment, (ii) discharge all of the LC Exposure, if any, by Cash Collateralizing such LC Exposure and (iii) terminate all of the Unused Total Revolving Commitment, if any, in accordance with this Section 2.12.

SECTION 2.13. Optional Prepayment of Loans.

(a) The Borrower shall have the right, at any time and from time to time, to prepay any Loans, in whole or in part, (i) with respect to Eurodollar Loans, upon (A) telephonic notice (followed promptly by written or facsimile notice or notice by electronic mail) (which notice may be conditional notice) to the Administrative Agent or (B) written or facsimile notice (or notice by electronic mail) (which notice may be conditional notice) to the Administrative Agent, in any case received by 1:00 p.m., New York City time, three (3) Business Days prior to the proposed date of prepayment and (ii) with respect to ABR Loans, upon written or facsimile notice (or notice by electronic mail) (which notice may be conditional notice) to the Administrative Agent received by 1:00 p.m., New York City time, one (1) Business Day prior to the proposed date of prepayment; provided that ABR Loans may be prepaid on the same day notice is given if such notice is received by the Administrative Agent by 12:00 noon, New York City time; provided, further, that any revocation of such conditional notice occurs within the applicable notice period plus 5 Business Days; provided, further, however, that (A) each such partial prepayment shall be in an amount not less than $1,000,000 and in integral multiples of $1,000,000 in the case of Eurodollar Loans and integral multiples of $100,000 in the case of ABR Loans, (B) no prepayment of Eurodollar Loans shall be permitted pursuant to this Section 2.13(a) other than on the last day of an Interest Period applicable thereto unless such

prepayment is accompanied by the payment of the amounts described in Section 2.15, and (C) no partial prepayment of a Eurodollar Tranche shall result in the aggregate principal amount of the Eurodollar Loans remaining outstanding pursuant to such Eurodollar Tranche being less than $1,000,000.

(b) Any prepayments under Section 2.13(a) shall be applied, at the option of the Borrower, to (i) repay the outstanding Revolving Loans of the Revolving Lenders (without any reduction in the Total Revolving Commitment) until all Revolving Loans shall have been paid in full (plus any accrued but unpaid interest and fees thereon) and/or (ii) prepay the Term Loans, in each case as the Borrower shall specify. All such prepayments of Term Loans shall be applied in the manner directed by the Borrower (or, if no such direction is given, in direct order of maturity) to the remaining scheduled Installments of the applicable Class of Term Loans being prepaid. All prepayments under Section 2.13(a) shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus, if applicable, any Fees and any losses, costs and expenses, as more fully described in Section 2.15. Term Loans prepaid pursuant to Section 2.13(a) may not be reborrowed.

(c) Each notice of prepayment shall specify the prepayment date, the principal amount of the Loans to be prepaid and, in the case of Eurodollar Loans, the Borrowing or Borrowings to be prepaid and shall commit the Borrower to prepay such Loan by the amount and on the date stated therein; provided that the Borrower may revoke any notice of prepayment under this Section 2.13 if such prepayment would have resulted from a refinancing of any or all of the Obligations hereunder, which refinancing shall not be consummated or shall otherwise be delayed, or in accordance with Section 2.13(a) if the notice of prepayment was a conditional notice. The Administrative Agent shall, promptly after receiving notice from the Borrower hereunder, notify each Lender of the principal amount of the Loans held by such Lender which are to be prepaid, the prepayment date and the manner of application of the prepayment.

(d) In the event that, prior to the six-month anniversary of the Closing Date, there shall occur any Repricing Event, the Borrower shall pay to the Administrative Agent, for the ratable account of each of the Term Lenders holding Class B Term Loans subject to such Repricing Event, (i) in the case of a Repricing Event of the type described in clause (a) of the definition thereof, a prepayment premium of 1% of the aggregate principal amount of the Class B Term Loans subject to such Repricing Event and (ii) in the case of a Repricing Event of the type described in clause (b) of the definition thereof, an amount equal to 1% of the aggregate principal amount of the Class B Term Loans subject to such Repricing Event outstanding immediately prior to the effectiveness thereof, in each case unless such fee is waived by the applicable Term Lender. Any Term Lender that is a non-consenting Lender in respect of a Repricing Event may be replaced in accordance with Section 10.08(d) to the extent permitted thereby; provided that any such Term Lender so replaced shall be entitled to the prepayment premium set forth in clause (i) of the preceding sentence with respect to its Class B Term Loans so assigned unless such fee is waived by such Term Lender.

SECTION 2.14. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or Issuing Lender (except any such reserve requirement subject to Section 2.14(c)); or

(ii) impose on any Lender or Issuing Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting into, continuing or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or Issuing Lender of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Lender hereunder with respect to any Eurodollar Loan or Letter of Credit (whether of principal, interest or otherwise), then, upon the request of such Lender or Issuing Lender, the Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Lender reasonably determines in good faith that any Change in Law affecting such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Lender's capital or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of this Agreement or the Eurodollar Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Lender's policies and the policies of such Lender's or Issuing Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts, in each case as documented by such Lender or Issuing Lender to the Borrower as will compensate such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered; it being understood that this Section 2.14(b) shall not apply to Taxes.

(c) Solely to the extent arising from a Change in Law, the Borrower shall pay to each Lender (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar funds or deposits, additional interest on the unpaid principal amount of each Eurodollar Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive in the absence of manifest error) and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement

of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Eurodollar Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error) which in each case shall be due and payable on each date on which interest is payable on such Loan, provided that the Borrower shall have received at least fifteen (15) days' prior written notice (with a copy to the Administrative Agent, and which notice shall specify the Statutory Reserve Rate, if any, applicable to such Lender) of such additional interest or cost from such Lender. If a Lender fails to give written notice fifteen (15) days prior to the relevant Interest Payment Date, such additional interest or cost shall be due and payable fifteen (15) days from receipt of such notice.

(d) A certificate of a Lender or Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.14 and the basis for calculating such amount or amounts shall be delivered to the Borrower and shall be *prima facie* evidence of the amount due. The Borrower shall pay such Lender or Issuing Lender, as the case may be, the amount due within fifteen (15) days after receipt of such certificate.

(e) Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 2.14 shall not constitute a waiver of such Lender's or Issuing Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section 2.14 for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Lender's intention to claim compensation therefor; provided, further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof. The protection of this Section 2.14 shall be available to each Lender regardless of any possible contention as to the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

(f) The Borrower shall not be required to make payments under this Section 2.14 to any Lender or Issuing Lender if (A) a claim hereunder arises solely through circumstances peculiar to such Lender or Issuing Lender and which do not affect commercial banks in the jurisdiction of organization of such Lender or Issuing Lender generally, (B) the claim arises out of a voluntary relocation by such Lender or Issuing Lender of its applicable Lending Office (it being understood that any such relocation effected pursuant to Section 2.18 is not "voluntary"), or (C) such Lender or Issuing Lender is not seeking similar compensation for such costs to which it is entitled from its borrowers generally in commercial loans of a similar size.

(g) Notwithstanding anything herein to the contrary, regulations, requests, rules, guidelines or directives implemented after the Closing Date pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act or Basel III shall be deemed to be a Change in Law; provided, however, that any determination by a Lender or Issuing Lender of amounts owed pursuant to this Section 2.14 to such Lender or Issuing Lender due to any such Change in Law shall be made in good faith in a manner generally consistent with such Lender's or Issuing Lender's standard practice.

SECTION 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of the occurrence and continuance of an Event of Default), (b) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto or (c) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18, Section 2.27(d) or Section 10.08(d), then, in any such event, at the request of such Lender, the Borrower shall compensate such Lender for the loss, cost and expense sustained by such Lender attributable to such event; provided that in no case shall this Section 2.15 apply to any payment of an Installment pursuant to Section 2.10(b). Such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined in good faith by such Lender or Issuing Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the applicable rate of interest for such Loan (excluding, however the Applicable Margin included therein, if any), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest (as reasonably determined by such Lender) which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts (and the basis for requesting such amount or amounts) that such Lender is entitled to receive pursuant to this Section 2.15 shall be delivered to the Borrower and shall be *prima facie* evidence of the amount due. The Borrower shall pay such Lender the amount due within fifteen (15) days after receipt of such certificate.

SECTION 2.16. Taxes.

(a) Any and all payments by or on account of any Obligation of the Borrower or any Guarantor hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes except as required by applicable law; provided that if any Indemnified Taxes or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent, any Lender or any Issuing Lender, as determined in good faith by the applicable Withholding Agent, then (i) the sum payable by the Borrower or applicable Guarantor shall be increased as necessary so that after making all required deductions for any Indemnified Taxes or Other Taxes (including deductions for any Indemnified Taxes or Other Taxes applicable to additional sums payable under this Section 2.16), the Administrative Agent, Lender, Issuing Lender or any other recipient of such payments (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Withholding Agent shall make such deductions and (iii) the applicable Withholding Agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower or any Guarantor, as applicable, shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Lender, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by or on behalf of or withheld or deducted from payments owing to the Administrative Agent, such Lender or such Issuing Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower or any Guarantor hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or Issuing Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender or Issuing Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment to the extent available, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender shall, within ten (10) days after written demand therefor, indemnify the Administrative Agent (to the extent the Administrative Agent has not been reimbursed by the Borrower) for the full amount of any Taxes imposed by any Governmental Authority that are attributable to such Lender and that are payable or paid by the Administrative Agent, together with all interest, penalties, reasonable costs and expenses arising therefrom or with respect thereto, as determined by the Administrative Agent in good faith. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.

(f) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law and as reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law or requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate; provided that a Foreign Lender shall not be required to deliver any documentation pursuant to this Section 2.16(f) that such Foreign Lender is not legally able to deliver. For purposes of this paragraph (f) and paragraphs (g) and (h), the term “Lender” includes any Issuing Lender.

(g) (1) Without limiting the generality of the foregoing, each Foreign Lender shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon request of the Borrower or the Administrative Agent) whichever of the following is applicable:

(i) two (2) duly executed originals of Internal Revenue Service Form W-8BEN, claiming eligibility for benefits of an income tax treaty to which the United States of America is a party;

(ii) two (2) duly executed originals of Internal Revenue Service Form W-8ECI;

(iii) two (2) duly executed originals of Internal Revenue Service Form W 8IMY, together with the forms for its beneficiaries, partners or members described in clauses (i), (ii), (iii) or (iv) of this subparagraph (g)(1) or in subparagraph (g)(2) and other applicable attachments;

(iv) in the case of a Foreign Lender claiming the benefits of exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code or (D) conducting a trade or business in the United States with which the relevant interest payments are effectively connected and (y) two (2) duly executed originals of the Internal Revenue Service Form W-8BEN; or

(v) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax and reasonably requested by the Borrower or the Administrative Agent to permit the Borrower to determine the withholding or required deduction to be made.

A Foreign Lender shall not be required to deliver any form or statement pursuant to this Section 2.16(g) that such Foreign Lender is not legally able to deliver.

(2) Any Lender that is a "United States Person" (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Administrative Agent and the Borrower, on or prior to the date on which such Lender becomes a party to this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon request of the Borrower or the Administrative Agent), two (2) copies of Internal Revenue Service Form W-9 (or any successor form), properly completed and duly executed by such Lender, certifying that such Lender is entitled to an exemption from United States backup withholding tax.

(3) The Administrative Agent shall deliver to the Borrower on or prior to the date on which it becomes the Administrative Agent under this Agreement (and from time to time thereafter when the previously delivered forms expire, or upon request of the Borrower) executed originals of Internal Revenue Service Form W-9. The Administrative Agent represents that it is a financial institution within the meaning of U.S. Treasury Regulation § 1.1441-1(c)(5).

(4) If a payment made to a Lender under this Agreement or any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower or the Administrative Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(h) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes from the Governmental Authority to which such Taxes or Other Taxes were paid and as to which it has been indemnified by the Borrower or a Guarantor or with respect to which the Borrower or a Guarantor has paid additional amounts pursuant to this Section 2.16, it shall pay over such refund to the Borrower or such Guarantor (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or such Guarantor under this Section 2.16 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender incurred in obtaining such refund (including Taxes imposed with respect to such refund) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower or such Guarantor, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or such Guarantor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the Administrative Agent or any Lender be required to pay any amount to the Borrower pursuant to this paragraph (h) if, and then only to the extent, the payment of such amount would place the Administrative Agent or such Lender in a less favorable net after-Tax position than the Administrative Agent or such Lender would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.16 shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.17. Payments Generally; Pro Rata Treatment.

(a) The Borrower shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.14 or 2.15, or otherwise) prior to 1:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the

reasonable discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 60 Wall Street, New York, New York 10005, pursuant to wire instructions to be provided by the Administrative Agent, except payments to be made directly to an Issuing Lender as expressly provided herein and except that payments pursuant to Sections 2.14, 2.15 and 10.04 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it (including, subject to the terms of any Intercreditor Agreement or any Other Intercreditor Agreement, any payment received from the sale or disposal of Collateral pursuant to any Collateral Document) for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Obligations then due hereunder, such funds shall be applied, subject to the terms of any Intercreditor Agreement or any Other Intercreditor Agreement, as applicable, (i) *first*, towards payment of Fees and expenses then due under Sections 2.19 and 10.04 payable to each Agent and any trustee appointed pursuant to Section 8.01(d), to the extent applicable, (ii) *second*, towards payment of Fees and expenses then due under Sections 2.20, 2.21 and 10.04 payable to the Lenders and the Issuing Lenders and towards payment of interest then due on account of the Revolving Loans, Term Loans and Letters of Credit, ratably among the parties entitled thereto in accordance with the amounts of such Fees and expenses and interest then due to such parties and (iii) *third*, towards payment of (A) principal of the Revolving Loans, Term Loans and unreimbursed LC Disbursements then due hereunder, (B) any Designated Banking Product Obligations then due, to the extent such Designated Banking Product Obligations constitute "Obligations" hereunder, and (C) any Designated Hedging Obligations then due, to the extent such Designated Hedging Obligations constitute "Obligations" hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal, unreimbursed LC Disbursements, Designated Banking Product Obligations constituting Obligations and Designated Hedging Obligations constituting Obligations then due to such parties. Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustment shall be made with respect to payments from the Borrower or other Guarantors to preserve the allocations to Obligations otherwise set forth above in this Section 2.17(b).

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the applicable Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(d) If any Lender shall fail to make any payment or Extension of Credit required to be made by it pursuant to Section 2.02(d), 2.02(e), 2.04(a), 2.04(b), 2.04(c), 8.04 or 10.04(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(e) *Pro Rata Treatment*.

(i) Each payment (including each prepayment) by the Borrower on account of principal of and interest on any Class of Term Loans shall be made pro rata according to the respective outstanding principal amounts of such Class of Term Loans then held by the applicable Term Lenders (except that assignments to the Borrower pursuant to Section 10.02(g) shall not be subject to this Section 2.17(e)(i)). All such prepayments of Term Loans shall be applied in the manner directed by the Borrower (or, if no such direction is given, in direct order of maturity) to the remaining scheduled Installments of the applicable Class of Term Loans being prepaid.

(ii) Each payment (including each prepayment) by the Borrower on account of principal of and interest on any Class of Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of such Class of Revolving Loans then held by the Revolving Lenders.

For the avoidance of doubt, the provisions of this Section 2.17 shall not be constructed to apply to (A) Cash Collateralization provided for in this Agreement, (B) assignments and participations (including by means of a Dutch Auction or open-market purchase) described in Section 10.02, (C) any circumstance contemplated by Section 2.18(b), 2.26, 2.27, 2.28, 10.08(d), 10.08(e) or 10.08(f), (D) the application of funds resulting from the existence of a Defaulting Lender, or (E) any other circumstance expressly provided for herein.

SECTION 2.18. Mitigation Obligations; Replacement of Lenders.

(a) If the Borrower is required to pay any additional amount to any Lender under Section 2.14 or to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder, to assign its rights and obligations hereunder to another of its offices, branches or affiliates, to file any certificate or document reasonably requested by the Borrower or to take other reasonable measures, if, in the judgment of such Lender, such designation, assignment, filing or other measures (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise

be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. Nothing in this Section 2.18 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.14 or 2.16.

(b) If, after the date hereof, any Lender requests compensation under Section 2.14 or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, (i) terminate such Lender's Revolving Commitment, prepay such Lender's outstanding Loans and provide Cash Collateralization for such Lender's LC Exposure, as applicable, or (ii) require such Lender to assign, without recourse (in accordance with and subject to the restrictions contained in Section 10.02), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), in any case as of a Business Day specified in such notice from the Borrower; provided that (i) such terminated or assigning Lender shall have received payment of an amount equal to the outstanding principal of its Loans and unreimbursed payments attributable to its participations in LC Disbursements, as applicable, accrued interest thereon, accrued fees and all other amounts due, owing and payable to it hereunder at the time of such termination or assignment, from the assignee (to the extent of such outstanding principal and accrued interest and fees in the case of an assignment) or the Borrower (in the case of all other amounts) and (ii) in the case of an assignment due to payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments.

SECTION 2.19. Certain Fees. The Borrower shall pay (i) to the Administrative Agent the fees set forth in that certain Administrative Agent Fee Letter, dated as of June 27, 2013, between the Administrative Agent and the Borrower (the "*Administrative Agent Fee Letter*") and (ii) to the Administrative Agent on behalf of the Administrative Agent and the Joint Lead Arrangers the fees set forth in that certain Joint Lead Arranger Fee Letter dated as of April 25, 2013, between the Administrative Agent, the Joint Lead Arrangers and the Borrower (the "*Joint Lead Arranger Fee Letter*") at the times set forth therein.

SECTION 2.20. Commitment Fee and Upfront Fee.

(a) The Borrower shall pay to the Administrative Agent for the accounts of the Revolving Lenders a commitment fee (the "*Commitment Fee*") for the period commencing on the Closing Date to the Revolving Facility Termination Date with respect to the applicable Revolving Commitments or the earlier date of termination of the applicable Revolving Commitment, computed (on the basis of the actual number of days elapsed over a year of 360 days) at the Commitment Fee Rate on the average daily Unused Total Revolving Commitment. Such Commitment Fee, to the extent then accrued, shall be payable quarterly in arrears (a) following the Revolver Availability Date on the last Business Day of each March, June, September and December, (b) on the Revolving Facility Termination Date with respect to the applicable Revolving Commitments and (c) as provided in Section 2.11, upon any reduction or termination in whole or in part of the Total Revolving Commitment.

(b) The Borrower shall pay on the Revolver Availability Date to each Revolving Lender as of such date, an upfront fee (the "*Upfront Fee*") in an amount equal to 1.0% of the amount of such Lender's Revolving Commitment (if any) on the Closing Date.

SECTION 2.21. Letter of Credit Fees. The Borrower shall pay with respect to each Letter of Credit (i) to the Administrative Agent for the account of the Revolving Lenders a fee calculated (on the basis of the actual number of days elapsed over a year of 360 days) at the per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility on the daily average LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements), to be shared ratably among the Revolving Lenders and (ii) to each Issuing Lender (with respect to each Letter of Credit issued by it), such Issuing Lender's customary and reasonable fees as may be agreed by the Issuing Lender and the Borrower for issuance, amendments and processing referred to in Section 2.02. In addition, the Borrower agrees to pay each Issuing Lender for its account a fronting fee of 0.125% per annum in respect of each Letter of Credit issued by such Issuing Lender, for the period from and including the date of issuance of such Letter of Credit to and including the date of termination or expiration of such Letter of Credit. Accrued fees described in this paragraph in respect of each Letter of Credit shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December and on the Revolving Facility Termination Date with respect to the applicable Revolving Commitments. So long as no Event of Default has occurred, fees accruing on any Letter of Credit outstanding after the applicable Revolving Facility Termination Date shall be payable quarterly in the manner described in the immediately preceding sentence and on the date of expiration or termination of any such Letter of Credit.

SECTION 2.22. Nature of Fees. All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent and the Joint Lead Arrangers, as provided herein and in the Fee Letters. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.23. Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default pursuant to Section 7.01(b), the Administrative Agent, the Collateral Agent and each Lender (and their respective banking Affiliates) are 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 but excluding deposits in the Escrow Accounts, Payroll Accounts and other accounts, in each case, held in trust for an identified beneficiary) at any time held and other Indebtedness at any time owing by the Administrative Agent and each such Lender (or any of such banking Affiliates) to or for the credit or the account of the Borrower or any Guarantor against any and all of any such overdue amounts owing under the Loan Documents, irrespective of whether or not the Administrative Agent or such Lender shall have made any demand under any Loan Document; provided that in the event that any Defaulting Lender exercises any such right of setoff, (x) all amounts so set off

will be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.26(g) and, pending such payment, will be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders and the Lenders and (y) the Defaulting Lender will provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender and the Administrative Agent agree promptly to notify the Borrower and Guarantors after any such set-off and application made by such Lender or the Administrative Agent (or any of such banking Affiliates), as the case may be; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and the Administrative Agent under this Section 2.23 are in addition to other rights and remedies which such Lender and the Administrative Agent may have upon the occurrence and during the continuance of any Event of Default.

SECTION 2.24. Security Interest in Letter of Credit Account. The Borrower and the Guarantors hereby pledge to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, and hereby grant to the Collateral Agent, for its benefit and for the benefit of the other Secured Parties, a first priority security interest, senior to all other Liens, if any, in all of the Borrower's and the Guarantors' right, title and interest in and to the Letter of Credit Account, any direct investment of the funds contained therein and any proceeds thereof. Cash held in the Letter of Credit Account shall not be available for use by the Borrower, and shall be released to the Borrower only as described in Section 2.02(j).

SECTION 2.25. Payment of Obligations. Subject to the provisions of Section 7.01, upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents of the Borrower and the Guarantors, the Lenders shall be entitled to immediate payment of such Obligations.

SECTION 2.26. Defaulting Lenders.

(a) If at any time any Lender becomes a Defaulting Lender, then the Borrower may, on ten (10) Business Days' prior written notice to the Administrative Agent and such Lender, (i) terminate such Lender's Revolving Commitment, prepay such Lender's outstanding Loans and provide Cash Collateralization for such Lender's LC Exposure, as applicable, or (ii) replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to Section 10.02(b) (with the assignment fee to be waived in such instance and subject to any consents required by such Section) all of its rights and obligations under this Agreement to one or more assignees; provided that neither the Administrative Agent nor any Lender shall have any obligation to the Borrower to find a replacement Lender or other such Person.

(b) Any Lender being replaced pursuant to Section 2.26(a) shall (i) execute and deliver an Assignment and Acceptance with respect to such Lender's outstanding Commitments, Loans and participations in Letters of Credit and (ii) deliver any documentation

evidencing such Loans to the Borrower or the Administrative Agent. Pursuant to such Assignment and Acceptance, (A) the assignee Lender shall acquire all or a portion, as specified by the Borrower and such assignee, of the assigning Lender's outstanding Commitments, Loans and participations in Letters of Credit, (B) all obligations of the Borrower owing to the assigning Lender relating to the Commitments, Loans and participations so assigned shall be paid in full by the assignee Lender to such assigning Lender concurrently with such Assignment and Acceptance (including, without limitation, any amounts owed under Section 2.15 due to such replacement occurring on a day other than the last day of an Interest Period), and (C) upon such payment and, if so requested by the assignee Lender, delivery to the assignee Lender of the appropriate documentation executed by the Borrower in connection with previous Borrowings, the assignee Lender shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Commitments, Loans and participations, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender; provided that an assignment contemplated by this Section 2.26(b) shall become effective notwithstanding the failure by the Lender being replaced to deliver the Assignment and Acceptance contemplated by this Section 2.26(b), so long as the other actions specified in this Section 2.26(b) shall have been taken.

(c) Anything herein to the contrary notwithstanding, if a Revolving Lender becomes, and during the period it remains, a Defaulting Lender, during such period, such Defaulting Lender shall not be entitled to any fees accruing during such period pursuant to Section 2.20 and 2.21 (without prejudice to the rights of the Non-Defaulting Lenders in respect of such fees); provided that (a) to the extent that all or a portion of the LC Exposure of such Defaulting Lender is reallocated to the Non-Defaulting Lenders pursuant to Section 2.26(d)(i), such fees that would have accrued for the benefit of such Defaulting Lender shall instead accrue for the benefit of and be payable to such Non-Defaulting Lenders and (b) to the extent that all or any portion of such LC Exposure cannot be so reallocated and is not Cash Collateralized in accordance with Section 2.26(d)(ii), such fees shall instead accrue for the benefit of and be payable to the Issuing Lenders as their interests appear (and the applicable pro rata payment provisions under this Agreement shall automatically be deemed adjusted to reflect the provisions of this Section 2.26).

(d) If any LC Exposure exists at the time a Revolving Lender becomes a Defaulting Lender then:

(i) the LC Exposure of such Defaulting Lender will, upon at least two (2) Business Days prior notice to the Borrower and the Non-Defaulting Lenders by the Administrative Agent, and subject in any event to the limitation in the first proviso below, automatically be reallocated (effective on the day specified in such notice) among the Non-Defaulting Lenders pro rata in accordance with their respective Revolving Commitments; provided that (A) the Revolving Extensions of Credit of each such Non-Defaulting Lender may not in any event exceed the Revolving Commitment of such Non-Defaulting Lender as in effect at the time of such reallocation, (B) such reallocation will not constitute a waiver or release of any claim the Borrower, the Administrative Agent, the Issuing Lenders or any other Lender may have against such Defaulting Lender, (C) at the time of such reallocation, no Event of Default pursuant to Section 7.01(b), (e)(B), (f) or (g) has occurred and is continuing and (D) neither such reallocation nor any payment by a Non-Defaulting Lender as a result thereof will cause such Defaulting Lender to be a Non-Defaulting Lender; and

(ii) to the extent that any portion (the "*unreallocated portion*") of the Defaulting Lender's LC Exposure cannot be so reallocated, whether by reason of the first proviso in clause (i) above or otherwise, the Borrower will, not later than three (3) Business Days after demand by the Administrative Agent, (A) Cash Collateralize the obligations of the Borrower to the Issuing Lenders in respect of such LC Exposure in an amount at least equal to the aggregate amount of the unreallocated portion of such LC Exposure or (B) make other arrangements satisfactory to the Administrative Agent and the Issuing Lenders in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender.

(e) In addition to the other conditions precedent set forth in this Agreement, if any Revolving Lender becomes, and during the period it remains, a Defaulting Lender, no Issuing Lender shall be required to issue any Letter of Credit or to amend any outstanding Letter of Credit, unless:

(i) in the case of a Defaulting Lender, the LC Exposure of such Defaulting Lender is reallocated, as to outstanding and future Letters of Credit, to the Non-Defaulting Lenders as provided in Section 2.26(d)(i), except as provided in clause (ii) below, and

(ii) to the extent full reallocation does not occur as provided in clause (i) above, without limiting the provisions of Section 2.26(f), the Borrower shall Cash Collateralize the obligations of the Borrower in respect of such Letter of Credit in an amount at least equal to the aggregate amount of the obligations (contingent or otherwise) of such Defaulting Lender in respect of such Letter of Credit, or makes other arrangements satisfactory to the Administrative Agent and such Issuing Lenders in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender, or

(iii) to the extent that neither reallocation nor Cash Collateralization occurs pursuant to clauses (i) or (ii), then in the case of a proposed issuance of a Letter of Credit, by an instrument or instruments in form and substance reasonably satisfactory to the Administrative Agent, and to such Issuing Lender, as the case may be, (A) the Borrower agrees that the face amount of such requested Letter of Credit will be reduced by an amount equal to the portion thereof as to which such Defaulting Lender would otherwise be liable, and (B) the Non-Defaulting Lenders' obligations in respect of such Letter of Credit shall be on a pro rata basis in accordance with the Revolving Commitments of the Non-Defaulting Lenders, and that the applicable pro rata payment provisions under this Agreement will be deemed adjusted to reflect this provision (provided that nothing in this clause (iii) will be deemed to increase the Revolving Commitments of any Lender, nor to constitute a waiver or release of any claim the Borrower, the Administrative Agent, any Issuing Lender or any other Lender may have against such Defaulting Lender, nor to cause such Defaulting Lender to be a Non-Defaulting Lender).

(f) If any Revolving Lender becomes, and during the period it remains, a Defaulting Lender and if any Letter of Credit is at the time outstanding, the applicable Issuing Lender may (except to the extent the Revolving Commitments of such Defaulting Lender have been fully reallocated pursuant to Section 2.26(d)(i)), by notice to the Borrower and such Defaulting Lender through the Administrative Agent, require the Borrower to Cash Collateralize, not later than three (3) Business Days after receipt by the Borrower of such notice, the obligations of the Borrower to such Issuing Lender in respect of such Letter of Credit in an amount equal to the aggregate amount of the obligations (contingent or otherwise) of such Defaulting Lender in respect thereof, or to make other arrangements satisfactory to the Administrative Agent and such Issuing Lender in their sole discretion to protect them against the risk of non-payment by such Defaulting Lender.

(g) Any amount paid by the Borrower or otherwise received by the Administrative Agent for the account of any Lender that is a Defaulting Lender that is a Lender under this Agreement (whether on account of principal, interest, fees, indemnity payments or other amounts) will not be paid or distributed to such Defaulting Lender, but shall instead be retained by the Administrative Agent in a segregated account until (subject to Section 2.26(i)) the termination of the Revolving Commitments and payment in full of all obligations of the Borrower hereunder and will be applied by the Administrative Agent, to the fullest extent permitted by law, to the making of payments from time to time in the following order of priority:

first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent;

second, to the payment of any amounts owing by such Defaulting Lender to the Issuing Lenders under this Agreement;

third, to the payment of the default interest and then current interest due and payable to the Revolving Lenders which are Non-Defaulting Lenders hereunder, ratably among them in accordance with the amounts of such interest then due and payable to them;

fourth, to the payment of fees then due and payable to the Non-Defaulting Lenders hereunder, ratably among them in accordance with the amounts of such fees then due and payable to them;

fifth, to pay principal and unreimbursed LC Disbursements then due and payable to the Non-Defaulting Lenders hereunder ratably in accordance with the amounts thereof then due and payable to them;

sixth, to the ratable payment of other amounts then due and payable to the Non-Defaulting Lenders;

seventh, to the funding of any Loan or the funding or Cash Collateralization of any participation in any Letter of Credit in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent;

eighth, if so determined by the Administrative Agent and the Borrower, held in such account as Cash Collateral for future funding obligations of the Defaulting Lender under this Agreement;

ninth, pro rata, to the payment of any amounts owing to the Borrower or the Lenders as a result of any judgment of a court of competent jurisdiction obtained by a Borrower or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and

tenth, after the termination of the Revolving Commitments and payment in full of all obligations of the Borrower hereunder, to pay amounts owing under this Agreement to such Defaulting Lender or as a court of competent jurisdiction may otherwise direct.

(h) The Borrower may terminate the unused amount of the Commitment of any Lender that is a Defaulting Lender upon not less than ten (10) Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 2.26(g) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, any Issuing Lender, or any Lender may have against such Defaulting Lender.

(i) If the Borrower, the Administrative Agent and (in the case of Revolving Lender) the Issuing Lenders agree in writing that a Lender that is a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any amounts then held in the segregated account referred to in Section 2.26(g)), such Lender, to the extent applicable, shall purchase at par such portions of outstanding Loans of the other Lenders, and/or make such other adjustments, as the Administrative Agent may determine to be necessary to cause the Lenders to hold Loans on a pro rata basis in accordance with their ratable shares, whereupon such Lender shall cease to be a Defaulting Lender and will be a Non-Defaulting Lender (and the LC Exposure of each Revolving Lender shall automatically be adjusted on a prospective basis to reflect the foregoing); provided that no adjustments shall be made retroactively with respect to fees accrued while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender shall constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

(j) Notwithstanding anything to the contrary herein, any Lender that is an Issuing Lender hereunder may not be replaced in its capacity as an Issuing Lender at any time that it has a Letter of Credit outstanding hereunder unless arrangements reasonably satisfactory to such Issuing Lender have been made with respect to such outstanding Letters of Credit.

SECTION 2.27. Increase in Commitment.

(a) *Borrower Request*. The Borrower may by written notice to the Administrative Agent request (x) prior to the Revolving Facility Maturity Date, an increase to the existing Revolving Commitments and/or LC Commitments (an "*Incremental Revolving Commitment*") and/or (y) at any time the establishment of one or more new Term Loan Commitments (each, an "*Incremental Term Loan Commitment*", and together with the Incremental Revolving Commitments, the "*Incremental Commitments*") by an amount not less than $50,000,000 individually. Each such notice shall specify (i) the date (each, an "*Increase Effective Date*") on which the Borrower proposes that the Incremental Commitments shall be effective, which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent (or such earlier date agreed by the Administrative Agent) and (ii) the identity of each Eligible Assignee or other lender reasonably acceptable to the Administrative Agent to whom the Borrower proposes any portion of such Incremental Commitments be allocated (each, a "*New Lender*") and the amounts of such allocations; provided that any existing Lender approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide such Incremental Commitment.

(b) *Conditions*. The Incremental Commitments shall become effective, as of such Increase Effective Date, provided that:

(i) each of the conditions set forth in Section 4.02 shall be satisfied on or prior to such Increase Effective Date before and after giving effect to such Incremental Commitments;

(ii) no Default or Event of Default shall have occurred and be continuing or would result from giving effect to the Incremental Commitments on, or the making of any new Loans on, such Increase Effective Date; and

(iii) the Borrower shall provide an Officer's Certificate demonstrating in reasonable detail that, after giving pro forma effect to (1) the Incremental Commitments, (2) any new Loans to be made on such Increase Effective Date and (3) the pledge of any Additional Collateral, the Collateral Coverage Ratio shall be no less than 1.6 to 1.0 and the aggregate amount of Liquidity shall be no less than (x) prior to the AMR/LCC Merger, $1,500,000,000 or (y) on or after the AMR/LCC Merger, $2,000,000,000.

(c) *Terms of New Loans and Commitments*. The terms and provisions of Loans made pursuant to the new Commitments shall be as follows:

(i) terms and provisions with respect to interest rates, maturity date and amortization schedule of Loans made pursuant to any Incremental Term Loan Commitments ("*Incremental Term Loans*") shall be as agreed upon between the Borrower and the applicable Lenders providing such Loans (it being understood that the Incremental Term Loans may be part of the Class B Term Loans or any other Class of Term Loans);

(ii) the maturity date of any Loans made pursuant to Incremental Term Loan Commitments shall be no earlier than the Term Loan Maturity Date applicable to the Class B Term Loans that have not been extended pursuant to Section 2.28;

(iii) the interest rate margins for the new Incremental Term Loans shall be determined by the Borrower and the applicable Lenders providing such Loans; provided, however, that the interest rate margins for such new Incremental Term Loans shall not be greater than the highest interest rate margins that may, under any circumstances, be payable with respect to any existing Term Loans plus 50 basis points unless the interest rate margins with respect to the applicable existing Term Loans are increased by an amount equal to (x) the excess of the interest rate margins with respect to such Incremental Term Loans over the corresponding interest rate margins on the respective applicable existing Term Loans minus (y) 50 basis points; provided, that in determining the excess of the interest rate margins between the Incremental Term Loans and the applicable existing Term Loans for purposes of the foregoing clause (x), (1) original issue discount or upfront or similar fees (collectively, "*OID*") payable by the Borrower to the Lenders for the existing Term Loans or the Incremental Term Loans in the primary syndication thereof shall be included (with OID being equated to interest based on an assumed four-year life to maturity), (2) any amendments to the interest rate margin on any existing Term Loans that became effective subsequent to the Closing Date but prior to the effective time of the Incremental Term Loans shall also be included in such calculations, (3) customary arrangement, structuring, underwriting and commitment fees payable to the Administrative Agent or any arrangers (or any of their respective Affiliates) shall be excluded and (4) if the Incremental Term Loans include an interest rate floor greater than the interest rate floor applicable to the existing Term Loans, such excess amount shall be equated to interest rate margins for purposes of determining whether an increase in the interest rate margins for the existing Term Loans shall be required under this Section 2.27(c)(iii), to the extent an increase in the interest rate floor in the existing Term Loans would cause an increase in the interest rate margins, and in such case the interest rate floor (but not the Applicable Margin) applicable to the existing Term Loans shall be increased by such increased amount;

(iv) the maturity date of any Revolving Loans extended pursuant to such new Commitments shall be no earlier than the Revolving Facility Maturity Date applicable to the Revolving Commitments that have not been extended pursuant to Section 2.28; and

(v) to the extent that the terms and provisions of Incremental Term Loans or the Revolving Loans made pursuant to Incremental Revolving Commitments are not consistent with an outstanding Class of Term Loans or to the outstanding Revolving Loans, as applicable (except to the extent permitted by clauses (i), (ii), (iii) and (iv) above), such terms and conditions shall be reasonably satisfactory to the Administrative Agent and the Borrower.

The Incremental Commitments shall be effected by a joinder agreement (the "*Increase Joinder*") executed by the Borrower, the Administrative Agent and each Lender making such Incremental Commitment, in form and substance reasonably satisfactory to each of them. Notwithstanding anything else to the contrary in this Agreement or the other Loan Documents, the Increase

Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.27. In addition, unless otherwise specifically provided herein, all references in the Loan Documents to Revolving Loans or Term Loans shall be deemed, unless the context otherwise requires, to include references to Revolving Loans made pursuant to any increased Revolving Commitments and any Incremental Term Loans that are Term Loans, respectively, made pursuant to this Agreement.

(d) *Adjustment of Revolving Loans*. To the extent the Commitments being increased on the relevant Increase Effective Date are Revolving Commitments, each of the existing Revolving Lenders shall assign to each of the applicable New Lenders, and each of the New Lenders shall purchase from each of the existing Revolving Lenders, at the principal amount thereof (together with accrued interest), such interests in the Revolving Loans outstanding on such Increase Effective Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by the existing Revolving Lenders and New Lenders ratably in accordance with their Revolving Commitments after giving effect to the increased Revolving Commitments on such Increase Effective Date. If there is a new Borrowing of Revolving Loans on such Increase Effective Date, the Revolving Lenders after giving effect to such Increase Effective Date shall make such Revolving Loans in accordance with Section 2.01(a).

(e) *Making of New Term Loans*. On any Increase Effective Date on which one or more Incremental Term Loan Commitments becomes effective, subject to the satisfaction of the foregoing terms and conditions, each Lender of such Incremental Term Loan Commitment shall make an Incremental Term Loan to the Borrower in an amount equal to its Incremental Term Loan Commitment.

(f) *Security and Guaranty*. The Incremental Commitments will be secured on a *pari passu* or (at the Borrower's option) junior basis by the same Collateral securing the obligations under the Facilities, and the Incremental Commitments and any incremental loans drawn thereunder shall rank *pari passu* in right of payment with or (at the Borrower's option) junior to the obligations under the Facilities (it being understood any such junior liens shall be subject to any Intercreditor Agreement or any Other Intercreditor Agreement). Incremental Commitments shall benefit from the same guarantees as the Facilities.

SECTION 2.28. Extension of Term Loans; Extension of the Revolving Facility.

(a) *Extension of Term Loans*. Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, a "*Term Loan Extension Offer*"), made from time to time by the Borrower to all Term Lenders holding Term Loans with like maturity date, on a pro rata basis (based on the aggregate Term Loan Commitments with like maturity date) and on the same terms to each such Term Lender, the Borrower is hereby permitted to consummate from time to time transactions with individual Term Lenders that accept the terms contained in such Term Loan Extension Offers to extend the scheduled maturity date with respect to all or a

portion of any outstanding principal amount of such Term Lender's Term Loans and otherwise modify the terms of such Term Loans pursuant to the terms of the relevant Term Loan Extension Offer (including, without limitation, by changing the interest rate or fees payable in respect of such Term Loan Commitments) (each, a "*Term Loan Extension*," and each group of Term Loans, as so extended, as well as the original Term Loans not so extended, being a "*tranche of Term Loans*," and any Extended Term Loan shall constitute a separate tranche of Term Loans from the tranche of Term Loans from which they were converted), so long as the following terms are satisfied:

(i) no Event of Default pursuant to Section 7.01(b), (e)(B), (f) or (g) shall have occurred and be continuing at the time the offering document in respect of a Term Loan Extension Offer is delivered to the applicable Term Lenders;

(ii) except as to interest rates, fees, scheduled amortization payments of principal and final maturity (which shall be as set forth in the relevant Term Loan Extension Offer), the Term Loan of any Term Lender that agrees to a Term Loan Extension with respect to such Term Loan extended pursuant to an Extension Amendment (an "*Extended Term Loan*"), shall be a Term Loan with the same terms as the original Term Loans; provided that (1) the permanent repayment of Extended Term Loans after the applicable Term Loan Extension shall be made on a pro rata basis with all other Term Loans, except that the Borrower shall be permitted to permanently repay any such tranche of Term Loans on a better than a pro rata basis as compared to any other tranche of Term Loans with a later maturity date than such tranche of Term Loans (it being understood that amortization payments and prepayments of Term Loans shall not be required to be on a pro rata basis), (2) assignments and participations of Extended Term Loans shall be governed by the same assignment and participation provisions applicable to Term Loans or, at the Borrower's discretion, governed by more restrictive assignment and participation provisions, (3) the relevant Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of such Extension Amendment (immediately prior to the establishment of such Extended Term Loans), (4) Extended Term Loans may have call protection as may be agreed by the Borrower and the applicable Term Lenders of such Extended Term Loans, (5) no Extended Term Loans may be optionally prepaid prior to the date on which all Term Loans with an earlier Term Loan Maturity Date are repaid in full, unless such optional prepayment is accompanied by a pro rata optional prepayment of such other Term Loans and (6) at no time shall there be Term Loans hereunder (including Extended Term Loans and any original Term Loans) which have more than five different maturity dates;

(iii) all documentation in respect of such Term Loan Extension shall be consistent with the foregoing;

(iv) the Borrower may amend, revoke or replace a Term Loan Extension Offer at any time prior to the date on which Lenders under the tranche of Term Loans are requested to respond to the offer; and

(v) any applicable Minimum Extension Condition shall be satisfied unless waived by the Borrower. For the avoidance of doubt, no Term Lender shall be obligated to accept any Term Loan Extension Offer.

(b) *Extension of the Revolving Facility*. Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, a "*Revolver Extension Offer*") made from time to time by the Borrower to all Revolving Lenders holding Revolving Commitments with a like maturity date, on a pro rata basis (based on the aggregate Revolving Commitments with a like maturity date) and on the same terms to each such Revolving Lender, the Borrower is hereby permitted to consummate from time to time transactions with individual Revolving Lenders that accept the terms contained in such Revolver Extension Offers to extend the maturity date of each such Revolving Lender's Revolving Commitments and otherwise modify the terms of such Revolving Commitments pursuant to the terms of the relevant Revolver Extension Offer (including, without limitation, by the changing interest rate or fees payable in respect of such Revolving Commitments (and related outstandings)) (each, a "*Revolver Extension*," and each group of Revolving Commitments, as so extended, as well as the original Revolving Commitments not so extended, being a "*tranche of Revolving Loans*," and any Extended Revolving Commitments shall constitute a separate tranche of Revolving Commitments from the tranche of Revolving Commitments from which they were converted), so long as the following terms are satisfied:

(i) No Event of Default pursuant to Section 7.01(b), (e)(B), (f) or (g) shall have occurred and be continuing at the time the offering document in respect of a Revolver Extension Offer is delivered to the applicable Revolving Lenders (the "*Revolver Extension Offer Date*");

(ii) except as to interest rates, fees and final maturity (which shall be set forth in the relevant Revolver Extension Offer), the Revolving Commitment of any Revolving Lender that agrees to a Revolver Extension with respect to such Revolving Commitment extended pursuant to an Extension Amendment (an "*Extended Revolving Commitment*"), and the related outstandings, shall be a Revolving Commitment (or related outstandings, as the case may be) with the same terms as the original Revolving Commitments (and related outstandings); provided that (1) the borrowing and repayment (except for (A) payments of interest and fees at different rates on Extended Revolving Commitments (and related outstandings), (B) repayments required upon the maturity date of the non-extending Revolving Commitments and (C) repayment made in connection with a permanent repayment and termination of commitments) of Revolving Loans with respect to Extended Revolving Commitments after the applicable Revolver Extension Offer Date shall be made on a pro rata basis with all other Revolving Commitments (it being understood that (a) prepayments of Revolving Loans other than in connection with a termination of commitments shall not be required to be on a pro rata basis and (b) the Borrower shall be permitted to permanently repay and terminate commitments of any such tranche of Revolving Loans on a better than pro rata basis as compared to any other tranche of Revolving Loans with a later maturity date than such tranche of Revolving Loans), (2) assignments and participations of Extended Revolving Commitments and extended Revolving Loans shall be governed by the same assignment and participation provisions applicable to Revolving Commitments and Revolving Loans or, at the

Borrower's discretion, governed by more restrictive assignment and participation provisions and (3) at no time shall there be Revolving Commitments hereunder (including Extended Revolving Commitments and any original Revolving Commitments) which have more than five different maturity dates;

(iii) if the aggregate principal amount of Revolving Commitments in respect of which Revolving Lenders shall have accepted the relevant Revolver Extension Offer shall exceed the maximum aggregate principal amount of Revolving Commitments, as the case may be, offered to be extended by the Borrower pursuant to such Revolver Extension Offer, then the Revolving Loans of such Revolving Lenders shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) with respect to which such Revolving Lenders have accepted such Revolver Extension Offer;

(iv) if the aggregate principal amount of Revolving Commitments in respect of which Revolving Lenders shall have accepted the relevant Revolver Extension Offer shall be less than the maximum aggregate principal amount of Revolving Commitments, as the case may be, offered to be extended by the Borrower pursuant to such Revolver Extension Offer, then the Borrower may require each Revolving Lender that does not accept such Revolver Extension Offer to assign pursuant to Section 10.02 its pro rata share of the outstanding Revolving Commitments, Revolving Loans and/or participations in Letters of Credit (as applicable) offered to be extended pursuant to such Revolver Extension Offer to one or more assignees which have agreed to such assignment and to extend the applicable Revolving Facility Maturity Date; provided that (1) each Revolving Lender that does not respond affirmatively by the deadline set forth in the Revolver Extension Offer shall be deemed not to have accepted such Revolver Extension Offer, (2) each assigning Revolving Lender shall have received payment of an amount equal to the outstanding principal of its Revolving Loans and unreimbursed funded participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (3) the processing and recordation fee specified in Section 10.02(b)(ii)(D) shall be paid by the Borrower or such assignee and (4) the assigning Revolving Lender shall continue to be entitled to the rights under Section 10.04 for any period prior to the effectiveness of such assignment;

(v) all documentation in respect of such Revolver Extension shall be consistent with the foregoing unless otherwise agreed by the Administrative Agent and the Borrower;

(vi) the Borrower may amend, revoke or replace a Revolver Extension Offer at any time prior to the date on which Lenders under the tranche of Revolving Loans are requested to respond to the offer; and

(vii) any applicable Minimum Extension Condition shall be satisfied unless waived by the Borrower. For the avoidance of doubt, no Revolving Lender shall be obligated to accept any Revolver Extension Offer.

(c) *Minimum Extension Condition*. With respect to all Extensions consummated by the Borrower pursuant to this Section 2.28, (i) such Extensions shall not constitute mandatory or voluntary payments or prepayments for purposes of Section 2.12 or Section 2.13 and (ii) each Extension Offer shall specify the minimum amount of Term Loans or Revolving Commitments, as the case may be, to be tendered, which shall be a minimum amount approved by the Administrative Agent (a "*Minimum Extension Condition*"). The Administrative Agent and the Lenders hereby consent to the transactions contemplated by this Section 2.28 (including, for the avoidance of doubt, payment of any interest, fees or premium in respect of any Extended Term Loans or Extended Revolving Commitments on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 2.11, 2.12, 2.17 and 8.08) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.28.

(d) *Extension Amendment*. The consent of the Administrative Agent shall be required to effectuate any Extension, such consent not to be unreasonably withheld. No consent of any Lender shall be required to effectuate any Extension, other than (A) in the case of a Revolver Extension, (i) the consent of each Lender agreeing to such Extension with respect to one or more of its Revolving Commitments (or a portion thereof) (or, in the case of an Extension pursuant to clause (iv) of Section 2.28(b), the consent of the assignee agreeing to the assignment of one or more Revolving Commitments, Revolving Loans and/or participations in Letters of Credit) and (ii) the consent of each Issuing Lender, which consent shall not be unreasonably withheld or delayed and (B) in the case of a Term Loan Extension, the consent of each Lender agreeing to such Extension with respect to one or more of its Term Loans (or a portion thereof), as applicable. All Extended Term Loans and Extended Revolving Commitments and all obligations in respect thereof shall be Obligations under this Agreement and the other Loan Documents that are secured by the Collateral on a *pari passu* basis with all other applicable Obligations under this Agreement and the other Loan Documents. Notwithstanding anything else to the contrary set forth in this Agreement or the other Loan Documents, the Lenders hereby irrevocably authorize each Agent to enter into amendments to this Agreement and the other Loan Documents (each, an "*Extension Amendment*") with the Borrower as may be necessary in order to establish new tranches or sub-tranches in respect of Term Loans or Revolving Commitments so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new tranches or sub-tranches, in each case on terms consistent with this Section 2.28. In addition, if so provided in such Extension Amendment relating to a Revolver Extension and with the consent of the Issuing Lenders, participations in Letters of Credit expiring on or after the Revolving Facility Maturity Date with respect to Revolving Commitments not so extended shall be re-allocated from Revolving Lenders holding Revolving Commitments to Revolving Lenders holding Extended Revolving Commitments in accordance with the terms of such Extension Amendment; provided, however, that such participation interests shall, upon receipt thereof by the relevant Lenders holding Extended Revolving Commitments, be deemed to be participation interests in respect of such Extended Revolving Commitments and the terms of such participation interests (including, without limitation, the commission applicable thereto) shall be adjusted accordingly.

(e) In connection with any Extension, the Borrower shall provide the Administrative Agent at least five (5) Business Days (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including, without limitation, regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.28.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce the Lenders and any Issuing Lender to make Extensions of Credit requested by the Borrower to be made on the Closing Date and on each Borrowing Date (if any) thereafter, each of the Borrower and the Guarantors jointly and severally represents and warrants, on the Closing Date (with respect only to Sections 3.01 through 3.15), on each Borrowing Date (if any) thereafter (with respect only to Sections 3.01 through 3.15 (other than Sections 3.05(b) and 3.09(a)) and on the Solvency Representation Date (with respect to Section 3.16), as follows:

SECTION 3.01. Organization and Authority. The Borrower and each Guarantor (a) is duly organized, validly existing and in good standing (to the extent such concept is applicable in the applicable jurisdiction) under the laws of the jurisdiction of its organization and is duly qualified and in good standing in each other jurisdiction in which the failure to so qualify would have a Material Adverse Effect and (b) has the requisite corporate or limited liability company power and authority under the laws of the jurisdiction of its organization and as debtor in possession under Sections 1107 and 1108 of the Bankruptcy Code, to effect the Transactions, to own or lease and operate its properties and to conduct its business as now or currently proposed to be conducted.

SECTION 3.02. Air Carrier Status. As of the date hereof, the Borrower is an "air carrier" within the meaning of Section 40102 of Title 49 and holds a certificate under Section 41102 of Title 49. The Borrower holds or, following the AMR/LCC Merger, co-holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. The Borrower is a "citizen of the United States" as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies (a "*United States Citizen*"). The Borrower possesses or, following the AMR/LCC Merger, co-possesses all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents of any Governmental Authority which relate to the operation of the Scheduled Services and the conduct of its business and operations as currently conducted, except where failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 3.03. Due Execution. Except (other than with respect to clause (a)(i) below) for any Transfer Restriction, the execution, delivery and performance by each of the Borrower and the Guarantors of each of the Loan Documents to which it is a party (a) are within the respective corporate or limited liability company powers of each of the Borrower and the Guarantors, have been duly authorized by all necessary corporate or limited liability company action, including the consent of shareholders or members where required, and do not (i) contravene the charter, by-laws or limited liability company agreement (or equivalent documentation) of any of the Borrower or the Guarantors, (ii) violate any applicable law (including, without limitation, the Exchange Act) or regulation (including, without limitation, Regulations T, U or X of the Board), or any order or decree of any court or Governmental Authority, other than violations by the Borrower or the Guarantors which would not reasonably be expected to have a Material Adverse Effect, (iii) conflict with or result in a breach of, or constitute a default under, any material indenture, mortgage or deed of trust or any material lease, agreement or other instrument binding on the Borrower or the Guarantors or any of their properties, which, in the aggregate, would reasonably be expected to have a Material Adverse Effect or (iv) result in or require the creation or imposition of any Lien upon any of the property of any of the Borrower or the other Grantors other than the Liens granted pursuant to this Agreement or the other Loan Documents and (b) do not require the consent, authorization by or approval of or notice to or filing or registration with any Governmental Authority or any other Person, other than (i) the filing of financing statements under the UCC, (ii) such as may be required in order to perfect and register the security interests and liens purported to be created by the Collateral Documents, (iii) approvals, consents and exemptions that have been obtained on or prior to the Closing Date and remain in full force and effect, (iv) consents, approvals and exemptions that the failure to obtain in the aggregate would not be reasonably expected to result in a Material Adverse Effect and (v) routine reporting obligations. Each Loan Document to which the Borrower or any Guarantor is a party has been duly executed and delivered by each of the Borrower and the Guarantors party thereto. Each of this Agreement and the other Loan Documents to which the Borrower or any of the Guarantors is a party, is a legal, valid and binding obligation of the Borrower and each Guarantor party thereto, enforceable against the Borrower and the Guarantors, as the case may be, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Statements Made.

(a) The written information furnished by or on behalf of the Borrower or any Guarantor to the Administrative Agent or any Lender in connection with the negotiation of this Agreement (as modified or supplemented by other written information so furnished), together with the Annual Report on Form 10-K for 2012 of Parent filed with the SEC and all Quarterly Reports on Form 10-Q or Current Reports on Form 8-K that have been filed after December 31, 2012, by Parent with the SEC (as amended), taken as a whole as of the Closing Date did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein not misleading in light of the circumstances in which such information was provided; provided that, with respect to projections, estimates or other forward-looking information the Borrower and the Guarantors represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time that such forward-looking information was prepared.

(b) The Annual Report on Form 10-K of Parent most recently filed with the SEC, and each Quarterly Report on Form 10- Q and Current Report on Form 8-K of Parent filed with the SEC subsequently and prior to the date that this representation and warranty is being made, did not as of the date filed with the SEC (giving effect to any amendments thereof made prior to the date that this representation and warranty is being made) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

SECTION 3.05. Financial Statements; Material Adverse Change.

(a) (i) The audited consolidated financial statements of Parent and its Subsidiaries for the fiscal year ended December 31, 2012, included in Parent's Annual Report on Form 10-K for 2012 filed with the SEC, as amended and (ii) the unaudited consolidated financial statement of Parent and its Subsidiaries for the fiscal quarter ending March 31, 2013, each present fairly, in all material respects, in accordance with GAAP, the financial condition, results of operations and cash flows of Parent and its Subsidiaries on a consolidated basis as of such date and for such period (except that any unaudited consolidated financial statements are subject to normal year-end audit adjustments and the absence of footnotes).

(b) Except as disclosed in Parent's Annual Report on Form 10-K for 2012 or any subsequent report filed by Parent on Form 10-Q or Form 8-K with the SEC, since December 31, 2012, there has been no Material Adverse Change.

SECTION 3.06. Ownership of Subsidiaries. As of the Closing Date, other than as set forth on Schedule 3.06, (a) each of the Persons listed on Schedule 3.06 is a wholly-owned, direct or indirect Subsidiary of Parent and (b) Parent owns no other Subsidiaries (other than Immaterial Subsidiaries), whether directly or indirectly.

SECTION 3.07. Liens. There are no Liens of any nature whatsoever on any Collateral, except for Permitted Liens.

SECTION 3.08. Use of Proceeds. The proceeds of the Loans, and the Letters of Credit, shall be used for general corporate purposes, including, without limitation, the financing of aircraft-related capital expenditures, the repayment of existing Indebtedness and the funding of exit costs and pension catch-up payments.

SECTION 3.09. Litigation and Compliance with Laws.

(a) Except as disclosed in Parent's Annual Report on Form 10-K for 2012 or any subsequent report filed by Parent on Form 10-Q or Form 8-K with the SEC since December 31, 2012, there are no actions, suits, proceedings or investigations pending or, to the knowledge of the Borrower or the Guarantors, threatened against the Borrower or the Guarantors or any of their respective properties (including any properties or assets that constitute Collateral under the terms of the Loan Documents), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that (i) are likely to have a Material Adverse Effect or (ii) could reasonably be expected to affect the legality, validity, binding effect or enforceability of the Loan Documents or, in any material respect, the rights and remedies of the Administrative Agent or the Lenders thereunder or in connection with the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, the Borrower and each Guarantor to its knowledge is currently in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and ownership of its property.

SECTION 3.10. Slots. The Borrower holds each of the Pledged Slots pursuant to authority granted by the applicable Governmental Authorities and Foreign Aviation Authorities, and there exists no material violation by the Borrower of the terms, conditions or limitations of any rule, regulation or order of the applicable Governmental Authorities or Foreign Aviation Authorities regarding such Pledged Slots or any provisions of law applicable to such Pledged Slots that gives any applicable Governmental Authority or Foreign Aviation Authority the right to modify in any material respect, terminate, cancel or withdraw the rights of the Borrower in any such Pledged Slots.

SECTION 3.11. Routes. With respect to the Pledged Route Authorities relating to the Scheduled Services, the Borrower holds or, following the AMR/LCC Merger, co-holds the requisite authority to operate over such Pledged Route Authorities pursuant to Title 49 and all rules and regulations promulgated thereunder, subject only to the regulations of the DOT, the FAA and the applicable Foreign Aviation Authorities and applicable treaties and bilateral and multilateral air transportation agreements, and there exists no material violation by the Borrower of any certificate or order issued by the DOT authorizing the Borrower to operate over such Pledged Route Authorities, the rules and regulations of any applicable Foreign Aviation Authority with respect to such Pledged Route Authorities or the provisions of Title 49 and rules and regulations promulgated thereunder applicable to such Pledged Route Authorities that gives the FAA, DOT or any applicable Foreign Aviation Authority the right to modify in any material respect, terminate, cancel or withdraw the rights of the Borrower in any such Pledged Route Authorities.

SECTION 3.12. Margin Regulations; Investment Company Act.

(a) Neither the Borrower nor any Guarantor is engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board, "*Margin Stock*"), or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Loans 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 violation of Regulation U.

(b) Neither the Borrower nor any Guarantor is, or after the making of the Loans will be, or is required to be, registered as an "investment company" under the Investment Company Act of 1940, as amended. Neither the making of any Loan, nor the issuance of any Letters of Credit, nor the application of the proceeds of any Loan or repayment of any Loan or reimbursement of any LC Disbursement by the Borrower, nor the consummation of the other transactions contemplated by the Loan Documents, will violate any provision of such Act or any rule, regulation or order of the SEC thereunder.

SECTION 3.13. Holding of Collateral. The Borrower is, and as to Collateral acquired by it from time to time after the date hereof the Borrower will be, the holder or, following the AMR/LCC Merger, a co-holder, of all such Collateral free from any Lien except for (1) the Lien and security interest created by the Collateral Documents and (2) Permitted Liens.

SECTION 3.14. Perfected Security Interests. All UCC filings necessary or reasonably requested by the Collateral Agent to create, preserve, protect and perfect the security interests granted by the Borrower or any Guarantor, as applicable, to the Collateral Agent for the benefit of the Secured Parties in respect of the Collateral (other than the Account Collateral) under the SGR Security Agreement have been accomplished by the Borrower or the relevant Grantor to the extent that such security interests can be perfected by filings under the UCC and all actions necessary to obtain control of the Account Collateral as provided in Sections 9-104 and 9-106 of the UCC have been taken by such Grantor to the extent that such security interests can be perfected on or before the date hereof by execution and delivery of the Account Control Agreement. Subject to any Intercreditor Agreement and any Other Intercreditor Agreement, the security interests granted to the Collateral Agent for the benefit of the Secured Parties pursuant to the SGR Security Agreement in and to the Collateral described therein constitute and hereafter at all times shall constitute a perfected security interest therein superior and prior to the rights of all other Persons therein (subject, in the case of priority only, only to Permitted Liens) to the extent such perfection and priority can be obtained by filings under the UCC and by the execution and delivery of the Account Control Agreement, and the Collateral Agent is entitled with respect to such perfected security interest to all the rights, priorities and benefits afforded by the UCC to perfected security interests.

SECTION 3.15. Payment of Taxes. Each of Parent and its Restricted Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed by it through the date hereof, except for such exceptions as would not individually or collectively have a Material Adverse Effect, and has paid or caused to be paid when due all Taxes required to have been paid by it, except such as are being contested in good faith by appropriate proceedings or as would not individually or collectively have a Material Adverse Effect, and no tax deficiency has been determined adversely to Parent or any Restricted Subsidiary which has had, nor does Parent or any Restricted Subsidiary have, any knowledge of any tax deficiency which, if determined adversely to it, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.16. Solvency. To induce the Lenders and any Issuing Lender to make Extensions of Credit requested by the Borrower to be made on the first Borrowing Date (if any) that occurs on or after the date that is six (6) months after the Plan Effective Date (such Borrowing Date, the "*Solvency Representation Date*"), each of the Borrower and the Guarantors jointly and severally represents and warrants on (and only on) the Solvency Representation Date (and only if such date occurs) that the Borrower and the Guarantors, taken as a whole, are Solvent.

ARTICLE IV

CONDITIONS OF LENDING

SECTION 4.01. Conditions Precedent to Closing. This Agreement shall become effective on the date on which the following conditions precedent shall have been satisfied (or waived by the Lenders in accordance with Section 10.08 and by the Administrative Agent):

(a) *Supporting Documents*. The Administrative Agent shall have received with respect to each of the Borrower and the Guarantors in form and substance reasonably satisfactory to the Administrative Agent:

(i) a certificate of the Secretary of State of the state of such entity's incorporation or formation, dated as of a recent date, as to the good standing of that entity (to the extent available in the applicable jurisdiction);

(ii) a certificate of the Secretary or an Assistant Secretary (or similar officer), of such entity dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation or formation and the by-laws or limited liability company or other operating agreement (as the case may be) of that entity as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors, board of managers or members of that entity authorizing the Borrowings and Letter of Credit issuances hereunder, the execution, delivery and performance in accordance with their respective terms of this

Agreement, the other Loan Documents and any other documents required or contemplated hereunder or thereunder, and the granting of the security interest in the Letter of Credit Account and other Liens contemplated hereby or the other Loan Documents (in each case to the extent applicable to such entity), (C) that the certificate of incorporation or formation of that entity has not been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each Responsible Officer of that entity executing this Agreement and the Loan Documents or any other document delivered by it in connection herewith or therewith (such certificate to contain a certification by another Responsible Officer of that entity as to the incumbency and signature of the Responsible Officer signing the certificate referred to in this clause (ii)); and

(iii) an Officer's Certificate certifying (A) as to the truth in all material respects of the representations and warranties set forth in Sections 3.01 through 3.15 hereunder and in the other Loan Documents and made by it as though made on the Closing Date, except to the extent that any such representation or warranty relates to a specified date, in which case as of such date (provided that any representation or warranty that is qualified by materiality (it being understood that any representation or warranty that excludes circumstances that would not result in a "Material Adverse Change" or "Material Adverse Effect" shall not be considered (for purposes of this proviso) to be qualified by materiality) shall be true and correct in all respects as of the applicable date, before and after giving effect to the Closing Date Transactions) and (B) as to the absence of any event occurring and continuing, or resulting from the Closing Date Transactions, that constitutes a Default or an Event of Default.

(b) *Credit Agreement*. Each party hereto shall have duly executed and delivered to the Administrative Agent this Agreement.

(c) *Loan Documents*. The Borrower shall have duly executed and delivered to the Administrative Agent the Security Agreement (Slots, Foreign Gate Leaseholds and Route Authorities), in substantially the form of Exhibit A (the "*SGR Security Agreement*"), the other Collateral Documents and the other Loan Documents, together with all UCC financing statements in form and substance reasonably acceptable to the Collateral Agent, as may be required to grant, continue and maintain an enforceable security interest in the applicable Collateral (subject to the terms hereof and of the other Loan Documents) in accordance with the UCC as enacted in all relevant jurisdictions.

(d) Order of Bankruptcy Court. The Bankruptcy Court Order granted on May 9, 2013 and entered on May 10, 2013 shall be in full force and effect and shall not have been stayed, reversed, vacated or otherwise modified in any manner without the consent of the Administrative Agent, such consent not to be unreasonably withheld.

(e) *Initial Appraisal*. The Administrative Agent shall have received (x) the Initial Appraisal in form reasonably satisfactory to the Administrative Agent, and (y) an Officer's Certificate from a Responsible Officer of the Borrower demonstrating that, using the Appraised Value listed in the Initial Appraisal, on the Closing Date and after giving effect to the Extensions of Credit to be made on such date, the Collateral Coverage Ratio shall be no less than 1.6 to 1.0.

(f) *Opinions of Counsel*. The Administrative Agent and the Lenders shall have received:

(i) a written opinion of Gary F. Kennedy, Senior Vice President, General Counsel and Chief Compliance Officer for the Borrower, in a form and substance reasonably satisfactory to the Administrative Agent and the Lenders; and

(ii) a written opinion of Pillsbury Winthrop Shaw & Pittman LLP, special regulatory counsel to the Borrower and the Guarantors, dated the Closing Date, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders.

(g) *Payment of Fees and Expenses*. The Borrower shall have paid to the Administrative Agent, the Joint Lead Arrangers and the Lenders the then-unpaid balance of all accrued and unpaid Fees due, owing and payable under and pursuant to this Agreement, as referred to in Section 2.19, and all reasonable and documented out-of-pocket expenses of the Administrative Agent (including reasonable attorneys' fees of Shearman & Sterling LLP) for which invoices have been presented at least one Business Day prior to the Closing Date.

(h) *Lien Searches*. The Administrative Agent shall have received UCC searches conducted in the jurisdictions in which the Borrower is incorporated or such other jurisdictions as the Administrative Agent may reasonably require, reflecting the absence of Liens and encumbrances on the assets of the Borrower constituting Collateral on the Closing Date, other than Permitted Liens.

(i) *Consents*. All material governmental and third-party consents and approvals necessary in connection with the financing contemplated hereby shall have been obtained, in form and substance reasonably satisfactory to the Administrative Agent, and be in full force and effect.

(j) *Representations and Warranties*. All representations and warranties of the Borrower and the Guarantors contained in this Agreement and the other Loan Documents executed and delivered on the Closing Date other than Section 3.16 shall be true and correct in all material respects on and as of the Closing Date, before and after giving effect to the Closing Date Transactions, as though made on and as of such date (except to the extent any such representation or warranty by its terms is made as of a different specified date, in which case as of such specified date); provided that any representation or warranty that is qualified by materiality (it being understood that any representation or warranty that excludes circumstances that would not result in a "Material Adverse Change" or "Material Adverse Effect" shall not be considered (for purposes of this proviso) to be qualified by materiality) shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the Closing Date Transactions.

(k) *No Event of Default; No Material Adverse Change*. No Default or Event of Default shall have occurred and be continuing. Since December 31, 2012, there shall not have occurred a Material Adverse Change.

(l) *Patriot Act*. The Lenders shall have received at least ten (10) days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, that such Lenders shall have requested from the Borrower or Guarantor prior to such date.

(m) *Financial Deliverables*. The Administrative Agent shall have received the most recent financial statements required to be delivered pursuant to Sections 5.01(a) and (b) and reports of the Borrower and Parent, which have been filed with the SEC or with the Bankruptcy Court.

(n) *Perfected Liens*. The Collateral Agent, for the benefit of the Secured Parties, shall have obtained a valid and perfected first priority lien on and security interest in the Collateral to the extent such security interests can be perfected under the UCC, and all UCC financing statements to be filed in the Borrower's jurisdiction of organization and the Account Control Agreement in connection with the perfection of such security interests shall have been executed and delivered or made, or shall be delivered or made substantially concurrently with the initial funding.

The execution by each Lender of this Agreement shall be deemed to be confirmation by such Lender that any condition relating to such Lender's satisfaction or reasonable satisfaction with any documentation set forth in this Section 4.01 has been satisfied as to such Lender.

SECTION 4.02. Conditions Precedent to Each Loan and Each Letter of Credit. The obligation of the Lenders to make each Loan and of the Issuing Lenders to issue each Letter of Credit, including the initial Loans and the initial Letters of Credit, is subject to the satisfaction (or waiver in accordance with Section 10.08) of the following conditions precedent (provided, that any condition precedent to drawing of a Revolving Loan may be waived only by the Required Revolving Lenders):

(a) *Notice*. The Administrative Agent shall have received a Loan Request pursuant to Section 2.03 with respect to such borrowing or a Letter of Credit Request for issuance of such Letter of Credit pursuant to Section 2.02, as the case may be.

(b) *Representations and Warranties*. All representations and warranties contained in this Agreement and the other Loan Documents (other than, (i) with respect to Loans made or Letters of Credit issued after the Closing Date, the representations and warranties set forth in Sections 3.05(b) and 3.09(a) and (ii) with respect to Loans made or Letters of Credit issued on any date other than the Solvency Representation Date, the representation and warranty set forth in Section 3.16) shall be true and correct in all material respects on and as of the date of such Loan or the issuance of such Letter of Credit hereunder (both before and after giving effect thereto and, in the case of each Loan, the application of proceeds therefrom) with the same effect as if made on and as of such date except to the extent such representations and warranties expressly relate to an earlier date and in such case as of such date; provided that any representation or warranty that is qualified by materiality (it being understood that any representation or warranty

that excludes circumstances that would not result in a "Material Adverse Change" or "Material Adverse Effect" shall not be considered (for purposes of this proviso) to be qualified by materiality) shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to such Loan or the issuance of such Letter of Credit hereunder.

(c) *No Default*. On the date of such Loan or the issuance of such Letter of Credit hereunder, no (i) Event of Default or (ii) Default with respect to Section 7.01(b), (e), (f) or (g) shall have occurred and be continuing nor shall any such Default or Event of Default, as the case may be, occur by reason of the making of the requested Borrowing or the issuance of the requested Letter of Credit and, in the case of each Loan, the application of proceeds thereof.

(d) *Collateral Coverage Ratio*. On the date of such Loan or the issuance of such Letter of Credit hereunder (and after giving pro forma effect thereto), the Collateral Coverage Ratio shall not be less than 1.6 to 1.0 as evidenced by the delivery of a Collateral Coverage Ratio Certificate to the Administrative Agent demonstrating such compliance.

(e) *No Going Concern Qualification*. For any Loan made or Letter of Credit issued after the filing by Parent of its Annual Report on Form 10-K for the fiscal year ended on December 31, 2014, on the date of such Loan or the issuance of such Letter of Credit hereunder, the opinion of the independent public accountants (after giving effect to any reissuance or revision of such opinion) on the most recent audited consolidated financial statements delivered by Parent pursuant to Section 5.01(a) shall not include a "going concern" qualification under GAAP as in effect on the date of this Agreement or, if there is a change in the relevant provisions of GAAP thereafter, any like qualification or exception under GAAP after giving effect to such change.

The acceptance by the Borrower of each Extension of Credit hereunder shall be deemed to be a representation and warranty by the Borrower that the conditions specified in this Section 4.02 have been satisfied at that time.

ARTICLE V

AFFIRMATIVE COVENANTS

From the date hereof and for so long as the Commitments remain in effect, any Letter of Credit remains outstanding (in a face amount in excess of the sum of (i) the amount of cash then held in the Letter of Credit Account and (ii) the face amount of back-to-back letters of credit delivered pursuant to Section 2.02(j)), or the principal of, or interest on, any Loan or reimbursement of any LC Disbursement is owing (or any other amount that is due and unpaid on the first date that none of the foregoing is in effect, outstanding or owing, respectively, is owing) to any Lender or the Administrative Agent hereunder:

SECTION 5.01. Financial Statements, Reports, etc. The Borrower shall deliver to the Administrative Agent on behalf of the Lenders:

(a) within ninety (90) days after the end of each fiscal year, Parent's consolidated balance sheet and related statement of income and cash flows, showing the financial condition of Parent and its Subsidiaries on a consolidated basis as of the close of such fiscal year and the results of their respective operations during such year, such consolidated financial statements of Parent to be audited for Parent by independent public accountants of recognized national standing and to be accompanied by an opinion of such accountants (which opinion, for any fiscal year ending after the Plan Effective Date, shall be unqualified as to scope of such audit) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of Parent and its Subsidiaries on a consolidated basis in accordance with GAAP; provided that the foregoing delivery requirement shall be satisfied if Parent shall have filed with the SEC its Annual Report on Form 10-K for such fiscal year, which is available to the public via EDGAR or any similar successor system;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year, Parent's consolidated balance sheets and related statements of income and cash flows, showing the financial condition of Parent and its Subsidiaries on a consolidated basis as of the close of such fiscal quarter and the results of their operations during such fiscal quarter and the then-elapsed portion of the fiscal year, each certified by a Responsible Officer of Parent as fairly presenting in all material respects the financial condition and results of operations of Parent and its Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes; provided that the foregoing delivery requirement shall be satisfied if Parent shall have filed with the SEC its Quarterly Report on Form 10-Q for such fiscal quarter, which is available to the public via EDGAR or any similar successor system;

(c) within the time period under Section 5.01(a), a certificate of a Responsible Officer of the Borrower certifying that, to the knowledge of such Responsible Officer, no Event of Default has occurred and is continuing, or, if, to the knowledge of such Responsible Officer, such an Event of Default has occurred and is continuing, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(d) within the time period under (a) and (b) of this Section 5.01, an Officer's Certificate demonstrating in reasonable detail compliance with Section 6.08 as of the end of the preceding fiscal quarter;

(e) promptly after the occurrence thereof, written notice of the termination of a Plan of the Borrower or an ERISA Affiliate pursuant to Section 4042 of ERISA, to the extent such termination would constitute an Event of Default under Section 7.01(k);

(f) a Collateral Coverage Ratio Certificate, as and when required under Section 6.09(a);

(g) so long as any Commitment, Loan or Letter of Credit is outstanding, promptly after the Chief Financial Officer or the Treasurer of Parent becoming aware of the occurrence of a Default or an Event of Default that is continuing, an Officer's Certificate specifying such Default or Event of Default and what action Parent and its Subsidiaries are taking or propose to take with respect thereto; and

(h) promptly after a Responsible Officer of Parent or the Borrower obtains knowledge thereof, written notice of the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting Parent or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect; and

(i) a Collateral Coverage Ratio Certificate as and when required under Section 6.04(ii)(D).

Any certificate to be delivered under this Section 5.01 may, at the Borrower's option, be combined with any other certificate to be delivered under this Section 5.01 within the same time period.

Subject to the next succeeding sentence, information delivered pursuant to this Section 5.01 to the Administrative Agent may be made available by the Administrative Agent to the Lenders by posting such information on the Intralinks website on the Internet at http://www.intralinks.com. Information required to be delivered pursuant to this Section 5.01 by the Borrower shall be delivered pursuant to Section 10.01. Information required to be delivered pursuant to this Section 5.01 (to the extent not made available as set forth above) shall be deemed to have been delivered to the Administrative Agent on the date on which the Borrower provides written notice to the Administrative Agent that such information has been posted on the Borrower's general commercial website on the Internet (to the extent such information has been posted or is available as described in such notice), as such website may be specified by the Borrower to the Administrative Agent from time to time. Information required to be delivered pursuant to this Section 5.01 shall be in a format which is suitable for transmission.

Any notice or other communication delivered pursuant to this Section 5.01, or otherwise pursuant to this Agreement, shall be deemed to contain material non-public information unless (i) expressly marked by the Borrower or a Guarantor as "PUBLIC," (ii) such notice or communication consists of copies of the Borrower's public filings with the SEC or (iii) such notice or communication has been posted on the Borrower's general commercial website on the Internet, as such website may be specified by the Borrower to the Administrative Agent from time to time.

SECTION 5.02. Taxes. Parent shall pay, and shall cause each of its Subsidiaries to pay, all material taxes, assessments and governmental levies imposed or assessed on any of them or any of their assets before the same shall become more than 90 days delinquent, other than taxes, assessments and levies (i) being contested in good faith by appropriate proceedings or (ii) the failure to effect such payment of which are not reasonably be expected to have, individually or collectively, a Material Adverse Effect on Parent.

SECTION 5.03. Corporate Existence. Parent shall do or cause to be done all things reasonably necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Restricted Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of Parent or any such Restricted Subsidiary; and

(2) the rights (charter and statutory) and material franchises of Parent and its Restricted Subsidiaries; provided, however, that Parent shall not be required to preserve any such right or franchise, or the corporate, partnership or other existence of it or any of its Restricted Subsidiaries, if a Responsible Officer of the Borrower or Parent shall, in such officer's reasonable judgment, determine that the preservation thereof is no longer desirable in the conduct of the business of Parent and its Subsidiaries, taken as a whole, and that the loss thereof would not, individually or in the aggregate, have a Material Adverse Effect.

For the avoidance of doubt, this Section 5.03 shall not prohibit any actions permitted by Section 6.10 or described in Section 6.10(b).

SECTION 5.04. Compliance with Laws. Except for laws, rules, regulations and orders applicable to Route Authorities, Slots and Foreign Gate Leaseholds (it being understood that Section 5.09 applies, to the extent set forth therein, to laws, rules, regulations and orders applicable to Route Authorities, Slots and Foreign Gate Leaseholds), Parent shall comply, and cause each of its Restricted Subsidiaries to comply, with all applicable laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where such noncompliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Designation of Restricted and Unrestricted Subsidiaries.

(a) Parent may designate any Restricted Subsidiary of it (other than the Borrower) to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by Parent and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation. That designation will be permitted only if the Investment would be permitted at that time under Section 6.01 and if the Restricted Subsidiary otherwise meets the definition of an "Unrestricted Subsidiary." Parent may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

(b) Parent may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of Parent; provided that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Parent of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will be permitted only if (i) such Indebtedness is permitted under Section 6.03, calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period and (ii) no Default or Event of Default would be in existence following such designation.

(c) In connection with the designation of an Unrestricted Subsidiary as provided in Section 5.05(a), (x) such designated Unrestricted Subsidiary shall be released from its Guarantee of the Obligations and (y) any Liens on such designated Unrestricted Subsidiary and any of the Collateral of such designated Unrestricted Subsidiary shall be released.

SECTION 5.06. Delivery of Appraisals. Within:

(1) the 30-day period prior to June 1 and December 1 of each year, commencing December 1, 2013; and

(2) the 45-day period following a request by the Administrative Agent if an Event of Default has occurred and is continuing,

the Borrower will deliver to the Administrative Agent one or more Appraisals establishing the Appraised Value of the Collateral (other than any cash or Cash Equivalents in the Collateral), and in the case of Appraisal deliveries referred to in clause (1), together with a list of Slots at IATA Level 3 airports and a list of Scheduled Services, in each case as of the last calendar week of the applicable 30-day period.

For the avoidance of doubt, the Appraised Value of any Qualified Replacement Assets or Additional Collateral (other than any cash or Cash Equivalents) pledged by the Borrower or another Grantor that has not previously been included in an Appraisal shall be deemed to be zero until an Appraisal of such Qualified Replacement Assets or Additional Collateral has been delivered to the Administrative Agent.

Subject to the next succeeding sentence, the Borrower shall deliver the Appraisals described above to the Administrative Agent and the Administrative Agent shall make such Appraisals available to the Lenders by posting such information on the confidential, non-public portion of Intralinks website on the Internet at http://www.intralinks.com. Information required to be delivered pursuant to this Section 5.06 by the Borrower shall be delivered pursuant to Section 10.01 and shall be deemed to contain material non-public information.

SECTION 5.07. Regulatory Matters; Utilization; Reporting.

(a) The Borrower will:

(1) maintain at all times its status as an “air carrier” within the meaning of Section 40102(a)(2) of Title 49 and hold or co-hold a certificate under Section 41102(a)(1) of Title 49;

(2) maintain at all times its status at the FAA as an "air carrier" and hold or co-hold an air carrier operating certificate under Section 44705 of Title 49 and operations specifications issued by the FAA pursuant to Parts 119 and 121 of Title 14;

(3) possess and maintain all certificates, exemptions, licenses, permits, designations, authorizations, frequencies and consents required by the FAA, the DOT or any applicable Foreign Aviation Authority or Airport Authority or any other Governmental Authority that are material to the operation of the Pledged Route Authorities and Pledged Slots operated by it, and to the conduct of its business and operations as currently conducted, in each case, to the extent necessary for the Borrower's operation of the Scheduled Services, except to the extent that any failure to possess or maintain would not reasonably be expected to result in a Material Adverse Effect;

(4) maintain Pledged Foreign Gate Leaseholds sufficient to ensure its ability to operate the Scheduled Services and to preserve its right in and to its Pledged Slots, except to the extent that any failure to maintain would not reasonably be expected to result in a Material Adverse Effect;

(5) utilize its Pledged Slots in a manner consistent with applicable regulations, rules, foreign law and contracts in order to preserve its right to hold and use its Pledged Slots, taking into account any waivers or other relief granted to it by the FAA, the DOT, any Foreign Aviation Authority or any Airport Authority, except to the extent that any failure to utilize would not reasonably be expected to result in a Material Adverse Effect;

(6) cause to be done all things reasonably necessary to preserve and keep in full force and effect its rights in and to use its Pledged Slots, including, without limitation, satisfying any applicable Use or Lose Rule, except to the extent that any failure to do so would not reasonably be expected to result in a Material Adverse Effect;

(7) utilize its Pledged Route Authorities in a manner consistent with Title 49, applicable foreign law, the applicable rules and regulations of the FAA, the DOT and any applicable Foreign Aviation Authorities, and any applicable treaty in order to preserve its rights to operate the Scheduled Services, except to the extent that any failure to utilize would not reasonably be expected to result in a Material Adverse Effect; and

(8) cause to be done all things reasonably necessary to preserve and keep in full force and effect its authority to operate the Scheduled Services, except to the extent that any failure to do so would not reasonably be expected to result in a Material Adverse Effect.

(b) Without in any way limiting Section 5.07(a), the Borrower will promptly take all such steps as may be necessary to obtain renewal of its Pledged Route Authorities from the DOT and any applicable Foreign Aviation Authorities, in each case to the extent necessary to operate the Scheduled Services, within a reasonable time prior to the expiration of such authority (as prescribed by law or regulation, if any), and promptly notify the Administrative Agent of any material adverse development in the renewal of such authority, except to the extent that any

failure to take such steps would not reasonably be expected to result in a Material Adverse Effect. The Borrower will pay any applicable filing fees and other expenses related to the submission of applications, renewal requests, and other filings as may be reasonably necessary to maintain or obtain its rights in its Pledged Route Authorities and have access to its Pledged Foreign Gate Leaseholds in each case to the extent necessary to operate the Scheduled Services.

Notwithstanding any provision of this Section 5.07 or anything else in this Agreement or any other Loan Document to the contrary, (x) for the avoidance of doubt, any Disposition of Collateral permitted by Section 6.04 shall be permitted by the provisions described above, and nothing herein shall prohibit the Borrower or any Grantor from reducing the frequency of flight operations over any Scheduled Service or suspending or cancelling any Schedule Service, (y) nothing shall restrict or prohibit or require the Borrower to contest any retiming or other adjustment of the time or time period for landing or takeoff with respect to any Pledged Slot (whether accomplished by modification, substitution or exchange) for which no consideration is received by the Borrower or any of its Affiliates, provided that any other Slot received by the Borrower or any of its Affiliates in connection with any such retiming or other adjustment of the time or time period for landing or takeoff with respect to any Pledged Slot shall not constitute consideration and (z) the Borrower shall have no obligation to contest the application of, challenge the interpretation of, or take or refrain from taking any action to influence the enactment or the implementation of any legislation, regulation, policy or other action of the FAA, the DOT, any applicable Foreign Aviation Authority, Airport Authority or any other Governmental Authority that affects the existence, availability or value of properties or rights of the same type as the Route Authorities, Slots or Foreign Gate Leaseholds to air carriers generally (and not solely to the Borrower), including any such legislation, regulation, policy or action relating to the applicability of Foreign Slots or FAA Slots to flight operations at any airport.

SECTION 5.08. Maintenance of Ratings. The Borrower will use commercially reasonable efforts to maintain a rating of the Facilities by each of S&P and Moody's after such ratings are obtained (but not to obtain or maintain a specific rating).

SECTION 5.09. Additional Guarantors; Additional South American Service; Additional Collateral.

(a) If (x) Parent or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary after the Closing Date or (y) Parent, in its sole discretion, elects to cause a Domestic Subsidiary that is not a Guarantor to become a Guarantor, then Parent will promptly (and, in the case of LCC or US Airways, within five (5) Business Days after the AMR/LCC Merger) cause such Domestic Subsidiary to become a party to the Guaranty by executing an Instrument of Assumption and Joinder substantially in the form attached hereto as Exhibit B; provided, that any Domestic Subsidiary that constitutes an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary need not become a Guarantor unless and until 30 Business Days after such time as it ceases to be (and is no longer any of) an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary or such time as it guarantees, or pledges any property or assets to secure, any other Obligations.

(b) If any Domestic Subsidiary that constitutes an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary on the Closing Date ceases to be (and is no longer any of) an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary or at such time as it guarantees, or pledges any property or assets to secure, any Obligations hereunder, then Parent will promptly cause such Domestic Subsidiary to become a party to the Guaranty by executing an Instrument of Assumption and Joinder substantially in the form attached hereto as Exhibit B within 30 Business Days after such time as it ceases to be (and is no longer any of) an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary or such time as it guarantees, or pledges any property or assets to secure, any other Obligations.

(c) None of the provisions in Section 5.09(a) or 5.09(b) shall apply to any Regional Airline.

(d) At any time, with prior written notice to the Administrative Agent and the Collateral Agent, the Borrower may, and may cause any other Guarantor to, at its sole discretion, pledge additional assets as Additional Collateral.

SECTION 5.10. Access to Books and Records.

(a) The Borrower and the Guarantors will make and keep books, records and accounts in which full, true and correct entries in conformity with GAAP are made of all financial dealings and transactions in relation to its business and activities, including, without limitation, an accurate and fair reflection of the transactions and dispositions of the assets of the Borrower and the Guarantors.

(b) The Borrower and the Guarantors will permit, to the extent not prohibited by applicable law or contractual obligations, any representatives designated by the Administrative Agent or any Governmental Authority that is authorized to supervise or regulate the operations of a Lender, as designated by such Lender, upon reasonable prior written notice and, so long as no Event of Default has occurred and is continuing, at no out-of-pocket cost to the Borrower and the Guarantors, to visit and inspect the properties of each of the Borrower and the Guarantors, to examine its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times during normal business hours and as often as reasonably requested; provided that if an Event of Default has occurred and is continuing, the Borrower and the Guarantors shall be responsible for the reasonable costs and expenses of any visits of the Administrative Agent and the Lenders, acting together (but not separately); provided, further that with respect to Collateral and matters relating thereto, the rights of Administrative Agent and the Lenders under this Section 5.10 shall be limited to the following: upon the request of the Administrative Agent, the applicable Grantor will permit the Administrative Agent or any of its agents or representatives, at reasonable times and intervals upon reasonable prior notice, to visit during normal business hours its offices and sites and inspect any documents relating to (i) the existence of such Collateral, (ii) with respect to Collateral other than Pledged Route Authorities, Pledged Slots and Pledged Foreign Gate Leaseholds, the condition of such Collateral, and (iii) the validity, perfection and priority of the Liens on such Collateral, and to discuss such matters with its officers, except to the extent the disclosure of any such document or any such discussion shall result in the applicable Grantor’s

violation of its contractual or legal obligations. All confidential or proprietary information obtained in connection with any such visit, inspection or discussion shall be held confidential by the Administrative Agent and each agent or representative thereof and shall not be furnished or disclosed by any of them to anyone other than their respective bank examiners, auditors, accountants, agents and legal counsel, and except as may be required by an order of any court or administrative agency or by any statute, rule, regulation or order of any Governmental Authority.

SECTION 5.11. Further Assurances.

(a) With respect to Pledged Route Authorities, Pledged Slots and Pledged Foreign Gate Leaseholds, the Borrower or the applicable Grantor shall take, or cause to be taken, such actions with respect to the due and timely recording, filing, re-recording and refiling of any financing statements and any continuation statements under the UCC as are necessary to maintain, so long as such SGR Security Agreement or other applicable Collateral Document is in effect, the perfection of the security interests created by such SGR Security Agreement or such Collateral Document, as applicable, in such Pledged Route Authorities, Pledged Slots and Pledged Foreign Gate Leaseholds, subject, in each case, to Permitted Liens, or will furnish the Collateral Agent timely notice of the necessity of such action, together with such financing statements and continuation statements, as may be required to enable the Collateral Agent to take such action.

(b) With respect to Collateral constituting aircraft or spare engines, each of the applicable Aircraft Security Agreements will provide that the Borrower or the applicable Grantor shall take, or cause to be taken, such actions with respect to the due and timely recording, filing, re-recording and refiling of such Aircraft Security Agreement, and any financing statements and any continuation statements or other instruments as are necessary to maintain, so long as such Aircraft Security Agreement is in effect, the perfection of the security interests created by such Aircraft Security Agreement in such aircraft or spare engines, subject in each case, to Permitted Liens, or will furnish the trustee appointed pursuant to Section 8.01(d) timely notice of the necessity of such action, together with such instruments, in execution form, and such other information, as may be required to enable such trustee to take such action.

(c) With respect to Collateral other than Pledged Route Authorities, Pledged Slots, Pledged Foreign Gate Leaseholds, aircraft or spare engines, each of the applicable Collateral Documents relating to such Collateral will provide that the Borrower or the applicable Grantor shall take, or cause to be taken, such commercially reasonable actions as are necessary to maintain, so long as such Collateral Document is in effect, the perfection of the security interests created by such Collateral Document in such Collateral, subject, in each case, to Permitted Liens, or will furnish the Collateral Agent timely notice of the necessity of such action, together with such instruments, in execution form, and such other information, as may be required to enable the Collateral Agent to take such action.

ARTICLE VI

NEGATIVE AND FINANCIAL COVENANTS

From the date hereof and for so long as the Commitments remain in effect, any Letter of Credit remains outstanding (in a face amount in excess of the sum of (i) the amount of cash then held in the Letter of Credit Account and (ii) the face amount of back-to-back letters of credit delivered pursuant to Section 2.02(j)) or principal of or interest on any Loan or reimbursement of any LC Disbursement is owing (or any other amount that is due and unpaid on the first date that none of the foregoing is in effect, outstanding or owing, respectively, is owing) to any Lender or the Administrative Agent hereunder:

SECTION 6.01. Restricted Payments.

(a) Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any other payment or distribution on account of Parent's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Parent or any of its Restricted Subsidiaries) or to the direct or indirect holders of Parent's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than (A) dividends, distributions or payments payable in Qualifying Equity Interests or in the case of preferred stock of Parent, an increase in the liquidation value thereof and (B) dividends, distributions or payments payable to Parent or a Restricted Subsidiary of Parent);

(ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of Parent;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value (collectively for purposes of this clause (iii), a "*purchase*") any Indebtedness of the Borrower or any Guarantor that is contractually subordinated in right of payment to the Loans (excluding any intercompany Indebtedness between or among Parent and any of its Restricted Subsidiaries), except any scheduled payment of interest and any purchase within two years of the Stated Maturity thereof; or

(iv) make any Restricted Investment (all such payments and other actions set forth in these clauses (i) through (iv) above being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment, the aggregate amount of all Restricted Payments (other than Restricted Investments) made by Parent and its Restricted Subsidiaries since the Closing Date and together with Restricted Investments outstanding at the time of giving effect to such Restricted Payment (excluding, in each case, Restricted Payments permitted by clauses (2) through (22) of Section 6.01(b)), is less than the greater of (i) $0 and (ii) the sum, without duplication, of:

(A) 50% of the Consolidated Net Income of Parent for the period (taken as one accounting period) from June 30, 2013 (or, if the AMR/LCC Merger occurs, from the date of the AMR/LCC Merger) to the end of Parent's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus, following the AMR/LCC Merger, 50% of the Consolidated Net Income (as such term is defined in the LCC Indenture) of US Airways for the period (taken as one accounting period) from October 1, 2011 to the end of US Airways' most recently ended fiscal quarter prior to the AMR/LCC Merger for which internal financial statements are available (or, if such Consolidated Net Income (as such term is defined in the LCC Indenture) for such period is a deficit, less 100% of such deficit); plus

(B) 100% of the aggregate net cash proceeds and the Fair Market Value of non-cash consideration received by Parent since the Closing Date as a contribution to its common equity capital or from the issue or sale of Qualifying Equity Interests (other than Qualifying Equity Interests sold to a Subsidiary of Parent and excluding Excluded Contributions and other than proceeds from any Permitted Warrant Transaction); plus

(C) (x) 100% of the aggregate net cash proceeds and the Fair Market Value of non-cash consideration received by Parent or a Restricted Subsidiary of Parent from the issue or sale of convertible or exchangeable Disqualified Stock of Parent or a Restricted Subsidiary of Parent or convertible or exchangeable debt securities of Parent or a Restricted Subsidiary of Parent (regardless of when issued or sold) or in connection with the conversion or exchange thereof, in each case that have been converted into or exchanged since the Closing Date for Qualifying Equity Interests (other than Qualifying Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of Parent); plus, following the AMR/LCC Merger, (y) 100% of the aggregate net cash proceeds and the Fair Market Value (as such term is defined in the LCC Indenture) of non-cash consideration received by US Airways or a Restricted Subsidiary (as such term is defined in the LCC Indenture) of US Airways from the issue or sale of convertible or exchangeable Disqualified Stock (as such term is defined in the LCC Indenture) of US Airways or a Restricted Subsidiary (as such term is defined in the LCC Indenture) of US Airways or convertible or exchangeable debt securities of US Airways or a Restricted Subsidiary (as such term is defined in the LCC Indenture) of US Airways (regardless of when issued or sold) or in connection with the conversion or exchange thereof, in each case that have been converted into or exchanged since the LCC Closing Date for Qualifying Equity Interests (as such term is defined in the LCC Indenture) (other than Qualifying Equity Interests (as such term is defined in the LCC Indenture) and convertible or exchangeable Disqualified Stock (as such term is defined in the LCC Indenture) or debt securities sold to a Subsidiary of US Airways); plus

(D) to the extent that any Restricted Investment that was made after the Closing Date is (i) sold for cash or otherwise cancelled, liquidated or repaid for cash or (ii) made in an entity that subsequently becomes a Restricted Subsidiary of Parent, the initial amount of such Restricted Investment (or, if less, the amount of cash received upon repayment or sale); plus

(E) to the extent that any Unrestricted Subsidiary (other than any Unrestricted Subsidiary to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment) of Parent designated as such after the Closing Date is redesignated as a Restricted Subsidiary after the Closing Date, the greater of (i) the Fair Market Value of Parent's Restricted Investment in such Subsidiary as of the date of such redesignation and (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after the Closing Date; plus

(F) 100% of any dividends received in cash by Parent or a Restricted Subsidiary of Parent after the Closing Date from an Unrestricted Subsidiary (other than any Unrestricted Subsidiary to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment) of Parent, to the extent that such dividends were not otherwise included in the Consolidated Net Income of Parent for such period.

(b) The provisions of Section 6.01(a) will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or distribution or redemption payment would have complied with the provisions of this Agreement;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of Parent) of, Qualifying Equity Interests or from the substantially concurrent contribution of common equity capital to Parent; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will not be considered to be net proceeds of Qualifying Equity Interests for purposes of clause (a)(3)(B) of Section 6.01 and will not be considered to be Excluded Contributions;

(3) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution), distribution or payment by a Restricted Subsidiary of Parent to the holders of its Equity Interests on a pro rata basis;

(4) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Borrower or any Guarantor that is contractually subordinated in right of payment to the Loans with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(5) the repurchase, redemption, acquisition or retirement for value of any Equity Interests of Parent or any Restricted Subsidiary of Parent held by any current or former officer, director, consultant or employee (or their estates or beneficiaries of their estates) of Parent or any of its Restricted Subsidiaries pursuant to any management equity or compensation plan or equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed $50,000,000 ($60,000,000 following the AMR/LCC Merger) in any 12-month period

(except to the extent such repurchase, redemption, acquisition or retirement is in connection with (x) the acquisition of a Permitted Business or merger, consolidation or amalgamation otherwise permitted by this Agreement and in such case the aggregate price paid by Parent and its Restricted Subsidiaries may not exceed $100,000,000 ($150,000,000 following the AMR/LCC Merger) in connection with such acquisition of a Permitted Business or merger, consolidation or amalgamation or (y) the AMR/LCC Merger, in which case no dollar limitation shall be applicable); provided, further, that Parent or any of its Restricted Subsidiaries may carry over and make in subsequent 12-month periods, in addition to the amounts permitted for such 12-month period, up to $25,000,000 ($30,000,000 following the AMR/LCC Merger) of unutilized capacity under this clause (5) attributable to the immediately preceding 12-month period;

(6) the repurchase of Equity Interests or other securities deemed to occur upon (A) the exercise of stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities, to the extent such Equity Interests or other securities represent a portion of the exercise price of those stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities or (B) the withholding of a portion of Equity Interests issued to employees and other participants under an equity compensation program of Parent or its Subsidiaries to cover withholding tax obligations of such persons in respect of such issuance;

(7) so long as no Default or Event of Default has occurred and is continuing, the declaration and payment of regularly scheduled or accrued dividends, distributions or payments to holders of any class or series of Disqualified Stock or subordinated debt of Parent or any preferred stock of any Restricted Subsidiary of Parent;

(8) payments of cash, dividends, distributions, advances, common stock or other Restricted Payments by Parent or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares;

(9) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Parent or any Disqualified Stock or preferred stock of any Restricted Subsidiary of Parent to the extent such dividends are included in the definition of “Fixed Charges” for such Person;

(10) Restricted Payments made with Excluded Contributions;

(11) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to Parent or any of its Restricted Subsidiaries by, any Unrestricted Subsidiary;

(12) the distribution or dividend of assets or Capital Stock of any Person in connection with any full or partial “spin-off” of a Subsidiary or similar transactions; provided that (a) in connection with any full or partial “spin-off” or similar transactions of any Subsidiary that is a Guarantor after giving pro forma effect thereto as if the same had occurred at the beginning of the applicable four-quarter period, (A) Parent would, on the date of such transaction, be permitted to incur at least $1.00 of additional

Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 6.03 or (B) the Fixed Charge Coverage Ratio for Parent and its Restricted Subsidiaries would be greater than or equal to such ratio for Parent and its Restricted Subsidiaries immediately prior to such transaction and (b) for any full or partial "spin-off" or similar transactions of any Subsidiary that is not a Guarantor, no Default has occurred and is continuing; provided, further, that the assets distributed or dividended do not include, directly or indirectly, any property or asset that constitutes Collateral;

(13) the distribution or dividend of assets or Capital Stock of any Person in connection with any full or partial "spin-off" of a Subsidiary or similar transactions having an aggregate Fair Market Value not to exceed $600,000,000 since the Closing Date; provided that the assets distributed or dividended do not include, directly or indirectly, any property or asset that constitutes Collateral;

(14) so long as no Default or Event of Default has occurred and is continuing, any (x) Restricted Payment (other than a Restricted Investment) made on or after the Closing Date and (y) Restricted Investments outstanding at any such time, in an aggregate amount not to exceed $750,000,000 ($900,000,000 following the AMR/LCC Merger), such aggregate amount to be calculated from the Closing Date;

(15) the payment of any amounts in respect of any restricted stock units or other instruments or rights whose value is based in whole or in part on the value of any Equity Interests issued to any directors, officers or employees of Parent or any Restricted Subsidiary of Parent;

(16) the making of cash payments in connection with any conversion of Convertible Indebtedness in an aggregate amount since the Closing Date not to exceed the sum of (a) the principal amount of such Convertible Indebtedness plus (b) any payments received by Parent or any of its Restricted Subsidiaries pursuant to the exercise, settlement or termination of any related Permitted Bond Hedge Transaction;

(17) (a) any payments in connection with a Permitted Bond Hedge Transaction and (b) the settlement of any related Permitted Warrant Transaction (i) by delivery of shares of Parent's common stock upon settlement thereof or (ii) by (A) set-off against the related Permitted Bond Hedge Transaction or (B) payment of an early termination amount thereof upon any early termination thereof in common stock or, in the case of a nationalization, insolvency, merger event (as a result of which holders of such common stock are entitled to receive cash or other consideration for their shares of such common stock) or similar transaction with respect to Parent or such common stock, cash and/or other property;

(18) any Restricted Payments that are required to be made in connection with the consummation of the AMR/LCC Merger or the Approved Plan of Reorganization in order to comply with or give effect to the provisions of the AMR/LCC Merger Agreement or the Approved Plan of Reorganization;

(19) so long as no Default or Event of Default has occurred and is continuing, Restricted Payments (i) made to purchase or redeem Equity Interests of Parent or (ii) consisting of payments in respect of any Indebtedness (whether for purchase or prepayment thereof or otherwise);

(20) payment of dividends in respect of Parent's Capital Stock in each fiscal year in an amount up to 50% of Excess Cash Flow for the immediately preceding fiscal year, so long as, both immediately before and after giving effect to such payment, (A) no Default or Event of Default has occurred and is continuing at the time of and immediately after giving effect to the payment of such dividends, and (B) the Borrower is in pro forma compliance with the financial covenants in Section 6.09 at such times;

(21) Restricted Payments with assets or properties that (i) do not consist of Collateral or Capital Stock of Parent or any of its Restricted Subsidiaries and (ii) have an aggregate Fair Market Value as of the date each such Restricted Payment is made (without giving effect to subsequent changes in value), when taken together with all other (x) Restricted Payments (other than Investments) and (y) Restricted Investments that remain outstanding, in each case, made pursuant to this clause (21), do not exceed 5.0% of the Consolidated Tangible Assets of Parent and its Restricted Subsidiaries; and

(22) any repurchase of Accounts and/or related assets pursuant to a Receivables Repurchase Obligation.

In the case of any Restricted Payment that is not cash, the amount of such non-cash Restricted Payment will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by Parent or such Restricted Subsidiary of Parent, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this Section 6.01 will be determined by a Responsible Officer of the Borrower and, if greater than $10,000,000, set forth in an Officer's Certificate delivered to the Administrative Agent.

For purposes of determining compliance with this Section 6.01, if a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (22) of subparagraph (b) of this Section 6.01, or is entitled to be made pursuant to subparagraph (a) of this Section 6.01, Parent will be entitled to classify on the date of its payment or later reclassify such Restricted Payment (or portion thereof) in any manner that complies with this Section 6.01.

For the avoidance of doubt, the following shall not constitute Restricted Payments and therefore will not be subject to any of the restrictions described in this Section 6.01:

(a) the payment on or with respect to, or purchase, redemption, defeasance or other acquisition or retirement for value of any Indebtedness (including any Convertible Indebtedness) of Parent or any Restricted Subsidiary of Parent that is not contractually subordinated in right of payment to the Obligations; and

(b) without limiting the generality of clause (a) above, the payment of regularly scheduled amounts in respect of, and the issuance of common stock of Parent upon conversion of, or any other extinguishment or retirement of, the 6.25% senior convertible notes due 2014 and the 4.50% senior convertible notes due 2024 issued by Parent and any other Convertible Indebtedness incurred in compliance with this Agreement.

Notwithstanding anything in this Agreement or any other Loan Document to the contrary, if a Restricted Payment is made (or any other action is taken or omitted under this Agreement or any other Loan Document) at a time when a Default or Event of Default has occurred and is continuing and such Default or Event of Default is subsequently cured, any Default or Event of Default arising from the making of such Restricted Payment (or the taking or omission of such other action) during the existence of such Default or Event of Default shall simultaneously be deemed cured.

SECTION 6.02. Restrictions on Ability of Restricted Subsidiaries to Pay Dividends and Make Certain Other Payments.

(a) Parent will not, and will not permit any of its Restricted Subsidiaries other than the Borrower to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to Parent or any of its Restricted Subsidiaries or with respect to any other interest or participation in the profits of such Restricted Subsidiary, or measured by the profits of such Restricted Subsidiary;

(2) pay any Indebtedness owed to Parent or any of its Restricted Subsidiaries;

(3) make loans or advances to Parent or any of its Restricted Subsidiaries; or

(4) sell, lease or transfer any of its properties or assets to Parent or any of its Restricted Subsidiaries.

(b) The restrictions in Section 6.02(a) will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements (A) governing Existing Indebtedness, Credit Facilities and any other obligations, in each case as in effect on (or required by agreements in effect on) the Closing Date or (B) in effect on the Closing Date or (C) of US Airways and any of its Subsidiaries in effect on the date of the AMR/LCC Merger;

(2) this Agreement and the Collateral Documents, including any Intercreditor Agreement and any Other Intercreditor Agreement;

(3) agreements governing other Indebtedness or shares of preferred stock permitted to be incurred or issued under the provisions of Section 6.03; provided, that if such Restricted Subsidiary incurring or issuing such Indebtedness or shares of preferred

stock is not a Guarantor, the restrictions therein are either (in each case, as determined in good faith by a senior financial officer of Parent or the Borrower) (A) not materially more restrictive, taken as a whole, than those contained in this Agreement or (B)(i) customary for instruments of such type and (ii) will not materially adversely impact the ability of the Borrower to make required principal and interest payments on the Loans or any reimbursement obligation with respect to LC Disbursements;

(4) applicable law, rule, regulation or order;

(5) any instrument governing Indebtedness or Capital Stock of a Person acquired by Parent or any of its Restricted Subsidiaries (including by way of merger, consolidation or amalgamation of Parent or any of its Restricted Subsidiaries) as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Agreement to be incurred;

(6) customary provisions in contracts, licenses, leases and asset sale agreements entered into in the Ordinary Course of Business;

(7) purchase money obligations for property acquired in the Ordinary Course of Business and Capital Lease Obligations that impose restrictions on the property (or proceeds thereof) purchased or leased of the nature described in clause (4) of Section 6.02(a);

(8) any contract or agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions, asset sales or loans by that Restricted Subsidiary pending its sale or other disposition;

(9) Permitted Refinancing Indebtedness; provided that such amendment, modification, restatement, renewal, extension, increase, supplement, refunding, replacement or refinancing is, in the good faith judgment of a senior financial officer of the Borrower, taken together as a whole, not materially more restrictive with respect to such dividend and other payment restrictions than those contained in (A) the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, extension, increase, supplement, refunding, replacement or refinancing or (B) this Agreement;

(10) Permitted Liens and Liens that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) provisions limiting the disposition or distribution of assets or property or loans or advances in joint venture agreements, asset sale agreements, sale-leaseback and other lease agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with any Investment), which limitation is applicable only to the assets or the joint venture entity, as applicable, that are the subject of such agreements or otherwise in the Ordinary Course of Business;

(12) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the Ordinary Course of Business;

(13) any instrument or agreement entered into in connection with (or in anticipation of) any full or partial "spin-off" or similar transactions;

(14) any encumbrance or restriction of the type referred to in clauses (1), (2), (3) and (4) of Section 6.02(a) imposed by any amendments, modifications, restatements, renewals, extensions, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) of this Section 6.02(b); provided that such amendment, modification, restatement, renewal, extension, increase, supplement, refunding, replacement or refinancing is, in the good faith judgment of a senior financial officer of the Borrower, taken together as a whole, not materially more restrictive with respect to such dividend and other payment restrictions than those contained in (A) the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, extension, increase, supplement, refunding, replacement or refinancing or (B) this Agreement; and

(15) any encumbrance or restriction existing under or by reason of Indebtedness or other contractual requirements of a Receivables Subsidiary or any Standard Securitization Undertaking, in each case, in connection with a Qualified Receivables Transaction; provided that such restrictions apply only to such Receivables Subsidiary.

SECTION 6.03. Incurrence of Indebtedness.

(a) Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, enter into a guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "*incur*") any Indebtedness (including Acquired Debt); provided, however, that Parent may incur Indebtedness (including Acquired Debt) and its Restricted Subsidiaries may incur Indebtedness (including Acquired Debt), if the Fixed Charge Coverage Ratio for Parent's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred would have been at least 1.1 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred at the beginning of such four-quarter period.

(b) The provisions of Section 6.03(a) will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "*Permitted Debt*"):

(1) Indebtedness incurred under the Loan Documents and any Permitted Refinancing Indebtedness that is incurred to renew, refund, refinance, replace, defease, extend or discharge all or a portion of any Indebtedness incurred pursuant to this clause (1);

(2) the incurrence by Parent and its Restricted Subsidiaries of the Existing Indebtedness and any Indebtedness that is incurred pursuant to or in lieu of a commitment in existence as of the Closing Date;

(3) the incurrence by the Parent or any of its Restricted Subsidiaries of Indebtedness and letters of credit (and reimbursement obligations with respect thereto) under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (3) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of Parent and its Restricted Subsidiaries thereunder) not to exceed the greater of (i) $4,000,000,000 or (ii) 20% of the Consolidated Tangible Assets of Parent and its Restricted Subsidiaries; provided that no Indebtedness or letters of credit incurred pursuant to this clause (3) is secured by a Lien on any property or asset that constitutes Collateral;

(4) the incurrence by Parent or any of its Restricted Subsidiaries of Indebtedness (including Capital Lease Obligations, mortgage financings, purchase money obligations or government bond financings) incurred to finance (or to reimburse Parent or any Restricted Subsidiary for) all or any part of the purchase price or cost of use, design, construction, installation or improvement of property, plant or equipment (including without limitation (and in each case, whether or not owned by Parent or any of its Subsidiaries) Aircraft Related Facilities or Aircraft Related Equipment) used in the business of Parent or any of its Restricted Subsidiaries; provided that no Indebtedness incurred pursuant to this clause (4) is secured by a Lien on any property or asset that constitutes Collateral;

(5) the incurrence by Parent or any of its Restricted Subsidiaries of (A) Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, extend, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by this Agreement to be incurred under Section 6.03(a) or clauses (2), (4), (5), (6), (8), (13), (20), (23) or (24) of this Section 6.03(b) and (B) Permitted Refinancing Indebtedness secured by Aircraft Related Equipment or other assets replacing, renewing, refunding, extending, refinancing, defeasing or discharging any other Indebtedness of Parent or any of its Restricted Subsidiaries that was secured by Aircraft Related Equipment or other assets; including, in the case of both clauses (A) and (B), the incurrence (including by way of assumption, merger or co-obligation) by one or more of Parent and its Restricted Subsidiaries of Indebtedness of any other Restricted Subsidiaries in connection with, or in contemplation of, a spin-off of such other Restricted Subsidiary;

(6) the incurrence by Parent or any of its Restricted Subsidiaries of Indebtedness (including Acquired Debt) (A) as part of, or to finance, the acquisition (including by way of merger) of any Permitted Business, (B) incurred in connection with, or as a result of, the merger (including the AMR/LCC Merger), consolidation or amalgamation of any Person (including Parent or any of its Restricted Subsidiaries) that

owns a Permitted Business with or into Parent or a Restricted Subsidiary of Parent, or into which Parent or a Restricted Subsidiary of Parent is merged, consolidated or amalgamated or (C) that is an outstanding obligation or commitment to enter into an obligation of a Person that owns a Permitted Business at the time that such Person is acquired by Parent or a Restricted Subsidiary of Parent and becomes a Restricted Subsidiary of Parent;

(7) the incurrence by Parent or any of its Restricted Subsidiaries of intercompany Indebtedness between or among Parent and/or any of its Restricted Subsidiaries;

(8) the incurrence by Parent or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable), including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, extend, defease or discharge any Indebtedness incurred pursuant to this clause (8), not to exceed $2,000,000,000 ($3,000,000,000 following the AMR/LCC Merger), at any time outstanding;

(9) the incurrence by Parent or any of its Restricted Subsidiaries of Hedging Obligations in the Ordinary Course of Business;

(10) the Guarantee (including by way of co-obligation) or assumption by Parent or any Restricted Subsidiary of Parent of Indebtedness of Parent or a Restricted Subsidiary of Parent (including in connection with or in contemplation of a spin-off of the original obligor of the guaranteed or assumed Indebtedness) to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this Section 6.03; provided that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Loans, then such Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(11) the incurrence by Parent or any of its Restricted Subsidiaries of Indebtedness or reimbursement obligations in respect of workers' compensation claims, self-insurance obligations (including reinsurance), bankers' acceptances, performance bonds and surety bonds in the Ordinary Course of Business (including without limitation in respect of customs obligations, landing fees, taxes, airport charges, overfly rights and any other obligations to airport and governmental authorities);

(12) the incurrence by Parent or any of its Restricted Subsidiaries of Indebtedness in respect of any overdrafts and related liabilities arising from treasury, depository and cash management services or in connection with any automated clearing house transfers of funds;

(13) (I) Indebtedness (A) constituting credit support or financing from aircraft, engine or parts manufacturers or their affiliates or (B) incurred to finance or refinance Aircraft Related Equipment or other operating assets (including, without limitation, to reimburse Parent or any of its Restricted Subsidiaries for the acquisition cost of the foregoing, to finance any pre-delivery, progress or similar payments or pursuant to a sale

and lease-back) (whether in advance of or at any time following any acquisition of items being financed, and whether such Indebtedness is unsecured in whole or in part or is secured by such items or by other items or by any combination); provided that the principal amount of such Indebtedness incurred in reliance on subsection (B) of this clause (13), at the time of incurrence of such Indebtedness, may exceed the aggregate incurred and anticipated costs to finance acquisition of the item or items being financed by such Indebtedness (calculated at the time of incurrence of such Indebtedness and determined in good faith by a Responsible Officer of Parent or a Restricted Subsidiary, as applicable (including reasonable estimates of anticipated costs) and calculated to include, without limitation, purchase price, fees, expenses, repayment of any pre-delivery financing and related interest expense (whether or not capitalized) and premium (if any), delivery and late charges and other costs associate with such acquisition (as so calculated, for purposes of this proviso, the "*financing costs*")) but, if such principal amount exceeds such financing costs, it may not exceed the aggregate Fair Market Value of the item or items securing such Indebtedness (which Fair Market Value may, at the time of an advance commitment, be determined to be the Fair Market Value at the time of such commitment or (at the option of the issuer or such Indebtedness) the Fair Market Value projected for the time of incurrence of such Indebtedness); provided, further, that no such Indebtedness incurred in reliance on this clause (13) may be secured by a Lien (other than Permitted Liens on Additional Collateral relating to such items) on any property or asset that constitutes Collateral; and (II) other Indebtedness secured by aircraft, engines, spare parts or other assets (other than (x) Pledged Route Authorities, Pledged Slots or Pledged Foreign Gate Leaseholds or (y) any other properties or assets that constitute Collateral under the terms of the Loan Documents (including, without limitation, applicable Additional Collateral));

(14) Indebtedness issued to current or former directors, consultants, managers, officers and employees and their spouses or estates (a) to purchase or redeem Capital Stock of Parent issued to such director, consultant, manager, officer or employee in an aggregate principal amount not to exceed $20,000,000 ($30,000,000 following the AMR/LCC Merger) in any 12-month period or (b) pursuant to any deferred compensation plan approved by the Board of Directors of Parent;

(15) reimbursement obligations in respect of standby or documentary letters of credit or banker's acceptances that are not secured by Liens on any property or asset that constitutes Collateral;

(16) surety and appeal bonds that are not secured by Liens on any property or asset that constitutes Collateral and that do not secure judgments that constitute an Event of Default;

(17) Indebtedness of Parent or any of its Restricted Subsidiaries to Credit Card, travel charge or clearing house processors in connection with Credit Card processing services incurred in the Ordinary Course of Business of Parent and its Restricted Subsidiaries, whether in the form of hold-backs or otherwise;

(18) the incurrence by a Receivables Subsidiary of Indebtedness in a Qualified Receivables Transaction that is without recourse to Parent or to any other Restricted Subsidiary of Parent or their assets (other than such Receivables Subsidiary and its assets and, as to Parent or any other Restricted Subsidiary of Parent, other than Standard Securitization Undertakings) and is not guaranteed by any such Person;

(19) the incurrence of Indebtedness of Parent or any of its Restricted Subsidiaries owed to one or more Persons in connection with the financing of insurance premiums in the Ordinary Course of Business;

(20) the incurrence by Parent or any of its Restricted Subsidiaries of Indebtedness and letters of credit (and reimbursement obligations with respect thereto) secured by a Lien on the Collateral that is junior to the Liens securing the Obligations and Permitted Refinancing Indebtedness that is incurred to renew, refund, refinance, replace, defease, extend or discharge any other Indebtedness incurred pursuant to this clause (20);

(21) Indebtedness arising from agreements of Parent or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary; provided that, in the case of a disposition, the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by Parent or any of its Restricted Subsidiaries in connection with such disposition;

(22) Indebtedness of Parent or any of its Restricted Subsidiaries consisting of take-or-pay or like obligations contained in supply, maintenance, repair, power-by-the-hour, overhaul or like agreements either (A) entered into in the Ordinary Course of Business and consistent with past practices of Parent or the applicable Restricted Subsidiary of Parent, or (B) otherwise customary, typical or appropriate for a Permitted Business;

(23) the incurrence by Parent or any of its Restricted Subsidiaries of other unsecured Indebtedness incurred subsequent to the Closing Date;

(24) Pari Passu Senior Secured Debt;

(25) Indebtedness in respect of or in connection with tax exempt or tax advantaged municipal bond and similar financings related to Aircraft Related Facilities; and

(26) Credit Card purchases of fuel.

For purposes of determining compliance with this Section 6.03, if an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (26) of Section 6.03(b) or is entitled to be incurred pursuant to Section 6.03(a), Parent will be permitted to classify all or a portion of such item of Indebtedness

on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 6.03 (and such item (or portion) of Indebtedness will be treated as having been incurred pursuant to only one of such categories); provided that (A) all Junior Secured Debt will at all times be deemed to have been incurred in reliance on the exception provided by clause (20) of the definition of "Permitted Debt" and (B) the term "Existing Indebtedness" will not include any Indebtedness that is permitted to be incurred under clauses (1), (3) or (20) of this Section 6.03(b). Additionally, all or any portion of any item of Indebtedness may later be reclassified as having been incurred pursuant to Section 6.03(a) or under any category of Permitted Debt described in clauses (1) through (26) above so long as such item (or portion) of Indebtedness is permitted to be incurred pursuant to such provision at the time of reclassification.

None of the following will constitute an incurrence of Indebtedness for purposes of this Section 6.03:

(1) the accrual of interest or preferred stock dividends;

(2) the accretion or amortization of original issue discount;

(3) the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms;

(4) the reclassification of preferred stock or of Operating Leases or any other instrument or transaction as Indebtedness due to a change in accounting principles or in GAAP or due to a modification of such Operating Leases; and

(5) the increase in liabilities recorded on the balance sheet in respect of Flyer Miles Obligations, if such increase is due to operation of (or changes in) GAAP, whether as a result of revaluation, reassessment, impairment of assets, accretion or amortization, or change in circumstances (other than a change in circumstances that arises from the sales by Parent or any of its Subsidiaries of additional flyer miles).

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred. Notwithstanding any other provision of this Section 6.03, the maximum amount of Indebtedness that Parent or any of its Restricted Subsidiaries may incur pursuant to this Section 6.03 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness as of such date, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness as of such date, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets as of such date; and

(B) the amount of the Indebtedness of the other Person as of such date.

SECTION 6.04. Disposition of Collateral. Neither the Borrower nor any Grantor shall Dispose of any Collateral (including, without limitation, by way of any Sale of a Grantor) except that any Disposition shall be permitted (i) in the case of a Permitted Disposition or (ii) in the case of any Disposition of Collateral that is not a Permitted Disposition provided that in the case of any Disposition of Collateral that is not a Permitted Disposition (A) upon consummation of any such Disposition, no Event of Default shall have occurred and be continuing, (B) either (I) the Collateral Coverage Ratio is not less than 1.6 to 1.0 after giving effect to such Disposition (including any deposit of any Net Proceeds received upon consummation thereof in the Collateral Proceeds Account subject to an Account Control Agreement); (II) the Borrower shall (1) grant (or cause another Grantor to grant) a security interest on additional assets pledged as Additional Collateral to secure the Obligations and/or (2) prepay or cause to be prepaid the Loans and (if required by its terms) any Pari Passu Senior Secured Debt (on a ratable basis with the Loans) such that following such actions in clauses (1) and/or (2) above, the Collateral Coverage Ratio, recalculated by adding the Appraised Value of any such Additional Collateral and any such Net Proceeds in clause (i) of the definition of Collateral Coverage Ratio and subtracting any such prepaid Loans and prepaid Pari Passu Senior Secured Debt from clause (ii) of the definition of Collateral Coverage Ratio, shall be no less than 1.6 to 1.0; provided that in the case of any Disposition that is not a voluntary Disposition of Collateral by the Borrower or such Grantor, the Borrower shall have up to 45 days after such Disposition to accomplish the actions contemplated by this clause (II) or (III) the Borrower shall comply with its obligations set forth in Section 2.12(a), (C) with respect to any voluntary Disposition of Collateral consisting of Pledged Route Authorities, Pledged Slots or Pledged Foreign Gate Leaseholds that is not a Permitted Disposition, the Borrower shall have received the prior written consent of the Required Lenders and (D) the Borrower shall promptly provide to the Administrative Agent a Collateral Coverage Ratio Certificate calculating the Collateral Coverage Ratio giving effect to such Disposition and any actions taken pursuant to clause (B)(II) above. For the avoidance of doubt, none of (w) the reduction of the frequency of flight operations over any Scheduled Service, (x) the suspension or cancellation of any Scheduled Service, (y) the expiration of any Pledged Route Authority, Pledged Slot or Pledged Foreign Gate Leasehold in accordance with the terms under which the applicable Grantor was granted such Pledged Route Authority, Pledged Slot or Pledged Foreign Gate Leasehold, as applicable, and (z) the release of any Pledged Slot or Pledged Foreign Gate Leasehold from the Collateral pursuant to Section 16(c) of the SGR Security Agreement or the equivalent provision of any other Collateral Document relating to such Pledged Slot or Pledged Foreign Gate Leasehold, as applicable, shall constitute a Disposition.

SECTION 6.05. Transactions with Affiliates.

(a) Parent will not, and will not permit any of its Restricted Subsidiaries to, make any payment to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of Parent (each, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of $50,000,000 ($60,000,000 following the AMR/LCC Merger), unless:

(1) the Affiliate Transaction is on terms that are not materially less favorable to Parent or the relevant Restricted Subsidiary (taking into account all effects Parent or such Restricted Subsidiary expects to result from such transaction whether tangible or intangible) than those that would have been obtained in a comparable transaction by Parent or such Restricted Subsidiary with an unrelated Person; and

(2) the Borrower delivers to the Administrative Agent:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $100,000,000 ($150,000,000 following the AMR/LCC Merger), an Officer's Certificate certifying that such Affiliate Transaction complies with clause (1) of this Section 6.05(a); and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $200,000,000 ($300,000,000 following the AMR/LCC Merger), an opinion as to the fairness to Parent or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 6.05(a):

(1) any employment agreement, confidentiality agreement, non-competition agreement, incentive plan, employee stock option agreement, long-term incentive plan, profit sharing plan, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by Parent or any of its Restricted Subsidiaries in the Ordinary Course of Business and payments pursuant thereto;

(2) transactions between or among any of Parent and/or its Restricted Subsidiaries (including without limitation in connection with (or in anticipation of) any full or partial "spin-off" or similar transactions);

(3) transactions with a Person (other than an Unrestricted Subsidiary of Parent) that is an Affiliate of Parent solely because Parent owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of fees, compensation, reimbursements of expenses (pursuant to indemnity arrangements or otherwise) and reasonable and customary indemnities provided to or on behalf of officers, directors, employees or consultants of Parent or any of its Restricted Subsidiaries;

(5) any issuance of Qualifying Equity Interests or any increase in the liquidation preference of preferred stock of Parent;

(6) transactions with customers, clients, suppliers or purchasers or sellers of goods or services in the Ordinary Course of Business or transactions with joint ventures, alliances, alliance members or Unrestricted Subsidiaries entered into in the Ordinary Course of Business;

(7) Permitted Investments and Restricted Payments that do not violate Section 6.01;

(8) loans or advances to employees in the Ordinary Course of Business not to exceed $20,000,000 ($30,000,000 following the AMR/LCC Merger) in the aggregate at any one time outstanding;

(9) (i) transactions pursuant to agreements or arrangements in effect on the Closing Date or any amendment, modification or supplement thereto or replacement thereof and any payments made or performance under any agreement as in effect on the Closing Date or any amendment, replacement, extension or renewal thereof (so long as such agreement as so amended, replaced, extended or renewed is not materially less advantageous, taken as a whole, to the Lenders than the original agreement as in effect on the Closing Date) and (ii) with respect to US Airways and any of its Restricted Subsidiaries, transactions pursuant to agreements or arrangements in effect on the date of the AMR/LCC Merger or any amendment, modification or supplement thereto or replacement thereof and any payments made or performance under any agreement as in effect on the date of the AMR/LCC Merger or any amendment, replacement, extension or renewal thereof (so long as such agreement as so amended, replaced, extended or renewed is not materially less advantageous, taken as a whole, to the Lenders than the original agreement as in effect on the date of the AMR/LCC Merger);

(10) transactions between or among any of Parent and/or its Subsidiaries or transactions between a Receivables Subsidiary and any Person in which the Receivables Subsidiary has an Investment;

(11) any transaction effected as part of a Qualified Receivables Transaction;

(12) any purchase by Parent's Affiliates of Indebtedness of Parent or any of its Restricted Subsidiaries, the majority of which Indebtedness is offered to Persons who are not Affiliates of Parent;

(13) following the AMR/LCC Merger, transactions contemplated by the Marketing and Service Agreements;

(14) transactions between Parent or any of its Restricted Subsidiaries with any employee labor unions or other employee groups of Parent or such Restricted Subsidiary provided such transactions are not otherwise prohibited by this Agreement;

(15) transactions with captive insurance companies of Parent or any of its Restricted Subsidiaries; and

(16) transactions between or among any of Parent and/or its Subsidiaries or transactions between a Non-Recourse Financing Subsidiary and any Person in which the Non-Recourse Financing Subsidiary has an Investment.

SECTION 6.06. Liens. Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind on any property or asset that constitutes Collateral, except Permitted Liens.

SECTION 6.07. Business Activities. Parent will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to Parent and its Restricted Subsidiaries taken as a whole.

SECTION 6.08. Liquidity. Parent will not permit the aggregate amount of Liquidity at the close of any Business Day to be less than (i) with respect to any Business Day ending prior to the date of the AMR/LCC Merger, $1,500,000,000 and (ii) with respect to any Business Day ending on or after the date of the AMR/LCC Merger, $2,000,000,000.

SECTION 6.09. Collateral Coverage Ratio.

(a) Within ten (10) Business Days after the end of each second fiscal quarter and each fourth fiscal quarter of the Borrower, beginning with the fiscal quarter ending December 31, 2013 (the last day of each such fiscal quarter, a "*Reference Date*," and the tenth Business Day after a Reference Date, the "*Certificate Delivery Date*"), the Borrower will deliver to the Administrative Agent a Collateral Coverage Ratio Certificate calculating the Collateral Coverage Ratio with respect to such Reference Date.

(b) If the Collateral Coverage Ratio with respect to any Reference Date is less than 1.6 to 1.0, the Borrower shall, no later than forty-five (45) days after the Certificate Delivery Date, (x) grant (or cause another Grantor to grant) a security interest on additional assets pledged as Additional Collateral to secure the Obligations and/or (y) prepay or cause to be prepaid the Loans and (if required by its terms) any Pari Passu Senior Secured Debt (on a ratable basis with the Loans) such that following such actions in clauses (x) and/or (y) above, the Collateral Coverage Ratio with respect to such Reference Date, recalculated by adding the Appraised Value of any such Additional Collateral in clause (i) of the definition of Collateral Coverage Ratio and subtracting any such prepaid Loans and prepaid Pari Passu Senior Secured Debt from clause (ii) of the definition of Collateral Coverage Ratio shall be no less than 1.6 to 1.0.

(c) In addition to the release of any Lien otherwise contemplated by any other provision of any Loan Document, at the Borrower's request, the Lien of the applicable Collateral Documents on any asset or type or category of asset (including after-acquired assets of that type or category) included in the Collateral will be promptly released, provided, in each case, that the following conditions are satisfied or waived: (A) no Event of Default shall have occurred and be continuing, (B) either (x) after giving effect to such release, the Collateral Coverage Ratio is not less than 1.6 to 1.0 or (y) the Borrower shall (1) grant (or cause another Grantor to grant) a security interest on additional assets pledged as Additional Collateral to secure the Obligations and/or (2) prepay or cause to be prepaid the Loans and (if required by its terms) any Pari Passu Senior Secured Debt (on a ratable basis with the Loans) such that following such actions in clauses (1) and/or (2) above, the Collateral Coverage Ratio, calculated by adding the Appraised Value of any such Additional Collateral in clause (i) of the definition of Collateral Coverage Ratio and subtracting any such prepaid Loans and prepaid Pari Passu Senior Secured Debt from clause (ii) of the definition of Collateral Coverage Ratio, shall be no less than 1.6 to 1.0, (C) with respect to any Borrower request under this Section 6.09(c) to release from such Lien any Pledged Route Authorities, Pledged Slots or Pledged Foreign Gate Leaseholds utilized by the Borrower to operate any Scheduled Service between any airport in the United States and any airport in any South American Country, the Borrower shall have received the prior written consent of the Required Lenders, and (D) the Borrower shall deliver an Officer's Certificate and a Collateral Coverage Ratio Certificate (which may be delivered in a combined certificate) demonstrating compliance with this Section 6.09(c) following such release. In connection herewith, the Collateral Agent agrees to promptly provide any documents or releases reasonably requested by the Borrower to evidence such release.

SECTION 6.10. Merger, Consolidation, or Sale of Assets.

(a) Neither Parent nor the Borrower (whichever is applicable, the "*Subject Company*") shall directly or indirectly: (i) consolidate or merge with or into another Person or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Subject Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either:

(A) the Subject Company is the surviving corporation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Subject Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made is an entity organized or existing under the laws of the United States, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Subject Company) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Subject Company under the Loan Documents by operation of law (if the surviving Person is the Borrower) or pursuant to agreements reasonably satisfactory to the Administrative Agent;

(3) immediately after such transaction, no Event of Default exists; and

(4) the Subject Company shall have delivered to the Administrative Agent an Officer's Certificate stating that such consolidation, merger or transfer complies with this Agreement.

In addition, a Subject Company will not, directly or indirectly, lease all or substantially all of the properties and assets of such Subject Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

(b) Section 6.10(a) will not apply to any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among Parent and/or its Restricted Subsidiaries.

Clauses (3) and (4) of Section 6.10(a) will not apply to the AMR/LCC Merger or any merger, consolidation or transfer of assets:

(1) between or among Parent and any of Parent's Restricted Subsidiaries;

(2) between or among any of Parent's Restricted Subsidiaries or by a Restricted Subsidiary that is not a Guarantor; or

(3) with or into an Affiliate solely for the purpose of reincorporating a Subject Company in another jurisdiction.

(c) Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of any Subject Company in a transaction that is subject to, and that complies with the provisions of, Section 6.10(a), the successor Person formed by such consolidation or into or with which such Subject Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Agreement referring to such Subject Company shall refer instead to the successor Person and not to such Subject Company), and may exercise every right and power of such Subject Company under this Agreement with the same effect as if such successor Person had been named as such Subject Company herein; provided, however, that the predecessor Subject Company, if applicable, shall not be relieved from the obligation to pay the principal of, and interest, if any, on the Loan except in the case of a sale of all or substantially all of such Subject Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 6.10(a).

(d) Upon any merger of the Borrower with LCC, where LCC is the surviving entity, LCC shall grant a security interest in, to and under all Collateral in which the Borrower had previously granted a security interest.

ARTICLE VII

EVENTS OF DEFAULT

SECTION 7.01. Events of Default. In the case of the happening of any of the following events and the continuance thereof beyond the applicable grace period if any (each, an "*Event of Default*"):

(a) any representation or warranty made by the Borrower or any Guarantor in this Agreement or in any other Loan Document shall prove to have been false or incorrect in any material respect when made and such representation, to the extent capable of being corrected, is not corrected within ten (10) Business Days after the earlier of (A) a Responsible Officer of the Borrower obtaining knowledge of such default or (B) receipt by the Borrower of notice from the Administrative Agent of such default; or

(b) default shall be made in the payment of (i) any principal of the Loans or reimbursement obligations or Cash Collateralization in respect of Letters of Credit when and as the same shall become due and payable; (ii) any interest on the Loans and such default shall continue unremedied for more than five (5) Business Days or (iii) any other amount payable hereunder when due and such default shall continue unremedied for more than ten (10) Business Days after receipt of written notice by the Borrower from the Administrative Agent of the default in making such payment when due; or

(c) (A) default shall be made by Parent in the due observance of the covenant contained in Section 5.03(1) or 6.09(b), or (B) default shall be made by Parent in the due observance of the covenant contained in Section 6.08 and such default shall continue unremedied for more than ten (10) Business Days; or

(d) default shall be made by the Borrower, Parent or any Restricted Subsidiary of Parent in the due observance or performance of any other covenant, condition or agreement to be observed or performed by it pursuant to the terms of this Agreement or any of the other Loan Documents and such default shall continue unremedied for more than sixty (60) days after receipt of written notice by the Borrower from the Administrative Agent of such default; or

(e) (A) any Loan Document ceases to be in full force and effect (except as permitted by the terms of this Agreement or the Loan Documents or other than as a result of the action or inaction of any Agent) for a period of 60 consecutive days after the Borrower receives notice thereof or (B) any of the Collateral Documents ceases to give the Collateral Agent or trustee (as applicable) a valid, perfected (subject to any Permitted Liens) security interest (other than (x) any release or termination of the security interest with respect to any Collateral permitted by the terms of this Agreement or any Collateral

Document or (y) as a result of the action, delay or inaction of any Agent) for a period of 60 consecutive days after the Borrower receives notice thereof, in each case with respect to Qualifying Collateral having an Appraised Value in excess of $100,000,000 in the aggregate at any time with respect to clauses (A) and (B) above (as determined in good faith by a responsible financial or accounting officer of the Borrower); or

(f) following the Plan Effective Date, Parent, the Borrower, any Significant Subsidiary or any group of Restricted Subsidiaries of Parent that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(1) commences a voluntary case, or

(2) consents to the entry of an order for relief against it in an involuntary case, or

(3) consents to the appointment of a custodian of it or for all or substantially all of its property, or

(4) makes a general assignment for the benefit of its creditors, or

(5) admits in writing its inability generally to pay its debts; or

(g) following the Plan Effective Date, a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(1) is for relief against Parent, the Borrower, any Significant Subsidiary or any group of Restricted Subsidiaries of Parent that, taken together, would constitute a Significant Subsidiary in an involuntary case;

(2) appoints a custodian of Parent, the Borrower, any Significant Subsidiary or any group of Restricted Subsidiaries of Parent that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of Parent, the Borrower, any Significant Subsidiary or any group of Restricted Subsidiaries of Parent that, taken together, would constitute a Significant Subsidiary; or

(3) orders the liquidation of Parent, the Borrower, any Significant Subsidiary or any group of Restricted Subsidiaries of Parent that, taken together, would constitute a Significant Subsidiary;

(h) and in each case the order or decree remains unstayed and in effect for sixty (60) consecutive days; or

(i) there is entered by a court or courts of competent jurisdiction against Parent, the Borrower or any of Parent's Restricted Subsidiaries final judgments for the payment of any post-petition obligations aggregating in excess of $100,000,000 ($150,000,000 following the AMR/LCC Merger) (determined net of amounts covered by insurance policies issued by creditworthy insurance companies or by third-party indemnities or a combination thereof), which judgments are not paid, discharged, bonded, satisfied or stayed for a period of sixty (60) consecutive days; or

(j) other than with respect to pre-petition Indebtedness, the payment of which is subject to an effective stay in the Bankruptcy Cases, (1) the Borrower or any Guarantor shall default in the performance of any obligation relating to Material Indebtedness and any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with, and as a result of such default the holder or holders of such Material Indebtedness or any trustee or agent on behalf of such holder or holders caused such Material Indebtedness to become due prior to its scheduled final maturity date or (2) the Borrower or any Guarantor shall default in the payment of the outstanding principal amount due on the scheduled final maturity date of any Indebtedness outstanding under one or more agreements of the Borrower or a Guarantor, any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with and such failure to make payment when due shall be continuing for a period of more than five (5) consecutive Business Days following the applicable scheduled final maturity date thereunder and the applicable creditors have exercised remedies, in an aggregate principal amount at any single time unpaid exceeding $100,000,000 ($150,000,000 following the AMR/LCC Merger); or

(k) a termination of a Plan of the Borrower or an ERISA Affiliate pursuant to Section 4042 of ERISA and such termination would reasonably be expected to result in a Material Adverse Effect; or

(l) prior to the Plan Effective Date, a Bankruptcy Case Event of Default shall have occurred;

then, and in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders, the Administrative Agent shall, by written notice to the Borrower, take one or more of the following actions, at the same or different times:

(i) terminate forthwith the Commitments;

(ii) declare the Loans or any portion thereof then outstanding to be forthwith due and payable, whereupon the principal of the Loans and other Obligations (other than Designated Hedging Obligations) together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower and the Guarantors, anything contained herein or in any other Loan Document to the contrary notwithstanding;

(iii) require the Borrower and the Guarantors promptly upon written demand to deposit in the Letter of Credit Account Cash Collateralization for the LC Exposure (and to the extent the Borrower and the Guarantors shall fail to furnish such funds as demanded by the Administrative Agent, the Administrative Agent shall be authorized to

debit the accounts of the Borrower and the Guarantors (other than Escrow Accounts, Payroll Accounts or other accounts held in trust for an identified beneficiary) maintained with the Administrative Agent in such amounts);

(iv) set-off amounts in the Letter of Credit Account or any other accounts (other than Escrow Accounts, Payroll Accounts or other accounts held in trust for an identified beneficiary) maintained with the Administrative Agent (or any of its affiliates) and apply such amounts to the obligations of the Borrower and the Guarantors hereunder and in the other Loan Documents; and

(v) exercise any and all remedies under the Loan Documents and under applicable law available to the Administrative Agent and the Lenders.

In case of any event with respect to Parent, the Borrower, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary described in clause (f) or (g) of this Section 7.01, the actions and events described in clauses (i), (ii) and (iii) above shall be required or taken automatically, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Any payment received as a result of the exercise of remedies hereunder shall be applied in accordance with Section 2.17(b).

ARTICLE VIII

THE AGENTS

SECTION 8.01. Administration by Agents.

(a) Each of the Lenders and each Issuing Lender hereby irrevocably appoints each Agent as its agent and irrevocably authorizes such Agent, in such capacity, to take such actions on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are delegated to each Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent may perform any of its respective duties hereunder by or through its officers, directors, employees or affiliates.

(b) Each of the Lenders and each Issuing Lender hereby authorizes each of the Administrative Agent and the Collateral Agent, in its sole discretion, where applicable:

(i) (A) in connection with the sale or other disposition or request for release in compliance with Section 6.09(c) of any asset that is part of the Collateral of the Borrower or any other Grantor, as the case may be, to the extent permitted by the terms of this Agreement, to release a Lien granted to the Collateral Agent, for the benefit of the Secured Parties, on such asset and (B) (x) upon termination of the Commitments and payment and satisfaction of all of the Obligations (other than inchoate indemnification obligations) at any time arising under or in respect of this Agreement or the Loan Documents or the transactions contemplated hereby or thereby, (y) if approved,

authorized or ratified in writing by the Required Lenders (or all of the Lenders hereunder, to the extent required by this Agreement) or (z) as otherwise may be expressly provided in the relevant Collateral Documents, to release a Lien granted to the Collateral Agent, for the benefit of the Secured Parties, on any asset that is part of the Collateral of the Borrower or any other Grantor, as the case may be;

(ii) to determine that the cost to the Borrower or any other Grantor, as the case may be, is disproportionate to the benefit to be realized by the Secured Parties by perfecting a Lien in a given asset or group of assets included in the Collateral and that the Borrower or such other Grantor, as the case may be, should not be required to perfect such Lien in favor of the Collateral Agent, for the benefit of the Secured Parties;

(iii) to enter into the other Loan Documents on terms acceptable to the Administrative Agent or the Collateral Agent, as applicable, and to perform its respective obligations thereunder;

(iv) to execute any documents or instruments necessary to release any Guarantor from the guarantees provided herein pursuant to Section 9.05;

(v) to enter into the Collateral Documents, any Intercreditor Agreement or any Other Intercreditor Agreement (and/or subordination agreements on terms reasonably acceptable to the Collateral Agent and the Administrative Agent) and in each case to perform its obligations thereunder and to take such action and to exercise the powers, rights and remedies granted to it thereunder and with respect thereto; and

(vi) to enter into any other agreements in the forms contemplated hereby or otherwise reasonably satisfactory to the Administrative Agent granting Liens to the Collateral Agent, for the benefit of the Secured Parties, on any assets of the Borrower or any other Grantor to secure the Obligations.

(c) The Collateral Agent may appoint the Administrative Agent as its agent for the purposes of holding any Collateral and/or perfecting the Collateral Agent's security interest therein and for the purpose of taking such other action with respect to the Collateral as such Agents may from time to time agree.

(d) In the event any property described in clause (c) of the definition of "Additional Collateral" is to be pledged by the Borrower or any other Grantor as Additional Collateral, the Collateral Agent will appoint Wilmington Trust Company or another trustee designated by the Borrower and reasonably acceptable to the Collateral Agent to serve as the security trustee under the applicable Aircraft Security Agreement with respect to such Additional Collateral, and in such event, references herein to the "Collateral Agent" with respect to such Additional Collateral and such Aircraft Security Agreement, as the context requires, shall be deemed to refer to such security trustee. The Collateral Agent will cause such trustee to join any Intercreditor Agreements and/or any Other Intercreditor Agreements.

SECTION 8.02. Rights of Agents. Each institution serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its respective Affiliates may accept deposits from, lend money to, act in any advisor capacity, and generally engage in any kind of business with the Borrower, Parent or any Subsidiary or other Affiliate of Parent as if it were not an Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 8.03. Liability of Agents.

(a) No Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, (i) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (ii) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08 or in the other Loan Documents), (iii) except as expressly set forth herein, no Agent shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, Parent or any of Parent's Subsidiaries that is communicated to or obtained by the institution serving as an Agent or any of its respective Affiliates in any capacity and (iv) no Agent will be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt, any action that may be in violation of the automatic stay under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08 or in the other Loan Documents) or in the absence of its own gross negligence, bad faith or willful misconduct, as determined in a final non-appealable judgment by a court of competent jurisdiction. No Agent shall be deemed to have knowledge of any Event of Default unless and until written notice thereof is given to such Agent by the Borrower, Parent or a Lender, and no Agent shall be responsible for, or have any duty to ascertain or inquire into, (A) any statement, warranty or representation made in or in connection with this Agreement, (B) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (C) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (D) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document or (E) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to each Agent.

(b) Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by

it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower or Parent), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(c) Each Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it (including the Collateral Agent, in the case of the Administrative Agent). Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through its Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent or Collateral Agent.

(d) Anything herein to the contrary notwithstanding, none of the Syndication Agent, Documentation Agents or Joint Lead Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, Collateral Agent, a Lender or the Issuing Lender.

(e) No Agent shall have any obligation whatsoever to the Lenders or to any other Person to assure that the Collateral exists or is owned by the applicable Grantor or is cared for, protected or insured or that the Liens granted to the Collateral Agent herein or pursuant hereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Agents in this Article VIII or in any of the Collateral Documents, it being understood and agreed that (as between the Collateral Agent and the Lenders) in respect of the Collateral, or any act, omission or event related thereto, the Collateral Agent may act in any manner it may deem appropriate, in its sole discretion, given the Collateral Agent's own interest in the Collateral as one of the Lenders and that the Collateral Agent shall have no duty or liability whatsoever to the Lenders, except for its gross negligence or willful misconduct, as determined in a final non-appealable judgment by a court of competent jurisdiction.

SECTION 8.04. Reimbursement and Indemnification. Each Lender agrees (a) to reimburse on demand each Agent for such Lender's Aggregate Exposure Percentage of any expenses and fees incurred for the benefit of the Lenders under this Agreement and any of the Loan Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in connection with the operations or enforcement thereof, not reimbursed by the Borrower or the Guarantors and (b) to indemnify and hold harmless each Agent and any of its Related Parties, on demand, in the amount equal to such Lender's Aggregate Exposure Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or

asserted against it or any of them in any way relating to or arising out of this Agreement or any of the Loan Documents or any action taken or omitted by it or any of them under this Agreement or any of the Loan Documents to the extent not reimbursed by the Borrower or the Guarantors (except such as shall result from its gross negligence or willful misconduct, as determined in a final non-appealable judgment by a court of competent jurisdiction). Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, the Borrower shall not be responsible for the fees and expenses of more than one primary counsel for the Administrative Agent, the Collateral Agent or the Joint Lead Arrangers and, only with respect to fees and expenses incurred in connection with the enforcement of the Loan Documents, one local counsel for each relevant jurisdiction, and, in each case, if necessary in the case of an actual conflict of interest, an additional counsel in each such applicable jurisdiction.

SECTION 8.05. Successor Agents. Subject to the appointment and acceptance of a successor agent as provided in this paragraph, (i) each Agent may be removed by the Borrower or the Required Lenders if such Agent or a controlling affiliate of such Agent is a Defaulting Lender and (ii) any Agent may resign upon ten (10) days' notice to the Lenders, the Issuing Lenders and the Borrower. Upon any such removal or resignation by any Agent, the Required Lenders shall appoint, with the consent (provided that no Event of Default or Default has occurred and is continuing) of the Borrower (such consent not to be unreasonably withheld or delayed if such successor is a commercial bank with consolidated combined capital and surplus of at least $5,000,000,000), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may, with the consent (provided that no Event of Default or Default has occurred or is continuing) of the Borrower (such consent not to be unreasonably withheld or delayed), appoint a successor Agent which shall be a bank institution with an office in New York, New York, or an Affiliate of any such bank, in each case, with consolidated combined capital and surplus of at least $5,000,000,000). Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Agent's resignation hereunder, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Agent.

SECTION 8.06. Independent Lenders. Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon either Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

SECTION 8.07. Advances and Payments.

(a) On the date of each Loan, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Loan to be made by it in accordance with its Term Loan Commitment or Revolving Commitment, as applicable, hereunder. Should the Administrative Agent do so, each of the Lenders agrees forthwith to reimburse the Administrative Agent in immediately available funds for the amount so advanced on its behalf by the Administrative Agent, together with interest at the Federal Funds Effective Rate if not so reimbursed on the date due from and including such date but not including the date of reimbursement.

(b) Any amounts received by the Administrative Agent in connection with this Agreement (other than amounts to which the Administrative Agent is entitled pursuant to Sections 2.19, 2.20(a), 8.04 and 10.04), the application of which is not otherwise provided for in this Agreement, shall be applied in accordance with Section 2.17(b). All amounts to be paid to a Lender by the Administrative Agent shall be credited to that Lender, after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in that Lender's correspondent account with the Administrative Agent, as such Lender and the Administrative Agent shall from time to time agree.

SECTION 8.08. Sharing of Setoffs. Each Lender agrees that, except to the extent this Agreement expressly provides for payments to be allocated to a particular Lender, if it shall, through the exercise either by it or any of its banking Affiliates of a right of banker's lien, setoff or counterclaim against the Borrower or a Guarantor, including, but not limited to, a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender (or any of its banking Affiliates) under any applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Loans or LC Exposure as a result of which the unpaid portion of its Loans or LC Exposure is proportionately less than the unpaid portion of the Loans or LC Exposure of any other Lender (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lender a participation in the Loans or LC Exposure of such other Lender, so that the aggregate unpaid principal amount of each Lender's Loans and LC Exposure and its participation in Loans and LC Exposure of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Loans then outstanding and LC Exposure as the principal amount of its Loans and LC Exposure prior to the obtaining of such payment was to the principal amount of all Loans outstanding and LC Exposure prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders share such payment pro rata, provided that if any such non-pro-rata payment is thereafter recovered or otherwise set aside, such purchase of participations shall be rescinded (without interest). The provisions of this Section 8.08 shall not be construed to apply to (a) any payment made by the Borrower or a Guarantor pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (b) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Loans or other Obligations owed to it.

SECTION 8.09. Withholding Taxes. To the extent required by any applicable law, each Agent may withhold from any payment to any Lender an amount equivalent to any withholding tax applicable to such payment. If the Internal Revenue Service or any other Governmental Authority asserts a claim that any Agent did not properly withhold tax from amounts paid to or for the account of any Lender for any reason, or any Agent has paid over to the Internal Revenue Service applicable withholding tax relating to a payment to a Lender but no deduction has been made from such payment, without duplication of any indemnification obligations set forth in Section 8.04, such Lender shall indemnify such Agent fully for all amounts paid, directly or indirectly, by such Agent as tax or otherwise, including any penalties or interest and together with any expenses incurred.

SECTION 8.10. Appointment by Secured Parties. Each Secured Party that is not a party to this Agreement shall be deemed to have appointed each of the Administrative Agent and the Collateral Agent as its agent under the Loan Documents in accordance with the terms of this Article VIII and to have acknowledged that the provisions of this Article VIII apply to such Secured Party *mutatis mutandis* as though it were a party hereto (and any acceptance by such Secured Party of the benefits of this Agreement or any other Loan Document shall be deemed an acknowledgment of the foregoing).

SECTION 8.11. Delivery of Information. The Administrative Agent shall not be required to deliver to any Lender originals or copies of any documents, instruments, notices, communications or other information received by the Administrative Agent from any Loan Party, any Subsidiary, the Required Lenders, any Lender or any other Person under or in connection with this Agreement or any other Loan Document except (i) as specifically provided in this Agreement or any other Loan Document and (ii) subject to all confidentiality provisions and other obligations of the Lenders under the Loan Documents, as specifically requested from time to time in writing by any Lender with respect to a specific document, instrument, notice or other written communication received by and in the possession of the Administrative Agent at the time of receipt of such request and then only in accordance with such specific request.

ARTICLE IX

GUARANTY

SECTION 9.01. Guaranty.

(a) Each of the Guarantors unconditionally and irrevocably guarantees the due and punctual payment by the Borrower of the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or of reorganization of the obligor whether or not post filing interest is allowed in such proceeding) (collectively, the "*Guaranteed Obligations*" and the obligations of each Guarantor in respect thereof, its "*Guaranty Obligations*"). Each of the Guarantors further agrees that, to the extent permitted by applicable law, the Obligations may

be extended or renewed, in whole or in part, without notice to or further assent from such Guarantor, and it will remain bound upon this Guaranty notwithstanding any extension or renewal of any of the Obligations. The Obligations of the Guarantors shall be joint and several. Each of the Guarantors further agrees that its guaranty hereunder is a primary obligation of such Guarantor and not merely a contract of surety.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Loan Documents shall in no event exceed the amount that can be guaranteed by such Guarantor under applicable law, including applicable federal and state laws relating to the insolvency of debtors; provided that, to the maximum extent permitted under applicable law, it is the intent of the parties hereto that the rights of contribution of each Guarantor provided in Section 9.02 be included as an asset of the respective Guarantor in determining the maximum liability of such Guarantor hereunder.

(c) To the extent permitted by applicable law, each of the Guarantors waives presentation to, demand for payment from and protest to the Borrower or any other Guarantor, and also waives notice of protest for nonpayment. The obligations of the Guarantors hereunder shall not, to the extent permitted by applicable law, be affected by (i) the failure of any Agent or a Lender to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Guarantor under the provisions of this Agreement or any other Loan Document or otherwise; (ii) any extension or renewal of any provision hereof or thereof; (iii) any rescission, waiver, compromise, acceleration, amendment or modification of any of the terms or provisions of any of the Loan Documents other than pursuant to a written agreement in compliance with Section 10.08; (iv) the release, exchange, waiver or foreclosure of any security held by the Collateral Agent for the Obligations or any of them; (v) by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of the Guarantors or would otherwise operate as a discharge of the Guarantors as a matter of law; or (vi) the release or substitution of any Collateral or any other Guarantor. To the extent permitted by applicable law, each of the Guarantors further agrees that this Guaranty constitutes a guaranty of payment when due and not just of collection.

(d) To the extent permitted by applicable law, each of the Guarantors hereby waives any defense that it might have based on a failure to remain informed of the financial condition of the Borrower and of any other Guarantor and any circumstances affecting the ability of the Borrower to perform under this Agreement, and waives any right to require that any resort be had by any Agent or a Lender to any security held for payment of the Obligations or to any balance of any deposit, account or credit on the books of any Agent or a Lender in favor of the Borrower or any other Guarantor, or to any other Person.

(e) To the extent permitted by applicable law, each Guarantor’s guaranty shall not be affected by the genuineness, validity, legality, regularity or enforceability of the Obligations or any other instrument evidencing any Obligations, or by the existence, validity, enforceability, perfection, or extent of any collateral therefor or by any other circumstance relating to the Obligations which might otherwise constitute a defense to this Guaranty (other than payment in full in cash of the Obligations in accordance with the terms of this Agreement

(other than those that constitute unasserted contingent indemnification obligations)). Neither the Administrative Agent nor any of the Lenders makes any representation or warranty in respect to any such circumstances or shall have any duty or responsibility whatsoever to any Guarantor in respect of the management and maintenance of the Obligations.

(f) Upon the occurrence of the Obligations becoming due and payable (by acceleration or otherwise), the Lenders shall be entitled to prompt and complete payment of such Obligations by the Guarantors upon written demand by the Administrative Agent.

SECTION 9.02. Right of Contribution. Each Guarantor hereby agrees amongst themselves only that to the extent that a Guarantor shall have paid more than its proportionate share (based, to the maximum extent permitted by law, on the respective Adjusted Net Worths (as defined below) of the Guarantors on the date the respective payment is made) of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder that has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 9.04. The provisions of this Section 9.02 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the other Secured Parties, and each Guarantor shall remain liable to the Administrative Agent and the other Secured Parties for the full amount guaranteed by such Guarantor hereunder. "*Adjusted Net Worth*" of any Guarantor shall mean at any time, the greater of (x) $0 and (y) the amount by which the fair saleable value of such Guarantor's assets on the date of the respective payment hereunder exceeds its debts and other liabilities (including contingent liabilities, but without giving effect to any of its obligations under this Agreement or any other Loan Documents) on such date.

SECTION 9.03. Continuation and Reinstatement, etc. Each Guarantor further agrees that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Administrative Agent, the Issuing Lenders, any Lender or any other Secured Party upon the bankruptcy or reorganization of the Borrower or a Guarantor, or otherwise.

SECTION 9.04. Subrogation. Upon payment by any Guarantor of any sums to the Administrative Agent or a Lender hereunder, all rights of such Guarantor against the Borrower arising as a result thereof by way of right of subrogation or otherwise, shall in all respects be subordinate and junior in right of payment to the prior payment in full of all the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or of reorganization of an obligor whether or not post-filing interest is allowed in such proceeding). If any amount shall be paid to such Guarantor for the account of the Borrower relating to the Obligations prior to payment in full of the Obligations, such amount shall be held in trust for the benefit of the Administrative Agent and the Lenders and shall forthwith be paid to the Administrative Agent and the Lenders to be credited and applied to the Obligations, whether matured or unmatured.

SECTION 9.05. Discharge of Guaranty.

(a) In the event of any sale or other disposition of all or substantially all of the assets of any Guarantor (other than Parent), by way of merger, consolidation or otherwise, or a sale or other disposition of all Capital Stock of any Guarantor (other than Parent), in each case to a Person that is not (either before or after giving effect to such transactions) Parent or a Restricted Subsidiary of Parent or the merger or consolidation of a Guarantor with or into the Borrower or another Guarantor, in each case, in a transaction permitted under this Agreement, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the Capital Stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Guarantor) will be automatically released and relieved of any obligations under its Guarantee of the Guaranteed Obligations.

(b) Upon designation of any Guarantor as an Unrestricted Subsidiary in accordance with the terms of this Agreement, such Guarantor will be automatically released and relieved of any obligations under its Guarantee of the Guaranteed Obligations. In addition, upon the request of the Borrower, the guarantee of any Guarantor that is or becomes an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary shall be promptly released; provided that (i) no Event of Default shall have occurred and be continuing or shall result therefrom and (ii) the Borrower shall have delivered an Officer's Certificate certifying that such Subsidiary is an Immaterial Subsidiary, a Receivables Subsidiary or an Excluded Subsidiary, as applicable; provided, further that a Subsidiary that is considered not to be an Immaterial Subsidiary solely pursuant to clause (1) of the proviso of the definition thereof shall, solely for purposes of this clause (b), be considered an Immaterial Subsidiary so long as any applicable guarantee, pledge or other obligation of such Subsidiary with respect to any Junior Secured Debt shall be irrevocably released and discharged substantially simultaneously with the release of such guarantee hereunder.

(c) The Administrative Agent shall use commercially reasonable efforts to execute and deliver, at the Borrower's expense, such documents as the Borrower or any such Guarantor may reasonably request to evidence the release of the guaranty of such Guarantor provided herein.

(d) Each Guarantor will be automatically released and relieved of any obligations under its Guarantee of the Guaranteed Obligations upon the first date on which all of the Loans and Obligations (other than any Obligations owing to a Non-Lender Secured Party) then due and owing shall have been satisfied by payment in full in cash, no Letter of Credit shall be outstanding (except for Letters of Credit that have been Cash Collateralized or otherwise provided for in a manner reasonably satisfactory to the Administrative Agent) and the Commitments shall be terminated.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein or under any other Loan Document shall be in writing, and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(i) if to the Borrower or any Guarantor, to it at American Airlines, Inc., 4333 Amon Carter Boulevard, Mail Drop 5662, Fort Worth, TX 76155, facsimile: (817) 967-4318; Attention: Treasurer; with copies (which shall not constitute notice) to: Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022, facsimile: (212) 909-6836; Attention: Paul D. Brusiloff;

(ii) if to the Administrative Agent, to it at 60 Wall Street, New York, New York 10005, facsimile: (646) 867-1799; email: mike.stanchina@db.com; Attention: Mike Stanchina;

(iii) if to the Collateral Agent, to it at 60 Wall Street, New York, New York 10005, facsimile: (646) 867-1799; email: mike.stanchina@db.com; Attention: Mike Stanchina;

(iv) if to an Issuing Lender that is a Lender, to it at its address determined pursuant to clause (v) below or, if to an Issuing Lender that is not a Lender, to it at the address most recently specified by it in notice delivered by it to the Administrative Agent and the Borrower, unless no such notice has been received, in which case to it in care of its Affiliate that is a Lender at its address determined pursuant to clause (v); and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in Annex A hereto or, if subsequently delivered, an Assignment and Acceptance.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its reasonable discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications; provided, further, that no such approval shall be required for any notice delivered to the Administrative Agent by electronic mail pursuant to Section 2.05(b) or Section 2.13(a).

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 10.02. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Lender that issues any Letter of Credit), except that (i) neither Parent nor the Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by Parent or the Borrower without such consent shall be null and void), provided that the foregoing shall not restrict any transaction permitted by Section 6.10 and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 10.02. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Lender that issues any Letter of Credit), Participants (to the extent provided in paragraph (d) of this Section 10.02) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent, the Issuing Lenders and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender, in the ordinary course of business and in accordance with applicable law, may assign (other than to any Defaulting Lender, Disqualified Institution or natural person) to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitment and the Loans at the time owing to it), pursuant to an Assignment and Acceptance with the prior written consent (such consent not to be unreasonably withheld) or delayed of:

(A) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment (I) if the assignee is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender, in each case so long as such assignee is an Eligible Assignee, (II) of Term Loans to the Borrower pursuant to Section 10.02(g) and (III) of Loans made pursuant to Section 2.18(b) or 2.26(a);

(B) the Borrower; provided that no consent of the Borrower shall be required for an assignment (I) other than with respect to an assignment to any Defaulting Lender, Disqualified Institution or natural person, if an Event of Default under Section 7.01(b), (f) or (g) has occurred and is continuing, (II) if the assignee is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender, in each case so long as such assignee is an Eligible Assignee or (III) by any of the Joint Lead Arrangers or any of their Affiliates as part of the primary syndication of the Term Loans (as determined by the Joint Lead Arrangers) in consultation with the Borrower, in each case so long as such assignee is an Eligible Assignee; provided, further, that the Borrower's consent will be deemed given with respect to a proposed assignment if no response is received within five (5) Business Days after having received a written request from such Lender pursuant to this Section 10.02(b)(i)(B); and

(C) each Issuing Lender; provided that no consent of any Issuing Lender shall be required for an assignment of all or any portion of a Term Loan.

(ii) Assignments shall be subject to the following additional conditions:

(A) any assignment of any portion of the Total Revolving Commitment, Revolving Loans, LC Exposure and Term Loans shall be made to an Eligible Assignee;

(B) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund of a Lender or an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment or Loans, the amount of such Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000, and after giving effect to such assignment, the portion of the Loan or Commitment held by the assigning Lender of the same tranche as the assigned portion of the Loan or Commitment shall not be less than $5,000,000, in each case unless the Borrower and the Administrative Agent otherwise consent; provided that no consent of the Borrower shall be required with respect to such assignment if an Event of Default has occurred and is continuing; provided, further, that any such assignment shall be in increments of $500,000 in excess of the minimum amount described above;

(C) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(D) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 (unless waived by the Administrative Agent in any given case) for the account of the Administrative Agent; provided that for concurrent assignments to two or more Approved Funds such assignment fee shall be required to be paid only once in respect of and at the time of such assignment;

(E) the assignee, if it was not a Lender immediately prior to such assignment, shall deliver to the Administrative Agent an administrative questionnaire in a form as the Administrative Agent may require; and

(F) notwithstanding anything to the contrary herein, any assignment of any Term Loans to the Borrower shall be subject to the requirements of Section 10.02(g).

For the purposes of this Section 10.02(b), the term "*Approved Fund*" shall mean, with respect to any Lender, any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the Ordinary Course of Business and that is administered or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers or manages such Lender.

Notwithstanding the foregoing, no Lender shall be permitted to make assignments under this Agreement to any Defaulting Lender, Disqualified Institution or natural person and any such assignment shall be void *ab initio*, except to the extent the Borrower, the Administrative Agent and each Issuing Lender have consented to such assignment in writing (in which case such Lender will not be considered a Defaulting Lender, Disqualified Institution or natural person solely for that particular assignment).

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section 10.02, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Revolving Lender and/or a Term Lender, as the case may be, under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.16 and 10.04). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.02 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section 10.02.

(iv) The Administrative Agent shall maintain at its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Guarantors, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Lenders and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Notwithstanding anything to the contrary contained herein no assignment may be made hereunder to any Defaulting Lender, Disqualified Institution or natural person or any of their respective subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (v). Any assignment by a Lender to any of the foregoing Persons described in this clause (v) shall be deemed null and void *ab initio* and the Register shall be modified to reflect a reversal of such assignment, and the Borrower shall be entitled to pursue any remedy available to it (whether at law or in equity, including specific performance to unwind such assignment) against the Lender and such Person.

(vi) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment will be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the

consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Borrower, the Administrative Agent, the Issuing Lender and each other Revolving Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Aggregate Exposure Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder becomes effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest will be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(c) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed administrative questionnaire in a form as the Administrative Agent may require (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 10.02 and any written consent to such assignment required by paragraph (b) of this Section 10.02, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.02(d) or (e), 2.04(a) or (b), 8.04 or 10.04(d), the Administrative Agent shall have no obligation to accept such Assignment and Acceptance and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(d) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Lender, sell participations (other than to any Defaulting Lender, Disqualified Institution or natural person) to one or more banks or other entities (a "*Participant*") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents and (D) the Borrower, the Administrative Agent, the Issuing Lenders 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. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.08(a) that affects such Participant. Subject to Section 10.02(d)(ii), the Borrower agrees that each Participant shall be entitled to the benefits of (and shall have the related obligations under) Sections 2.14 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.02(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided that such Participant agrees to be

subject to the requirements of Section 8.08 as though it were a Lender. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "*Participant Register*"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under this Agreement or any Loan Document), except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender, the Borrower, a Guarantor and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary. Notwithstanding the foregoing, no Lender shall be permitted to sell participations under this Agreement to any Defaulting Lender, Disqualified Institution or natural person and any such participation shall be void *ab initio*, except to the extent that the Borrower has consented to such participation in writing (in which case such Lender will not be considered a Defaulting Lender, Disqualified Institution or natural person solely for that particular participation). Any attempted participation which does not comply with Section 10.02 shall be null and void.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant and shall be subject to the terms of Section 2.18(a). The Lender selling the participation to such Participant shall be subject to the terms of Section 2.18(b) if such Participant requests compensation or additional amounts pursuant to Section 2.14 or 2.16. A Participant shall not be entitled to the benefits of Section 2.16 unless such Participant agrees, for the benefit of the Borrower, to comply with Sections 2.16(f), 2.16(g) and 2.16(h) as though it were a Lender.

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section 10.02 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.02, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower or any of the Guarantors furnished to such Lender by or on behalf of the Borrower or any of the Guarantors; provided that prior to any such disclosure, each such assignee or participant or proposed assignee or participant provides to the Administrative Agent its agreement in writing to be bound for the benefit of the Borrower by either the provisions of Section 10.03 or other provisions at least as restrictive as Section 10.03.

(g) Notwithstanding anything else to the contrary contained in this Agreement, any Lender may assign all or a portion of its Term Loans of any Class to the Borrower in accordance with Section 10.02(b) pursuant to a Dutch Auction or open market purchase by the Borrower; provided that:

(i) the assigning Lender and the Borrower purchasing such Lender's Term Loans, as applicable, shall execute and deliver to the Administrative Agent an Assignment and Acceptance;

(ii) any Term Loans assigned to the Borrower shall be automatically and permanently cancelled upon the effectiveness of such assignment and will thereafter no longer be outstanding for any purpose hereunder;

(iii) no Event of Default has occurred or is continuing; and

(iv) the assignment to the Borrower and cancellation of Term Loans shall not constitute a mandatory or voluntary payment for purposes of Section 2.12 or 2.13 and shall not be subject to Section 8.08, but the aggregate outstanding principal amount of the Term Loans shall be deemed reduced by the full par value of the aggregate principal amount of the Term Loans purchased pursuant to this Section 10.02(g), and each principal repayment installment with respect to the Term Loans of such Class shall be reduced pro rata by the aggregate principal amount of Term Loans of such Class purchased hereunder.

Each Lender making an assignment to the Borrower acknowledges and agrees that in connection with such assignment, (1) the Borrower then may have, and later may come into possession of, information regarding the Term Loans or the Loan Parties hereunder that is not known to such Lender and that may be material to a decision by such Lender to assign the Term Loans ("*Excluded Information*"), (2) such Lender has independently and, without reliance on the Borrower, the Administrative Agent or any of their respective Affiliates, made its own analysis and determination to enter into such assignment notwithstanding such Lender's lack of knowledge of the Excluded Information and (3) none of the Borrower, the Administrative Agent, or any of their respective Affiliates shall have any liability to such Lender, and such Lender hereby waives and releases, to the extent permitted by law, any claims such Lender may have against the Borrower, the Administrative Agent, and their respective Affiliates, under applicable laws or otherwise, with respect to the nondisclosure of the Excluded Information. Each Lender entering into such an assignment further acknowledges that the Excluded Information may not be available to the Administrative Agent or the other Lenders.

(h) No assignment or participation made or purported to be made to any assignee or Participant shall be effective without the prior written consent of the Borrower if it would require the Borrower to make any filing with any Governmental Authority or qualify any Loan under the laws of any jurisdiction, and the Borrower shall be entitled to request and receive such information and assurances as it may reasonably request from any Lender or any assignee or Participant to determine whether any such filing or qualification is required or whether any assignment or participation is otherwise in accordance with applicable law.

(i) If the Borrower wishes to replace any Loans under any Facility hereunder with ones having different terms, it shall have the option, with the consent of the Administrative Agent and subject to at least three (3) Business Days' advance notice to the Lenders under such Facility, instead of prepaying the Loan to be replaced, to (i) require the Lenders under such Facility to assign such Loans to the Administrative Agent or its designees and (ii) amend the terms thereof in accordance with Section 10.08. Pursuant to any such assignment, all Loans to be replaced shall be purchased at par (allocated among the Lenders under such Facility in the same manner as would be required if such Loans were being optionally prepaid by the Borrower), accompanied by payment of any accrued interest and fees thereon and any amounts owing pursuant to Section 10.04(b). By receiving such purchase price, the Lenders under such Facility shall automatically be deemed to have assigned the Loans under such Facility pursuant to the terms of the form of the Assignment and Acceptance, the Administrative Agent shall record such assignment in the Register and accordingly no other action by such Lenders shall be required in connection therewith. The provisions of this clause (i) are intended to facilitate the maintenance of the perfection and priority of existing security interests in the Collateral during any such replacement.

(j) In connection with any replacement of a Lender pursuant to Section 2.18, 2.26(a), 10.08(b) or other provision hereof (collectively, a "*Replaceable Lender*"), if any such Replaceable Lender does not execute and deliver to the Administrative Agent a duly executed Assignment and Acceptance reflecting such replacement within one (1) Business Day of the date on which the assignee Lender executes and delivers such Assignment and Acceptance to such Replaceable Lender, then such Replaceable Lender shall be deemed to have executed and delivered such Assignment and Assumption without any action on the part of the Replaceable Lender.

SECTION 10.03. Confidentiality. Each Agent and each Lender agrees to keep confidential any information (i) delivered or made available by Parent, the Borrower or any of the Guarantors or any of their respective Subsidiaries or (ii) obtained by any Agent or such Lender based on a review of the books and records of Parent or the Borrower or any of their respective Subsidiaries to them, in accordance with their customary procedures, from anyone other than persons employed or retained by each Agent or such Lender who are or are expected to become engaged in evaluating, approving, structuring or administering the Loans, and who are advised by such Lender of the confidential nature of such information; provided that nothing herein shall prevent any Agent or any Lender from disclosing such information (a) to any of its Affiliates and their respective agents and advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information under this Section 10.03 and instructed to keep such information confidential) or to any other Lender, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority (including any self-regulatory authority), (d) which has been publicly disclosed other than as a result of a disclosure by any Agent or any Lender which is not permitted by this Agreement, (e) in connection with any litigation to which any Agent, any Lender or their respective Affiliates may be a party to the extent reasonably required under applicable rules of discovery, (f) to the extent reasonably required in connection with the exercise of any remedy hereunder, (g) to such Lender's legal counsel and independent auditors, (h) on a confidential basis to any rating agency in connection with rating Parent and its

Subsidiaries or any Facility, (i) with the consent of the Borrower, (j) to any actual or proposed participant or assignee of all or part of its rights hereunder or to any direct or indirect contractual counterparty (or the professional advisors thereto) to any swap or derivative transaction relating to the Borrower and its obligations, in each case, subject to the proviso in Section 10.02(f) (with any reference to any assignee or participant set forth in such proviso being deemed to include a reference to such contractual counterparty for purposes of this Section 10.03(j)), (k) to the extent that such information is or was received by such Lender from a third party that is not, to such Lender's knowledge, subject to confidentiality obligations to the Borrower and (l) to the extent that such information is independently developed by such Lender. If any Lender is in any manner requested or required to disclose any of the information delivered or made available to it by the Borrower or any of the Guarantors under clauses (b), (c) (unless such disclosure is made in connection with a routine examination or audit) or (e) of this Section 10.03, such Lender will, to the extent permitted by law, provide the Borrower or Guarantor with prompt notice, to the extent reasonable, so that the Borrower or Guarantor may seek, at its sole expense, a protective order or other appropriate remedy or may waive compliance with this Section 10.03.

SECTION 10.04. Expenses; Indemnity; Damage Waiver.

(a) (i) The Borrower shall pay or reimburse: (A) all reasonable fees and reasonable and documented out-of-pocket expenses of each Agent and the Joint Lead Arrangers (including the reasonable fees, disbursements and other charges of Shearman & Sterling LLP, special counsel to the Agents) associated with the syndication of the credit facilities provided for herein, and the preparation, execution and delivery of the Loan Documents and (in the case of the Administrative Agent) any amendments, modifications or supplements of the provisions hereof requested by the Borrower (whether or not the transactions contemplated hereby or thereby shall be consummated) and the reasonable fees and expenses of any trustee appointed pursuant to Section 8.01(d) in connection with its services under the applicable Aircraft Security Agreement, as separately agreed between the Borrower and such trustee; and (B) in connection with any enforcement of the Loan Documents, all fees and documented out-of-pocket expenses of each Agent and any trustee appointed pursuant to Section 8.01(d) (including the reasonable fees, disbursements and other charges of counsel for the Agents and such trustee and one local counsel for each relevant jurisdiction, and, in each case, if necessary in the case of an actual conflict of interest, an additional counsel in each such applicable jurisdiction) and each Lender (including the reasonable fees, disbursements and other charges of counsel for such Lender) incurred during the continuance of a Default and (C) all reasonable, documented, out-of-pocket costs, expenses, taxes, assessments and other charges (including the reasonable fees, disbursements and other charges of counsel for the Collateral Agent) incurred by the Collateral Agent or any trustee appointed pursuant to Section 8.01(d) in connection with any filing, registration, recording or perfection of any security interest as required by the applicable Collateral Document or incurred in connection with any release or addition of Collateral after the Closing Date; provided, however, that, so long as no Event of Default shall have occurred and be continuing, the Borrower shall not, in connection with this Section 10.04(a), be responsible hereunder for the reasonable fees and expenses of more than one such firm of separate counsel, in addition to any local counsel.

(ii) All payments or reimbursements pursuant to the foregoing clause (a)(i) shall be paid within thirty (30) days of written demand together with back-up documentation supporting such reimbursement request.

(b) The Borrower shall indemnify each Agent, any trustee appointed pursuant to Section 8.01(d), the Issuing Lenders and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "*Indemnitee*") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of one firm counsel for all Indemnitees and, if necessary, one firm of local counsel in each appropriate jurisdiction, arising out of, in connection with, or as a result of any actual or prospective claim, litigation, investigation or proceeding (including any investigating, preparing for or defending any such claims, actions, suits, investigations or proceedings, whether or not in connection with pending or threatened litigation in which such Indemnitee is a party), whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not any such claim, litigation, investigation or proceeding is brought by the Borrower, its equity holders, its Affiliates, its creditors or any other person, relating to (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by Parent or any of its Subsidiaries, or any Environmental Liability related in any way to, or asserted against, Parent or any of its Subsidiaries; provided that the foregoing indemnity will not, as to any Indemnitee (or any of its Related Parties), be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of, or material breach of any Loan Document by, such Indemnitee (or of any of its Related Parties), and in such case such Indemnitee (and its Related Parties) shall repay the Borrower the amount of any expenses previously reimbursed by the Borrower in connection with any such loss, claims, damages, expenses or liability to such Indemnitee and, to the extent not repaid by any of them, such Indemnitee's Related Parties not a party to this Agreement or (y) result from any proceeding between or among Indemnitees that does not involve an action or omission by the Borrower or its Affiliates (other than claims against any Indemnitee in its capacity or in fulfilling its role as an Agent, trustee or Joint Lead Arranger or any other similar role under the Facilities (excluding its role as a Lender)). This Section 10.04(b) shall not apply with respect to Taxes other than Taxes that represent losses or damages arising from any non-Tax claim. Neither the Borrower nor any Indemnitee shall be liable for any indirect, special, punitive or consequential damages hereunder; provided that nothing contained in this sentence shall limit the Borrower's indemnity or reimbursement obligations under this Section 10.04 to the extent such indirect, special, punitive or consequential damages are included in any third party claim in connection with which such Indemnitee is entitled to indemnification hereunder.

(c) In case any action or proceeding shall be brought or asserted against an Indemnitee in respect of which indemnity may be sought against the Borrower under the provisions of any Loan Document, such Indemnitee shall promptly notify the Borrower in writing and the Borrower shall, if the Borrower desires to do so, assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnitee but only if (i) no Event of Default shall have occurred and be continuing and (ii) such action or proceeding does not involve any risk of criminal liability or material risk of material civil money penalties being imposed on such Indemnitee. The Borrower shall not enter into any settlement of any such action or proceeding that admits any Indemnitee's misconduct or negligence. The failure to so notify the Borrower shall not affect any obligations the Borrower may have to such Indemnitee under the Loan Documents or otherwise other than to the extent that the Borrower is materially adversely affected by such failure. The Indemnitees shall have the right to employ separate counsel in such action or proceeding and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnitees unless: (i) the Borrower has agreed to pay such fees and expenses or (ii) the Indemnitees shall have been advised in writing by counsel that under prevailing ethical standards there may be a conflict between the positions of the Borrower and the Indemnitees in conducting the defense of such action or proceeding or that there may be legal defenses available to the Indemnitees different from or in addition to those available to the Borrower, in which case, if the Indemnitees notify the Borrower in writing that they elect to employ separate counsel at the expense of the Borrower, the Borrower shall not have the right to assume the defense of such action or proceeding on behalf of the Indemnitees; provided, however, that the Borrower shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be responsible hereunder for the reasonable fees and expenses of more than one such firm of separate counsel, in addition to any local counsel. The Borrower shall not be liable for any settlement of any such action or proceeding effected without the written consent of the Borrower (which shall not be unreasonably withheld).

(d) To the extent that the Borrower fails to pay any amount required to be paid to an Issuing Lender under paragraph (a) or (b) of this Section 10.04, each Lender severally agrees to pay to the applicable Issuing Lender, as the case may be, such portion of the unpaid amount equal to such Lender's Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the applicable Issuing Lender in its capacity as such.

(e) To the extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

SECTION 10.05. Governing Law; Jurisdiction; Consent to Service of Process.

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS, TO THE EXTENT SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, to the exclusive jurisdiction (i) on and after the Plan Effective Date, of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York and appellate courts from either of them and (ii) prior to the Plan Effective Date, of the Bankruptcy Court, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall, to the extent permitted by law, be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 10.05(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party hereto hereby irrevocably and unconditionally consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.06. No Waiver. No failure on the part of the Administrative Agent or any of the Lenders to exercise, and no delay in exercising, any right, power or remedy hereunder or any of the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

SECTION 10.07. Extension of Maturity. Should any payment of principal of or interest or any other amount due hereunder become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

SECTION 10.08. Amendments, etc.

(a) No modification, amendment or waiver of any provision of this Agreement or any Collateral Document (other than the Account Control Agreement), and no consent to any departure by the Borrower or any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders (or signed by the Administrative Agent with the consent of the Required Lenders), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; provided, however, that no such modification or amendment shall without the prior written consent of:

(i) each Lender directly and adversely affected thereby, (A) increase the Commitment of any Lender or extend the termination date of the Commitment of any Lender (it being understood that a waiver of an Event of Default shall not constitute an increase in or extension of the termination date of the Commitment of a Lender), or (B) reduce the principal amount of any Loan, any reimbursement obligation in respect of any Letter of Credit, or the rate of interest payable on any Loan (provided that only the consent of the Required Lenders shall be necessary for a waiver of default interest referred to in Section 2.08), or extend any date for the payment of principal, interest or Fees hereunder or reduce any Fees payable hereunder or extend the final maturity of the Borrower's obligations hereunder or (C) amend this Section 10.08 with the effect of changing the number or percentage of Lenders that must approve any modification, amendment, waiver or consent or modifying the percentage of the Lenders required in the definition of "Required Lenders";

(ii) all of the Lenders, (A) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders or (B) release all or substantially all of the Liens granted to the Collateral Agent hereunder or under any other Loan Document (except to the extent contemplated by Section 6.09(c) on the date hereof or by the terms of the Collateral Documents), or release all or substantially all of the Guarantors (except to the extent contemplated by Section 9.05); and

(iii) all Revolving Lenders, change the definition of the term "Required Revolving Lenders" or the percentage of Lenders which shall be required for Revolving Lenders to take any action hereunder.

(b) No such amendment or modification shall adversely affect the rights and obligations of the Administrative Agent or any Issuing Lender hereunder without its prior written consent.

(c) No notice to or demand on the Borrower or any Guarantor shall entitle the Borrower or any Guarantor to any other or further notice or demand in the same, similar or other circumstances. Each assignee under Section 10.02(b) shall be bound by any amendment, modification, waiver, or consent authorized as provided herein, and any consent by a Lender shall bind any Person subsequently acquiring an interest on the Loans held by such Lender. No amendment to this Agreement shall be effective against the Borrower or any Guarantor unless signed by the Borrower or such Guarantor, as the case may be.

(d) Notwithstanding anything to the contrary contained in Section 10.08(a), (i) in the event that the Borrower requests that this Agreement be modified or amended in a manner which would require the unanimous consent of all of the Lenders or the consent of all Lenders directly and adversely affected thereby or all the Lenders with respect to a certain class of Loans and, in each case, such modification or amendment is agreed to by the Required Lenders or Required Revolving Lenders, as applicable, then the Borrower (A) may replace any non-consenting Lender in accordance with Section 10.02; provided that such amendment or modification can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this clause (i)); provided, further, that any assignment made pursuant to this Section 10.08(d) shall be subject to the processing and recordation fee specified in Section 10.02(b)(ii)(D) or (B) upon notice to the Administrative Agent, prepay the Loans and, at the Borrower's option, terminate the Commitments of such non-consenting Lender in whole or in part, without premium or penalty, subject to Sections 2.13(d) and 10.04(b) and reallocate the LC Exposure of such non-consenting Lender under Section 2.26(d) (as if such Lender were a Defaulting Lender); provided that all obligations of the Borrower owing to the non-consenting Lender relating to the Commitments, Loans and participations so prepaid or terminated shall be paid in full by the Borrower to such non-consenting Lender concurrently with such prepayment and termination; and provided, further, that no such termination of Commitments shall be permitted pursuant to this clause (B) if, after giving effect thereto and to any Revolving Extension of Credit, any prepayment of any Loan and any maturity of any Letter of Credit on the effective date thereof, the aggregate principal amount of Revolving Loans then outstanding, when added to the sum of the then outstanding LC Exposure (other than Commitments that have been Cash Collateralized in accordance with Section 2.02(j)), would exceed the Revolving Commitments then in effect; (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that the Commitment and the outstanding Loans or other extensions of credit held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders); (iii) notwithstanding anything to the contrary herein, any modifications or amendments under any Increase Joinder entered into in connection with Section 2.27 or any Extension Amendment entered in accordance with Section 2.28 or any Replacement Loans entered into in accordance with Section 10.08(e) may be made without the consent of the Required Lenders and (iv) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any provision of the Loan Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five (5) Business Days after written notice thereof to the Lenders.

(e) Notwithstanding anything to the contrary contained in Section 10.08(a), this Agreement and, as appropriate, the other Loan Documents may be amended with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Loans (as defined below) as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower (x) to permit the refinancing, replacement or modification of all outstanding Term Loans of any tranche ("*Refinanced Term Loans*") with a replacement term loan tranche ("*Replacement Term Loans*") or the refinancing, replacement or modification of all outstanding Revolving Loans of any tranche ("*Refinanced Revolving Loans*" and, together with the Refinanced Term Loans, the "*Refinanced Loans*") with a replacement revolving loan tranche ("*Replacement Revolving Loans*" and, together with the "*Replacement Term Loans*," the "*Replacement Loans*") hereunder and (y) to include appropriately the Lenders holding such credit facilities in any determination of Required Lenders, Required Term Lenders in Required Revolving Lenders, as applicable; provided that (a) the aggregate principal amount of such Replacement Loans shall not exceed the aggregate principal amount of such Refinanced Loans, (b) the Applicable Margin for such Replacement Loans shall not be higher than the Applicable Margin for such Refinanced Loans, (c) in the case of Replacement Term Loans, the Weighted Average Life to Maturity of such Replacement Term Loans shall not be shorter than the Weighted Average Life to Maturity of such Refinanced Term Loans at the time of such refinancing (except to the extent of nominal amortization for periods where amortization has been eliminated as a result of prepayment of the applicable Term Loans) and (d) all other terms applicable to such Replacement Loans shall be substantially identical to or less favorable to the Lenders providing such Replacement Loans than those applicable to the Lenders of such Refinanced Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the Latest Maturity Date in effect immediately prior to such refinancing. Notwithstanding anything to the contrary set forth in this Agreement or the other Loan Documents, the Lenders hereby irrevocably authorize the Administrative Agent to enter into amendments to this Agreement and the other Loan Documents with the Borrower as may be necessary in order to establish new tranches or sub-tranches in respect of Replacement Loans and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such Replacement Loans.

(f) Notwithstanding anything to the contrary contained in Section 10.08(a), this Agreement and, as appropriate, the other Loan Documents, may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement (whether pursuant to Section 2.27 or otherwise) and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans and the Revolving Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders, Required Revolving Lenders and/or Required Term Lenders, as applicable.

(g) In addition, notwithstanding anything to the contrary contained in Section 7.01 or Section 10.08(a), following the consummation of any Extension pursuant to Section 2.28, no modification, amendment or waiver (including, for the avoidance of doubt, any forbearance agreement entered into with respect to this Agreement) shall limit the right of any

non-extending Lender (each, a "*Non-Extending Lender*") to enforce its right to receive payment of amounts due and owing to such Non-Extending Lender on the applicable Revolving Facility Maturity Date and/or Term Loan Maturity Date, as the case may be, applicable to the Loans of such Non-Extending Lenders without the prior written consent of Non-Extending Lenders that would constitute the Required Class Lenders with respect to any affected Class of such Loans if the Non-Extending Lenders were the only Lenders hereunder at the time.

(h) It is understood that the amendment provisions of this Section 10.08 shall not apply to extensions of the Revolving Facility Maturity Date, the Term Loan Maturity Date or the maturity date of any tranche of Revolving Commitments, in each case, made in accordance with Section 2.28.

(i) Notwithstanding anything to the contrary contained in Section 10.08(a), this Agreement and, as appropriate, the other Loan Documents, may be amended (or amended and restated) by each Agent and the Borrower to comply with any collateral trust agreement entered into after the Closing Date among the Borrower, the other Grantors, the Administrative Agent, the collateral trustee party thereto and the other financial institutions party thereto, including, without limitation, amending (or amending and restating) this Agreement and the other Loan Documents to provide for the assignment of the security interest in the Collateral from the Collateral Agent to such collateral trustee.

(j) Any Collateral Document may be amended, supplemented or otherwise modified without the consent of any Lender (i) to add assets (or categories of assets) to the Collateral covered by such Collateral Document, as contemplated by the definition of "Additional Collateral" set forth in Section 1.01 or (ii) to remove any asset or type or category of asset (including after-acquired assets of that type or category) from the Collateral covered by such Collateral Document to the extent the release thereof is permitted by Section 6.09(c).

SECTION 10.09. Severability. To the extent permitted by applicable law, any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.10. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 10.11. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made

by any such other party or on its behalf and notwithstanding that any Agent, any Issuing Lender or any Lender may have had notice or knowledge of any Event of Default or incorrect representation or warranty at the time any credit is extended hereunder. The provisions of Sections 2.14, 2.15, 2.16 and 10.04 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments, or the termination of this Agreement or any provision hereof.

SECTION 10.12. Execution in Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.13. USA Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Borrower and each Guarantor that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name and address of the Borrower and each Guarantor and other information that will allow such Lender to identify the Borrower and each Guarantor in accordance with the Patriot Act.

SECTION 10.14. New Value. It is the intention of the parties hereto that any provision of Collateral by a Grantor as a condition to, or in connection with, the making of any Loan or the issuance of any Letter of Credit hereunder, shall be made as a contemporaneous exchange for new value given by the Lenders or Issuing Lenders, as the case may be, to the Borrower.

SECTION 10.15. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS

REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.15.

SECTION 10.16. No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "*Lenders*"), may have economic interests that conflict with those of the Borrower, its stockholders and/or its affiliates. The Borrower agrees that nothing in the Loan Documents or otherwise related to the Transactions will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower, its stockholders or its affiliates, on the other hand. The parties hereto acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower and the Guarantors, on the other hand, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, its stockholders or its affiliates on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower, its management, stockholders, affiliates, creditors or any other Person. The Borrower acknowledges and agrees that the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

SECTION 10.17. Lender Action. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against the Borrower, any Guarantor or any other obligor under any of the Loan Documents (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of the Borrower or any Guarantor, unless expressly provided for herein or in any other Loan Document, without the prior written consent of the Administrative Agent. The provisions of this Section 10.17 are solely as between the Lenders and shall not afford any right to, or constitute a defense available to, the Borrower or any Guarantor and shall not limit any right or defense available to the Borrower or any Guarantor.

SECTION 10.18. Intercreditor Agreements. Notwithstanding anything to the contrary contained in this Agreement, if at any time the Administrative Agent or the Collateral Agent shall enter into any intercreditor agreement, substantially in the form presented to the Lenders prior to the Closing Date, pursuant to and as permitted by the terms of this Agreement (any such intercreditor agreement, an "*Intercreditor Agreement*") or any Other Intercreditor Agreement and such Intercreditor Agreement or such Other Intercreditor Agreement shall remain outstanding, the rights granted to the Secured Parties hereunder and under the other Loan Documents, the Liens and security interest granted to the Collateral Agent pursuant to this Agreement or any other Loan Document and the exercise of any right or remedy by any Agent hereunder or under any other Loan Document shall be subject to the terms and conditions of such Intercreditor Agreement or such Other Intercreditor Agreement. In the event of any conflict between the terms of this Agreement, any other Loan Document and such Intercreditor Agreement or such Other Intercreditor Agreements, the terms of such Intercreditor Agreement or such Other Intercreditor Agreement shall govern and control with respect to any right or remedy, and no right, power or remedy granted to any Agent hereunder or under any other Loan Document shall be exercised by such Agent, and no direction shall be given by such Agent, in contravention of such Intercreditor Agreement or such Other Intercreditor Agreement.

IN WITNESS WHEREOF, the signatories hereto have caused this Credit and Guaranty Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

AMERICAN AIRLINES, INC., as the Borrower

By: /s/ Peter M. Warlick
Name: Peter M. Warlick
Title: Vice President and Treasurer

AMR CORPORATION, as Parent and a Guarantor

By: /s/ Bella Goren
Name: Bella Goren
Title: Senior Vice President –
Chief Financial Officer

[Signature Page to Credit and Guaranty Agreement]

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent and Collateral Agent

By: /s/ Mary Kay Coyle
Name: Mary Kay Coyle
Title: Managing Director

By: /s/ Lisa Wong
Name: Lisa Wong
Title: Vice President

DEUTSCHE BANK AG NEW YORK BRANCH,
as Lender

By: /s/ Mary Kay Coyle
Name: Mary Kay Coyle
Title: Managing Director

By: /s/ Lisa Wong
Name: Lisa Wong
Title: Vice President

[Signature Page to Credit and Guaranty Agreement]

DEUTSCHE BANK AG NEW YORK BRANCH,
as Issuing Lender

By: /s/ Mary Kay Coyle
Name: Mary Kay Coyle
Title: Managing Director

By: /s/ Lisa Wong
Name: Lisa Wong
Title: Vice President

CITIBANK, N.A., as Lender

By: /s/ Michael J. Smolov
Name: Michael J. Smolov
Title: Vice President – Director

[Signature Page to Credit and Guaranty Agreement]

BARCLAYS BANK PLC, as Lender

By: /s/ Diane Rolfe
Name: Diane Rolfe
Title: Director

[Signature Page to Credit and Guaranty Agreement]

GOLDMAN SACHS BANK USA, as Lender

By: /s/ Charles D. Johnston
Name: Charles D. Johnston
Title: Authorized Signatory

GOLDMAN SACHS LENDING PARTNERS LLC, as Lender

By: /s/ Charles D. Johnston
Name: Charles D. Johnston
Title: Authorized Signatory

JPMORGAN CHASE BANK, N.A., as Lender

By: /s/ Matthew H. Massie
Name: Matthew H. Massie
Title: Managing Director

MORGAN STANLEY BANK, N.A., as Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

[Signature Page to Credit and Guaranty Agreement]

MORGAN STANLEY SENIOR FUNDING, INC., as Lender

By: /s/ Michael King
Name: Michael King
Title: Vice President

[Signature Page to Credit and Guaranty Agreement]

BANK OF AMERICA, N.A., as Lender

By: /s/ Kenneth J. Beck
Name: Kenneth J. Beck
Title: Director

[Signature Page to Credit and Guaranty Agreement]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Lender

By: /s/ Vipul Dhadda
Name: Vipul Dhadda
Title: Authorized Signatory

By: /s/ Michael D'Onofrio
Name: Michael D'Onofrio
Title: Authorized Signatory

[Signature Page to Credit and Guaranty Agreement]

ANNEX A

Lenders and Commitments

ANNEX B

Chapter 11 Matters

"*Alternative Plan*" shall mean a chapter 11 plan of reorganization that is not the Approved Plan of Reorganization; provided that immediately prior to the Emergence Date, Parent shall have satisfied the following conditions:

(a) the Liquidity as of the Emergence Date shall be no less than $2,000,000,000;

(b) for the 12-month period ending on the most recent date set forth below that is prior to the Emergence Date, the ratio of Net Adjusted Debt (excluding any liabilities subject to compromise) to Emergence EBITDAR shall not be greater than the ratio set forth opposite such date:

08/31/2013	3.3 to 1.0
09/30/2013	3.1 to 1.0
12/31/2013	2.8 to 1.0
03/31/2014	2.9 to 1.0
06/30/2014	2.9 to 1.0

(c) for the 12-month period ending on the most recent date set forth below that is prior to the Emergence Date, Emergence EBITDAR shall be no less than the amount set forth opposite such date:

08/31/2013	$3,200,000,000
09/30/2013	$3,200,000,000
12/31/2013	$3,500,000,000
03/31/2014	$3,500,000,000
06/30/2014	$3,500,000,000

"*Approved Plan of Reorganization*" shall mean a chapter 11 plan of reorganization that shall not differ from the plan of reorganization filed with the Bankruptcy Court on April 15, 2013 in any manner adverse to the Lenders without the consent of the Administrative Agent (such consent not to be unreasonably withheld).

"*Bankruptcy Case*" shall mean the chapter 11 proceedings of the relevant AMR Group Member(s) pending on the date hereof before the Bankruptcy Court (jointly administered under Case No. 11-15463 as *In re AMR Corporation, et al*.).

"*Bankruptcy Case Event of Default*" shall mean

(a) the Borrower, Parent or any other AMR Group Member files a motion or other pleading in the Bankruptcy Case: (i) to reverse, stay, vacate or modify the Bankruptcy Court Order in any manner adverse to the Lenders without the consent of the Administrative Agent (such consent not to be unreasonably withheld); (ii) to dismiss the Bankruptcy Case of the Borrower or any Guarantor or to convert any such Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code; (iii) to appoint a trustee, a responsible officer, a receiver, or an examiner with enlarged powers relating to the operation of the business of the Borrower or any Guarantor (beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code; (iv) to recover from any portion of the Collateral any costs or expenses of preserving or disposing of such Collateral under Section 506(c) of the Bankruptcy Code or (v) to modify, reject or challenge the enforceability of any Loan Document or alleging that any provision thereof has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms, in each case, in a manner materially adverse to the Lenders without the consent of the Administrative Agent, such consent not to be unreasonably withheld;

(b) an order of the Bankruptcy Court or appellate court is entered: (i) reversing, staying, vacating or modifying the Bankruptcy Court Order without the consent of the Administrative Agent (such consent not to be unreasonably withheld); (ii) dismissing the Bankruptcy Case of the Borrower or any Guarantor or converting either such Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code or (iii) appointing a trustee, a responsible officer, a receiver, or an examiner with enlarged powers relating to the operation of the business of the Borrower or any Guarantor (beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code;

(c) an order in the Bankruptcy Case is entered charging any of the Collateral under Section 506(c) of the Bankruptcy Code against the Lenders under which any person takes action against the Collateral or that becomes a final non-appealable order;

(d) any Lien on the Collateral exists that has a priority senior to or *pari passu* with the Liens and security interests granted pursuant to the Loan Documents, except as expressly provided in the Loan Documents or in the Bankruptcy Court Order;

(e) any AMR Group Member or any of its subsidiaries commences, joins in or otherwise participates as an adverse party in any suit or other proceeding against the Administrative Agent or any of the Lenders relating to the Facilities, or another party commences and obtains a judgment in any such suit or proceeding, unless in either case such suit or other proceeding is in connection with the enforcement of the Loan Documents against the Administrative Agent or the Lenders; or

(f) any AMR Group Member shall file a motion or pleading seeking entry of an order to confirm, or an order of the Bankruptcy Court is entered confirming, a plan of reorganization of the Borrower and the Guarantors that is not (i) the Approved Plan of Reorganization, (ii) an Alternative Plan or (iii) a plan of reorganization that provides for the payment in full in cash on or before the effective date of such plan of all principal, interest, fees and other amounts due to the Lenders and the Administrative Agent pursuant to the Loan Documents.

"*Bankruptcy Court*" shall mean the United States Bankruptcy Court for the Southern District of New York.

"*Bankruptcy Court Order*" shall mean the order of the Bankruptcy Court approving the Joint Lead Arranger Fee Letter, Commitment Letter (as defined in the Joint Lead Arranger Fee Letter) and the transactions contemplated therein.

"*Emergence Date*" shall mean the date on which the effective date under Parent's Chapter 11 plan of reorganization shall have occurred.

"*Emergence EBITDAR*" shall mean, with respect to Parent and its Restricted Subsidiaries for any period, the operating income for such period plus, without duplication, (i) depreciation and amortization to the extent that such depreciation and amortization were deducted from operating income, plus (ii) aircraft rent expense (including for regional aircraft) to the extent such expense was deducted from operating income, plus (iii) special items, non-recurring charges, reorganization and merger-related items to the extent such items and charges were deducted from operating income.

"*Net Adjusted Debt*" shall mean, as of any date with respect to Parent and its Restricted Subsidiaries, the sum, without duplication, of (i) the aggregate principal amount of all funded Indebtedness described in clauses (1), (2) and (4) of the definition of "Indebtedness" (excluding any liabilities subject to compromise that are included in such Indebtedness), plus (ii) the aggregate aircraft rent expense (including for regional aircraft) for the twelve-month period ending on the last day of the most recent fiscal month of Parent for which internal financial statements are available capitalized at seven (7) times, less (iii) the unrestricted cash and Cash Equivalents (including restricted cash related to tax escrows that becomes unrestricted on or after the Emergence Date) of Parent and its Restricted Subsidiaries.

"*Plan Effective Date*" shall mean the date on which the following conditions have been satisfied:

(a) no Event of Default pursuant to Section 7.01(b) shall have occurred and be continuing;

(b) the effective date shall have occurred under either the Approved Plan of Reorganization or an Alternative Plan;

(c) the Borrower shall have paid to the Administrative Agent and the Lenders the then unpaid balance of all accrued and unpaid Fees due, owing and payable under and pursuant to this Agreement, as referred to in Sections 2.19 and Section 2.20, and all reasonable and documented out-of-pocket expenses of the Administrative Agent for which invoices have been presented at least one Business Day prior to the Plan Effective Date;

(d) all representations and warranties of the Borrower and each of its Subsidiaries that are Guarantors contained in this Agreement and the other Loan Documents (other than the representations and warranties set forth in Section 3.16) shall be true and correct in all material respects on and as of the Plan Effective Date with the same effect as if made on and as of such date except to the extent such representations and warranties expressly relate to an earlier date and in such case as of such date; provided that any representation or warranty that is qualified by materiality (it being understood that any representation or warranty that excludes circumstances that would not result in a "Material Adverse Change" or "Material Adverse Effect" shall not be considered (for purposes of this proviso) to be qualified by materiality) shall be true and correct in all respects, as though made on and as of the applicable date; and

(e) the Administrative Agent shall have received an Officer's Certificate certifying that the conditions in clauses (a) through (d) above have been satisfied.

SECURITY AGREEMENT

(SLOTS, FOREIGN GATE LEASEHOLDS AND ROUTE AUTHORITIES)

Between

AMERICAN AIRLINES, INC.,

and

DEUTSCHE BANK AG NEW YORK BRANCH,

as Collateral Agent

Dated as of June 27, 2013

TABLE OF CONTENTS

SECURITY AGREEMENT

(SLOTS, FOREIGN GATE LEASEHOLDS AND ROUTE AUTHORITIES)

SECURITY AGREEMENT (Slots, Foreign Gate Leaseholds and Route Authorities), dated as of June 27, 2013 (this "SGR Security Agreement"), between AMERICAN AIRLINES, INC., a Delaware corporation (together with its permitted successors and assigns, the "Grantor") and DEUTSCHE BANK AG NEW YORK BRANCH, as collateral agent (in such capacity, and together with its successors and permitted assigns in such capacity, the "Collateral Agent"), for its benefit and the benefit of the other Secured Parties. Capitalized terms used herein without other definition are used as defined and interpreted in Section 17.

W I T N E S S E T H:

WHEREAS, the Grantor and the Collateral Agent are parties to that certain Credit and Guaranty Agreement dated as of June 27, 2013 (the "Credit Agreement"), by and among the Grantor, AMR Corporation ("Parent"), as guarantor party thereto, the other guarantors from time to time party thereto, the lenders from time to time party thereto (collectively, the "Lenders"), the Collateral Agent and the Administrative Agent;

WHEREAS, as of the date hereof, the Grantor has established an account for cash and to hold securities and other financial assets with account number S87647.1 (the "Account") pursuant to the Collateral Account Control Agreement, dated as of the date hereof, among the Grantor, the Collateral Agent and the Securities Intermediary (the "Account Control Agreement");

WHEREAS, in order to secure the Grantor's obligations, the Grantor has agreed to grant a continuing Lien on the Collateral (as defined below) to secure the Obligations; and

WHEREAS, the Collateral Agent and one or more Additional Agents may in the future enter into one or more Intercreditor Agreements and/or Other Intercreditor Agreements;

NOW, THEREFORE, in consideration of the premises, the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this SGR Security Agreement hereby agree as follows:

Section 1. Grant of Security Interest. To secure all of the Obligations, the Grantor hereby pledges, grants and creates a security interest and mortgage in favor of the Collateral Agent for its benefit and the benefit of the other Secured Parties in all of the following assets, rights and properties, whether real or personal and whether tangible or intangible (the "Collateral"):

(a) all of the right, title and interest of the Grantor in, to and under the Route Authorities, the Slots and the Foreign Gate Leaseholds, whether now owned or held or hereafter acquired and whether such assets, rights or properties constitute General Intangibles or another type or category of collateral under the NY UCC or any other type of asset, right or property;

(b) all of the right, title and interest of the Grantor in, to and under the Account and all cash, checks, money orders and other items of value of the Grantor now or hereafter paid, deposited, credited or held (whether for collection, provisionally or otherwise) in the Account (the "Account Collateral"); and

(c) all of the right, title and interest of the Grantor in, to and under all Proceeds of any and all of the foregoing (including, without limitation, all Proceeds (of any kind) received or to be received by the Grantor upon the transfer or other disposition of any of the assets, rights and properties described in clause (a), notwithstanding whether the mortgage, pledge and grant of the security interest in any such asset, right or property is legally effective under applicable law);

provided, however, that notwithstanding the foregoing or any other provision of this SGR Security Agreement, (1) (x) if a Transfer Restriction would be applicable to the pledge, grant or creation of a security interest in or mortgage on any asset, right or property described above (other than in the Route Authorities or Proceeds thereof), then so long as such Transfer Restriction is in effect, or (y) if, pursuant to operative provisions of transaction documents existing prior to the date hereof under any transaction entered into by the Grantor prior to the date hereof, any asset, right or property is at any time subject to a security interest or mortgage in favor of another Person in connection with such transaction (and not pursuant to an election made by the Grantor after the date hereof to add any such asset, right or property as collateral to such transaction), then, this SGR Security Agreement shall not pledge, grant or create any security interest in or mortgage on, and the term "Collateral" shall not include, any such asset, right or property, and (2) if any Transfer Restriction applies to the transfer or assignment (other than the pledge, grant or creation of a security interest or mortgage) of any Collateral, any provision of this SGR Security Agreement permitting the Collateral Agent to cause the Grantor to transfer or assign to it or any other Person any of such Collateral (and any right the Collateral Agent may have under applicable law to do so by virtue of the security interest and mortgage pledged or granted to it under this SGR Security Agreement) shall be subject to such Transfer Restriction; provided, however, that following an Event of Default, at the direction of the Collateral Agent, the Grantor shall use commercially

reasonable efforts to obtain all approvals and consents that would be required to transfer or assign Collateral subject to such a Transfer Restriction referred to in clause (2) of the preceding proviso. As used herein, "Transfer Restriction" means any prohibition, restriction or consent requirement, whether arising under contract, applicable law, rule or regulation, or otherwise, relating to the transfer or assignment by the Grantor of, or the pledge, grant, or creation by the Grantor of a security interest or mortgage in, any right, title or interest in any asset, right or property, or any claim, right or benefit arising thereunder or resulting therefrom, if any such transfer or assignment thereof (or any pledge, grant or creation of a security interest or mortgage therein) or any attempt to so transfer, assign, pledge, grant or create, in contravention or violation of any such prohibition or restriction or without any required consent of any Person would (i) constitute a violation of the terms under which the Grantor was granted such right, title or interest or give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination or remedy with respect thereto, (ii) entitle any Governmental Authority or other Person to terminate or suspend any such right, title or interest (or the Grantor's interest in any agreement or license related thereto), or (iii) be prohibited by or violate any applicable law, rule or regulation, except, in any case, to the extent such "Transfer Restriction" shall be rendered ineffective (both to the extent that it (x) prohibits, restricts or requires consent and (y) gives rise to a default, breach, right of recoupment, claim, defense, termination, right of termination or remedy) by virtue of any applicable law, including, but not limited to Sections 9-406, 9-407, 9-408 or 9-409 of the NY UCC, to the extent applicable (or any corresponding sections of the UCC in a jurisdiction other than the State of New York to the extent applicable).

Section 2. Security for Obligations; Intercreditor Relations.

(a) This SGR Security Agreement secures, and the Collateral is collateral security for, the Obligations.

(b) Notwithstanding anything herein to the contrary, it is the understanding of the parties hereto that the Liens granted pursuant to Section 1 shall, prior to the Discharge of Additional Obligations that are Senior Priority Obligations, be pari passu and equal in priority to the Liens granted to any Additional Agent for the benefit of the holders of the applicable Additional Obligations that are Senior Priority Obligations to secure such Additional Obligations that are Senior Priority Obligations pursuant to the applicable Additional Collateral Documents (except as may be separately otherwise agreed between the Collateral Agent, on behalf of itself and the Secured Parties, and any Additional Agent, on behalf of itself and the Additional Credit Facility Secured Parties represented thereby). The Collateral Agent acknowledges and agrees that, in the event that it enters into an Intercreditor Agreement or an Other Intercreditor Agreement, the relative priority of the Liens granted to the Collateral Agent, the Administrative Agent and any Additional Agent shall be determined solely (as between the parties to such Intercreditor Agreement

or Other Intercreditor Agreement and except as otherwise provided therein) pursuant to the applicable Intercreditor Agreements and Other Intercreditor Agreements, and not by priority as a matter of law or otherwise. Notwithstanding anything herein to the contrary, the Liens granted to the Collateral Agent pursuant to this SGR Security Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the applicable Intercreditor Agreements and Other Intercreditor Agreements. In the event of any conflict between the terms of any Intercreditor Agreement or any Other Intercreditor Agreement and this SGR Security Agreement, the terms of such Intercreditor Agreement or Other Intercreditor Agreement, as applicable, shall govern and control as among (i) the Collateral Agent and any Additional Agent, in the case of the Intercreditor Agreement, and (ii) the Collateral Agent and any other secured creditor (or agent therefor) party thereto, in the case of any Other Intercreditor Agreement. In the event of any such conflict, the Grantor may act (or omit to act) in accordance with such Intercreditor Agreement or such Other Intercreditor Agreement, as applicable, and shall not be in breach, violation or default of its obligations hereunder by reason of doing so. Notwithstanding any other provision hereof, for so long as any Additional Obligations that are Senior Priority Obligations remain outstanding, any obligation hereunder to deliver, transfer or assign to the Collateral Agent any Collateral shall be satisfied by causing such Collateral to be delivered, transferred or assigned to the applicable Senior Priority Representative to be held in accordance with the Intercreditor Agreement.

Section 3. No Release.

(a) Other than as provided in clause (2) of the proviso to Section 1, nothing set forth in this SGR Security Agreement shall relieve the Grantor from the performance of any term, covenant, condition or agreement on the Grantor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral.

(b) Nothing set forth in this SGR Security Agreement shall impose any obligation on the Collateral Agent or any Secured Party to perform or observe any such term, covenant, condition or agreement on the Grantor's part to be so performed or observed or impose any liability on the Collateral Agent or any Secured Party for any act or omission on the part of the Grantor relating thereto or for any breach of any representation or warranty on the part of the Grantor contained in this SGR Security Agreement, or in respect of the Collateral or made in connection herewith or therewith. This Section 3(b) shall survive the termination of this SGR Security Agreement and the discharge of the Grantor's obligations hereunder and under the Loan Documents.

Section 4. Representations and Warranties. The Grantor represents and warrants as follows as of the date hereof:

(a) All UCC filings necessary or reasonably requested by the Collateral Agent to create, preserve, protect and perfect the security interests granted by the Grantor to the Collateral Agent for the benefit of the Secured Parties in respect of the Collateral (other than the Account Collateral) have been accomplished by the Grantor to the extent that such security interests can be perfected by filings under the UCC and all actions necessary to obtain control of the Account Collateral as provided in Sections 9-104 and 9-106 of the UCC have been taken by the Grantor to the extent that such security interests can be perfected on or before the date hereof by execution and delivery of the Account Control Agreement. Subject to any Intercreditor Agreement and any Other Intercreditor Agreement, the security interests granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this SGR Security Agreement in and to the Collateral constitute and hereafter at all times shall constitute a perfected security interest therein superior and prior to the rights of all other Persons therein (subject, in the case of priority only, only to Permitted Liens) to the extent such perfection and priority can be obtained by filings under the UCC and by the execution and delivery of the Account Control Agreement, and the Collateral Agent is entitled with respect to such perfected security interest to all the rights, priorities and benefits afforded by the UCC to perfected security interests.

(b) There are no filings, registrations or recordings under Title 49 necessary to create, preserve, protect or perfect the security interests granted by the Grantor to the Collateral Agent for the benefit of the Secured Parties in respect of the Collateral.

(c) The Grantor is, and as to Collateral acquired by it from time to time after the date hereof the Grantor will be, the holder or, following the AMR/LCC Merger, a co-holder, of all such Collateral free from any Lien except for (1) the Lien and security interest created by this SGR Security Agreement and (2) Permitted Liens.

(d) There is no UCC financing statement (or, to the knowledge of the Grantor, any similar statement or instrument of registration of a security interest under the law of any jurisdiction) in effect on the date hereof, covering or purporting to cover any security interest in the Collateral (other than those relating to Permitted Liens).

(e) The chief executive offices of the Grantor as of the date of this SGR Security Agreement are located at 4333 Amon Carter Boulevard, Fort Worth, Texas 76155.

(f) With respect to its Pledged Route Authorities relating to the Scheduled Services, the Grantor holds or, following the AMR/LCC Merger, co-holds the requisite authority to operate over such Pledged Route Authorities pursuant to Title 49 and all rules and regulations promulgated thereunder, subject only to the regulations of the DOT, the FAA and the applicable Foreign Aviation Authorities and applicable treaties and bilateral and multilateral air transportation agreements, and there exists no material violation by the Grantor of any certificate or order issued by the DOT authorizing the Grantor to operate over such Pledged Route Authorities, the rules and regulations of any applicable Foreign Aviation Authority with respect to such Pledged Route Authorities or the provisions of Title 49 and rules and regulations promulgated thereunder applicable to such Pledged Route Authorities that gives the FAA, DOT or any applicable Foreign Aviation Authority the right to modify in any material respect, terminate, cancel or withdraw the rights of the Grantor in any such Pledged Route Authorities.

(g) Set forth on Schedule I is a true, correct and complete list of the Slots at IATA Level 3 airports as of the last calendar week prior to the date hereof. Set forth on Schedule II is a true, correct and complete list of the Scheduled Services as of the last calendar week prior to the date hereof.

(h) The Grantor holds each of the Pledged Slots pursuant to authority granted by the applicable Governmental Authorities and Foreign Aviation Authorities, and there exists no material violation by the Grantor of the terms, conditions or limitations of any rule, regulation or order of the applicable Governmental Authorities or Foreign Aviation Authorities regarding such Pledged Slots or any provisions of law applicable to such Pledged Slots that gives any applicable Governmental Authority or Foreign Aviation Authority the right to modify in any material respect, terminate, cancel or withdraw the rights of the Grantor in any such Pledged Slots.

(i) The Grantor holds each of the Pledged Foreign Gate Leaseholds pursuant to authority granted by the applicable Airport Authority or Foreign Aviation Authority, and there exists no material violation by the Grantor of the regulations, terms, conditions or limitations of the relevant Airport Authority or Foreign Aviation Authority applicable to any such Pledged Foreign Gate Leasehold or any provision of law applicable to any such Pledged Foreign Gate Leasehold that gives any applicable Airport Authority or Foreign Aviation Authority the right to modify in any material respect, terminate, cancel or withdraw the rights of the Grantor in any such Pledged Foreign Gate Leasehold.

(j) The Grantor is an "air carrier" within the meaning of Section 40102 of Title 49 and holds a certificate under Section 41102 of Title 49. The Grantor holds or, following the AMR/LCC Merger, co-holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. The Grantor is a United States Citizen. The Grantor possesses or, following the AMR/LCC Merger, co-possesses all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents of any Governmental Authority which relate to the operation of the Scheduled Services and the conduct of its business and operations as currently conducted, except where failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect.

(k) The Grantor has full corporate power and authority and legal right to pledge all of the Collateral pursuant to, and as provided in, this SGR Security Agreement.

(l) Except for any Transfer Restriction, the execution, delivery and performance by the Grantor of this SGR Security Agreement do not require the consent, authorization by or approval of or notice to or filing or registration with any Governmental Authority or any other Person, other than (i) the filing of financing statements under the UCC, (ii) such as may be required in order to perfect and register the security interests and liens purported to be created by this SGR Security Agreement, (iii) approvals, consents and exemptions that have been obtained on or prior to the Closing Date and remain in full force and effect, (iv) consents, approvals and exemptions that the failure to obtain in the aggregate would not be reasonably expected to result in a Material Adverse Effect and (v) routine reporting obligations.

(m) This SGR Security Agreement is made with full recourse to the Grantor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of the Grantor contained herein.

Section 5. Covenants. The Grantor covenants and agrees with the Collateral Agent that so long as this SGR Security Agreement is in effect:

(a) The Grantor shall use commercially reasonable efforts to defend the Collateral against any and all claims and demands of all Persons at any time claiming any interest therein adverse to the Collateral Agent or any Secured Party (other than Permitted Liens); provided that, for the avoidance of doubt, the Grantor's only obligations with respect to any Transfer Restriction described in clause (2) of the first proviso to Section 1 shall be as stated in the second proviso to Section 1.

(b) The Grantor shall not execute or authorize to be filed in any public office any UCC financing statement (or similar statement or instrument of registration of a security interest under the law of any jurisdiction) relating to the

Collateral, except UCC financing statements (or similar statements or instruments of registration of a security interest under the law of any jurisdiction) filed or to be filed in respect of and covering the security interests granted hereby by the Grantor and except with respect to Permitted Liens.

(c) The Grantor shall give to the Collateral Agent timely written notice (but in any event not later than 30 days prior to the expiration of the period of time specified under applicable law to prevent lapse of perfection) of any (i) change in its jurisdiction of incorporation, or (ii) change in its name, identity or corporate or other organizational structure to such an extent that any UCC financing statement filed by the Collateral Agent in connection with this SGR Security Agreement would become seriously misleading; and the Grantor shall, in each case, provide such other information in connection therewith as the Collateral Agent may reasonably request and shall make all filings under the UCC reasonably satisfactory to the Collateral Agent to maintain the perfection and priority of the security interests of the Collateral Agent on behalf of the Secured Parties in the Collateral intended to be granted hereby.

Section 6. Supplements, Further Assurances.

(a) The Grantor may, at any time and from time to time, execute and deliver to the Collateral Agent, and upon receipt the Collateral Agent shall execute and deliver, a supplement to this SGR Security Agreement in substantially the form of Exhibit A hereto (each such supplement, an "SGR Security Agreement Supplement") designating any non-stop scheduled air carrier service being operated by the Grantor at such time (each, a "Designated Service") as an additional Scheduled Service, identifying one or more airports outside the United States that is an origin and/or destination point for such Designated Service as an Additional Foreign Airport and, if applicable, identifying one or more route authorities to operate such Designated Service as an additional Route Authority. Upon the execution and delivery of such SGR Security Agreement Supplement, (i) each such Designated Service shall be included in the definition of "Scheduled Services", (ii) each such airport outside the United States shall be included in the definition of "Additional Foreign Airports", (iii) each such route authority shall be included in the definition of "Route Authorities" and (iv) the Additional Collateral (as defined in such SGR Security Agreement Supplement) shall be Collateral hereunder.

(b) The Grantor agrees that at any time and from time to time, at the reasonable expense of the Grantor, the Grantor will (i) take, or cause to be taken, such action with respect to the due and timely recording, filing, re-recording and re-filing of any financing statements and any continuation statements under the UCC as are necessary to maintain the perfection of any security interest granted or purported to be granted or intended to be granted hereby, subject, in each case, to Permitted Liens, or (ii) furnish the Collateral Agent timely notice of the necessity of such action, together with such financing statements and continuation statements, as may be required to enable the Collateral Agent to take such action.

Section 7. Provisions Concerning Collateral.

(a) UCC Financing Statements. The Grantor hereby authorizes the Collateral Agent, at any time and from time to time, to file or record such UCC financing statements which reasonably describe the Collateral and amendments thereto, in the form provided to it by the Grantor, as may from time to time be required or necessary to grant, continue and maintain a valid, enforceable, first priority security interest in the Collateral as provided herein, subject to Permitted Liens (to the extent such perfection and priority can be obtained by filing a UCC financing statement), all in accordance with the UCC. The Grantor shall pay any applicable filing fees and other reasonable out-of-pocket expenses related to the filing of such UCC financing statements and amendments thereto. The Collateral Agent hereby authorizes the Grantor to file (i) UCC financing statements and amendments to UCC financing statements filed on the date hereof in each case adding Collateral pursuant to an SGR Security Agreement Supplement and (ii) continuation statements of any UCC financing statement naming the Collateral Agent, as secured party, and the Grantor, as debtor, in each case filed pursuant to the terms of this SGR Security Agreement, any SGR Security Agreement Supplement and the other Loan Documents. For the avoidance of doubt, the Collateral Agent shall not be responsible for the filing of any continuation statements of any UCC financing statements referred to herein.

(b) Compliance with Laws and Regulations. Except for matters that would not reasonably be expected to result in a Material Adverse Effect, the Grantor shall comply with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state, municipal or other governmental or quasi-governmental authorities or bodies including, without limitation, Foreign Aviation Authorities, then applicable to the Collateral (or any part thereof) and/or the use thereof by the Grantor, of every nature and kind (the "Requirements"), whether or not such Requirements shall now exist or shall hereafter be enacted or promulgated and whether or not the same may be said to be within the present contemplation of the parties hereto. Notwithstanding the foregoing, if the Grantor in good faith contests a Requirement, it shall not be obligated to comply with such Requirement to the extent such non-compliance or deferral is consistent with law and does not have a Material Adverse Effect.

(c) Notice of Violations. The Grantor agrees to give the Collateral Agent notice of any violations of any Requirement with respect to the Collateral or the Grantor's use thereof that may reasonably be expected to have a Material Adverse Effect within fifteen (15) Business Days after a Responsible Officer of the Grantor obtains knowledge of such violation.

(d) Disposition of Collateral. Any or all of the Collateral may be sold, leased, conveyed, transferred or otherwise disposed of by the Grantor, subject to the terms of the Credit Agreement and each applicable Intercreditor Agreement and Other Intercreditor Agreement.

Section 8. Collateral Agent Appointed Attorney-in-Fact. The Grantor hereby appoints the Collateral Agent as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time in the Collateral Agent's discretion, upon the occurrence and during the continuation of an Event of Default, and in accordance with and subject to any Intercreditor Agreement and any Other Intercreditor Agreement, to take any action and to execute any instrument which the Collateral Agent may reasonably deem necessary or advisable to accomplish the purposes of this SGR Security Agreement, which appointment as attorney-in-fact is coupled with an interest.

Section 9. Collateral Agent May Perform. If the Grantor fails to perform any agreement contained herein within a reasonable time after receipt of a written request to do so from the Collateral Agent, upon two (2) Business Days prior written notice the Collateral Agent may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Collateral Agent, including, without limitation, the reasonable fees and out-of-pocket expenses of its counsel, incurred in connection therewith, shall be payable by the Grantor in accordance with Section 10.04 of the Credit Agreement and shall constitute Obligations.

Section 10. The Collateral Agent. The Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this SGR Security Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this SGR Security Agreement or any amendment, supplement or other modification of this SGR Security Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantor, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and the Grantor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

Section 11. Events of Default, Remedies.

(a) Remedies: Obtaining the Collateral Upon Event of Default. In each case, subject to the requirements of applicable law (including without limitation the UCC and Title 49) and subject to the approval of all necessary Governmental Authorities, Foreign Aviation Authorities and Airport Authorities, if any Event of Default shall have occurred and be continuing, then and in every such case, the Collateral Agent may, subject to any Intercreditor Agreement and any Other Intercreditor Agreement, at any time or from time to time during the continuance of such Event of Default:

(i) Declare the entire right, title and interest of the Grantor in and to the Collateral (other than the Account Collateral) vested, in which event such rights, title and interest shall immediately vest in the Collateral Agent, in which case the Grantor agrees to execute and deliver such deeds of conveyance, assignments and other documents or instruments (including any notices or applications to the DOT, the FAA, applicable Foreign Aviation Authorities, Governmental Authorities or Airport Authorities having jurisdiction over any such Collateral or the use thereof) as shall be requested by the Collateral Agent in order to effectuate the transfer of such Collateral, together with copies of the certificates or orders issued by the DOT and the Foreign Aviation Authorities representing same and any other rights of the Grantor with respect thereto, to any designee or designees selected by the Collateral Agent and approved by all necessary Governmental Authorities, Foreign Aviation Authorities and Airport Authorities (provided that if any of the foregoing is not permitted under applicable law or by the DOT or applicable Governmental Authority, Foreign Aviation Authority and/or Airport Authority, the Collateral Agent for the benefit of the Secured Parties shall nevertheless continue to have all of the Grantor's right, title and interest in and to all of the Proceeds (of any kind) received or to be received by the Grantor upon the transfer or other disposition of such Collateral); it being understood that the Grantor's obligation to deliver such Collateral and such documents and instruments with respect thereto, subject to the aforesaid limitations, is of the essence of this SGR Security Agreement;

(ii) Sell or otherwise liquidate, or direct the Grantor to sell or otherwise liquidate, any or all of the Collateral or any part thereof and take possession of the Proceeds of any such sale or liquidation; and

(iii) Without notice to the Grantor except as required by law and at any time or from time to time, deliver a Notice of Exclusive Control (as defined in the Account Control Agreement), and charge, set off and otherwise apply all or any part of the Obligations against any funds held with respect to the Account Collateral.

(b) Remedies; Disposition of the Collateral. In each case, subject to the requirements of applicable law (including without limitation the UCC and Title 49), subject to the Credit Agreement, and subject to any Intercreditor Agreement and any Other Intercreditor Agreement, and subject to the approval of all necessary Governmental Authorities, Foreign Aviation Authorities and Airport Authorities, if any Event of Default shall have occurred and be continuing:

(i) (A) the Collateral Agent may from time to time exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, and all the rights and remedies of a secured party on default under the UCC at the time of such Event of Default, and the Collateral Agent may also in its sole discretion, without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable, (B) the Collateral Agent or any other Secured Party may be the purchasers of any or all of the Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at such sale, to use and apply any of the Obligations owed to such Person as a credit on account of the purchase price of any Collateral payable by such Person at such sale, (C) each purchaser at any such sale shall acquire the property sold absolutely free from any claim or right on the part of the Grantor, and the Grantor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted, (D) the Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, (E) the Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given, (F) the Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned and (G) the Grantor hereby waives, to the full extent permitted by law, any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale;

(ii) (A) except as otherwise provided herein, the Grantor hereby waives, to the fullest extent permitted by applicable law: (w) notice or judicial hearing in connection with the Collateral Agent's taking possession or the Collateral Agent's disposition of any of the Collateral, including, without

limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which the Grantor would otherwise have under law; (x) all damages occasioned by such taking of possession; (y) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; and (z) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law and (B) any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the Grantor therein and thereto, and shall be a perpetual bar both at law and in equity against the Grantor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under the Grantor; and

(iii) With respect to any Collateral other than Account Collateral, in connection with any foreclosure, collection, sale or other enforcement of Liens granted to the Collateral Agent in this SGR Security Agreement, the Grantor will reasonably cooperate in good faith with the Collateral Agent in transferring the right to use such Collateral to any designee of the Collateral Agent that is an air carrier or any other Person otherwise permitted to hold and use properties or rights as such Collateral and will, at the reasonable request of the Collateral Agent and in good faith, continue to operate and manage such Collateral and maintain the Grantor's applicable regulatory licenses with respect to such Collateral until such time as such designee obtains such licenses and governmental approvals as may be necessary or (in the reasonable opinion of the Collateral Agent or its designee specified above) advisable to conduct aviation operations with respect to such Collateral.

Section 12. Non-Lender Secured Parties.

(a) Rights to Collateral.

(i) The Non-Lender Secured Parties shall not have any right whatsoever to do any of the following: (A) exercise any rights or remedies with respect to the Collateral or to direct the Collateral Agent to do the same, including, without limitation, the right to (1) enforce any Liens or sell or otherwise foreclose on any portion of the Collateral, (2) request any action, institute any proceedings, exercise any voting rights, give any instructions, make any election or make collections with respect to all or any portion of the Collateral or (3) release the Grantor under this SGR Security Agreement or release any Collateral from the Liens of any Collateral Document or consent to or otherwise approve any such release; (B) demand, accept or obtain any Lien on any Collateral (except for Liens arising under, and subject to the terms of, this SGR

Security Agreement); (C) vote in any New Bankruptcy Case or similar proceeding in respect of Parent or any of its Subsidiaries (any such proceeding, for purposes of this clause (i), a "Bankruptcy") with respect to, or take any other actions concerning the Collateral; (D) receive any proceeds from any sale, transfer or other disposition of any of the Collateral (except in accordance with this SGR Security Agreement); (E) oppose any sale, transfer or other disposition of the Collateral; (F) object to any debtor-in-possession financing in any Bankruptcy which is provided by one or more Lenders among others (including on a priming basis under Section 364(d) of the Bankruptcy Code); (G) object to the use of cash collateral in respect of the Collateral in any Bankruptcy; or (H) seek, or object to the Lenders, the Administrative Agent or the Collateral Agent seeking on an equal and ratable basis, any adequate protection or relief from the automatic stay with respect to the Collateral in any Bankruptcy.

(ii) Each Non-Lender Secured Party, by its acceptance of the benefits of this SGR Security Agreement and the other Collateral Documents, agrees that in exercising rights and remedies with respect to the Collateral, the Collateral Agent and the Lenders, with the consent of the Collateral Agent, may enforce the provisions of the Collateral Documents and exercise remedies thereunder and under any other Loan Documents (or refrain from enforcing rights and exercising remedies), all in such order and in such manner as they may determine in the exercise of their sole business judgment and subject to the terms of any Intercreditor Agreement and any Other Intercreditor Agreement. Such exercise and enforcement shall include, without limitation, the rights to collect, sell, dispose of or otherwise realize upon all or any part of the Collateral, to incur expenses in connection with such collection, sale, disposition or other realization and to exercise all the rights and remedies of a secured lender under the UCC. The Non-Lender Secured Parties by their acceptance of the benefits of this SGR Security Agreement and the other Collateral Documents hereby agree not to contest or otherwise challenge any such collection, sale, disposition or other realization of or upon all or any of the Collateral. Whether or not a New Bankruptcy Case has been commenced, the Non-Lender Secured Parties shall be deemed to have consented to any sale or other disposition of any property, business or assets of Parent or any of its Subsidiaries and the release of any or all of the Collateral from the Liens of any Collateral Document in connection therewith.

(iii) Notwithstanding any provision of this Section 12(a), the Non-Lender Secured Parties shall be entitled, subject to any Intercreditor Agreement and any Other Intercreditor Agreement, to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleadings (A) in order to prevent any Person from seeking to foreclose on the Collateral or supersede the Non-Lender Secured Parties' claim thereto or (B)

in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Non-Lender Secured Parties. Each Non-Lender Secured Party, by its acceptance of the benefits of this SGR Security Agreement, agrees to be bound by and to comply with any Intercreditor Agreement and any Other Intercreditor Agreement and authorizes the Collateral Agent to enter into the Intercreditor Agreements and Other Intercreditor Agreements on its behalf.

(iv) Each Non-Lender Secured Party, by its acceptance of the benefits of this SGR Security Agreement, agrees that the Collateral Agent and the Lenders may deal with the Collateral, including any exchange, taking or release of Collateral, may change or increase the amount of the Obligations, and may release any Grantor from its Obligations hereunder, all without any liability or obligation (except as may be otherwise expressly provided herein) to the Non-Lender Secured Parties.

(b) Appointment of Agent. Each Non-Lender Secured Party, by its acceptance of the benefits of this SGR Security Agreement and the other Collateral Documents, shall be deemed irrevocably to make, constitute and appoint the Collateral Agent, as agent under the Credit Agreement (and all officers, employees or agents designated by the Collateral Agent) as such Person's true and lawful agent and attorney-in-fact, and in such capacity, the Collateral Agent shall have the right, with power of substitution for the Non-Lender Secured Parties and in each such Person's name or otherwise, to effectuate any sale, transfer or other disposition of the Collateral. It is understood and agreed that the appointment of the Collateral Agent as the agent and attorney-in-fact of the Non-Lender Secured Parties for the purposes set forth herein is coupled with an interest and is irrevocable. It is understood and agreed that the Collateral Agent has appointed the Administrative Agent as its agent for purposes of perfecting certain of the security interests created hereunder and for otherwise carrying out certain of its obligations hereunder.

(c) Waiver of Claims. To the maximum extent permitted by law, each Non-Lender Secured Party waives any claim it might have against the Collateral Agent or the Lenders with respect to, or arising out of, any action or failure to act or any error of judgment, negligence, or mistake or oversight whatsoever on the part of the Collateral Agent or the Lenders or their respective directors, officers, employees or agents with respect to any exercise of rights or remedies under the Loan Documents or any transaction relating to the Collateral (including, without limitation, any such exercise described in Section 12(a)(ii)), except for any such action or failure to act that constitutes willful misconduct or gross negligence of such Person. To the maximum extent permitted by applicable law, none of the Collateral Agent or any Lender or any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under

any obligation to sell or otherwise dispose of any Collateral upon the request of Parent, any Subsidiary of Parent, any Non-Lender Secured Party or any other Person or to take any other action or forbear from doing so whatsoever with regard to the Collateral or any part thereof, except for any such action or failure to act that constitutes willful misconduct or gross negligence of such Person.

Section 13. Application of Proceeds.

(a) Any cash held by the Collateral Agent as Collateral and all cash Proceeds received by the Collateral Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral pursuant to the exercise by the Collateral Agent of its remedies as a secured creditor as provided in Section 11 of this SGR Security Agreement shall, subject to the terms of any Intercreditor Agreement and any Other Intercreditor Agreement, be applied from time to time by the Collateral Agent in accordance with the terms of the Credit Agreement.

(b) It is understood that, to the extent permitted by applicable law, the Grantor shall remain liable to the extent of any deficiency between the amount of the Proceeds of the Collateral and the aggregate amount of the outstanding Obligations.

Section 14. No Waiver; Discontinuance of Proceeding.

(a) Each and every right, power and remedy hereby specifically given to the Collateral Agent or otherwise in this SGR Security Agreement shall be cumulative and shall be in addition to every other right, power and remedy specifically given under this SGR Security Agreement or the other Loan Documents now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Collateral Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Collateral Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any default or Event of Default or an acquiescence therein. No notice to or demand on the Grantor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Collateral Agent to any other or further action in any circumstances without notice or demand. In the event that the Collateral Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Collateral Agent may recover reasonable out-of-pocket expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

(b) In the event the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this SGR Security Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case the Grantor, the Collateral Agent and each Secured Party shall, to the extent permitted by applicable law, be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Collateral Agent and the Secured Parties shall continue as if no such proceeding had been instituted.

Section 15. Amendments, etc. This SGR Security Agreement may not be amended, modified or waived except with the written consent of the Grantor and the Collateral Agent (who shall act pursuant to and in accordance with the terms of Section 10.08 of the Credit Agreement); provided that unless separately agreed in writing between the Grantor and any Non-Lender Secured Party, no such waiver and no such amendment or modification shall amend, modify or waive Section 13 (or the definition of "Non-Lender Secured Party" or "Secured Party" to the extent relating thereto) if such waiver, amendment, or modification would directly and adversely affect a Non-Lender Secured Party without the written consent of such affected Non-Lender Secured Party. Any amendment, modification or supplement of or to any provision of this SGR Security Agreement, any termination or waiver of any provision of this SGR Security Agreement and any consent to any departure by the Grantor from the terms of any provision of this SGR Security Agreement shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand upon the Grantor in any instance hereunder shall entitle the Grantor to any other or further notice or demand in similar or other circumstances. For the avoidance of doubt, it is understood and agreed that any amendment, amendment and restatement, waiver, supplement or other modification of or to any Intercreditor Agreement or any Other Intercreditor Agreement that would have the effect, directly or indirectly, through any reference herein to any Intercreditor Agreement or any Other Intercreditor Agreement or otherwise, of waiving, amending, supplementing or otherwise modifying this SGR Security Agreement, or any term or provision hereof, or any right or obligation of the Grantor hereunder or in respect hereof, shall not be given such effect except pursuant to a written instrument executed by the Grantor and the Collateral Agent in accordance with this Section 15.

Section 16. Termination; Release.

(a) At such time as the Obligations (other than any Obligations owing to a Non-Lender Secured Party) then due and owing shall have been paid in full, the Commitments under the Credit Agreement have been terminated and no Letters of Credit shall be outstanding (except for Letters of Credit that have been cash collateralized or otherwise provided for in a manner reasonably satisfactory to the Administrative Agent), all Collateral shall be released from the Liens created hereby, and this SGR Security

Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and the Grantor shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantor. At the request and sole expense of the Grantor following any such termination, the Collateral Agent shall execute, acknowledge and deliver to the Grantor such releases, instruments or other documents (including without limitation UCC termination statements), and do or cause to be done all other acts, as the Grantor shall reasonably request to evidence such termination.

(b) Upon any Permitted Disposition of Collateral (whether by way of the sale of assets or the sale of Capital Stock of the Grantor of such assets) permitted by the Credit Agreement, the Lien pursuant to this SGR Security Agreement on such sold or disposed of Collateral shall be automatically released. In connection with any other Disposition of Collateral (whether by way of the sale of assets or the sale of Capital Stock of the Grantor of such assets) permitted under the Credit Agreement, the Collateral Agent shall, upon receipt from the Grantor of a written request for the release of the Collateral subject to such sale or other disposition (or in the case of a sale of Capital Stock of the Grantor, the release of the Grantor's Collateral), at the Grantor's sole cost and expense, execute, acknowledge and deliver to the Grantor such releases, instruments or other documents (including without limitation UCC termination statements), and do or cause to be done all other acts, as the Grantor shall reasonably request to evidence or effect the release of the Liens created hereby (if any) on such Collateral.

(c) For the avoidance of doubt, (i) if any Slot ceases to be included in the Collateral because it ceases to be actually utilized in connection with the Scheduled Services or any Foreign Gate Leasehold ceases to be included in the Collateral because it ceases to be used for servicing the Scheduled Services relating to the airport at which such Foreign Gate Leasehold is located, such Slot or Foreign Gate Leasehold shall be automatically released from the Lien of this SGR Security Agreement and (ii) subject to clause (1) of the first proviso to Section 1 hereof, if any FAA Slot or Foreign Slot now held or hereafter acquired by the Grantor becomes an FAA Route Slot or Foreign Route Slot, respectively, or any right, title, privilege, interest and authority now held or hereafter acquired by the Grantor in connection with the right to use or occupy space in an airport terminal becomes a Foreign Gate Leasehold, such FAA Slot, Foreign Slot or right, title, privilege, interest and authority shall be automatically subject to the Lien of this SGR Security Agreement.

(d) The Liens on any Account Collateral that is withdrawn from the Account (in each case, in compliance with the Credit Agreement) prior to receipt of a Notice of Exclusive Control (as defined in the Account Control Agreement) by the Securities Intermediary or after receipt of a Rescission Notice (as defined in the Account Control Agreement) by the Securities Intermediary shall be automatically released upon such withdrawal.

(e) At any time that the Grantor desires to obtain from the Collateral Agent UCC termination statements or other instruments or evidence of release with respect to any Collateral (including Account Collateral) released as provided in this Section 16, it shall deliver to the Collateral Agent an Officer's Certificate stating that the release of the respective Collateral is permitted pursuant to this Section 16. The Collateral Agent shall have no liability whatsoever to any Secured Party as the result of any release of Collateral by it as permitted by this Section 16.

Section 17. Definitions; Rules of Interpretation.

(a) Defined Terms. The following terms shall have the following meanings:

"Account" shall have the meaning provided in the recitals hereof.

"Account Collateral" shall have the meaning provided in Section 1(b) hereof.

"Account Control Agreement" shall have the meaning provided in the recitals hereof.

"Additional Agent" shall have the meaning provided in the Intercreditor Agreement.

"Additional Collateral Documents" shall have the meaning provided in the Intercreditor Agreement.

"Additional Credit Facility Secured Parties" shall have the meaning provided in the Intercreditor Agreement.

"Additional Foreign Airport" shall mean any airport outside the United States identified in any SGR Security Agreement Supplement as the origin and/or destination point with respect to any additional Scheduled Service being designated by such SGR Security Agreement Supplement.

"Additional Obligations" shall have the meaning provided in the Intercreditor Agreement.

"Administrative Agent" shall have the meaning provided in the Credit Agreement.

"Airport Authority" shall mean any city or any public or private board or other body or organization chartered or otherwise established for the purpose of administering, operating or managing an airport or related facilities.

"Banking Product Provider" shall mean any Person that has entered into a Designated Banking Product Agreement with Parent or the Grantor.

"Bankruptcy Case" shall have the meaning provided in the Credit Agreement.

"Bankruptcy Code" shall have the meaning provided in the Credit Agreement.

"Bankruptcy Court" shall have the meaning provided in the Credit Agreement.

"Bankruptcy Law" shall have the meaning provided in the Credit Agreement.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed.

"Capital Stock" shall have the meaning provided in the Credit Agreement.

"Closing Date" shall have the meaning provided in the Credit Agreement.

"Collateral" shall have the meaning provided in Section 1 hereof.

"Collateral Agent" shall have the meaning provided in the preamble hereof.

"Collateral Documents" shall have the meaning provided in the Credit Agreement.

"Commitments" shall have the meaning provided in the Credit Agreement.

"Credit Agreement" shall have the meaning provided in the recitals hereof.

"Designated Banking Product Agreement" shall have the meaning provided in the Credit Agreement.

"Designated Hedging Agreement" shall have the meaning provided in the Credit Agreement.

"Designated Service" shall have the meaning provided in Section 6(a) hereof.

"Discharge of Additional Obligations" shall have the meaning provided in the Intercreditor Agreement.

"DOT" shall mean the United States Department of Transportation and any successor thereto.

"Event of Default" shall have the meaning provided in the Credit Agreement.

"FAA" shall mean the United States Federal Aviation Administration and any successor thereto.

"FAA Route Slot" shall mean, at any time of determination, any FAA Slot of the Grantor at any airport in the United States that is an origin and/or destination point with respect to any Scheduled Service, in each case only to the extent such FAA Slot is being utilized by the Grantor to provide such Scheduled Service, but in each case excluding any Temporary FAA Slot.

"FAA Slot" shall mean, at any time of determination, in the case of airports in the United States at which landing or take-off operations are restricted, the right and operational authority to conduct a landing or take-off operation at a specific time or during a specific time period at such airport, including, without limitation, slots, arrival authorizations and operating authorizations, whether pursuant to FAA or DOT regulations or orders pursuant to Title 14, Title 49 or other federal statutes or regulations now or hereinafter in effect, and including but not limited to, with respect to John F. Kennedy International Airport, operating authorizations at John F. Kennedy International Airport, as defined in the Operating Limitations at John F. Kennedy International Airport, Order Limiting Scheduled Operations at John F. Kennedy International Airport, 73 Fed. Reg. 3510 (Jan. 18, 2008), extended by 78 Fed. Reg. 28,276 (May 14, 2013), as such order may be amended or recodified from time to time.

"Foreign Aviation Authority" shall mean any non-U.S. governmental, quasi-governmental, regulatory or other agency, public corporation or private entity that exercises jurisdiction over the issuance or authorization (i) to serve any non-U.S. point on any Scheduled Service that the Grantor is serving at any time and/or to conduct operations related to any Scheduled Service and Foreign Gate Leaseholds at any time and/or (ii) to hold and operate any Foreign Route Slots at any time.

"Foreign Gate Leasehold" shall mean, at any time of determination, all of the right, title, privilege, interest and authority of the Grantor to use or occupy space in (i) any airport terminal at any airport in a South American Country that is an origin and/or destination point with respect to any Scheduled Service, and (ii) any Additional Foreign Airport, in each case only to the extent necessary for the Grantor to provide any Scheduled Service.

"Foreign Route Slot" shall mean, at any time of determination, any Foreign Slot of the Grantor at (i) any airport in a South American Country that is an origin and/or destination point with respect to any Scheduled Service, and (ii) any Additional Foreign Airport, in each case only to the extent such Foreign Slot is being utilized by the Grantor to provide any Scheduled Service, but in each case excluding any Temporary Foreign Slot.

"Foreign Slot" shall mean, at any time of determination, in the case of airports outside the United States, the right and operational authority to conduct one landing or take-off operation at a specific time or during a specific time period at such airport.

"General Intangible" shall have the meaning provided in the NY UCC.

"Governmental Authority" shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency (including without limitation the DOT and the FAA), authority, instrumentality, regulatory body, court, central bank organization, or other entity exercising executive, legislative, judicial, taxing or regulatory powers or functions of or pertaining to government (including any supra-national bodies such as the European Union). Governmental Authority shall not include any Person in its capacity as an Airport Authority.

"Grantor" shall have the meaning provided in the preamble hereof.

"Hedging Provider" shall mean any Person that has entered into a Designated Hedging Agreement with Parent or the Grantor.

"Indebtedness" shall have the meaning provided in the Credit Agreement.

"Intercreditor Agreement" shall have the meaning provided in the Credit Agreement.

"Lenders" shall have the meaning provided in the recitals hereof.

"Letter of Credit" shall have the meaning provided in the Credit Agreement.

"Liens" shall have the meaning provided in the Credit Agreement.

"Loan Documents" shall have the meaning provided in the Credit Agreement.

"Material Adverse Effect" shall have the meaning provided in the Credit Agreement.

"New Bankruptcy Case" shall mean (a) pursuant to or within the meaning of Bankruptcy Law, (i) a voluntary case commenced by Parent or any of its Subsidiaries, (ii) an involuntary case in which Parent or any of its Subsidiaries consent to the entry of an order for relief against it, (iii) an appointment consented to by Parent or any of its Subsidiaries of a custodian of it or for all or substantially all of its property, (iv) the making of a general assignment for the benefit of its creditors by Parent or any of its Subsidiaries or (v) the admission in writing of Parent's or any of its Subsidiaries' inability generally to pay its debts or (b) an order or decree under any Bankruptcy Law entered by a court of competent jurisdiction that (i) is for relief against Parent or any of its Subsidiaries in an involuntary case, (ii) appoints a custodian of Parent or any of its Subsidiaries for all or substantially all of the property of Parent or any of its Subsidiaries, (iii) orders the liquidation of Parent or any of its Subsidiaries, and in each case of this clause (b) the order or decree remains unstayed and in effect for 60 consecutive days. For the avoidance of doubt, the Bankruptcy Case shall not be considered a New Bankruptcy Case.

"Non-Lender Secured Parties" shall mean, collectively, all Banking Product Providers and Hedging Providers and their respective successors, assigns and transferees. For the avoidance of doubt, "Non-Lender Secured Parties" shall exclude Banking Product Providers and Hedging Providers in their capacities as Lenders, if applicable.

"NY UCC" shall mean the Uniform Commercial Code, as in effect in the state of New York from time to time.

"Obligations" shall have the meaning provided in the Credit Agreement. For the avoidance of doubt, "Obligations" does not include any Indebtedness or other obligations under any Pari Passu Notes (as defined in the Credit Agreement).

"Officer's Certificate" shall have the meaning provided in the Credit Agreement.

"Other Intercreditor Agreement" shall have the meaning provided in the Credit Agreement.

"Parent" shall have the meaning provided in the recitals hereof.

"Permitted Disposition" shall have the meaning provided in the Credit Agreement.

"Permitted Liens" shall have the meaning provided in the Credit Agreement.

"Person" shall mean any person, including any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity and, for the avoidance of doubt, includes the DOT, the FAA, any Airport Authority, any Foreign Aviation Authority and any other Governmental Authority.

"Plan Effective Date" shall have the meaning provided in the Credit Agreement.

"Pledged Foreign Gate Leaseholds" shall mean, as of any date, the Foreign Gate Leaseholds included in the Collateral as of such date.

"Pledged Route Authorities" shall mean, as of any date, the Route Authorities included in the Collateral as of such date.

"Pledged Slots" shall mean, as of any date, the Slots included in the Collateral as of such date.

"Proceeds" shall have the meaning assigned to that term under the NY UCC or under other relevant law and, in any event, shall include, but not be limited to, any and all (i) proceeds of any insurance, indemnity, warranty or guarantee payable to the Collateral Agent or to the Grantor from time to time with respect to physical damage to any of the Collateral, (ii) payments (in any form whatsoever), made or due and payable to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting under color of Governmental Authority), and (iii) instruments representing obligations to pay amounts to the Grantor in respect of the Collateral.

"Requirements" shall have the meaning provided in Section 7(b) hereof.

"Responsible Officer" shall have the meaning provided in the Credit Agreement.

"Route Authorities" shall mean, at any time of determination:

(a) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Services Agreement between the Governments of the United States of America and the Republic of Argentina, signed on October 22, 1985, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Argentina as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Argentina as may be specified therein;

(b) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Agreement between the Governments of the United States of America and the Republic of Bolivia, signed on September 30, 1948, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Bolivia as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Bolivia as may be specified therein;

(c) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Agreement between the Government of the United States of America and the Government of the Federative Republic of Brazil, signed on March 19, 2011, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Brazil as specified therein, (y) when effective, the Memorandum of Consultations, initialed by the Government of the United States of America and the Government of the Federative Republic of Brazil on March 19, 2011, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Brazil as specified therein, or (z) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Brazil as may be specified therein;

(d) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Multilateral Agreement on the Liberalization of International Air Transportation, signed by the Governments of the United States of America, the Republic of Chile, Brunei Darussalam, New Zealand and the Republic of Singapore on May 1, 2001, as amended or modified from time to time, to operate air carrier service between points in the United

States and points in Chile as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Chile as may be specified therein;

(e) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Agreement between the Government of the United States of America and the Government of the Republic of Colombia, signed on May 10, 2011, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Colombia as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Colombia as may be specified therein;

(f) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Agreement between the Government of the United States of America and the Government of the Republic of Ecuador, signed on September 26, 1986, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Ecuador as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Ecuador as may be specified therein;

(g) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Agreement between the Government of the United States of America and the Government of the Republic of Paraguay, signed on May 2, 2005, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Paraguay as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Paraguay as may be specified therein;

(h) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Agreement between the Government of the United States of America and the Government of the Republic of Peru, signed on June 10, 1998, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Peru as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Peru as may be specified therein;

(i) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Agreement between the Government of the United States of America and the Government of the Oriental Republic of Uruguay, signed on October 20, 2004, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Uruguay as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Uruguay as may be specified therein; and

(j) the route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) granted by the DOT and held by the Grantor pursuant to (x) the Air Transport Agreement between the Government of the United States of America and the Government of the Republic of Venezuela, signed on August 14, 1953, as amended or modified from time to time, to operate air carrier service between points in the United States and points in Venezuela as specified therein, or (y) such other agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in Venezuela as may be specified therein; and

(k) any other route authority or authorities (including any applicable certificate, exemption and frequency authorities, or portion thereof) relating to the operation commenced by the Grantor after the Closing Date of any Scheduled Service between any airport in the United States and any airport in any country described in clause (ii) of the definition of South American Country that are granted by the DOT and held by the Grantor pursuant to such agreements or treaties entered into by the applicable U.S. Governmental Authority and as in effect from time to time that permit the Grantor to operate air carrier service between points in the United States and points in such other South American Country as may be specified therein;

in each case whether or not such route authority is utilized at such time by the Grantor, and including, without limitation, any such route authority held by the Grantor pursuant to certificates, orders, notices, and approvals issued to Grantor from time to time, but in each case solely to the extent relating to such route authority.

"Scheduled Services" shall mean, at any time of determination, (a) the non-stop scheduled air carrier services being operated by the Grantor at such time between any airport in the United States and any airport in any South American Country and (b) any other non-stop scheduled air carrier service being operated by the Grantor at such time that has been designated as an additional "Scheduled Service" pursuant to any SGR Security Agreement Supplement, and "Scheduled Service" shall mean any of such Scheduled Services as the context requires.

"Secured Parties" shall have the meaning provided in the Credit Agreement.

"Securities Intermediary" shall mean Deutsche Bank Trust Company Americas, together with its successors and permitted assigns.

"Senior Priority Obligations" shall have the meaning provided in the Intercreditor Agreement.

"Senior Priority Representative" shall have the meaning provided in the Intercreditor Agreement.

"SGR Security Agreement" shall have the meaning provided in the preamble hereof.

"SGR Security Agreement Supplement" shall have the meaning provided in Section 6(a) hereof.

"Slots" shall mean each FAA Route Slot and each Foreign Route Slot, or any of them.

"South American Countries" means any of (i) Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela and (ii) each other country located in South America and "South American Country" means any one of them.

"Temporary FAA Slot" shall mean an FAA Slot that was obtained by the Grantor from another air carrier pursuant to an agreement (including but not limited to a loan agreement, lease agreement or a slot release agreement) and is held by the Grantor on a temporary basis.

"Temporary Foreign Slot" shall mean a Foreign Slot that was obtained by the Grantor from another air carrier pursuant to an agreement (including but not limited to a loan agreement, lease agreement or a slot release agreement) and is held by the Grantor on a temporary basis.

"Title 14" shall mean Title 14 of the United States Code of Federal Regulations, including Part 93, Subparts K and S thereof, as amended from time to time or any subsequent regulation that amends, supplements or supersedes such provisions.

"Title 49" shall mean Title 49 of the United States Code, which, among other things, recodified and replaced the U.S. Federal Aviation Act of 1958, and the rules and regulations promulgated pursuant thereto, as amended from time to time or any subsequent legislation that amends, supplements or supersedes such provisions.

"Transfer Restriction" shall have the meaning provided in Section 1 hereof.

"UCC" shall mean the Uniform Commercial Code, as in effect from time to time in any applicable jurisdiction.

"United States Citizen" shall mean a "citizen of the United States" as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies.

(b) Rules of Interpretation.

(i) The definitions stated herein shall be equally applicable to the singular and plural forms of the terms defined.

(ii) For the avoidance of doubt, references herein to any airport shall, in the event of a name change with respect to any such airport, include such renamed airport.

(iii) The parties to this SGR Security Agreement agree that the rules of interpretation set out in Section 1.02 of the Credit Agreement shall apply to this SGR Security Agreement *mutatis mutandis* as if set out in this SGR Security Agreement.

Section 18. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing (including by facsimile or electronic mail), and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(i) if to the Grantor, to it at American Airlines, Inc., 4333 Amon Carter Boulevard, Mail Drop 5662, Fort Worth, TX 76155 facsimile: (817) 967-4318; Attention: Treasurer; with copies (which shall not constitute notice) to: Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022, facsimile: (212) 909-6836; Attention: Paul D. Brusiloff; and

(ii) if to Deutsche Bank AG New York Branch as Collateral Agent, to it at 60 Wall Street, New York, NY 10005, facsimile: (646) 867-1799; email: mike.stanchina@db.com; Attention: Mike Stanchina.

(b) The Collateral Agent or the Grantor may, in its reasonable discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this SGR Security Agreement shall be deemed to have been given on the date of receipt.

Section 19. Continuing Security Interest; Transfer of Indebtedness. This SGR Security Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until the termination of this SGR Security Agreement in accordance with Section 16(a), (ii) be binding upon the Grantor, its successors and assigns, and (iii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and each other Secured Party and each of their respective successors, permitted transferees and permitted assigns; no other persons (including, without limitation, any other creditor of the Grantor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (iii) and subject to the provisions of the applicable Loan Documents (including any Intercreditor Agreement and any Other Intercreditor Agreement), any Secured Party may assign or otherwise transfer any indebtedness held by it secured by this SGR Security Agreement to any other Person, and following such assignment or transfer, the Collateral Agent shall hold the security interest and mortgage of this SGR Security Agreement for the benefit of such other Person, subject, however, to the provisions of the applicable Loan Documents (including any Intercreditor Agreement and any Other Intercreditor Agreement).

Section 20. Governing Law. **THIS SGR SECURITY AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK, AND THIS SGR SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SGR SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS, TO THE EXTENT SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.**

Section 21. Consent to Jurisdiction and Service of Process.

(a) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property in any legal action or proceeding relating to this SGR Security Agreement and the other Loan Documents to which it is a party, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York and appellate courts from either of them on and after the Plan Effective Date, and, prior to the Plan Effective Date, of the Bankruptcy Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this SGR Security Agreement, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall, to the extent permitted by law, be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this SGR Security Agreement in any court referred to in Section 21(a). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party hereto hereby irrevocably and unconditionally consents to service of process in the manner provided for notices in Section 18. Nothing in this SGR Security Agreement will affect the right of any party to this SGR Security Agreement to serve process in any other manner permitted by law.

Section 22. Security Interest Absolute. To the extent permitted by applicable law, the obligations of the Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by (a) any bankruptcy, insolvency, reorganization,

arrangement, readjustment, composition, liquidation or the like of the Grantor, except to the extent that the enforceability thereof may be limited by any such event; (b) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect of this SGR Security Agreement or any other Loan Documents, except as specifically set forth in a waiver granted pursuant to Section 15; (c) any lack of validity or enforceability of the Liens granted hereunder; or (d) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Grantor (other than payment or performance in accordance with the terms of the Loan Documents (including any Intercreditor Agreement and any Other Intercreditor Agreement)).

Section 23. Severability of Provisions. To the extent permitted by applicable law, any provision of this SGR Security Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 24. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this SGR Security Agreement.

Section 25. Execution in Counterparts. This SGR Security Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this SGR Security Agreement by facsimile or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this SGR Security Agreement.

Section 26. Successors and Assigns. This SGR Security Agreement shall be binding upon the Grantor and its successors and assigns and shall inure to the benefit of the Collateral Agent and each Secured Party and their respective successors and permitted assigns; provided that the Grantor may not transfer or assign any or all of its rights or obligations hereunder without the prior written consent of the Collateral Agent, unless otherwise permitted by the applicable Loan Documents. All agreements, statements, representations and warranties made by the Grantor herein or in any certificate or other instrument delivered by the Grantor or on its behalf under this SGR Security Agreement shall be considered to have been relied upon by the Secured Parties and shall survive the execution and delivery of this SGR Security Agreement and the other Loan Documents regardless of any investigation made by the Secured Parties or on their behalf.

Section 27. Limited Obligations. It is the desire and intent of the Grantor, the Collateral Agent and the Secured Parties that this SGR Security Agreement shall be enforced against the Grantor to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If and to the extent that the obligations of the Grantor under this SGR Security Agreement shall be adjudicated to be invalid or unenforceable for any reason (including, without limitation, because of any applicable state or federal law relating to fraudulent conveyances or transfers, which laws would determine the solvency of the Grantor by reference to the full amount of the Obligations at the time of the execution and delivery of this SGR Security Agreement), then the amount of the Obligations of the Grantor shall be deemed to be reduced and the Grantor shall pay the maximum amount of the Obligations which would be permissible under the applicable law.

Section 28. Construction of Schedules. It is understood and agreed that Schedule I is intended to be descriptive of the Slots listed on such Schedule as of the last calendar week prior to the date hereof and that Schedule II is intended to be descriptive of the Scheduled Services listed on such Schedule as of the date hereof, and such Schedules shall not be construed as expanding or limiting in any way the Collateral subject to this SGR Security Agreement.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Grantor and the Collateral Agent each has caused this SGR Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

AMERICAN AIRLINES, INC.

By: _____

Name:

Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Collateral Agent

By: _____
Name:
Title:

SLOTS

SCHEDULED SERVICES

FORM OF SGR SECURITY AGREEMENT SUPPLEMENT

SGR Security Agreement Supplement No. __

SGR SECURITY AGREEMENT SUPPLEMENT NO. , dated , ("SGR Security Agreement Supplement"), between AMERICAN AIRLINES, INC., a Delaware corporation (together with its permitted successors and assigns, the "Grantor") and DEUTSCHE BANK AG NEW YORK BRANCH, as Collateral Agent (in such capacity, together with its successors and permitted assigns in such capacity, the "Collateral Agent").

W I T N E S S E T H:

A. Reference is made to the SGR Security Agreement, dated as of June 27, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "SGR Security Agreement"), between the Grantor and the Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the SGR Security Agreement.

C. Section 6(a) of the SGR Security Agreement provides that the Grantor may, at any time and from time to time, designate additional non-stop scheduled air carrier services being operated by the Grantor at such time as additional Scheduled Services by execution and delivery of supplements thereto.

Accordingly, the Grantor and the Collateral Agent agree as follows:

In accordance with Section 6(a) of the SGR Security Agreement:

(x) the non-stop scheduled air carrier service[s] listed below (the "Designated Service[s]") [is][are] hereby designated as [a] Scheduled Service[s] under the SGR Security Agreement, and the definition of "Scheduled Services" set forth in Section 17 of the SGR Security Agreement is hereby amended and supplemented to include such Designated Service[s] for all purposes of the SGR Security Agreement.

Designated Services

[list Designated Service(s)];[1]

[1] To list airport-to-airport Designated Services.

[and]

(y) [each of][ ] (the "Designated Additional Foreign Airport[s]") is identified as an origin and/or destination point for the related Designated Services, and the definition of "Additional Foreign Airport" set forth in Section 17 of the SGR Security Agreement is hereby amended and supplemented to include the Designated Additional Foreign Airport[s] for all purposes of the SGR Security Agreement[.][2]

[; and]

(z) [[each of][ ] (the "Additional Route Authority[ies]"), [in each case] as more specifically described in Schedule I hereto, is identified as a route authority to operate the related Designated Services, and the definition of "Route Authorities" set forth in Section 17 of the SGR Security Agreement is hereby amended and supplemented to include the Additional Route Authority[ies] for all purposes of the SGR Security Agreement.][3]

NOW, THEREFORE, to secure all of the Obligations, the Grantor hereby pledges, grants and creates a security interest and mortgage in favor of the Collateral Agent for its benefit and the benefit of the other Secured Parties in all of the following assets, rights and properties, whether real or personal and whether tangible or intangible (the "Additional Collateral"):

(i) all of the right, title and interest of the Grantor in, to and under [the Additional Route Authorities,] [the Additional Slots] and [the Additional Foreign Gate Leaseholds], whether now owned or held or hereafter acquired and whether such assets, rights or properties constitute General Intangibles or another type or category of collateral under the NY UCC or any other type of asset, right or property; and

(ii) all of the right, title and interest of the Grantor in, to and under all Proceeds of any and all of the foregoing (including, without limitation, all Proceeds (of any kind) received or to be received by the Grantor upon the transfer or other disposition of any of the assets, rights and properties described in clause (i), notwithstanding whether the mortgage, pledge and grant of the security interest in any such asset, right or property is legally effective under applicable law);

---

[2] To list any foreign airport (other than any airport in a South American Country) that is an origin and/or destination point with respect to the Designated Service(s).

[3] To describe the route authority(ies) used by the Grantor to operate the Designated Service(s), if such route authority(ies) have not already been pledged under the SGR Security Agreement or any previously executed SGR Security Agreement Supplement.

provided, however, that notwithstanding the foregoing or any other provision of any provision of the SGR Security Agreement, (x) if a Transfer Restriction would be applicable to the pledge, grant or creation of a security interest in or mortgage on any asset, right or property described above [(other than in the Additional Route Authorities or Proceeds thereof)][4], then so long as such Transfer Restriction is in effect, or (y) if, pursuant to operative provisions of transaction documents existing prior to the date hereof under any transaction entered into by the Grantor prior to the date hereof, any asset, right or property is at any time subject to a security interest or mortgage in favor of another Person in connection with such transaction (and not pursuant to an election made by the Grantor after the date hereof to add any such asset, right or property as collateral to such transaction), the SGR Security Agreement and this SGR Security Agreement Supplement shall not pledge, grant or create any security interest in or mortgage on, and the terms "Additional Collateral" and "Collateral" shall not include, any such asset, right or property.

The following terms shall have the following meanings:

["Additional Slots" shall mean, at any time of determination, (x) any Foreign Slot of the Grantor at [ ][5], in each case only to the extent such Foreign Slot is being utilized by the Grantor to provide any Scheduled Service, but in each case excluding any Temporary Foreign Slot, and (y) any FAA Slot of the Grantor at any airport in the United States that is an origin and/or destination point with respect to any Scheduled Service, in each case only to the extent such FAA Slot is being utilized by the Grantor to provide such Scheduled Service, but in each case excluding any Temporary FAA Slot.]

["Additional Foreign Gate Leaseholds" shall mean, at any time of determination, all of the right, title, privilege, interest and authority of the Grantor to use or occupy space in an airport terminal at [ ][6], in each case only to the extent necessary for the Grantor to provide any Scheduled Service.]

---

[4] Delete if no Additional Route Authorities are being pledged under the SGR Security Agreement Supplement.

[5] To list any foreign airport (other than any airport in a South American Country) that is an origin and/or destination point with respect to the Designated Service(s).

[6] To list any foreign airport (other than any airport in a South American Country) that is an origin and/or destination point with respect to the Designated Service(s).

Each reference to "Collateral" in the SGR Security Agreement shall be deemed to include the Additional Collateral.

This SGR Security Agreement Supplement shall be construed as supplemental to the SGR Security Agreement and shall form a part thereof, and the SGR Security Agreement as so supplemented is hereby ratified, approved and confirmed.

THIS SGR SECURITY AGREEMENT SUPPLEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK, AND THIS SGR SECURITY AGREEMENT SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SGR SECURITY AGREEMENT SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS, TO THE EXTENT SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the Grantor and the Collateral Agent each has caused this SGR Security Agreement Supplement No. to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Collateral Agent

By: _____
Name:
Title:

ROUTE AUTHORITIES

[FORM OF]

INSTRUMENT OF ASSUMPTION AND JOINDER

THIS INSTRUMENT OF ASSUMPTION AND JOINDER (this "Agreement"), dated as of [ ] [ ], 20[__] is by and among [ ], a [ ] (the "New Subsidiary Loan Party"), AMERICAN AIRLINES, INC., a Delaware corporation (the "Borrower"), AMR CORPORATION, a Delaware corporation ("Parent"), the other Subsidiaries of Parent from time to time party hereto other than the Borrower (the "Guarantors"), DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent for the Lenders (together with its permitted successors in such capacity, the "Administrative Agent") and as collateral agent for the Secured Parties (together with its permitted successors in such capacity, the "Collateral Agent") under that certain Credit and Guaranty Agreement, dated as of June 27, 2013 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"), among the Borrower, Parent, the Guarantors party thereto from time to time, the Administrative Agent, the Collateral Agent, Deutsche Bank AG New York Branch, as issuing lender (in such capacity, the "Issuing Lender"), and the Lenders party thereto from time to time. Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The New Subsidiary Loan Party hereby agrees as follows:

1. The New Subsidiary Loan Party hereby acknowledges, agrees and confirms that, by its execution of this Agreement, as provided in sections 5.09(a) and (b) of the Credit Agreement, the New Subsidiary Loan Party will be deemed to be a party to the Credit Agreement and a "Guarantor" for all purposes of the Credit Agreement and the Guaranty, and agrees that it is bound by the terms, conditions and obligations set forth therein as if it had been an original signatory thereto.

2. The New Subsidiary Loan Party acknowledges and confirms that it has received a copy of the Credit Agreement and the schedule and exhibits thereto. The information on Schedule 3.06 to the Credit Agreement is hereby amended to include the information shown on the attached Schedule A.

3. The New Subsidiary Loan Party hereby agrees that at any time and from time to time, upon the written request of the Administrative Agent, it will execute and deliver any further documents and perform any further acts as the Administrative Agent may reasonably request in order to effect the purposes of this Agreement.

4. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ANY CLAIM OR CONTROVERSY RELATING HERETO SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS, TO THE EXTENT SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

5. This Agreement (a) may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract and (b) may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective officers.

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

AMR CORPORATION

By: _____
Name:
Title:

[OTHER GUARANTORS]

By: _____
Name:
Title:

[NEW SUBSIDIARY LOAN PARTY]

By: _____
Name:
Title:

ACKNOWLEDGED AND ACCEPTED:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Collateral Agent

By: _____
Name:
Title:

Schedule A
Subsidiaries

[FORM OF]

ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (this "Assignment and Acceptance") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (the "Effective Date") (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and the other Loan Documents to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any person, whether known or unknown, arising under or in connection with the Credit Agreement, any other Loan Documents or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by [the][any] Assignor.

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: _____

_____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

_____

3. Borrower: AMERICAN AIRLINES, INC., a Delaware corporation (the "Borrower")

4. Administrative Agent: Deutsche Bank AG New York Branch, as administrative agent (together with its permitted successors, in such capacity, the "Administrative Agent") and as collateral agent (together with its permitted successors in such capacity, the "Collateral Agent") under the Credit Agreement

5. Credit Agreement: Credit and Guaranty Agreement, dated as of June 27, 2013, among the Borrower, AMR Corporation, a Delaware corporation ("Parent"), the other Subsidiaries of Parent from time to time party thereto other than the Borrower (the "Guarantors"), the Administrative Agent, the Collateral Agent, Deutsche Bank AG New York Branch, as issuing lender (in such capacity, the "Issuing Lender"), and the Lenders party thereto from time to time, as amended, restated, supplemented or otherwise modified and in effect from time to time.

6. Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Amount of Assignor's [Term] [Revolving] Loans/ [Commitments][7]	Amount of [Term] [Revolving] Loans/ [Commitments] Assigned	Percentage of Assignor's [Term] [Revolving] Loans/ [Commitments] Assigned[8]	Resulting [Term] [Revolving] Loans/ [Commitments] Amount for Assignor	Resulting [Term] [Revolving] Loans/ [Commitments] Amount for Assignee
		$_____	$_____	_____%	$_____	$_____
		$_____	$_____	_____%	$_____	$_____
		$_____	$_____	_____%	$_____	$_____

[7. Trade Date: _____][9]

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

---

5 List each Assignor, as appropriate.

6 List each Assignee, as appropriate.

7 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

8 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.

9 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and][10] Accepted:

DEUTSCHE BANK AG NEW YORK BRANCH,
as Administrative Agent

By: _____
Name:
Title:

[Consented to:][11]

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

[10] To the extent required under Section 10.02(b)(i) of the Credit Agreement.
[11] To the extent required under Section 10.02(b)(i) of the Credit Agreement.

ANNEX 1 TO ASSIGNMENT AND ACCEPTANCE

Reference is made to the Credit and Guaranty Agreement, dated as of June 27, 2013 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"), among American Airlines, Inc., a Delaware corporation (the "Borrower"), AMR Corporation, a Delaware corporation ("Parent"), the other Subsidiaries of Parent from time to time party thereto other than the Borrower (the "Guarantors"), Deutsche Bank AG New York Branch, as administrative agent (the "Administrative Agent"), as collateral agent (the "Collateral Agent"), and as issuing lender (the "Issuing Lender"), and the Lenders party thereto from time to time.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Loan Parties or any other person obligated in respect of any Loan Document or (iv) the performance or observance by the Loan Parties or any other person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it is not a Defaulting Lender, Disqualified Institution or natural person, (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (iii) it meets all the requirements to be an Assignee under the Credit Agreement (subject to such consents, if any, as may be required under Section 10.02(b) of the Credit Agreement), (iv) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement and the other Loan Documents as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (v) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (vi) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.04 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, (vii) it has, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it has deemed

appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest and (viii) attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement (including, without limitation, any such documentation required to be delivered pursuant to Sections 2.16(f) and (g)), duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon any Agent, [the][any] Assignor 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 the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued up to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be construed in accordance with and governed by the laws of the State of New York, without giving effect to its principles or rules of conflict of laws to the extent such principles or rules are not mandatorily applicable by statute and would require or permit the application of the laws of another jurisdiction.

4. Fees. This Assignment and Acceptance shall be delivered to the Administrative Agent with a processing and recordation fee of $3,500.00[12].

5. Administrative Questionnaire. If the Assignee is not a Lender, annexed hereto as Exhibit A is a completed administrative questionnaire, in form and substance satisfactory to the Administrative Agent, which requests such information (including, without limitation, credit contact information and wiring instructions) from the Assignee as the Administrative Agent may reasonably require.

[12] To be paid by the Assignor or the Assignee.

Exhibit A
Administrative Questionnaire
[provided by Administrative Agent]

[FORM OF]

LOAN REQUEST

Reference is made to the Credit and Guaranty Agreement, dated as of June 27, 2013 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"), among American Airlines, Inc., a Delaware corporation (the "Borrower"), AMR Corporation, a Delaware corporation ("Parent"), the other Subsidiaries of Parent from time to time party thereto other than the Borrower (the "Guarantors"), Deutsche Bank AG New York Branch, as administrative agent (the "Administrative Agent"), as collateral agent (the "Collateral Agent"), and as issuing lender (the "Issuing Lender"), and the Lenders party thereto from time to time. Capitalized terms used herein and not otherwise defined herein have the meanings assigned to such terms in the Credit Agreement.

Pursuant to Section 2.03 of the Credit Agreement, the Borrower desires that the Lenders make the following Loans to the Borrower in accordance with the applicable terms and conditions of the Credit Agreement on , 20 (which shall be a Business Day) (the **"**Borrowing Date"):

1. Revolving Loans

☐ ABR Loans: **$[___,___,___]**[1]

☐ Eurodollar Loans, with an initial Interest Period of ____ month(s): **$[___,___,___]**[2]

2. Term Loans

☐ ABR Loans: **$[___,___,___]**

☐ Eurodollar Loans, with an initial Interest Period of ____ month(s): **$[___,___,___]**

[1] In an aggregate amount that is an integral multiple of $100,000 and not less than $1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire Unused Total Revolving Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.02(e) of the Credit Agreement.

[2] In an aggregate amount that is in an integral multiple of $1,000,000 and not less than $1,000,000.

The Borrower hereby certifies that:

(i) [As of the Borrowing Date (both before and after giving effect to the Loan hereunder and the application of proceeds therefrom), the aggregate amount of the Unused Total Revolving Commitment shall not be less than zero.][3]

(ii) As of the Borrowing Date (both before and after giving effect to the Loan hereunder and the application of proceeds therefrom), all representations and warranties contained in the Credit Agreement and the other Loan Documents [(other than the representations and warranties set forth in Sections 3.05(b), 3.09(a) and 3.16)][4] [(other than the representations and warranties set forth in Sections 3.05(b) and 3.09(a))][5] shall be true and correct in all material respects on and as of such Borrowing Date with the same effect as if made on and as of such Borrowing Date, except to the extent such representations and warranties expressly relate to an earlier date and in such case as of such date; provided that any representation or warranty that is qualified by materiality (it being understood that any representation or warranty that excludes circumstances that would not result in a "Material Adverse Change" or "Material Adverse Effect" shall not be considered (for purposes of this proviso) to be qualified by materiality) shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to such Loan hereunder.

(iii) On the Borrowing Date, no [Default or Event of Default][6] [(x) Default with respect to Section 7.01(b), (e), (f) or (g) or (y) Event of Default][7] shall have occurred and be continuing nor shall any [such][8] Default or any Event of Default, as the case may be, occur by reason of the making of the requested Borrowing and the application of proceeds thereof.

---

[3] To be inserted in Loan Requests for Revolving Loans only.

[4] To be inserted in Loan Requests for Loans to be made after the Closing Date and not on the Solvency Representation Date.

[5] To be inserted in Loan Requests for Loans to be made on the Solvency Representation Date.

[6] To be inserted in Loan Requests for Loans to be made on the Closing Date.

[7] To be inserted in Loan Requests for Loans to be made after the Closing Date.

[8] To be inserted in Loan Requests for Loans to be made after the Closing Date.

(iv) On the Borrowing Date (and after giving pro forma effect to such Loan hereunder and the application of proceeds therefrom), the Collateral Coverage Ratio shall not be less than 1.6 to 1.0.

Date: _____, 20__

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

[FORM OF]

LETTER OF CREDIT REQUEST

Reference is made to the Credit and Guaranty Agreement, dated as of June 27, 2013 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"), among American Airlines, Inc., a Delaware corporation (the "Borrower"), AMR Corporation, a Delaware corporation ("Parent"), the other Subsidiaries of Parent from time to time party thereto other than the Borrower (the "Guarantors"), Deutsche Bank AG New York Branch, as administrative agent (the "Administrative Agent"), as collateral agent (the "Collateral Agent") and as issuing lender (the "Issuing Lender"), and the Lenders party thereto from time to time. Capitalized terms used herein and not otherwise defined herein have the meanings assigned to such terms in the Credit Agreement.

Pursuant to Section 2.02 of the Credit Agreement, the Company desires a Letter of Credit to be [issued] [amended] [renewed] [extended] in accordance with the terms and conditions of the Credit Agreement on , 20 (which shall be a Business Day) (the **"**Borrowing Date**"**) in an aggregate face amount of $**[, ,]**.

Attached hereto for each such Letter of Credit are the following:

1. the stated amount of such Letter of Credit;

2. the name and address of the beneficiary; [and]

3. the expiration date [; and]

4. [Insert such other information as may be relevant to prepare, amend, renew or extend the Letter of Credit].

The Borrower hereby certifies that:

(i) As of the Borrowing Date (both before and after giving effect to the issuance of such Letter of Credit hereunder), (x) the LC Exposure shall not exceed the LC Commitment and (y) the aggregate amount of the Unused Total Revolving Commitment shall not be less than zero.

(ii) As of the Borrowing Date (both before and after giving effect to the issuance of such Letter of Credit hereunder), all representations and warranties contained in the Credit Agreement and the other Loan Documents [(other than the representations and warranties set forth in Sections 3.05(b), 3.09(a) and 3.16)][1] [(other than the representations and warranties

[1] To be inserted in Letter of Credit Requests for Letters of Credit to be issued after the Closing Date and not on the Solvency Representation Date.

set forth in Sections 3.05(b) and 3.09(a))][2] shall be true and correct in all material respects on and as of such Borrowing Date with the same effect as if made on and as of such Borrowing Date, except to the extent such representations and warranties expressly relate to an earlier date and in such case as of such date; provided that any representation or warranty that is qualified by materiality (it being understood that any representation or warranty that excludes circumstances that would not result in a "Material Adverse Change" or "Material Adverse Effect" shall not be considered (for purposes of this proviso) to be qualified by materiality) shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the issuance of such Letter of Credit hereunder.

(iii) On the Borrowing Date, no [Default or Event of Default][3] [(x) Default with respect to Section 7.01(b), (e), (f) or (g) or (y) Event of Default][4] shall have occurred and be continuing nor shall any [such][5] Default or any Event of Default, as the case may be, occur by reason of the issuance of such Letter of Credit hereunder.

(iv) On the Borrowing Date (and after giving pro forma effect to the issuance of such Letter of Credit hereunder), the Collateral Coverage Ratio shall not be less than 1.6 to 1.0.

Date: , 20

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

[2] To be inserted in Letter of Credit Requests for Letters of Credit to be issued on the Solvency Representation Date.
[3] To be inserted in Letter of Credit Requests for Letters of Credit to be issued on the Closing Date.
[4] To be inserted in Letter of Credit Requests for Letters of Credit to be issued after the Closing Date.
[5] To be inserted in Letter of Credit Requests for Letters of Credit to be issued after the Closing Date.

COLLATERAL ACCOUNT CONTROL AGREEMENT

COLLATERAL ACCOUNT CONTROL AGREEMENT, dated as of June 27, 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time, this "**Agreement**") among American Airlines, Inc. (the "**Pledgor**"), Deutsche Bank AG New York Branch, as collateral agent (in such capacity, and together with its successors and permitted assigns (including, without limitation, any Senior Priority Representative (as defined in the Intercreditor Agreement)), the "**Secured Party**") on behalf of the Secured Parties (as defined in the Credit Agreement defined below) and Deutsche Bank Trust Company Americas (the "**Securities Intermediary**"). Except as otherwise defined herein, terms used herein and defined in the Credit Agreement shall be used herein as therein defined.

W I T N E S S E T H:

WHEREAS, (i) the Pledgor has agreed to pledge to the Secured Party the Account Collateral (as defined below) in order to secure the repayment of the Obligations under the Credit and Guaranty Agreement, dated as of June 27, 2013 (the "**Credit Agreement**"), by and among Deutsche Bank AG New York Branch, in its capacity as administrative agent (in such capacity, and together with its successors and permitted assigns, the "**Administrative Agent**") and Secured Party, the Pledgor, AMR Corporation (the "**Parent**"), the Subsidiaries of the Parent from time to time party thereto as Guarantors and the lenders from time to time party thereto;

WHEREAS, the Secured Party and the Pledgor have requested the Securities Intermediary to hold the Account Collateral and to perform certain other functions as more fully described herein;

WHEREAS, the Securities Intermediary has agreed to act on behalf of the Secured Party, the Pledgor and one or more Additional Secured Parties (as defined below), if any, in respect of the Account Collateral (as defined below) delivered to the Securities Intermediary by the Pledgor for the benefit of the Secured Party and any Additional Secured Party, subject to the terms hereof; and

WHEREAS, the Secured Party and one or more additional agents may in the future enter into one or more Intercreditor Agreements and/or Other Intercreditor Agreements;

NOW THEREFORE, in consideration of the mutual promises set forth hereafter, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Whenever used in this Agreement, the following words shall have the meanings set forth below:

1. "**Account**" shall mean the custodial account established and maintained pursuant to this Agreement in which Account Collateral shall be deposited by the Pledgor and pledged to the Secured Party.

2. "**Account Collateral**" shall mean each Account and all cash, checks, money orders and other items of value of the Pledgor now or hereafter paid, deposited, credited or held (whether for collection, provisionally or otherwise) in each Account.

3. "**Additional Agent**" shall mean any one or more administrative agents, collateral agents, security agents, trustees or other representatives for or of any one or more Additional Credit Facility Secured Parties (as defined in the Intercreditor Agreement), and shall include any successor thereto, as well as any Person designated as an "Agent" under any Additional Credit Facility (as defined in the Intercreditor Agreement).

4. "**Additional Secured Party**" shall mean either of (i) the Junior Priority Representative (as defined in the Intercreditor Agreement) or (ii) any trustee appointed pursuant to Section 8.01(d) of the Credit Agreement with respect to the Aircraft Security Agreement, in each case, upon entry by such party of an Additional Secured Party Joinder.

5. "**Additional Secured Party Joinder**" shall mean the joinder in the form of Exhibit B hereto as may be executed by the parties hereto and any Additional Secured Party.

6. "**Administrative Agent**" shall have the meaning assigned to such term in the first recital.

7. "**Agreement**" shall have the meaning assigned to such term in the preamble.

8. "**Aircraft Security Agreement**" shall have the meaning assigned to such term in the Credit Agreement.

9. "**Authorized Person**" shall be any person duly authorized by the Secured Party or the Pledgor, respectively, to give Written Instructions on behalf of the Secured Party or the Pledgor, respectively, such persons to be designated in a Certificate of Authorized Persons which contains a specimen signature of such person.

10. "**Certificate of Authorized Persons**" shall mean a certificate in the form of Exhibit A attached hereto.

11. "**Credit Agreement**" shall have the meaning assigned to such term in the first recital.

12. "**Depository**" shall mean the Treasury/Reserve Automated Debt Entry System maintained at The Federal Reserve Bank of New York for receiving and delivering securities, The Depository Trust Company and any other clearing corporation within the meaning of Section 8-102 of the UCC or otherwise authorized to act as a securities depository or clearing agency, and their respective successors and nominees.

13. "**Intercreditor Agreement**" shall have the meaning assigned to such term in the Credit Agreement.

14. "**Losses**" shall have the meaning assigned to such term in Section 1 in Article IV.

15. "**Notice of Exclusive Control**" shall mean a written notice given by the Secured Party to the Securities Intermediary that the Secured Party is exercising sole and exclusive control of the Account Collateral, in the form of Annex A attached hereto.

16. "**Other Intercreditor Agreement**" means an intercreditor agreement in form and substance reasonably satisfactory to the Pledgor and the Administrative Agent.

17. "**Parent**" shall have the meaning assigned to such term in the first recital.

18. "**Permitted Liens**" shall have the meaning assigned to such term in the Credit Agreement.

19. "**Pledgor**" shall have the meaning assigned to such term in the preamble.

20. "**Rescission Notice**" shall mean a written notice given by the Secured Party to the Securities Intermediary that the Secured Party is no longer exercising sole and exclusive control of the Account Collateral.

21. "**Secured Debt Documents**" shall mean the Credit Agreement, the Security Agreement, any Aircraft Security Agreement, any Intercreditor Agreement and any Other Intercreditor Agreement, as applicable.

22. "**Secured Party**" shall have the meaning assigned to such term in the preamble.

23. "**Secured Party Representative**" shall mean the Secured Party until such time as the Secured Party Representative notifies the Securities Intermediary that the Secured Party Representative shall mean any Additional Secured Party as identified in writing by the Secured Party Representative.

24. "**Securities Intermediary**" shall have the meaning assigned to such term in the preamble.

25. "**Security Agreement**" shall mean that certain Security Agreement (Slots, Foreign Gate Leaseholds and Route Authorities), dated as of the date hereof, between the Pledgor and the Secured Party.

26. "**Substitute Account Collateral'** shall have the meaning assigned to such term in Section 2 in Article III.

27. "**UCC**" shall mean the Uniform Commercial Code as in effect in the State of New York.

28. "**Written Instructions**" shall mean written communications received by the Securities Intermediary via letter (which shall include electronic transmission in "pdf" or similar format), facsimile transmission or other method or system specified by the Securities Intermediary as available for use in connection with this Agreement.

The terms "**entitlement holder**", "**entitlement order**", "**financial asset**", "**investment property**", "**proceeds**", "**security**", "**security entitlement**" and "**securities intermediary**" shall have the meanings set forth in Articles 8 and 9 of the UCC. The Deposit Account is a "deposit account" as defined in Article 9 of the UCC and the Securities Account is a "securities account" as defined in Article 8 of the UCC. Each party hereto acknowledges that this Agreement is an "authenticated record" (as such term is defined in the UCC) and that the arrangements established hereunder are intended to constitute "control" (as such term is defined in the UCC) of each Account.

ARTICLE II
APPOINTMENT AND STATUS OF SECURITIES INTERMEDIARY; ACCOUNT

1. Appointment; Identification of Account Collateral. The Secured Party Representative and the Pledgor each hereby appoints the Securities Intermediary to perform its duties as hereinafter set forth and authorizes the Securities Intermediary to hold the Account Collateral in the Account in registered form in its name or the name of its nominees. The Securities Intermediary hereby accepts such appointment and agrees to establish and maintain the Account and appropriate records identifying the Account Collateral in the Account as pledged by the Pledgor to the Secured Party and any Additional Secured Party. The Pledgor hereby authorizes the Securities Intermediary to comply with all Written Instructions, including entitlement orders, originated by the Secured Party Representative with respect to the Account Collateral without further consent or direction from the Pledgor or any other party.

2. Status of Securities Intermediary. The parties hereby expressly agree and intend that all property at any time held in the Account is to be treated as a "financial asset." The Securities Intermediary represents and warrants that the Securities Intermediary is a "securities intermediary" with respect to the Account and the "financial assets" credited to the Account.

3. Use of Depositories. The Secured Party Representative and the Pledgor hereby authorize the Securities Intermediary to utilize Depositories to the extent possible in connection with its performance hereunder. Account Collateral held by the Securities Intermediary in a Depository will be held subject to the rules, terms and conditions of such Depository. Where Account Collateral is held in a Depository, the Securities Intermediary shall identify on its records as belonging to the Pledgor and pledged to the Secured Party or any Additional Secured Party a quantity of securities as part of a fungible bulk of securities held in the Securities Intermediary's account at such Depository. Securities deposited in a Depository will be represented in accounts which include only assets held by the Securities Intermediary for its customers.

4. Security Interest. The Securities Intermediary acknowledges that this Agreement constitutes notice of the Secured Party's security interest in such Account Collateral on behalf of the Secured Parties (as defined in the Credit Agreement) and does hereby consent thereto. The

Securities Intermediary further acknowledges that the execution of an Additional Secured Party Joinder shall constitute notice of such Additional Secured Party's interest in the Account Collateral, and upon execution of such Additional Secured Party Joinder the Securities Intermediary hereby consents thereto.

5. Representations and Warranties. The parties hereto acknowledge and agree that: (i) the Account will be treated as a "securities account", and (ii) the Account Collateral will be treated as "financial assets." The Securities Intermediary represents and warrants that the "securities intermediary's jurisdiction" is the State of New York. All terms quoted in this paragraph 5 of Article II shall have the meanings assigned to them by Article 8 of the UCC.

ARTICLE III
COLLATERAL SERVICES

1. Notice of Exclusive Control. Until the Securities Intermediary receives a Notice of Exclusive Control from the Secured Party Representative and after the Securities Intermediary receives a Rescission Notice from the Secured Party Representative, the Securities Intermediary is authorized to act upon any Written Instructions, including entitlement orders, from the Pledgor. The Secured Party Representative may, subject to terms of the Secured Debt Documents, exercise sole and exclusive control of the Account and the Account Collateral held therein at any time by delivering to the Securities Intermediary a Notice of Exclusive Control. Upon receipt of a Notice of Exclusive Control, the Securities Intermediary shall, without inquiry and in reliance upon such Notice of Exclusive Control, within one (1) business day after the receipt of a Notice of Exclusive Control, or, if such Notice of Exclusive Control is received after 12:00 noon New York City time on any business day, within two (2) business days after receipt of such Notice of Exclusive Control, thereafter comply with Written Instructions (including entitlement orders) solely from, and originated by, the Secured Party Representative with respect to the Account without further consent by the Pledgor. The Secured Party Representative may, subject to the terms of this Agreement and the Secured Debt Documents, as applicable, deliver a Rescission Notice to the Securities Intermediary. Upon receipt of a Rescission Notice from the Secured Party Representative, the Securities Intermediary shall, without inquiry and in reliance upon such Notice, thereafter comply with Written Instructions (including entitlement orders) from the Pledgor.

2. Account Collateral Removal; Substitutions. Until the Securities Intermediary receives a Notice of Exclusive Control as provided herein from the Secured Party Representative and after the Securities Intermediary receives a Rescission Notice from the Secured Party Representative, the Securities Intermediary is authorized to act upon any Written Instructions from the Pledgor to transfer Account Collateral from the Account or substitute other Account Collateral for any Account Collateral then held in the Account ("**Substitute Account Collateral**"). It shall be the Pledgor's sole responsibility to ensure that at all times the market value of the Account Collateral in the Account (including Substitute Account Collateral) shall not be less than the amount the Pledgor is required to maintain pursuant to the Secured Debt Documents and related documents.

3. Payment of Proceeds. Until the Securities Intermediary receives a Notice of Exclusive Control and after the Securities Intermediary receives a Rescission Notice from the Secured Party Representative, the Securities Intermediary shall transfer to the Pledgor (whether by credit to the Pledgor's account at the Securities Intermediary or otherwise) all proceeds received by it with respect to the Account Collateral. The Securities Intermediary shall credit to the Account all proceeds received by it with respect to the Account Collateral, except as otherwise provided herein.

4. Advances by Securities Intermediary. Until the Securities Intermediary receives a Notice of Exclusive Control as provided herein and after the Securities Intermediary receives a Rescission Notice from the Secured Party Representative, the Securities Intermediary is authorized to act upon the Pledgor's Written Instructions to the Securities Intermediary to settle transactions involving the Account. For the avoidance of doubt, the Securities Intermediary shall be under no obligation to make any advance of funds under any provision of this Agreement.

5. Statements. The Securities Intermediary shall furnish the Pledgor, the Secured Party and any Additional Secured Party with monthly Account statements.

6. Notice of Adverse Claims. Upon receipt of written notice of any lien, encumbrance or adverse claim against the Account or any portion of the Account Collateral carried therein, the Securities Intermediary shall use reasonable efforts to notify the Secured Party, the Pledgor and any Additional Secured Party as promptly as practicable under the circumstances.

ARTICLE IV
GENERAL TERMS AND CONDITIONS

1. Standard of Care; Indemnification. (a) Except as otherwise expressly provided herein, the Securities Intermediary shall not be liable for any costs, expenses, damages, liabilities or claims, including attorneys' fees ("**Losses**") incurred by or asserted against the Pledgor, the Secured Party or any Additional Secured Party, except those Losses arising out of the gross negligence or willful misconduct of the Securities Intermediary. The Securities Intermediary shall have no liability whatsoever for the action or inaction of any Depository. In no event shall the Securities Intermediary be responsible or liable for special, indirect, punitive or consequential damages or lost profits or loss of business, arising in connection with this Agreement, even if the Securities Intermediary has been advised of the possibility of such damages and regardless of the form of action.

(b) The Secured Party, the Pledgor and any Additional Secured Party agree, jointly and severally, to indemnify the Securities Intermediary and hold the Securities Intermediary harmless from and against any and all Losses sustained or incurred by or asserted against the Securities Intermediary by reason of or as a result of the appointment of the Securities Intermediary hereunder or any action or inaction, or arising out of the Securities Intermediary's performance hereunder, including reasonable fees and expenses of counsel incurred by the Securities Intermediary in a successful defense of claims by the Pledgor, the Secured Party or any Additional Secured Party; *provided*, that the Pledgor, the Secured Party and any Additional Secured Party shall not indemnify the Securities Intermediary for those Losses arising out of the Securities Intermediary's gross negligence or willful misconduct; *provided further*, that any indemnity payable by the Secured Party or any Additional Secured Party hereunder shall be

payable solely from the amounts held by the Secured Party or any Additional Secured Party and in no case shall Deutsche Bank AG New York Branch, in its individual capacity, or any other collateral agent or trustee, in each of its individual capacity, be required to satisfy any indemnity obligation hereunder in its individual capacity or from its own assets. This indemnity shall be a continuing obligation of the Pledgor, the Secured Party and any Additional Secured Party, their respective successors and assigns, notwithstanding the termination of this Agreement.

(c) The Securities Intermediary shall have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for any of the parties to this Agreement. The Securities Intermediary shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the other parties hereto, in connection herewith. No additional obligations of the Securities Intermediary shall be inferred from the terms of this Agreement or any other agreement.

(d) The Securities Intermediary shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees, and shall not be responsible for the misconduct or negligence of such agents, attorneys, custodians and nominees appointed by it with due care.

(e) Any banking association or corporation into which the Securities Intermediary may be merged, converted or with which the Securities Intermediary may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Securities Intermediary shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Securities Intermediary shall be transferred, shall succeed to all the Securities Intermediary's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

2. No Obligation Regarding Quality of Account Collateral. Without limiting the generality of the foregoing, the Securities Intermediary shall be under no obligation to inquire into, and shall not be liable for, any Losses incurred by the Pledgor, the Secured Party, any Additional Secured Party or any other person as a result of the receipt or acceptance of fraudulent, forged or invalid Account Collateral, or Account Collateral which otherwise is not freely transferable or deliverable without encumbrance in any relevant market.

3. No Responsibility Concerning Secured Debt Documents. The Pledgor, the Secured Party and any Additional Secured Party hereby agree that, notwithstanding references to the Secured Debt Documents in this Agreement, the Securities Intermediary, in its capacity as such, has no interest in, and no duty, responsibility or obligation with respect to, the Secured Debt Documents (including without limitation, no duty, responsibility or obligation to monitor the Pledgor's, the Secured Party's or any Additional Secured Party's compliance with the Secured Debt Documents or to know the terms of the Secured Debt Documents).

4. No Duty of Oversight. The Securities Intermediary is not at any time under any duty to monitor the value of any Account Collateral in the Account or whether the Account Collateral is of a type required to be held in the Account, or to supervise the investment of, or to advise or make any recommendation for the purchase, sale, retention or disposition of any Account Collateral.

5. Advice of Counsel. The Securities Intermediary may obtain the advice of counsel and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such advice.

6. No Collection Obligations. The Securities Intermediary shall be under no obligation to take action to collect any amount payable on Account Collateral in default, or if payment is refused after due demand and presentment.

7. Fees and Expenses. The Pledgor agrees to pay to the Securities Intermediary the reasonable and customary fees as may be agreed upon from time to time. The Pledgor shall reimburse the Securities Intermediary for all reasonable and customary costs associated with transfers of Account Collateral to the Securities Intermediary and records kept in connection with this Agreement. The Pledgor shall also reimburse the Securities Intermediary for out-of-pocket reasonable and customary expenses, including reasonable fees and expenses of counsel, which are a normal incident of the services provided hereunder.

8. Effectiveness of Instructions; Reliance; Risk Acknowledgements; Additional Terms. (a) The Securities Intermediary shall be entitled to rely upon any Written Instructions actually received by the Securities Intermediary from the Pledgor or the Secured Party Representative and reasonably believed by the Securities Intermediary to be duly authorized and delivered.

(b) If the Securities Intermediary receives Written Instructions which appear on their face to have been transmitted via (i) computer facsimile, email, the Internet or other insecure electronic method, or (ii) secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, the Secured Party Representative and the Pledgor each understands and agrees that the Securities Intermediary cannot determine the identity of the actual sender of such Written Instructions and that the Securities Intermediary shall conclusively presume that such Written Instructions have been sent by an Authorized Person. The Secured Party Representative and the Pledgor shall be responsible for ensuring that only its Authorized Persons transmit such Written Instructions to the Securities Intermediary and that all of its Authorized Persons treat applicable user and authorization codes, passwords and/or authentication keys with extreme care.

(c) The Secured Party Representative and the Pledgor each acknowledges and agrees that it is fully informed of the protections and risks associated with the various methods of transmitting Written Instructions to the Securities Intermediary and that there may be more secure methods of transmitting Written Instructions than the method(s) selected by it. The Secured Party Representative and the Pledgor each agrees that the security procedures (if any) to be followed in connection with its transmission of Written Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

(d) If the Secured Party Representative or the Pledgor elects (with the Securities Intermediary's prior consent) to transmit Written Instructions through an on-line communications service owned or operated by a third party, it agrees that the Securities Intermediary shall not be responsible or liable for the reliability or availability of any such service.

9. Inspection. Upon reasonable request and provided the Securities Intermediary shall suffer no significant disruption of its normal activities, the Secured Party, the Pledgor or any Additional Secured Party shall have access to the Securities Intermediary's books and records relating to the Account during the Securities Intermediary's normal business hours. Upon reasonable request, copies of any such books and records shall be provided to the Secured Party, the Pledgor or any Additional Secured Party at its expense.

10. Account Disclosure. The Securities Intermediary is authorized to supply any information regarding the Account which is required by any law or governmental regulation now or hereafter in effect.

11. Force Majeure. The Securities Intermediary shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority; governmental actions; inability to obtain labor, material, equipment or transportation.

12. No Implied Duties. The Securities Intermediary shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement, and no covenant or obligation shall be implied against the Securities Intermediary in connection with this Agreement.

ARTICLE V
MISCELLANEOUS

1. Termination. This Agreement shall terminate (a) upon the Securities Intermediary's receipt of Written Instructions from the Secured Party Representative expressly stating that the Secured Party Representative no longer claims any security interest in the Account Collateral and the Securities Intermediary's subsequent transfer of the Account Collateral from the Account pursuant to the Pledgor's Written Instructions, (b) upon transfer of the Account Collateral to the Secured Party Representative subsequent to the Securities Intermediary's receipt of a Notice of Exclusive Control that has not been rescinded at the time of such transfer, or (c) upon delivery by the Securities Intermediary or, with the consent of the Pledgor, the Secured Party Representative of not less than five (5) business days' prior written notice of termination to the other parties. Except as otherwise provided herein, all obligations of the parties to each other hereunder shall cease upon termination of this Agreement.

2. Certificates of Authorized Persons. The Secured Party Representative and the Pledgor agree to furnish to the Securities Intermediary a new Certificate of Authorized Persons in the event of any change in the then present Authorized Persons. Until such new Certificate of Authorized Persons is received, the Securities Intermediary shall be fully protected in acting upon the Written Instructions of such present Authorized Persons.

3. Notices. (a) Any notice or other instrument in writing, authorized or required by this Agreement to be given to the Securities Intermediary, shall be sufficiently given if addressed to the Securities Intermediary and received by it at its offices at the following address or at such other place as the Securities Intermediary may from time to time designate in writing:

Deutsche Bank Trust Company Americas
Trust & Agency Services
60 Wall Street, 27th Floor
MS NYC60-2710
New York, New York 10005
Telephone: (212) 250-7637
Facsimile: (732) 578-4593
Attn: Luigi Sacramone

(b) Any notice or other instrument in writing, authorized or required by this Agreement to be given to the Secured Party shall be sufficiently given if addressed to the Secured Party and received by it at its offices at the following address or at such other place as the Secured Party may from time to time designate in writing:

Deutsche Bank AG New York Branch
60 Wall Street
New York, New York 10005
Attention: Mike Stanchina
Facsimile: (646) 867-1799
Email: mike.stanchina@db.com

(c) Any notice or other instrument in writing, authorized or required by this Agreement to be given to the Pledgor shall be sufficiently given if addressed to the Pledgor and received by it at its offices at the following address, or at such other place as the Pledgor may from time to time designate in writing:

American Airlines, Inc.
4333 Amon Carter Boulevard
Mail Drop 5662
Fort Worth, Texas 76155
Reference: American Airlines LatAm SGR Credit Agreement
Attention: Treasurer
Telephone: (817) 963-1234
Facsimile: (817) 967-4318

4. Cumulative Rights; No Waiver. Each and every right granted to the Securities Intermediary hereunder or under any other document delivered hereunder or in connection herewith, or allowed it by law or equity, shall be cumulative and may be exercised from time to time. No failure on the part of the Securities Intermediary to exercise, and no delay in exercising, any right will operate as a waiver thereof, nor will any single or partial exercise by the Securities Intermediary of any right preclude any other future exercise thereof or the exercise of any other right.

5. Severability Amendments; Assignment. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected thereby. This Agreement may not be amended or modified in any manner except by a written agreement executed by the parties hereto. This Agreement shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns; *provided*, *however*, that this Agreement shall not be assignable by any party without the written consent of the other parties.

6. Governing Law; Jurisdiction; Waiver of Immunity; Jury Trial Waiver. This Agreement and the Account shall be governed by and construed in accordance with the substantive laws of the State of New York, without regard to conflicts of laws principles thereof. The State of New York shall be deemed to be the location of the Securities Intermediary and, notwithstanding any other agreement to the contrary between the Securities Intermediary and the Pledgor, the State of New York is the jurisdiction of the Securities Intermediary for purposes of Part 3 of Article 9 of the UCC and Part 1 of Article 8 of the UCC. The Secured Party, the Pledgor, any Additional Secured Party and the Securities Intermediary hereby consent to the jurisdiction of a state or federal court situated in New York City, New York in connection with any dispute arising hereunder. To the extent that in any jurisdiction the Secured Party, the Pledgor or any Additional Secured Party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, the Secured Party, the Pledgor and any Additional Secured Party each irrevocably agrees not to claim, and hereby waives, such immunity. The Secured Party, the Pledgor, any Additional Secured Party and the Securities Intermediary each hereby irrevocably waives any and all rights to trial by jury in any legal proceeding arising out of or relating to this Agreement.

7. No Third Party Beneficiaries. In performing hereunder, the Securities Intermediary is acting solely on behalf of the Secured Party, the Pledgor and any Additional Secured Party and no contractual or service relationship shall be deemed to be established hereby between the Securities Intermediary and any other person.

8. Headings. Section headings are included in this Agreement for convenience only and shall have no substantive effect on its interpretation.

9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

10. USA PATRIOT ACT. The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) requires all financial institutions to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the United States Securities

Intermediary such information as it may request, from time to time, in order for the United States Securities Intermediary to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

11. Solely Between the Pledgor, the Secured Party and any Additional Secured Party.

(a) Without limiting the provisions of Section 3 of Article IV and other similar provisions set forth herein, the Securities Intermediary, in its capacity as such, has no interest in, and no duty, responsibility or obligation with respect to, the following provisions of this Section 11 (including without limitation, no duty, responsibility or obligation to monitor the Pledgor's, the Secured Party's or any Additional Secured Party's compliance with the Secured Debt Documents or to know the terms of the Secured Debt Documents).

(b) Solely as between the Pledgor and the Secured Party Representative (and without limiting the Security Intermediary's agreements set forth elsewhere herein, including in Section 1 of Article III hereof):

i. The Secured Party Representative may not deliver a Notice of Exclusive Control unless an Event of Default (as defined in the Credit Agreement) has occurred and is continuing.

ii. Following the delivery of a Notice of Exclusive Control, the Secured Party Representative shall deliver a Rescission Notice if, at any time, (A) the event giving rise to such Notice of Exclusive Control is no longer continuing, and (B) at such time, no Event of Default (as defined in the Credit Agreement) has occurred and is continuing.

12. Further Assurances. With respect to the Account Collateral, the Pledgor will take, or cause to be taken, such commercially reasonable actions as are necessary to maintain, so long as the Security Agreement is in effect, the perfection of the security interests created by the Security Agreement in the Account Collateral, subject, in each case, to Permitted Liens, or will furnish the Secured Party or any Additional Secured Party timely notice of the necessity of such action, together with such instruments, in execution form, and such other information, as may be required to enable the Secured Party or any Additional Secured Party to take such action.

[REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the Secured Party, the Pledgor and the Securities Intermediary have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the day and year first above written.

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH, not in its individual capacity, but solely as Secured Party

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Securities Intermediary

By: DEUTSCHE BANK NATIONAL TRUST COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

CERTIFICATE OF AUTHORIZED PERSONS
(Customer - Written Instructions)

The undersigned hereby certifies that he/she is the [duly elected and acting] [ ] of [American Airlines, Inc., a Delaware corporation (the "**Corporation**")] [Deutsche Bank AG New York Branch, as collateral agent (the "**Secured Party Representative**")], and further certifies that the officers or employees of the [Corporation] [Secured Party Representative] named on Exhibit A hereto have been duly authorized in conformity with the [Corporation] [Secured Party Representative]'s Certificate of Incorporation, By-Laws or other organizational document to deliver Written Instructions to Deutsche Bank Trust Company Americas (the "**Securities Intermediary**") pursuant to the Collateral Account Control Agreement among the [Corporation] [American Airlines, Inc.], [ ] [Secured Party Representative], and the Securities Intermediary, dated as of June 27, 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Agreement**"), and that the signatures appearing opposite their names are true and correct.

This certificate supersedes any certificate of authorized individuals you may currently have on file.

Capitalized terms used herein but not defined shall have the meaning assigned to such terms in the Agreement.

[AMERICAN AIRLINES, INC.]

[DEUTSCHE BANK AG NEW YORK BRANCH , not in its individual capacity, but solely as Secured Party Representative]

_____
Title:
Date:

EXHIBIT A TO THE CERTIFICATE OF AUTHORIZED PERSONS

Name	Title	Signature
Name	Title	Signature
Name	Title	Signature
Name	Title	Signature
Name	Title	Signature
Name	Title	Signature
Name	Title	Signature
Name	Title	Signature
Name	Title	Signature

ANNEX A

[to be placed on Secured Party Representative's letterhead]

COLLATERAL ACCOUNT CONTROL AGREEMENT
NOTICE OF EXCLUSIVE CONTROL

_____, ____

Deutsche Bank Trust Company Americas
Trust & Agency Services
60 Wall Street, 27th Floor
MS NYC60-2710
New York, New York 10005
Phone: 212-250-7637
Fax: 732-578-4593
Attn: Luigi Sacramone

Re: Collateral Account Control Agreement dated as of June 27, 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Agreement**") by and among American Airlines Inc., Deutsche Bank AG New York Branch, as collateral agent, and Deutsche Bank Trust Company Americas, in respect of account number S87647.1.

Ladies and Gentlemen:

This constitutes a Notice of Exclusive Control as referred to in Article III of the Agreement, a copy of which is attached hereto. Capitalized terms used herein but not defined shall have the meaning assigned to such terms in the Agreement.

[DEUTSCHE BANK AG NEW YORK BRANCH],
not in its individual capacity, but solely as Secured Party Representative

By: _____
Signature

_____
Name

_____
Title:

EXHIBIT B

Joinder to the Collateral Account Control Agreement

JOINDER, dated as of [ ], by and among American Airlines, Inc. (the "**Pledgor**"), Deutsche Bank AG New York Branch, as collateral agent (in such capacity, and together with its successors and permitted assigns (including, without limitation, any Senior Priority Representative (as defined in the Intercreditor Agreement)), the "**Secured Party**"), Deutsche Bank Trust Company Americas (the "**Securities Intermediary**") and [ ] (the "**Additional Secured Party**"). Except as otherwise defined herein, terms used herein and defined in the Credit Agreement shall be used herein as therein defined.

WHEREAS, the Pledgor, the Securities Intermediary and the Secured Party are a party to that certain Collateral Account Control Agreement, dated as of June 27, 2013 (the "**Account Control Agreement**").

NOW, THEREFORE, in consideration of the mutual promises set forth hereafter, the parties hereto agree as follows.

1. The Additional Secured Party shall hereby become a party to the Collateral Account Control Agreement as an Additional Secured Party (as such term is used in the Account Control Agreement), with all the rights and responsibilities as provided therein.

2. Any notice or other instrument in writing, authorized or required by the Account Control Agreement to be given to the Additional Secured Party shall be sufficiently given if addressed to the Additional Secured Party and received by it at its offices at the following address or at such other place as the Additional Secured Party may from time to time designate in writing:

[ ]
[ ]
[ ]
Attention: [ ]
Telephone: [ ]
Facsimile: [ ]
Email: [ ]

[ADDITIONAL SECURED PARTY],
not in its individual capacity, but solely as an
Additional Secured Party

By: _____
Name:
Title:

Agreed and Accepted as of [ ]

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
not in its individual capacity, but solely as Secured Party

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Securities Intermediary

By: _____
Name:
Title:

AIRCRAFT SECURITY AGREEMENT

Dated as of [•], 20[•]

between

[NAME OF GRANTOR]

and

[NAME OF TRUSTEE],
not in its individual capacity, except as expressly stated herein, but solely
as Trustee

Table of Contents

AIRCRAFT SECURITY AGREEMENT

AIRCRAFT SECURITY AGREEMENT, dated as of [•], 20[•] (as amended, modified or supplemented from time to time, the "Aircraft Security Agreement"), between [NAME OF GRANTOR], a [Delaware corporation][1] (together with its permitted successors and assigns, the "Grantor") and [NAME OF TRUSTEE], as security trustee (together with its successors and permitted assigns, the "Trustee"), for its benefit and the benefit of the other Secured Parties. Except as otherwise defined herein, terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H:

WHEREAS, [the Grantor] [American Airlines, Inc. ("American")][2] and the Collateral Agent are parties to that certain Credit and Guaranty Agreement dated as of June 27, 2013 (the "Credit Agreement"), by and among [the Grantor] [American][3], AMR Corporation ("Parent"), as guarantor party thereto, the other guarantors from time to time party thereto, the lenders from time to time party thereto (collectively, the "Lenders"), the Collateral Agent, and the Administrative Agent;

WHEREAS, the Grantor has agreed to grant a continuing Lien on the Aircraft Collateral (as defined below) to the Trustee for the benefit of the Secured Parties to secure the Obligations; and

WHEREAS, the Collateral Agent and one or more Additional Agents may in the future enter into one or more Intercreditor Agreements and/or Other Intercreditor Agreements;

GRANTING CLAUSE

NOW, THEREFORE, to secure all of the Obligations, and in consideration of the premises, the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby pledges, grants and creates a security interest and mortgage in favor of the Trustee for the benefit of the Collateral Agent and for the benefit of the other Secured Parties in all estate, right, title and interest of the Grantor in, to and under, all and singular, the

[1] Revise bracketed phrase as necessary for the applicable Grantor.

[2] Use second alternative if American is not the Grantor

[3] Use second alternative if American is not the Grantor

following described properties, rights, interests and privileges, whether now owned or hereafter acquired and whether real or personal and whether tangible or intangible (the "Aircraft Collateral"):

(1) each Aircraft, including the Airframe and the Engines relating thereto, whether or not any such Engine may from time to time be installed on the related Airframe, any other Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided herein, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, each such Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than any substitutions, replacements, additions, improvements, accessions and accumulations that constitute items excluded from the definition of Parts by clauses (b), (c) and (d) thereof) relating thereto (each such Airframe and Engines as more particularly described in the applicable Aircraft Security Agreement Supplement executed and delivered with respect to the applicable Aircraft on the applicable Aircraft Closing Date for such Aircraft or with respect to any substitutions or replacements therefor), and together with all flight records, logs, manuals, maintenance data and inspection, modification and overhaul records at any time required to be maintained with respect to such Aircraft in accordance with the rules and regulations of the FAA if such Aircraft is registered under the laws of the United States or the rules and regulations of the government of the country of registry if such Aircraft is registered under the laws of a jurisdiction other than the United States;

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

(3) all rents, revenues and other proceeds collected by the Trustee pursuant to Section 4.01(a), all moneys and securities from time to time paid or deposited or required to be paid or deposited to or with the Trustee by or for the account of the Grantor pursuant to any term of this Aircraft Security Agreement and held or required to be held by the Trustee hereunder; and

(4) all proceeds of the foregoing;

PROVIDED, HOWEVER, that notwithstanding any of the foregoing provisions, so long as no Event of Default shall have occurred and be continuing, the Grantor shall have the right, to the exclusion of the Trustee, (i) to quiet enjoyment of each Aircraft, Airframe, Part and Engine, and to possess, use, retain and control each Aircraft, Airframe, Part and Engine and all revenues, income and profits derived therefrom and (ii) with respect to any Warranty Rights relating to any Aircraft, to exercise in the Grantor's name all rights and powers of the Grantor with respect to such Warranty Rights

and to retain any recovery or benefit resulting from the enforcement of any warranty or indemnity or other obligation under such Warranty Rights; provided, further, that notwithstanding the occurrence and continuation of an Event of Default, the Trustee shall not enter into any amendment or modification of any aircraft purchase or other agreement relating to the Warranty Rights that would alter the rights, benefits or obligations of the Grantor thereunder;

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Trustee, and its successors and permitted assigns, in trust for its benefit and the benefit of the other Secured Parties, except as otherwise provided in this Aircraft Security Agreement, and for the uses and purposes and in all cases and as to all property specified in paragraphs (1) through (4) inclusive above, subject to the terms and provisions set forth in this Aircraft Security Agreement.

It is expressly agreed that notwithstanding anything herein to the contrary, the Grantor shall remain liable under each aircraft purchase or other agreement in respect of any Warranty Rights to perform all of its obligations thereunder, and, except to the extent expressly provided in this Aircraft Security Agreement, the Trustee shall not be required or obligated in any manner to perform or fulfill any obligations of the Grantor under or pursuant to this Aircraft Security Agreement, or to have any obligation or liability under any aircraft purchase or other agreement in respect of any Warranty Rights by reason of or arising out of the assignment hereunder, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim or take any action to collect or enforce the payment of any amount that may have been assigned to it or to which it may be entitled at any time or times.

Notwithstanding anything herein to the contrary (but without in any way releasing the Grantor from any of its duties or obligations under any aircraft purchase or other agreement in respect of Warranty Rights), the Trustee confirms for the benefit of each manufacturer of any Aircraft that in exercising any rights under the Warranty Rights relating to such Aircraft, or in making any claim with respect to any such Aircraft or other goods and services delivered or to be delivered pursuant to the related aircraft purchase or other agreement for such Aircraft, the terms and conditions of such aircraft purchase or other agreement relating to such Warranty Rights, including, without limitation, any warranty disclaimer provisions for the benefit of such manufacturer, shall apply to and be binding upon the Trustee to the same extent as the Grantor. Subject to any Intercreditor Agreement and any Other Intercreditor Agreement, the Grantor hereby directs each manufacturer of any Aircraft, so long as an Event of Default shall have occurred and be continuing, to pay all amounts, if any, payable to the Grantor pursuant to the Warranty Rights relating to such Aircraft directly to the Trustee to be held and applied as provided herein. Nothing contained herein shall subject any manufacturer of any Aircraft to any liability to which it would not otherwise be subject under any aircraft purchase or other agreement relating thereto or modify in any respect the contract rights of such manufacturer thereunder.

Notwithstanding anything herein to the contrary, it is the understanding of the parties hereto that the Liens granted pursuant to this Aircraft Security Agreement shall, prior to the Discharge of Additional Obligations that are Senior Priority Obligations, be pari passu and equal in priority to the Liens granted to any Additional Agent for the benefit of the holders of the applicable Additional Obligations that are Senior Priority Obligations to secure such Additional Obligations that are Senior Priority Obligations pursuant to the applicable Additional Collateral Documents (except as may be separately otherwise agreed between the Trustee, on behalf of itself and the Secured Parties, and any Additional Agent, on behalf of itself and the Additional Credit Facility Secured Parties represented thereby). The Trustee acknowledges and agrees that the relative priority of the Liens granted to the Trustee, the Collateral Agent, the Administrative Agent and any Additional Agent shall be determined solely (as between the parties to such Intercreditor Agreement or Other Intercreditor Agreement and except as otherwise provided therein) pursuant to the applicable Intercreditor Agreements and Other Intercreditor Agreements, and not by priority as a matter of law or otherwise. Notwithstanding anything herein to the contrary, the Liens granted to the Trustee pursuant to this Aircraft Security Agreement and the exercise of any right or remedy by the Trustee hereunder are subject to the provisions of the applicable Intercreditor Agreements and Other Intercreditor Agreements. In the event of any conflict between the terms of any Intercreditor Agreement or any Other Intercreditor Agreement and this Aircraft Security Agreement, the terms of such Intercreditor Agreement or Other Intercreditor Agreement, as applicable, shall govern and control as among (i) the Trustee, the Collateral Agent and any Additional Agent, in the case of the Intercreditor Agreement, and (ii) the Trustee, the Collateral Agent and any other secured creditor (or agent therefor) party thereto, in the case of any Other Intercreditor Agreement. In the event of any such conflict, the Grantor may act (or omit to act) in accordance with such Intercreditor Agreement or such Other Intercreditor Agreement, as applicable, and shall not be in breach, violation or default of its obligations hereunder by reason of doing so. Notwithstanding any other provision hereof, for so long as any Additional Obligations that are Senior Priority Obligations remain outstanding, any obligation hereunder to deliver, transfer or assign to the Collateral Agent any Collateral shall be satisfied by causing such Collateral to be delivered, transferred or assigned to the applicable Senior Priority Representative to be held in accordance with the Intercreditor Agreement.

Subject to the terms and conditions hereof, the Grantor does hereby irrevocably constitute the Trustee, on behalf of the Collateral Agent and the other Secured Parties, the true and lawful attorney of the Grantor (which appointment is coupled with an interest) with full power (in the name of the Grantor or otherwise) to ask for, require, demand and receive any and all monies and claims for monies (in each case including insurance and requisition proceeds) due and to become due to the Grantor under or arising out of any

aircraft purchase or other agreement (to the extent assigned hereby as part of the Warranty Rights), and all other property which now or hereafter constitutes part of the Aircraft Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or to institute any proceedings which the Trustee may deem to be necessary or advisable in the premises; provided that the Trustee shall not exercise any such rights except (i) as permitted by each applicable Intercreditor Agreement and Other Intercreditor Agreement and (ii) during the continuance of an Event of Default.

The Grantor does hereby warrant and represent that it has not sold, assigned or pledged, and hereby covenants and agrees that it will not sell, assign or pledge, so long as this Aircraft Security Agreement shall remain in effect and the Lien hereof shall not have been released pursuant to the provisions hereof, any of its estate, right, title or interest hereby assigned, to any Person other than the Trustee, except as otherwise provided in or permitted by the Credit Agreement, any Intercreditor Agreement and any Other Intercreditor Agreement.

The Grantor agrees that at any time and from time to time, upon the written request of the Trustee, the Grantor shall promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents as the Trustee may reasonably deem necessary to perfect, preserve or protect the mortgage, security interests and assignments created or intended to be created hereby or to obtain for the Trustee the full benefit of the assignment hereunder and of the rights and powers herein granted; provided that any instrument or other document so executed by the Grantor will not expand any obligations or limit any rights of the Grantor in respect of the transactions contemplated by this Aircraft Security Agreement.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. For all purposes of this Aircraft Security Agreement, unless the context otherwise requires, capitalized terms used but not defined herein have the respective meanings set forth or incorporated by reference in **Annex A**.

Section 1.02. Other Definitional Provisions.

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

(b) References to Parts. All references in this Aircraft Security Agreement to designated "Articles", "Sections", "Subsections", "Schedules", "Exhibits", "Annexes" and other subdivisions are to the designated Article, Section, Subsection, Schedule, Exhibit, Annex or other subdivision of this Aircraft Security Agreement, unless otherwise specifically stated.

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

(d) Including Without Limitation. Unless the context otherwise, requires, whenever the words "including", "include" or "includes" are used herein, they shall be deemed to be followed by the phrase "without limitation".

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

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

(f) Rules of Interpretation in Credit Agreement. The parties to this Aircraft Security Agreement agree that the Rules of Interpretation set out in Section 1.02 of the Credit Agreement shall apply to this Aircraft Security Agreement *mutatis mutandis* as if set out in this Aircraft Security Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES, ETC.

Section 2.01. Representations and Warranties of the Grantor. As of the date hereof, with respect to each Aircraft subjected to the Lien of this Aircraft Security Agreement on such date, the Grantor represents and warrants that:

(a) Organization; Authority; Qualification. The Grantor is a [corporation] duly [incorporated] and validly existing in good standing under the laws of [the State of Delaware][4], is a Certificated Air Carrier, is a Citizen of the United States, has the corporate power and authority to own or hold under lease its properties and to enter into and perform its obligations under this Aircraft Security Agreement and the Aircraft Security Agreement Supplement describing such Aircraft and is duly qualified to do business as a foreign corporation in good

[4] Revise bracketed phrases in Section 2.01 as necessary for applicable Grantor.

standing in each other jurisdiction in which the failure to so qualify would have a material adverse effect on the consolidated financial condition of the Grantor and its subsidiaries, considered as a whole, and its jurisdiction of organization (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the state of [Delaware]) is [Delaware].

(b) [Corporate] Action and Authorization; No Violations. The execution, delivery and performance by the Grantor of this Aircraft Security Agreement and the Aircraft Security Agreement Supplement describing such Aircraft have been duly authorized by all necessary [corporate] action on the part of the Grantor, do not require any [stockholder] approval or approval or consent of any trustee or holder of any indebtedness or obligations of the Grantor, except such as have been duly obtained and are in full force and effect, and do not contravene any law, governmental rule, regulation, judgment or order binding on the Grantor or the [certificate of incorporation or by-laws] of the Grantor or contravene or result in a breach of, or constitute a default under, or result in the creation of any Lien (other than as permitted under this Aircraft Security Agreement, the Credit Agreement, any Intercreditor Agreement or Other Intercreditor Agreement) upon the property of the Grantor under, any material indenture, mortgage, contract or other agreement to which the Grantor is a party or by which it or any of its properties may be bound or affected.

(c) Governmental Approvals. Neither the execution and delivery by the Grantor of this Aircraft Security Agreement or the Aircraft Security Agreement Supplement describing such Aircraft, nor the consummation by the Grantor of any of the transactions contemplated hereby or thereby, requires the authorization, consent or approval of, the giving of notice to, the filing or registration with or the taking of any other action in respect of, the Department of Transportation, the FAA or any other federal or state governmental authority or agency, or the International Registry, except for (i) the orders, permits, waivers, exemptions, authorizations and approvals of the regulatory authorities having jurisdiction over the Grantor's ownership or use of such Aircraft required to be obtained on or prior to such date, which orders, permits, waivers, exemptions, authorizations and approvals have been duly obtained and are, or on such date will be, in full force and effect, (ii) the filings referred to in Section 2.01(e), (iii) authorizations, consents, approvals, notices and filings required to be obtained, taken, given or made under securities or Blue Sky or similar laws of the various states and foreign jurisdictions, and (iv) consents, approvals, notices, registrations and other actions required to be obtained, given, made or taken only after such date.

(d) Valid and Binding Agreements. This Aircraft Security Agreement and the Aircraft Security Agreement Supplement describing such Aircraft have been duly executed and delivered by the Grantor and constitute the legal, valid and binding obligations of the Grantor enforceable against the Grantor in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity and except as limited by applicable laws that may affect the remedies provided in this Aircraft Security Agreement, which laws, however, do not make the remedies provided in this Aircraft Security Agreement inadequate for the practical realization of the rights and benefits intended to be provided thereby.

(e) Filings and Recordation. Except for (i) the registration of the Aircraft in the name of the Grantor (and renewals of such registration at periodic intervals), (ii) the filing for recordation pursuant to the Transportation Code of this Aircraft Security Agreement (with the Aircraft Security Agreement Supplement describing such Aircraft attached), (iii) with respect to the security interests created by this Aircraft Security Agreement, together with the Aircraft Security Agreement Supplement describing such Aircraft, the filing of financing statements (and continuation statements at periodic intervals) under the Uniform Commercial Code of [the State of Delaware], and (iv) the registration on the International Registry of the International Interests (or Prospective International Interests) created under this Aircraft Security Agreement (as supplemented by the Aircraft Security Supplement describing such Aircraft), no further filing or recording of any document is necessary or advisable under the laws of the United States or any state thereof as of such date in order to establish and perfect the security interest in such Aircraft created under this Aircraft Security Agreement in favor of the Trustee as against the Grantor and any third parties in any applicable jurisdiction in the United States.

(f) Title. The Grantor has good title to such Aircraft, free and clear of Liens other than Permitted Liens. Such Aircraft has been duly certified by the FAA as to type and airworthiness in accordance with the terms of the Aircraft Security Agreement. This Aircraft Security Agreement (with the Aircraft Security Agreement Supplement describing such Aircraft attached) has been duly filed for recordation (or shall be in the process of being so duly filed for recordation) with the FAA pursuant to the Transportation Code. Such Aircraft is duly registered with the FAA in the name of the Grantor.

(g) Security Interest. Subject to any Intercreditor Agreement and any Other Intercreditor Agreement, this Aircraft Security Agreement creates in favor of the Trustee, for its benefit and the benefit of the other Secured Parties, a valid and perfected Lien on such Aircraft, subject to no Lien, except Permitted Liens. There are no Liens of record with the FAA on such Aircraft on the date hereof other than the Lien of this Aircraft Security Agreement and any Permitted Liens.

Other than (x) the International Interests (or Prospective International Interests) created under this Aircraft Security Agreement (as supplemented by the Aircraft Security Agreement Supplement describing such Aircraft), (y) any International Interests (or Prospective International Interests) that appear on the International Registry as having been discharged and (z) any Permitted Liens, no International Interests with respect to such Aircraft have been registered on the International Registry as of the date hereof.

ARTICLE III

CERTAIN PAYMENTS

Section 3.01. Payments After Event of Default.

(a) Any cash held by the Trustee as Aircraft Collateral and all cash proceeds received by the Trustee in respect of any sale of, collection from, or other realization upon all or any part of the Aircraft Collateral pursuant to the exercise by the Trustee of its remedies as a secured creditor as provided in Section 4.01 of this Aircraft Security Agreement shall, subject to any Intercreditor Agreement and any Other Intercreditor Agreement, be applied from time to time by the Trustee in accordance with the terms of the Credit Agreement.

(b) It is understood that, to the extent permitted by applicable law, the Grantor shall remain liable to the extent of any deficiency between the amount of the proceeds of the Aircraft Collateral and the aggregate amount of the outstanding Obligations.

ARTICLE IV

REMEDIES OF TRUSTEE

Section 4.01. Remedies.

(a) General. If an Event of Default shall have occurred and be continuing and so long as the same shall continue unremedied, then and in every such case the Trustee may do one or more of the following to the extent permitted by, and subject to compliance with the requirements of, (i) any Intercreditor Agreement and any Other Intercreditor Agreement and (ii) applicable law then in effect (provided that during any period any Airframe or any Engine is subject to the CRAF Program and is in possession of or being operated under the direction of the United States government or an agency or instrumentality of the United States, the Trustee shall not, on account of any Event of Default, be entitled to exercise or pursue any of the powers, rights or remedies described in this Section 4.01 in such manner as to limit the Grantor's control under this Aircraft Security Agreement (or any Permitted Lessee's control under any Lease) of such

Airframe, any Engines installed thereon or any such Engine, unless at least 60 days' (or such lesser period as may then be applicable under the CRAF Program of the United States government) prior written notice of default hereunder shall have been given by the Trustee by registered or certified mail to the Grantor (and any such Permitted Lessee) with a copy addressed to the Contracting Office Representative or other appropriate person for the Air Mobility Command of the United States Air Force under any contract with the Grantor or such Permitted Lessee relating to the applicable Aircraft):

(i) cause the Grantor, upon the written demand of the Trustee, at the Grantor's expense, to deliver promptly, and the Grantor shall deliver promptly, all or such part of any Airframe or any Engine as the Trustee may so demand to the Trustee or its order, or, if the Grantor shall have failed to so deliver any such Airframe or any such Engine after such demand, the Trustee, at its option, may enter upon the premises where all or any part of any such Airframe or any such Engine are located and take immediate possession of and remove the same together with any engine which is not an Engine but which is installed on such Airframe, subject to all of the rights of the owner, lessor, lienor or secured party of such engine; provided that any such Airframe with an engine (which is not an Engine) installed thereon may be flown or returned only to a location within the continental United States, and such engine shall be held at the expense of the Grantor for the account of any such owner, lessor, lienor, secured party or, if such engine is owned by the Grantor, may at the option of the Grantor with the consent of the Trustee (which will not be unreasonably withheld) or at the option of the Trustee with the consent of the Grantor (which will not be unreasonably withheld), be exchanged with the Grantor for an Engine in accordance with the provisions of Section 6.04(b);

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

(iii) exercise any other remedy of a secured party under the Uniform Commercial Code of the State of New York (whether or not in effect in the jurisdiction in which enforcement is sought);

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

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

Upon every such taking of possession of any of the Aircraft Collateral under this Section 4.01, the Trustee may, from time to time, at the expense of the Aircraft Collateral, make all such expenditures for maintenance, insurance, repairs, alterations, additions and improvements to and of the Aircraft Collateral as it deems necessary to cause the Aircraft Collateral to be in such condition as required by the provisions of this Aircraft Security Agreement. In each such case, subject to any Intercreditor Agreement and any Other Intercreditor Agreement, the Trustee may maintain, use, operate, store, insure, lease, control, manage or dispose of the Aircraft Collateral and may exercise all rights and powers of the Grantor relating to the Aircraft Collateral as the Trustee reasonably deems best, including the right to enter into any and all such agreements with respect to the maintenance, use, operation, storage, insurance, leasing, control, management or disposition of the Aircraft Collateral or any part thereof as the Trustee may reasonably determine; and the Trustee shall be entitled to collect and receive directly all tolls, rents, revenues, issues, income, products and profits of the Aircraft Collateral and every part thereof, without prejudice, however, to the rights of the Trustee under any provision of this Aircraft Security Agreement to collect and receive all cash held by, or required to be deposited with, the Trustee hereunder. Subject to any Intercreditor Agreement and any Other Intercreditor Agreement, such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of the use, operation, storage, insurance, leasing, control, management or disposition of the Aircraft Collateral, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments that the Trustee is required or elects to make, if any, for Taxes, insurance or other proper charges assessed against or otherwise imposed upon the Aircraft Collateral or any part thereof, and all other payments which the Trustee is required or expressly authorized to make under any provision of this Aircraft Security Agreement, as well as just and reasonable compensation for the services of the Trustee, and shall otherwise be distributed as set forth in the Credit Agreement.

Subject to any Intercreditor Agreement and any Other Intercreditor Agreement, if an Event of Default shall have occurred and be continuing and the Trustee shall be entitled to exercise rights hereunder, at the request of the Trustee, the Grantor shall promptly execute and deliver to the Trustee such instruments of title and other documents as the Trustee reasonably deems necessary or advisable to enable the Trustee or a sub-agent or representative designated by the Trustee, at such time or times and place or places as the Trustee may specify, to obtain possession of all or any part of the Aircraft Collateral to which the Trustee shall at the time be entitled hereunder. If the Grantor shall for any reason fail to execute and deliver such instruments and documents after such request by the Trustee, subject to any Intercreditor Agreement and any Other Intercreditor Agreement, the Trustee may seek a judgment conferring on the Trustee the right to immediate possession and requiring the Grantor to execute and deliver such instruments and documents to the Trustee, to the entry of which judgment the Grantor hereby specifically consents to the fullest extent it may lawfully do so. All actual and reasonable expenses of obtaining such judgment or of pursuing, searching for and taking such property shall, until paid, be secured by the Lien of this Aircraft Security Agreement.

(b) Notice of Sale; Bids; Etc. The Trustee shall give the Grantor at least 30 days' prior written notice of any public sale or of the date on or after which any private sale will be held, which notice the Grantor hereby agrees to the extent permitted by applicable law is reasonable notice. The Trustee or any other Secured Party shall be entitled to bid for and become the purchaser of any Aircraft Collateral offered for sale pursuant to this Section 4.01 and to credit against the purchase price bid at such sale by such Secured Parties all or any part of the Obligations owed to such Person. The Trustee may exercise such right without possession or production of the instruments evidencing Obligations or proof of ownership thereof, and as a representative of the Secured Parties may exercise such right without notice to the Secured Parties as party to any suit or proceeding relating to the foreclosure of any Aircraft Collateral. The Grantor shall also be entitled to bid for and become the purchaser of any Aircraft Collateral offered for sale pursuant to this Section 4.01.

(c) Power of Attorney, Etc. To the extent permitted by applicable law and subject to any Intercreditor Agreement and any Other Intercreditor Agreement, the Grantor irrevocably appoints, while an Event of Default has occurred and is continuing, the Trustee, on behalf of the Collateral Agent and the other Secured Parties, the true and lawful attorney-in-fact of the Grantor (which appointment is coupled with an interest) in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of the Lien of this Aircraft Security Agreement, whether pursuant to foreclosure or power of sale, or otherwise, to execute and deliver all such bills of sale, assignments and other instruments as may be necessary or appropriate, with full power of substitution, the Grantor hereby ratifying and confirming all that such attorney or any substitute shall do by virtue hereof in accordance with applicable law;

provided that if so requested by the Trustee or any purchaser, the Grantor shall ratify and confirm any such sale, assignment, transfer or delivery, by executing and delivering to the Trustee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may reasonably be designated in any such request.

Section 4.02. Remedies Cumulative. To the extent permitted under applicable law, each and every right, power and remedy specifically given to the Trustee herein or otherwise in this Aircraft Security Agreement shall be cumulative and shall be in addition to every other right, power and remedy specifically given herein or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically given herein or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall, to the extent permitted by applicable law, impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Grantor or to be an acquiescence therein.

Section 4.03. Discontinuance of Proceedings. In case the Trustee shall have instituted any proceedings to enforce any right, power or remedy under this Aircraft Security Agreement by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Grantor and the Trustee shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Aircraft Collateral, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been undertaken (but otherwise without prejudice).

ARTICLE V

THE TRUSTEE

Section 5.01. Trustee May Perform. If the Grantor fails to perform any agreement contained herein within a reasonable time after receipt of a written request to do so from the Trustee, upon two Business Days' prior written notice the Trustee may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Trustee, including, without limitation, the reasonable fees and out-of-pocket expenses of its counsel, incurred in connection therewith, shall be payable by the Grantor in accordance with Section 10.04 of the Credit Agreement and shall constitute Obligations.

Section 5.02. The Trustee. It is expressly understood and agreed by the parties hereto, and each Secured Party, by accepting the benefits of this Aircraft Security Agreement, acknowledges and agrees, that the obligations of the Trustee as holder of the Aircraft Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Aircraft Security Agreement, are only those expressly set forth in this Aircraft Security Agreement and the Credit Agreement.

ARTICLE VI

OPERATING COVENANTS OF THE GRANTOR

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

Section 6.01. Possession, Operation and Use, Maintenance and Registration.

(a) Possession. The Grantor shall not, without the prior written consent of the Trustee, lease or otherwise in any manner deliver, transfer or relinquish possession of such Aircraft, such Airframe or any such Engine or install any such Engine, or permit any such Engine to be installed, on any airframe other than another Airframe; provided that, so long as the Grantor shall comply with the provisions of Section 6.05 with respect to such Aircraft, such Airframe or such Engine, the Grantor may, without the prior written consent of the Trustee:

(i) subject such Airframe to interchange agreements or subject any such Engine to interchange or pooling agreements or arrangements, in each case customary in the airline industry and entered into by the Grantor in the ordinary course of its business; provided that (A) no such agreement or arrangement contemplates or requires the transfer of title to such Airframe and (B) if the Grantor's title to any such Engine shall be divested under any such agreement or arrangement, such divestiture shall be deemed to be an Event of Loss with respect to such Engine, and the Grantor shall comply with Section 6.04(b) in respect thereof;

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

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

(iv) subject such Airframe or any such Engine to the CRAF Program or transfer possession of such Airframe or any such Engine to the United States government in accordance with applicable laws, rulings, regulations or orders (including, without limitation, any transfer of possession pursuant to the CRAF Program); provided, that the Grantor (A) shall promptly notify the Trustee upon transferring possession of such Airframe or any such Engine pursuant to this clause (iv) and (B) in the case of a transfer of possession pursuant to the CRAF Program, shall notify the Trustee of the name and address of the responsible Contracting Office Representative for the Air Mobility Command of the United States Air Force or other appropriate Person to whom notices must be given and to whom requests or claims must be made to the extent applicable under the CRAF Program;

(v) install any such Engine on an airframe owned by the Grantor (or any Permitted Lessee) free and clear of all Liens, except (A) Permitted Liens and Liens that apply only to the engines (other than Engines), appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment (other than Parts) installed on such airframe (but not to such airframe as an entirety) and (B) the rights of third parties under interchange agreements or pooling or similar arrangements that would be permitted under clause (i) above;

(vi) install any such Engine on an airframe leased, purchased or owned by the Grantor (or any Permitted Lessee) subject to a lease, conditional sale and/or other security agreement; provided that (A) such airframe is free and clear of all Liens except (1) the rights of the parties to the lease or any conditional sale or security agreement covering such airframe, or their successors and assigns, and (2) Liens of the type permitted by clause (v) of this Section 6.01(a) and (B) either (1) the Grantor shall have obtained from the lessor, conditional vendor or secured party of such airframe a written agreement (which may be the lease, conditional sale or other security agreement covering such airframe), in form and substance satisfactory to the Trustee (it being understood that an agreement from such lessor, conditional vendor or secured party substantially in the form of the penultimate paragraph of this Section 6.01(a) shall be deemed to be satisfactory to the Trustee), whereby such lessor, conditional vendor or secured party expressly agrees that neither it nor its successors or assigns will acquire or claim any right, title or interest in any such Engine by reason of such Engine being installed on such airframe at any time while such Engine is subject to the Lien of this Aircraft Security Agreement or (2) such lease, conditional sale or other security agreement provides that any such Engine shall not become subject to the Lien of such lease, conditional sale or other security agreement at any time while such Engine is subject to the Lien of this Aircraft Security Agreement, notwithstanding the installation thereof on such airframe;

(vii) install any such Engine on an airframe owned by the Grantor (or any Permitted Lessee), leased to the Grantor (or any Permitted Lessee) or purchased by the Grantor (or any Permitted Lessee) subject to a conditional sale or other security agreement under circumstances where neither clause (v) nor clause (vi) of this Section 6.01(a) is applicable; provided that such installation shall be deemed an Event of Loss with respect to such Engine, and the Grantor shall comply with Section 6.04(b) in respect thereof, if such installation shall adversely affect the Trustee's security interest in any such Engine, the Trustee not intending hereby to waive any right or interest it may have to or in such Engine under applicable law until compliance by the Grantor with Section 6.04(b);

(viii) lease any such Engine or such Airframe and any such Engine to any United States air carrier as to which there is in force a certificate issued pursuant to the Transportation Code (49 U.S.C. §§41101-41112) or successor provision that gives like authority, or to any manufacturer of airframes or engines (or an Affiliate thereof acting under an unconditional guarantee of such manufacturer), so long as such manufacturer and, if applicable, such Affiliate is domiciled in the United States; provided that no Event of Default shall exist at the time any such lease is entered into; and

(ix) lease any such Engine or such Airframe and any such Engine to (A) any foreign air carrier other than those set forth in clause (B), (B) any foreign air carrier that is at the inception of the lease based in and a domiciliary of a country listed in **Exhibit B** hereto, (C) any foreign manufacturer of airframes or engines (or a foreign Affiliate of a United States or foreign manufacturer of airframes or engines acting under an unconditional guarantee of such manufacturer), so long as such foreign manufacturer or (if applicable) foreign Affiliate is domiciled in a country indicated with an asterisk on **Exhibit B** hereto, or (D) any foreign air carrier consented to in writing by the Trustee with the consent of the Collateral Agent; provided that (w) in the case of a lease to, or guarantee by, any entity pursuant to this Section 6.01(a)(ix), (1) other than a foreign carrier principally based in Taiwan, the United States maintains diplomatic relations with the country in which such entity is based and domiciled at the time such lease is entered into, (2) no Event of Default exists at the time such lease is entered into and (3) such entity is not then subject to any bankruptcy, insolvency, liquidation, reorganization, dissolution or similar proceeding and shall not have substantially all of its property in the possession of any liquidator, trustee, receiver or similar person, (x) in the case of a lease to a foreign air carrier under clause (A) above, the Trustee receives at the time of such lease an opinion of counsel to the Grantor (such counsel to be reasonably satisfactory to the Trustee) to the effect that there exist no possessory rights in favor of the lessee under the laws of such lessee's country which would, upon bankruptcy or insolvency of or other default by the Grantor and assuming at such time such

lessee is not insolvent or bankrupt, prevent the taking of possession of any such Engine or such Airframe and any such Engine by the Trustee in accordance with and when permitted by the terms of Section 4.01 upon the exercise by the Trustee of its remedies under Section 4.01, and (y) in the case of a lease to any foreign manufacturer or foreign Affiliate under clause (C) above, the re-registration conditions set forth in Section 6.01(e) shall be satisfied notwithstanding anything to the contrary in such clause (C);

provided that the rights of any lessee or other transferee who receives possession of such Aircraft, such Airframe or any such Engine by reason of a transfer permitted by this Section 6.01(a) (other than the transfer of any such Engine which is deemed an Event of Loss) shall be subject and subordinate to, and any permitted lease shall be made expressly subject and subordinate to, all the terms of this Aircraft Security Agreement, including the Trustee's rights to repossess pursuant to Section 4.01 and to avoid such lease upon such repossession, and the Grantor shall remain primarily liable hereunder for the performance and observance of all of the terms and conditions of this Aircraft Security Agreement to the same extent as if such lease or transfer had not occurred, any such lease shall include appropriate provisions for the maintenance and insurance of such Aircraft, Airframe or Engine, and no lease or transfer or possession otherwise in compliance with this Section shall (x) result in any registration or re-registration of such Aircraft except to the extent permitted in Section 6.01(e) or the maintenance, operation or use thereof that does not comply with Section 6.01(b) and Section 6.01(c) or (y) permit any action not permitted to be taken by the Grantor with respect to such Aircraft hereunder. The Grantor shall promptly notify the Trustee of the existence of any such lease with a term in excess of one year.

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

The Trustee acknowledges that any "wet lease" or other similar arrangement under which the Grantor maintains operational control of an Aircraft shall not constitute a delivery, transfer or relinquishment of possession for purposes of this Section 6.01(a).

(b) Operation and Use. The Grantor agrees that such Aircraft will not be maintained, used, serviced, repaired, overhauled or operated in violation of any law, rule or regulation of any government of any country having jurisdiction over such Aircraft or in violation of any airworthiness certificate, license or registration relating to such Aircraft issued by any such government, except to the extent the Grantor is contesting in good faith the validity or application of any such law, rule or regulation or airworthiness certificate, license or registration in any manner that does not involve any material risk of sale, forfeiture or loss of such Aircraft or impair the Lien of this Aircraft Security Agreement; and provided, that the Grantor shall not be in default under, or required to take any action set forth in, this sentence if it is not possible for it to comply with the laws of a jurisdiction other than the United States (or other than any jurisdiction in which such Aircraft is then registered) because of a conflict with the applicable laws of the United States (or such jurisdiction in which such Aircraft is then registered). The Grantor will not operate such Aircraft, or permit such Aircraft to be operated or located, (i) in any area excluded from coverage by any insurance required by Section 6.05 or (ii) in any war zone or recognized or, in the Grantor's judgment, threatened areas of hostilities unless covered by war risk insurance, to the extent war risk insurance is required pursuant to Section 6.05, unless in the case of either clause (i) or (ii), (x) governmental indemnification in the amount of any insurance that would otherwise be required pursuant to Section 6.05 has been provided or (y) such Aircraft is only temporarily located in such area as a result of an isolated occurrence or isolated series of occurrences attributable to a hijacking, medical emergency, equipment malfunction, weather conditions, navigational error or other similar unforeseen circumstances and the Grantor is using its good faith efforts to remove such Aircraft from such area as promptly as practicable.

(c) Maintenance. The Grantor shall maintain, service, repair and overhaul such Aircraft (or cause the same to be done) (i) so as to keep such Aircraft in as good operating condition as on the applicable Aircraft Closing Date for such Aircraft, ordinary wear and tear excepted, and in such condition as may be necessary to enable the airworthiness certification of such Aircraft to be maintained in good standing at all times (other than during temporary periods of storage, during maintenance or modification permitted hereunder, or during periods of grounding by applicable governmental authorities) under the Transportation Code, during such periods in which such Aircraft is registered under the laws of the United States, or, if such Aircraft is registered under the laws of any other jurisdiction, the applicable laws of such jurisdiction and (ii) using the same standards as the Grantor or, in the case of a lease permitted pursuant to Section

6.01(a), the applicable Permitted Lessee uses with respect to similar aircraft operated by the Grantor or such Permitted Lessee, as the case may be, in similar circumstances (in any case, without limitation of the Grantor's obligations under the preceding clause (i)). In any case such Aircraft will be maintained in accordance with a maintenance program for such model of Aircraft, approved by the FAA or, if such Aircraft is not registered in the United States, (i) the EASA or the JAA, (ii) the central aviation authority of Australia, Canada, Japan or New Zealand, or (iii) the central aviation authority of any country with aircraft maintenance standards that are substantially similar to those of the United States or any of the foregoing authorities or countries. The Grantor shall maintain or cause to be maintained all records, logs and other documents required to be maintained in respect of such Aircraft by appropriate authorities in the jurisdiction in which such Aircraft is registered.

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

(e) Registration. The Grantor shall cause such Aircraft to remain duly registered, under the laws of the United States, in the name of the Grantor except as otherwise required by the Transportation Code; provided that the Trustee shall, at the Grantor's expense, execute and deliver all such documents as the Grantor may reasonably request for the purpose of continuing such registration. Notwithstanding the preceding sentence, the Grantor, at its own expense, may cause or allow such Aircraft to be duly registered under the laws of any foreign jurisdiction in which a Permitted Lessee could be principally based, in the name of the Grantor or of any nominee of the Grantor, or, if required by applicable law, in the name of any other Person (and, following any such foreign registration, may cause such Aircraft to be re-registered under the laws of the United States); provided, that in the case of jurisdictions other than those approved by the Trustee, (i) if such jurisdiction is at the time of registration listed on **Exhibit B**, the Trustee shall have received at the time of such registration an opinion of counsel to the Grantor to the effect that (A) this Aircraft Security Agreement and the Trustee's right to repossession hereunder is valid and enforceable under the laws of such country, (B) after giving effect to such change in registration, the Lien of this Aircraft Security Agreement shall continue as a valid Lien and shall be duly perfected in the new jurisdiction of registration and that all filing, recording or other action necessary to perfect and protect the Lien of this Aircraft Security Agreement has been accomplished (or if such opinion cannot be given at such time, (x) the opinion shall detail what filing, recording or other

action is necessary and (y) the Trustee shall have received a certificate from a Responsible Officer that all possible preparations to accomplish such filing, recording and other action shall have been done, and such filing, recording and other action shall be accomplished and a supplemental opinion to that effect shall be promptly delivered to the Trustee subsequent to the effective date of such change in registration), (C) the obligations of the Grantor under this Aircraft Security Agreement shall remain valid, binding and (subject to customary bankruptcy and equitable remedies exceptions and to other exceptions customary in foreign opinions generally) enforceable under the laws of such jurisdiction (or the laws of the jurisdiction to which the laws of such jurisdiction would refer as the applicable governing law) and (D) all approvals or consents of any government in such jurisdiction having jurisdiction required for such change in registration shall have been duly obtained and shall be in full force and effect, and (ii) if such jurisdiction is at the time of registration not listed on **Exhibit B**, the Trustee shall have received (in addition to the opinions set forth in clause (i) above) at the time of such registration an opinion of counsel to the Grantor to the effect that (A) the terms of this Aircraft Security Agreement are legal, valid, binding and enforceable in such jurisdiction (subject to exceptions customary in such jurisdiction; provided, that, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and to general principles of equity, any applicable laws limiting the remedies provided in Section 4.01 do not in the opinion of such counsel make the remedies provided in Section 4.01 inadequate for the practical realization of the rights and benefits provided thereby), (B) that it is not necessary for the Trustee to register or qualify to do business in such jurisdiction, (C) that there is no tort liability of the lender of an aircraft not in possession thereof under the laws of such jurisdiction other than tort liability that might have been imposed on such lender under the laws of the United States or any state thereof (it being understood that such opinion shall be waived if insurance reasonably satisfactory to the Trustee is provided, at the Grantor's expense, to cover such risk) and (D) (unless the Grantor shall have agreed to provide insurance covering the risk of requisition of use or title of such Aircraft by the government of such jurisdiction so long as such Aircraft is registered under the laws of such jurisdiction) that the laws of such jurisdiction require fair compensation by the government of such jurisdiction payable in currency freely convertible into Dollars for the loss of use or title of such Aircraft in the event of requisition by such government of such use or title. The Trustee will cooperate with the Grantor in effecting such foreign registration. Notwithstanding the foregoing, prior to any such change in the country of registry of such Aircraft, the following conditions shall be met (or waived as provided in Section 8.15):

(i) no Event of Default shall have occurred and be continuing at the effective date of the change in registration; provided, that it shall not be necessary to comply with this condition if the change in registration results in the registration of such Aircraft under the laws of the United States or if the Trustee consents to such change in registration;

(ii) the Trustee shall have received evidence of compliance with Section 6.05 with respect to such Aircraft (which may be an Officer's Certificate to the effect that the Grantor has determined that the insurance maintained with respect to such Aircraft so complies); and

(iii) the Grantor shall have paid or made provision reasonably satisfactory to the Trustee for the payment of all reasonable expenses (including reasonable attorneys' fees) of the Trustee in connection with such change in registration.

The Grantor shall (i) take such actions as may be required to be taken by the Grantor so that any International Interest arising in relation to this Aircraft Security Agreement, such Aircraft, any Replacement Aircraft therefor, any such Engine or any Replacement Engine therefor may be duly registered (and any such registration may be assigned, amended, extended or discharged) at the International Registry, and (ii) obtain from the International Registry all approvals as may be required duly and timely to perform the Grantor's obligations under this Aircraft Security Agreement with respect to the registration of any such International Interest. The Trustee shall take all actions necessary with respect to the International Registry to consent to the Grantor's initiation of any registrations required under this Aircraft Security Agreement to enable the Grantor to complete such registrations, including, without limitation, registering on the International Registry as a "transacting user entity" (as defined in the Cape Town Treaty), if not already so registered, and appointing Daugherty, Fowler, Peregrin, Haught & Jenson, a Professional Corporation, as its "professional user entity" (as defined in the Cape Town Treaty) to consent to any registrations on the International Registry with respect to such Airframe or any such Engine.

Section 6.02. Inspection. At all reasonable times, but upon at least 15 Business Days' prior written notice to the Grantor, the Trustee or its authorized representative may, subject to the other conditions of this Section 6.02, inspect such Aircraft and may inspect the books and records of the Grantor required to be maintained by the FAA or the government of another jurisdiction in which such Aircraft is then registered relating to the maintenance of such Aircraft; provided that (i) the Trustee or its representative shall be fully insured at no cost to the Grantor in a manner satisfactory to the Grantor with respect to any risks incurred in connection with any such inspection or shall provide to the Grantor a written release satisfactory to the Grantor with respect to such risks, (ii) any such inspection shall be subject to the safety, security and workplace rules applicable at the location where such inspection is conducted and any applicable governmental rules or regulations, (iii) any such inspection of such Aircraft shall be a visual, walk-around inspection of the interior and exterior of such Aircraft and shall not include opening any panels, bays or the like without the Grantor's express consent, which consent the Grantor may in its sole discretion withhold, and (iv) no exercise of such inspection right shall interfere with the use, operation or maintenance of such Aircraft by, or the business of,

the Grantor and the Grantor shall not be required to undertake or incur any additional liabilities in connection therewith. All information obtained in connection with any such inspection of such Aircraft and of such books and records shall be held confidential by the Trustee and each agent or representative thereof and shall not be furnished or disclosed by any of them to anyone other than their respective bank examiners, auditors, accountants, agents and legal counsel, and except as may be required by an order of any court or administrative agency or by any statute, rule, regulation or order of any governmental authority. Any inspection pursuant to this Section 6.02 shall be at the sole risk (including, without limitation, any risk of personal injury or death) and expense of the Trustee (or its representative), as the case may be, making such inspection. Except during the continuance of an Event of Default, all inspections by the Trustee and its representatives provided for under this Section 6.02 shall be limited to one inspection of any kind contemplated by this Section 6.02 for all such Aircraft during any calendar year.

Section 6.03. Replacement and Pooling of Parts; Alterations, Modifications and Additions; Substitution of Engines.

(a) Replacement of Parts. The Grantor, at its own expense, shall promptly replace all Parts that may from time to time be incorporated or installed in or attached to such Airframe or any such Engine and that may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use for any reason whatsoever, except as otherwise provided in Section 6.03(c) or if such Airframe or any such Engine to which a Part relates has suffered an Event of Loss. In addition, the Grantor, at its own expense, may remove in the ordinary course of maintenance, service, repair, overhaul or testing, any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered permanently unfit for use; provided that the Grantor, except as otherwise provided in Section 6.03(c), at its own expense, will replace such Parts as promptly as practicable. All replacement Parts shall be free and clear of all Liens (except for Permitted Liens and except in the case of replacement property temporarily installed on an emergency basis) and shall have a value and utility at least equal to the Parts replaced, assuming such replaced Parts were in the condition and repair required to be maintained by the terms hereof. Except as otherwise provided in Section 6.03(c), all Parts at any time removed from such Airframe or any such Engine shall remain subject to the Lien of this Aircraft Security Agreement no matter where located until such time as such Parts shall be replaced by parts that have been incorporated or installed in or attached to such Airframe or such Engine and that meet the requirements for replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to such Airframe or any such Engine as above provided (except in the case of replacement property temporarily installed on an emergency basis), without further act, (i) the replaced Part shall thereupon be free and clear of the Lien of this Aircraft Security Agreement and of all rights and interests of the Trustee (and the other beneficiaries hereof) and shall no longer be deemed a Part hereunder and (ii) such replacement Part shall become subject to

the Lien of this Aircraft Security Agreement and be deemed a Part of such Airframe or such Engine for all purposes to the same extent as the Parts originally incorporated or installed in or attached to such Airframe or such Engine. Upon request of the Grantor from time to time, the Trustee shall execute and deliver to the Grantor an appropriate instrument confirming the release of any such replaced Part from the Lien of this Aircraft Security Agreement.

(b) Pooling of Parts. Any Part removed from such Airframe or any such Engine as provided in Section 6.03(a) may be subjected by the Grantor or a Person permitted to be in possession of such Aircraft to a pooling arrangement customary in the airline industry entered into in the ordinary course of the Grantor's or such Person's business; provided that the part replacing such removed Part shall be incorporated or installed in or attached to such Airframe or such Engine in accordance with Section 6.03(a) as promptly as practicable after the removal of such removed Part. In addition, any replacement Part when incorporated or installed in or attached to such Airframe or any such Engine may be owned by any third party subject to such a pooling arrangement; provided that the Grantor, at its expense, as promptly thereafter as practicable, either (i) causes title to such replacement Part to vest in the Grantor free and clear of all Liens (except Permitted Liens), or (ii) replaces such replacement Part by incorporating or installing in or attaching to such Airframe or such Engine a further replacement Part in the manner contemplated by Section 6.03(a).

(c) Alterations, Modifications and Additions. The Grantor will make (or cause to be made) such alterations and modifications in and additions to such Airframe and each such Engine as may be required from time to time to meet the applicable requirements of the FAA or any applicable government of any other jurisdiction in which such Aircraft may then be registered; provided that the Grantor may, in good faith, contest the validity or application of any such requirement in any manner that does not involve any material risk of sale, loss or forfeiture of such Aircraft and does not adversely affect the Trustee's interest in the Aircraft Collateral. In addition, the Grantor (or any Permitted Lessee), at its own expense, may from time to time add further parts or accessories and make or cause to be made such alterations and modifications in and additions to such Airframe or any such Engine as the Grantor may deem desirable in the proper conduct of its business, including, without limitation, removal (without replacement) of Parts, provided that no such alteration, modification or addition shall materially diminish the value or utility of such Airframe or such Engine below its value or utility, immediately prior to such alteration, modification or addition, assuming that such Airframe or such Engine was then in the condition required to be maintained by the terms of this Aircraft Security Agreement, except that the value (but not the utility) of such Airframe or such Engine may be reduced by the value of any such Parts that shall have been removed that the Grantor deems obsolete or no longer suitable or appropriate for use on such Airframe or such Engine. All Parts incorporated or installed in or attached or added to such Airframe or any such Engine as the result of such alteration,

modification or addition shall be free and clear of any Liens, other than Permitted Liens, and shall, without further act, be subject to the Lien of this Aircraft Security Agreement. Notwithstanding the foregoing, the Grantor (or any Permitted Lessee) may, at any time, remove any Part from such Airframe or any such Engine if such Part: (i) is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to such Airframe or such Engine at the time of delivery thereof to the Grantor or any Part in replacement of, or substitution for, any such Part, (ii) is not required to be incorporated or installed in or attached or added to such Airframe or such Engine pursuant to the first sentence of this Section 6.03(c) or Section 6.01(d) and (iii) can be removed from such Airframe or such Engine without materially diminishing the value or utility required to be maintained by the terms of this Aircraft Security Agreement that such Airframe or such Engine would have had had such Part never been installed on such Airframe or such Engine. Upon the removal by the Grantor of any Part as permitted by this Section 6.03(c), such removed Part shall, without further act, be free and clear of the Lien of this Aircraft Security Agreement and of all rights and interests of the Trustee (and the other beneficiaries hereof) and shall no longer be deemed a Part hereunder. Upon request of the Grantor from time to time, the Trustee shall execute and deliver to the Grantor an appropriate instrument confirming the release of any such removed Part from the Lien of this Aircraft Security Agreement.

(d) Substitution of Engines. The Grantor shall have the right at its option at any time, on at least 30 days' prior written notice to the Trustee, to substitute a Replacement Engine for any such Engine. In such event, and prior to the date of such substitution, the Grantor shall replace such Engine hereunder by complying with the terms of Section 6.04(b) to the same extent as if an Event of Loss had occurred with respect to such Engine.

Section 6.04. Loss, Destruction or Requisition.

(a) Event of Loss with Respect to Such Airframe. Upon the occurrence of an Event of Loss with respect to such Airframe or such Airframe and any such Engine then installed thereon, the Grantor shall as promptly as practicable (and, in any event, within 15 days after such occurrence) give the Trustee written notice of such Event of Loss, and, within 90 days after such Event of Loss, the Grantor may give the Trustee written notice (an "Election Notice") of its election to substitute, on or before the applicable Substitution Date (as defined below), as replacement for such Airframe and its related Engines (whether or not such Engines were affected by such Event of Loss), a Replacement Airframe and Replacement Engines, such Replacement Airframe and Replacement Engines to be owned by the Grantor free and clear of all Liens (other than Permitted Liens); provided that (i) the Appraised Value of the Replacement Aircraft (of which such Replacement Airframe and Replacement Engines are part) shall be greater than or equal to the Appraised Value of the Aircraft (of which such Airframe and its related Engines are part); and (ii) the Appraisal used to calculate the Appraised Value of

such Replacement Aircraft shall have been performed by the applicable appraiser no earlier than 45 days prior to the date of such Election Notice. If the Grantor shall not deliver such Election Notice within the time period for such Election Notice specified in the first sentence of this Section 6.04(a) or shall not perform its obligation to effect such substitution on or prior to such Substitution Date, then at such time such Event of Loss shall constitute a Disposition of Aircraft Collateral that is not a Permitted Disposition for purposes of Section 6.04 of the Credit Agreement.

The "Substitution Date," with respect to an Event of Loss, means the Business Day next succeeding the 120th day following the date of occurrence of such Event of Loss.

If the Grantor elects to substitute a Replacement Airframe (or a Replacement Airframe and one or more Replacement Engines, as the case may be) pursuant to this Section 6.04(a), the Grantor shall, at its sole expense, not later than the applicable Substitution Date, (A) cause an Aircraft Security Agreement Supplement for such Replacement Airframe and Replacement Engines, if any, to be delivered to the Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of such other jurisdiction in which the applicable Aircraft may then be registered, (B) cause the sale of such Replacement Airframe and Replacement Engines, if any, to the Grantor (if occurring after February 28, 2006 and if the seller of such Replacement Airframe and Replacement Engines, if any, is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to such Aircraft Security Agreement Supplement in favor of the Trustee with respect to such Replacement Airframe and Replacement Engines, if any, each to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Replacement Airframe and Replacement Engines, if any, is not situated in a country that has ratified the Cape Town Convention, the Grantor will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (C) cause a financing statement or statements with respect to such Replacement Airframe and Replacement Engines, if any, or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the Trustee's interest therein in the United States, or in any other jurisdiction in which the applicable Aircraft may then be registered, (D) furnish the Trustee with an opinion of the Grantor's counsel (which may be the Grantor's General Counsel or such other internal counsel of the Grantor as shall be reasonably satisfactory to the Trustee) addressed to the Trustee to the effect that upon such replacement, such Replacement Airframe and Replacement Engines, if any, will be subject to the Lien of this Aircraft Security Agreement and addressing the matters set forth in clauses (A), (B) and (C), (E) furnish the Trustee with evidence of compliance with Section 6.05 with respect to such Replacement Airframe and Replacement Engines, if any (which may be an Officer's Certificate to the effect that the Grantor has determined that the insurance maintained with respect to such Replacement Airframe and Replacement Engines, if any,

so complies); and (F) furnish the Trustee with a copy of the original bill(s) of sale or, if the bill(s) of sale are unavailable, other evidence of ownership reasonably satisfactory to the Trustee (which may be a copy of an invoice or purchase order) respecting such Replacement Airframe and Replacement Engines, if any.

In the case of each Replacement Airframe or Replacement Airframe and one or more Replacement Engines subjected to the Lien of this Aircraft Security Agreement under this Section 6.04(a), promptly upon the recordation of an Aircraft Security Agreement Supplement covering such Replacement Airframe and Replacement Engines, if any, pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Replacement Airframe and Replacement Engines, if any, are registered), the Grantor will cause to be delivered to the Trustee a favorable opinion of the Grantor's counsel (which may be the Grantor's General Counsel or such other internal counsel to the Grantor as shall be reasonably satisfactory to the Trustee) addressed to the Trustee as to the due registration of such Replacement Aircraft and the due recordation of such Aircraft Security Agreement Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Replacement Airframe and Replacement Engines, if any, to the Grantor (if occurring after February 28, 2006 and if the seller of such Replacement Airframe and Replacement Engines, if any, is "situated in" a country that has ratified the Cape Town Convention) and of the International Interests created pursuant to such Aircraft Security Agreement Supplement with respect to such Replacement Airframe and Replacement Engines, if any, and the validity and perfection of the security interest in the applicable Replacement Aircraft granted to the Trustee under this Aircraft Security Agreement.

For all purposes hereof, upon the attachment of the Lien of this Aircraft Security Agreement thereto, such Replacement Airframe and Replacement Engine, if any, shall become part of the Aircraft Collateral, such Replacement Airframe shall be deemed an "Airframe" as defined herein, and each such Replacement Engine shall be deemed an "Engine" as defined herein.

In the event that, after an Event of Loss, (x) the Grantor complies with Section 6.04 of the Credit Agreement (if such Event of Loss constitutes a Disposition of Aircraft Collateral that is not a Permitted Disposition as provided above) or, (y) if applicable, the Grantor performs the option set forth in the first sentence of this Section 6.04(a), upon compliance with clauses (A) through (F) of the second preceding paragraph, (i) the Aircraft that suffered such Event of Loss, all proceeds, the Warranty Rights in respect of such Aircraft and all rights relating to the foregoing shall be free and clear of the Lien of this Aircraft Security Agreement and of all rights and interests of the Trustee (and the other beneficiaries hereof), (ii) the Trustee shall execute and deliver to the Grantor an appropriate instrument releasing such properties, rights, interests and privileges from the Lien of this Aircraft Security Agreement and assigning to the Grantor all claims against third Persons for damage to or loss of such Aircraft arising from such Event of Loss, and

(iii) the Trustee will take such actions as may be required to be taken by the Trustee to cancel or release any International Interest of the Trustee registered with the International Registry in relation to such Aircraft with respect to which such Event of Loss occurred.

(b) Event of Loss with Respect to any such Engine. Upon the occurrence of an Event of Loss with respect to any such Engine under circumstances in which there has not occurred an Event of Loss with respect to such Airframe, the Grantor shall give the Trustee prompt written notice thereof within 15 days after the Grantor has determined that an Event of Loss has occurred with respect to such Engine and shall, within 120 days after the occurrence of such Event of Loss, cause to be subjected to the Lien of this Aircraft Security Agreement, as replacement for the Engine with respect to which such Event of Loss occurred, a Replacement Engine free and clear of all Liens (other than Permitted Liens).

Prior to or at the time of any replacement under this Section 6.04(b), the Grantor will (i) cause an Aircraft Security Agreement Supplement covering such Replacement Engine to be delivered to the Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of any other jurisdiction in which such Aircraft may be registered, (ii) furnish the Trustee with a copy of the original bill of sale or, if the bill of sale is unavailable, other evidence of ownership reasonably satisfactory to the Trustee (which may be a copy of an invoice or purchase order) respecting such Replacement Engine, (iii) cause the sale of such Replacement Engine to the Grantor (if occurring after February 28, 2006 and if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Convention) and the International Interest created pursuant to such Aircraft Security Agreement Supplement in favor of the Trustee with respect to such Replacement Engine, to be registered on the International Registry as a sale or an International Interest; provided that if the seller of such Replacement Engine is not situated in a country that has ratified the Cape Town Convention, the Grantor will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (iv) cause a financing statement or statements with respect to such Replacement Engine or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the Trustee's interest therein in the United States, or in such other jurisdiction in which such Engine may then be registered, (v) furnish the Trustee with an opinion of the Grantor's counsel (which may be the Grantor's General Counsel or such other internal counsel to the Grantor as shall be reasonably satisfactory to the Trustee) addressed to the Trustee to the effect that, upon such replacement, such Replacement Engine will be subject to the Lien of this Aircraft Security Agreement, (vi) furnish the Trustee with a certificate of an aircraft engineer or appraiser (who may be an employee of the Grantor) certifying that such Replacement Engine has a value and utility (without regard to hours or cycles) at least equal to the Engine so replaced assuming such Engine was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss, and (vii) furnish the Trustee with evidence of

compliance with Section 6.05 with respect to such Replacement Engine (which may be an Officer's Certificate to the effect that the Grantor has determined that the insurance maintained with respect to such Replacement Engine so complies). In the case of each Replacement Engine subjected to the Lien of this Aircraft Security Agreement under this Section 6.04(b), promptly upon the recordation of an Aircraft Security Agreement Supplement covering such Replacement Engine pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Aircraft is registered), the Grantor will cause to be delivered to the Trustee an opinion of counsel to the Grantor (which may be the Grantor's General Counsel or such other internal counsel of the Grantor as shall be reasonably satisfactory to the Trustee) addressed to the Trustee as to the due recordation of such Aircraft Security Agreement Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Replacement Engine to Grantor (if occurring after February 28, 2006 and if the seller of such Replacement Engine is "situated in" a country that has ratified the Cape Town Convention) and of the International Interest created pursuant to such Aircraft Security Agreement Supplement with respect to such Replacement Engine, and the validity and perfection of the security interest in the Replacement Engine granted to the Trustee under this Aircraft Security Agreement. For all purposes hereof, upon the attachment of the Lien of this Aircraft Security Agreement thereto, the Replacement Engine shall become part of the Aircraft Collateral and shall be deemed an "Engine" as defined herein. Upon compliance with clauses (i) through (vi) of this paragraph, (x) such replaced Engine, any proceeds, the Warranty Rights in respect of such replaced Engine and all rights relating to any of the foregoing shall be free and clear of the Lien of this Aircraft Security Agreement and of all rights and interests of the Trustee (and the other beneficiaries hereof), (y) the Trustee shall execute and deliver to the Grantor an appropriate instrument releasing such properties, rights, interests and privileges from the Lien of this Aircraft Security Agreement and assigning to the Grantor all claims against third Persons for damage to or loss of such Engine arising from the Event of Loss, and (z) the Trustee will take such actions as may be required to be taken by the Trustee to cancel or release any International Interest of the Trustee registered with the International Registry in relation to the Engines with respect to which such Event of Loss occurred.

(c) Requisition for Use by the Government of such Airframe and the Engines Installed Thereon. In the event of the requisition for use by any government, including, without limitation, pursuant to the CRAF Program, of such Airframe and such Engines or engines installed on such Airframe that does not constitute an Event of Loss, the Grantor shall promptly notify the Trustee and all of the Grantor's rights and obligations under this Aircraft Security Agreement with respect to such Airframe and such Engines shall continue to the same extent as if such requisition had not occurred; provided that, notwithstanding the foregoing, the Grantor's obligations other than payment obligations shall only continue to the extent feasible. All payments received by the Grantor or the Trustee from such government for such use of such Airframe and Engines or engines shall be paid over to, or retained by, the Grantor.

(d) Requisition for Use by the Government of any such Engine Not Installed on such Airframe. In the event of the requisition for use by any government of any such Engine not then installed on such Airframe, the Grantor will replace such Engine by complying with the terms of Section 6.04(b) to the same extent as if an Event of Loss had occurred with respect to such Engine. Upon such replacement, any payments received by the Grantor or the Trustee from such government with respect to such requisition shall be paid over to, or retained by, the Grantor.

(e) Application of Payments During Existence of Event of Default. Any amount referred to in Section 6.04 that is payable to or retainable by the Grantor shall not be paid to or retained by the Grantor if at the time of such payment or retention an Event of Default shall have occurred and be continuing, but, subject to any Intercreditor Agreement and any Other Intercreditor Agreement, shall be paid to and held by the Trustee as security for the Obligations. At such time as there shall not be continuing any such Event of Default, such amount shall be paid to the Grantor.

Section 6.05. Insurance. With respect to any Aircraft Collateral, the Grantor will:

(a) maintain insurance, against such risks, including fire and other risks, as is prudent and customary for United States-based passenger airlines of similar size insuring similar assets;

(b) maintain in full force and effect public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of such Aircraft Collateral, in such amounts and with such deductibles as are prudent and customary for United States-based passenger airlines of similar size insuring against similar risks; and

(c) maintain such other insurance or self-insurance as may be required by applicable law.

ARTICLE VII

CERTAIN COVENANTS

Section 7.01. Certain Covenants of the Grantor.

(a) Further Assurances. On and after the date hereof, the Grantor will cause to be done, executed, acknowledged and delivered such further acts, conveyances and assurances as the Trustee shall reasonably request for accomplishing the purposes of this Aircraft Security Agreement; provided that any instrument or other document so executed by the Grantor will not expand any obligations or limit any rights of the Grantor in respect of the transactions contemplated by this Aircraft Security Agreement.

(b) Filing and Recordation of this Aircraft Security Agreement; Registration of International Interests. The Grantor, at its own expense, will cause this Aircraft Security Agreement (with each Aircraft Security Supplement covering an Aircraft being subjected to the Lien of this Aircraft Security Agreement attached) to be promptly filed and recorded, or filed for recording, with the FAA to the extent permitted under the Transportation Code and the rules and regulations of the FAA thereunder. In addition, on or prior to each Aircraft Closing Date, the Grantor will cause the registration of the International Interests (or Prospective International Interests) created under this Aircraft Security Agreement (as supplemented by each Aircraft Security Agreement Supplement covering an Aircraft being subjected to the Lien of this Aircraft Security Agreement on such Aircraft Closing Date) to be effected on the International Registry in accordance with the Cape Town Treaty, and shall, as and to the extent applicable, consent to such registration upon the issuance of a request for such consent by the International Registry.

(c) Maintenance of Filings. The Grantor, at its expense, will take, or cause to be taken, such action with respect to the due and timely recording, filing, re-recording and refiling of this Aircraft Security Agreement and any financing statements and any continuation statements or other instruments as are necessary to maintain, so long as this Aircraft Security Agreement is in effect, the perfection of the security interests created by this Aircraft Security Agreement or will furnish the Trustee timely notice of the necessity of such action, together with such instruments, in execution form, and such other information as may be required to enable the Trustee to take such action. In addition, with respect to each Aircraft, the Grantor will pay any and all recording, stamp and other similar taxes payable in the United States, and in any other jurisdiction where such Aircraft is registered, in connection with the execution, delivery, recording, filing, re-recording and refiling of this Aircraft Security Agreement or any such financing statements or other instruments. The Grantor will notify the Trustee of any change in its jurisdiction of organization (as such term is used in Article 9 of the Uniform Commercial Code as in effect in the [State of Delaware][5]) promptly after making such change or in any event within the period of time necessary under applicable law to prevent the lapse of perfection (absent refiling) of financing statements filed under this Aircraft Security Agreement.

Section 7.02. Certain Covenants of the Trustee.

(a) Continuing Registration and Re-Registration. The Trustee agrees to execute and deliver, at the Grantor's expense, all such documents and consents as the Grantor may reasonably request for the purpose of continuing the registration of any Aircraft at the FAA in the Grantor's name or for the purpose of registering or maintaining any registration on the International Registry in respect of such Aircraft. In addition,

[5] Revise bracketed phrase as necessary for the applicable Grantor.

each of the Trustee agrees, for the benefit of the Grantor, to cooperate with the Grantor in effecting any foreign registration of any such Aircraft pursuant to Section 6.01(e) hereof; provided that prior to any such change in the country of registry of such Aircraft the conditions set forth in Section 6.01(e) hereof are met to the reasonable satisfaction of, or waived by, the Trustee.

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

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

Section 7.03. Subjection of Aircraft to Lien of Aircraft Security Agreement. If the Grantor has elected to subject any Additional Aircraft to the Lien of this Aircraft Security Agreement as Additional Collateral or Qualified Replacement Assets pursuant to the Credit Agreement, the Grantor shall, at its sole expense (A) cause an Aircraft Security Agreement Supplement describing the airframe and engines that constitute such Additional Aircraft to be delivered to the Trustee for execution and, upon such execution, to be filed for recordation pursuant to the Transportation Code or the applicable laws of such other jurisdiction in which such Additional Aircraft may then be registered, (B) cause the sale of such Additional Aircraft to the Grantor (if occurring after February 28, 2006 and if the seller of such Additional Aircraft is “situated in” a country that has ratified the Cape Town Convention) and the International Interest created pursuant to such Aircraft Security Agreement Supplement in favor of the Trustee with respect to such Additional Aircraft each to be registered on the International Registry as a sale or an International Interest, respectively; provided that if the seller of such Additional Aircraft is not situated in a country that has ratified the Cape Town Convention, the Grantor will use its reasonable efforts to cause the seller to register the contract of sale on the International Registry, (C) cause a financing statement or statements with respect to such Additional Aircraft or other requisite documents or instruments to be filed in such place or places as necessary in order to perfect the Trustee’s interest therein in the United States, or in any other jurisdiction in which such Additional Aircraft may then be registered, (D) furnish the Trustee with an opinion of the Grantor’s counsel (which may be the Grantor’s General Counsel or such other internal counsel of the Grantor as shall be

reasonably satisfactory to the Trustee) addressed to the Trustee to the effect that upon taking the actions described in clauses (A), (B) and (C), such Additional Aircraft will be subject to the Lien of this Aircraft Security Agreement, (E) furnish the Trustee with evidence of compliance with Section 6.05 with respect to such Additional Aircraft (which may be an Officer's Certificate to the effect that the Grantor has determined that the insurance maintained with respect to such Additional Aircraft so complies) and (F) furnish the Trustee with a copy of the original bill(s) of sale or, if the bill(s) of sale are unavailable, other evidence of ownership reasonably satisfactory to the Trustee (which may be a copy of an invoice or purchase order) respecting the airframe and engines constituting part of such Additional Aircraft. The Trustee shall promptly execute such Aircraft Security Agreement Supplement and take such other actions reasonably requested by the Grantor to subject such Additional Aircraft to the Lien of this Aircraft Security Agreement.

In the case of any Additional Aircraft subjected to the Lien of this Aircraft Security Agreement under this Section 7.03, promptly upon the recordation of an Aircraft Security Agreement Supplement covering such Additional Aircraft pursuant to the Transportation Code (or pursuant to the applicable law of such other jurisdiction in which such Additional Aircraft is registered), the Grantor will cause to be delivered to the Trustee a favorable opinion of the Grantor's counsel (which may be the Grantor's General Counsel or such other internal counsel to the Grantor as shall be reasonably satisfactory to the Trustee) addressed to the Trustee as to the due registration of such Additional Aircraft and the due recordation of such Aircraft Security Agreement Supplement or such other requisite documents or instruments, the registration with the International Registry of the sale of such Additional Aircraft to the Grantor (if occurring after February 28, 2006 and if the seller of such Additional Aircraft is "situated in" a country that has ratified the Cape Town Convention) and of the International Interests created pursuant to such Aircraft Security Agreement Supplement with respect to such Additional Aircraft, and the validity and perfection of the security interest in such Additional Aircraft granted to the Trustee under this Aircraft Security Agreement.

For all purposes hereof, upon the attachment of the Lien of this Aircraft Security Agreement thereto, such Additional Aircraft shall become part of the Aircraft Collateral, the airframe constituting part of such Additional Aircraft shall be deemed an "Airframe" as defined herein, and each engine constituting part of the Additional Aircraft shall be deemed an "Engine" as defined herein.

Section 7.04. Release of Aircraft from Lien of Aircraft Security Agreement. Upon the satisfaction of the requirements for the release of any Aircraft from the Lien of this Aircraft Security Agreement pursuant to this Aircraft Security Agreement, (i) such Aircraft, all proceeds, the Warranty Rights in respect of such Aircraft and all rights relating to the foregoing shall be free and clear of the Lien of this Aircraft Security Agreement and of all rights and interests of the Trustee (and the other beneficiaries

hereof), (ii) the Trustee shall execute and deliver to the Grantor an appropriate instrument releasing such properties, rights, interests and privileges from the Lien of this Aircraft Security Agreement and assigning to the Grantor all claims against third Persons for damage to or loss of such Aircraft, and (iii) the Trustee will take such actions as may be required to be taken by the Trustee to cancel or release any International Interest of the Trustee registered with the International Registry in relation to such Aircraft.

Section 7.05. Non-Lender Secured Parties.

(a) Rights to Collateral.

(i) The Non-Lender Secured Parties shall not have any right whatsoever to do any of the following: (A) exercise any rights or remedies with respect to the Aircraft Collateral or to direct the Trustee to do the same, including, without limitation, the right to (1) enforce any Liens or sell or otherwise foreclose on any portion of the Aircraft Collateral, (2) request any action, institute any proceedings, exercise any voting rights, give any instructions, make any election or make collections with respect to all or any portion of the Aircraft Collateral or (3) release the Grantor under this Aircraft Security Agreement or release any Aircraft Collateral from the Liens of any Collateral Document or consent to or otherwise approve any such release; (B) demand, accept or obtain any Lien on any Aircraft Collateral (except for Liens arising under, and subject to the terms of, this Aircraft Security Agreement); (C) vote in any New Bankruptcy Case or similar proceeding in respect of Parent or any of its Subsidiaries (any such proceeding, for purposes of this clause (i), a "Bankruptcy") with respect to, or take any other actions concerning the Aircraft Collateral; (D) receive any proceeds from any sale, transfer or other disposition of any of the Aircraft Collateral (except in accordance with this Aircraft Security Agreement); (E) oppose any sale, transfer or other disposition of the Aircraft Collateral; (F) object to any debtor-in-possession financing in any Bankruptcy which is provided by one or more Lenders among others (including on a priming basis under Section 364(d) of the Bankruptcy Code); (G) object to the use of cash collateral in respect of the Aircraft Collateral in any Bankruptcy; or (H) seek, or object to the Lenders, the Administrative Agent, the Collateral Agent or the Trustee seeking on an equal and ratable basis, any adequate protection or relief from the automatic stay with respect to the Aircraft Collateral in any Bankruptcy.

(ii) Each Non-Lender Secured Party, by its acceptance of the benefits of this Aircraft Security Agreement and the other Collateral Documents, agrees that in exercising rights and remedies with respect to the Aircraft Collateral, the Trustee, the Collateral Agent and the Lenders, with the consent of the Collateral Agent, may enforce the provisions of the Collateral Documents and exercise remedies thereunder and under any other Loan Documents (or refrain from

enforcing rights and exercising remedies), all in such order and in such manner as they may determine in the exercise of their sole business judgment and subject to the terms of any Intercreditor Agreement and any Other Intercreditor Agreement. Such exercise and enforcement shall include, without limitation, the rights to collect, sell, dispose of or otherwise realize upon all or any part of the Collateral, to incur expenses in connection with such collection, sale, disposition or other realization and to exercise all the rights and remedies of a secured lender under the UCC. The Non-Lender Secured Parties by their acceptance of the benefits of this Aircraft Security Agreement and the other Collateral Documents hereby agree not to contest or otherwise challenge any such collection, sale, disposition or other realization of or upon all or any of the Aircraft Collateral. Whether or not a New Bankruptcy Case has been commenced, the Non-Lender Secured Parties shall be deemed to have consented to any sale or other disposition of any property, business or assets of Parent or any of its Subsidiaries and the release of any or all of the Aircraft Collateral from the Liens of any Collateral Document in connection therewith.

(iii) Notwithstanding any provision of this Section 7.05(a), the Non-Lender Secured Parties shall be entitled, subject to any Intercreditor Agreement and any Other Intercreditor Agreement, to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleadings (A) in order to prevent any Person from seeking to foreclose on the Aircraft Collateral or supersede the Non-Lender Secured Parties' claim thereto or (B) in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Non-Lender Secured Parties. Each Non-Lender Secured Party, by its acceptance of the benefits of this Aircraft Security Agreement, agrees to be bound by and to comply with any Intercreditor Agreement and any Other Intercreditor Agreement and authorizes the Trustee to enter into the Intercreditor Agreements and Other Intercreditor Agreements on its behalf.

(iv) Each Non-Lender Secured Party, by its acceptance of the benefits of this Aircraft Security Agreement, agrees that the Collateral Agent and the Lenders may deal with the Aircraft Collateral, including any exchange, taking or release of Aircraft Collateral, may change or increase the amount of the Obligations, and may release any Grantor from its Obligations hereunder, all without any liability or obligation (except as may be otherwise expressly provided herein) to the Non-Lender Secured Parties.

(b) Appointment of Agent. Each Non-Lender Secured Party, by its acceptance of the benefits of this Aircraft Security Agreement and the other Collateral Documents, shall be deemed irrevocably to make, constitute and appoint the Trustee, as agent of the Collateral Agent under the Credit Agreement (and all officers, employees or

agents designated by the Trustee) as such Person's true and lawful agent and attorney-in-fact, and in such capacity, the Trustee shall have the right, with power of substitution for the Non-Lender Secured Parties and in each such Person's name or otherwise, to effectuate any sale, transfer or other disposition of the Aircraft Collateral. It is understood and agreed that the appointment of the Trustee as the agent and attorney-in-fact of the Non-Lender Secured Parties for the purposes set forth herein is coupled with an interest and is irrevocable. It is understood and agreed that the Trustee has appointed the Administrative Agent as its agent for purposes of perfecting certain of the security interests created hereunder and for otherwise carrying out certain of its obligations hereunder.

(c) Waiver of Claims. To the maximum extent permitted by law, each Non-Lender Secured Party waives any claim it might have against the Trustee, the Collateral Agent or the Lenders with respect to, or arising out of, any action or failure to act or any error of judgment, negligence, or mistake or oversight whatsoever on the part of the Trustee, the Collateral Agent or the Lenders or their respective directors, officers, employees or agents with respect to any exercise of rights or remedies under the Loan Documents or any transaction relating to the Aircraft Collateral (including, without limitation, any such exercise described in Section 7.05(a)(ii)), except for any such action or failure to act that constitutes willful misconduct or gross negligence of such Person. To the maximum extent permitted by applicable law, none of the Trustee, the Collateral Agent or any Lender or any of their respective directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Aircraft Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Aircraft Collateral upon the request of Parent, any Subsidiary of Parent, any Non-Lender Secured Party or any other Person or to take any other action or forbear from doing so whatsoever with regard to the Aircraft Collateral or any part thereof, except for any such action or failure to act that constitutes willful misconduct or gross negligence of such Person.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Termination of this Aircraft Security Agreement. Subject to Section 6.03, Section 6.04 and Section 7.04 (and without in any way limiting provisions regarding any release of the Lien of this Aircraft Security Agreement contained in such Section 6.03, Section 6.04 and Section 7.04, as applicable):

(a) At such time as the Obligations (other than any Obligations owing to a Non-Lender Secured Party) then due and owing shall have been paid in full, the Commitments under the Credit Agreement have been terminated and no Letters of Credit shall be outstanding (except for Letters of Credit that have been cash

collateralized or otherwise provided for in a manner reasonably satisfactory to the Administrative Agent), all Aircraft Collateral shall be released from the Liens created hereby, and this Aircraft Security Agreement and all obligations (other than those expressly stated to survive such termination) of the Trustee and the Grantor shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Aircraft Collateral shall revert to the Grantor. At the request and sole expense of the Grantor following any such termination, the Trustee shall execute, acknowledge and deliver to the Grantor such releases, instruments or other documents and do or cause to be done all other acts, as the Grantor shall reasonably request to evidence such termination.

(b) Upon any Permitted Disposition of Aircraft Collateral (whether by way of the sale of Aircraft Collateral or the sale of Capital Stock of the Grantor of such Aircraft Collateral) permitted by the Credit Agreement, the Lien pursuant to this Aircraft Security Agreement on the Aircraft Collateral subject to such sale or other disposition (or in the case of a sale of Capital Stock of the Grantor, the Grantor's Aircraft Collateral) shall be automatically released. In connection with any other Disposition of Aircraft Collateral (whether by way of the sale of Aircraft Collateral or the sale of Capital Stock of the Grantor of such Aircraft Collateral) permitted under the Credit Agreement, the Trustee shall, upon receipt from the Grantor of a written request for the release of the Aircraft Collateral subject to such sale or other disposition (or in the case of a sale of Capital Stock of the Grantor, the release of the Grantor's Aircraft Collateral), at the Grantor's sole cost and expense, execute, acknowledge and deliver to the Grantor such releases, instruments or other documents, and do or cause to be done all other acts, as the Grantor shall reasonably request to evidence or effect the release of the Liens created hereby (if any) on such Aircraft Collateral.

Section 8.02. No Legal Title to Aircraft Collateral in the Secured Parties. No holder of any Obligation shall have legal title to any part of the Aircraft Collateral. No transfer, by operation of law or otherwise, of any Obligations or other right, title and interest of any Secured Party in and to the Aircraft Collateral or hereunder shall operate to terminate this Aircraft Security Agreement or entitle such holder or any successor or transferee of such holder to an accounting or to the transfer to it of any legal title to any part of the Aircraft Collateral.

Section 8.03. Sale by the Trustee Is Binding. Any sale or other conveyance of any Aircraft, the related Airframe, any related Engine or any interest therein by the Trustee made pursuant to the terms of this Aircraft Security Agreement shall bind the Secured Parties and the Grantor and shall be effective to transfer or convey all right, title and interest of the Trustee, the Grantor and such Secured Parties in and to such Aircraft, Airframe, Engine or interest therein. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Trustee or the other Secured Parties.

Section 8.04. This Aircraft Security Agreement for the Benefit of the Grantor, the Trustee, the Collateral Agent and the Secured Parties. Nothing in this Aircraft Security Agreement, whether express or implied, shall be construed to give any Person other than the Grantor, the Trustee, the Collateral Agent and the other Secured Parties any legal or equitable right, remedy or claim under or in respect of this Aircraft Security Agreement, except that the Persons referred to in the second to last full paragraph of Section 6.01(a) shall be third party beneficiaries of such paragraph.

Section 8.05. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing (including by facsimile or electronic mail), and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(i) if to the Grantor, to it at [ ], Facsimile No.: [ ], email: [ ]; in each case Attention: [ ]; with copies (which shall not constitute notice) to: Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022, facsimile: (212) 909-6836; Attention: Paul D. Brusiloff; and

(ii) if to the Trustee, to it at [Name of Trustee], [ ], Facsimile No.: [ ]; email:[ ]; in each case Attention: [ ].

(b) The Trustee or the Grantor may, in its reasonable discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Aircraft Security Agreement shall be deemed to have been given on the date of receipt.

Section 8.06. Severability of Provisions. To the extent permitted by applicable law, any provision of this Aircraft Security Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 8.07. No Oral Modification or Continuing Waivers. Subject to Section 10.08 of the Credit Agreement, no terms or provisions of this Aircraft Security Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Grantor and the Trustee. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 8.08. Successors and Assigns. This Aircraft Security Agreement shall be binding upon the Grantor and its successors and assigns and shall inure to the benefit of the Trustee, the Collateral Agent and each Secured Party and their respective successors and permitted assigns; provided that the Grantor may not transfer or assign any or all of its rights or obligations hereunder without the prior written consent of the Trustee, unless otherwise permitted by the applicable Loan Documents. All agreements, statements, representations and warranties made by the Grantor herein or in any certificate or other instrument delivered by the Grantor or on its behalf under this Aircraft Security Agreement shall be considered to have been relied upon by the Secured Parties and shall survive the execution and delivery of this Aircraft Security Agreement and the other Loan Documents regardless of any investigation made by the Trustee, the Collateral Agent or the Secured Parties or on their behalf.

Section 8.09. Headings. Section headings used herein are for convenience only and are not to affect the construction or be taken into consideration in interpreting this Aircraft Security Agreement.

Section 8.10. Normal Commercial Relations. Anything contained in this Aircraft Security Agreement to the contrary notwithstanding, the Trustee, any other Secured Party or any of their affiliates may conduct any banking or other financial transactions, and have banking or other commercial relationships, with the Grantor, fully to the same extent as if this Aircraft Security Agreement were not in effect, including without limitation the making of loans or other extensions of credit to the Grantor for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

Section 8.11. The Grantor's Performance and Rights. Any obligation imposed on the Grantor herein shall require only that the Grantor perform or cause to be performed such obligation, even if stated as a direct obligation, and the performance of any such obligation by any permitted assignee, lessee or transferee under an assignment, lease or transfer agreement then in effect and in accordance with the provisions of this Aircraft Security Agreement shall constitute performance by the Grantor and, to the extent of such performance, discharge such obligation by the Grantor. Except as otherwise expressly provided herein, any right granted to the Grantor in this Aircraft Security Agreement shall grant the Grantor the right to permit such right to be exercised by any such assignee,

lessee or transferee, and, in the case of a lessee, as if the terms hereof were applicable to such lessee were such lessee the Grantor hereunder. The inclusion of specific references to obligations or rights of any such assignee, lessee or transferee in certain provisions of this Aircraft Security Agreement shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, lessee or transferee has not been made in this Aircraft Security Agreement.

Section 8.12. Execution in Counterparts. This Aircraft Security Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

Section 8.13. Governing Law. **THIS AIRCRAFT SECURITY AGREEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AIRCRAFT SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AIRCRAFT SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS, TO THE EXTENT SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.**

Section 8.14. Consent to Jurisdiction and Service of Process.

(a) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property in any legal action or proceeding relating to this Aircraft Security Agreement and the other Loan Documents to which it is a party, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York and appellate courts from either of them on and after the Plan Effective Date, and, prior to the Plan Effective Date, of the United States Bankruptcy Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Aircraft Security Agreement, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall, to the extent permitted by law, be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Aircraft Security Agreement in any court referred to in Section 8.14(a). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party hereto hereby irrevocably and unconditionally consents to service of process in the manner provided for notices in Section 8.05. Nothing in this Aircraft Security Agreement will affect the right of any party to this Aircraft Security Agreement to serve process in any other manner permitted by law.

Section 8.15. Amendments, Etc. This Aircraft Security Agreement may not be amended, modified or waived except with the written consent of the Grantor and the Trustee (who shall act pursuant to and in accordance with the terms of Section 10.08 of the Credit Agreement); provided that unless separately agreed in writing between the Grantor and any Non-Lender Secured Party, no such waiver and no such amendment or modification shall amend, modify or waive Section 3.01(a) (or the definition of "Non-Lender Secured Party" or "Secured Party" to the extent relating thereto) if such waiver, amendment, or modification would directly and adversely affect a Non-Lender Secured Party without the written consent of such affected Non-Lender Secured Party. Any amendment, modification or supplement of or to any provision of this Aircraft Security Agreement, any termination or waiver of any provision of this Aircraft Security Agreement and any consent to any departure by the Grantor from the terms of any provision of this Aircraft Security Agreement shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand upon the Grantor in any instance hereunder shall entitle the Grantor to any other or further notice or demand in similar or other circumstances. For the avoidance of doubt, it is understood and agreed that any amendment, amendment and restatement, waiver, supplement or other modification of or to any Intercreditor Agreement or any Other Intercreditor Agreement that would have the effect, directly or indirectly, through any reference herein to any Intercreditor Agreement or any Other Intercreditor Agreement or otherwise, of waiving, amending, supplementing or otherwise modifying this Aircraft Security Agreement, or any term or provision hereof, or any right or obligation of the Grantor hereunder or in respect hereof, shall not be given such effect except pursuant to a written instrument executed by the Grantor and the Trustee in accordance with this Section 8.15.

[Signature Pages Follow.]

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

[NAME OF GRANTOR]

By: _____
Name:
Title:

[NAME OF TRUSTEE], as Trustee

By: _____
Name:
Title:

FORM OF AIRCRAFT SECURITY AGREEMENT SUPPLEMENT

AIRCRAFT SECURITY AGREEMENT SUPPLEMENT NO.

AIRCRAFT SECURITY AGREEMENT SUPPLEMENT NO. , dated , ("Aircraft Security Agreement Supplement"), between [NAME OF GRANTOR] (the "Grantor") and [NAME OF TRUSTEE], as Trustee under the Aircraft Security Agreement (each as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Aircraft Security Agreement, dated as of , 20 (the "Aircraft Security Agreement"; capitalized terms used herein without definition shall have the meanings specified therefor in Annex A to the Aircraft Security Agreement), between the Grantor and [Name of Trustee], as security trustee (the "Trustee"), provides for the execution and delivery of supplements thereto substantially in the form hereof which shall particularly describe an Aircraft, and shall specifically grant a security interest in such Aircraft to the Trustee; and

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

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

Date	Recordation Date	Conveyance No.][2]

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

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

NOW, THEREFORE, to secure all of the Obligations, and in consideration of the premises, the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby pledges, grants and creates a security interest and mortgage in favor of the Trustee for its benefit and the benefit of the other Secured Parties in all estate, right, title and interest of the Grantor in, to and under the Aircraft, including the Airframe[s] and Engines described in Annex A attached hereto, whether or not any such Engine may from time to time be installed on [any][the][the related Airframe, any other] Airframe or any other airframe or any other aircraft, and any and all Parts relating thereto, and, to the extent provided in the Aircraft Security Agreement, all substitutions and replacements of, and additions, improvements, accessions and accumulations to, [the][each such] Aircraft, including the Airframe, the Engines and any and all Parts (in each case other than any substitutions, replacements, additions, improvements, accessions and accumulations that constitute items excluded from the definition of Parts by clauses (b), (c) and (d) thereof) relating thereto;

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Trustee, and its successors and permitted assigns, in trust for its benefit and the benefit of other Secured Parties, except as otherwise provided in the Aircraft Security Agreement, and for the uses and purposes and subject to the terms and provisions set forth in the Aircraft Security Agreement.

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

THIS AIRCRAFT SECURITY AGREEMENT SUPPLEMENT HAS BEEN DELIVERED IN THE STATE OF NEW YORK AND THIS AIRCRAFT SECURITY AGREEMENT SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AIRCRAFT SECURITY AGREEMENT SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OR RULES OF CONFLICT OF LAWS, TO THE EXTENT SUCH PRINCIPLES OR RULES ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

[Signature Pages Follow.]

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

[NAME OF GRANTOR]

By: _____
Name:
Title:

[NAME OF TRUSTEE], as Trustee

By: _____
Name:
Title:

DESCRIPTION OF AIRFRAME[S] AND ENGINES

AIRFRAME

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

ENGINES

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

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

LIST OF PERMITTED COUNTRIES

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

* Country of domicile for a manufacturer (or its Affiliate) referred to in Section 6.01(a)(ix).

Description of Security Agreement for Spare Engines

The Aircraft Security Agreement(s), which may be entered into in the future by a Grantor to pledge any spare engine to a trustee (the "Security Trustee") acting on behalf of the Collateral Agent, as Additional Collateral or Qualified Replacement Assets will contain terms to the following effect with respect to such spare engine.

Maintenance and operation

The Grantor will be obligated at its expense to maintain, service, repair, and overhaul such spare engine (or cause the same to be done) so as to keep it in such condition as necessary to maintain the airworthiness certificate for the aircraft upon which such spare engine is installed (the "Related Aircraft") in good standing at all times (other than during temporary periods of storage, maintenance, testing or modification or during periods of grounding by applicable governmental authorities).

The Grantor will agree that such spare engine shall not be maintained, used, serviced, repaired, overhauled or operated, in violation of any law, rule or regulation of any government having jurisdiction over the Related Aircraft, or in violation of any airworthiness certificate, license or registration relating to the Related Aircraft issued by such government, except to the extent the Grantor (or any lessee) is contesting in good faith the validity or application of any such law, rule or regulation or airworthiness certificate, license or registration in any manner that does not involve any material risk of sale, forfeiture or loss of such spare engine or impair the lien of the Aircraft Security Agreement with respect to such spare engine.

The Grantor must make (or cause to be made) all alterations, modifications, and additions to such spare engine necessary to meet the applicable requirements of the FAA or any other applicable governmental authority of another jurisdiction in which the Related Aircraft may then be registered; *provided* that the Grantor (or any lessee) may in good faith contest the validity or application of any such requirement in any manner that does not involve, among other things, a material risk of sale, forfeiture or loss of such spare engine, and does not adversely affect the Security Trustee's interest in such spare engine under (and as defined in) the Aircraft Security Agreement. The Grantor (or any lessee) may add further parts and make other alterations, modifications and additions to such spare engine as the Grantor (or any such lessee) may deem desirable in the proper conduct of its business, including removal (without replacement) of parts, so long as such alterations, modifications, additions, or removals do not materially diminish the value or utility of such spare engine below its value or utility immediately prior to such alteration, modification, addition, or removal (assuming such spare engine was maintained in accordance with the Aircraft Security Agreement), except that the value (but not the utility) of such spare engine may be reduced from time to time by the value of any parts which have been removed that the Grantor (or any such lessee) deems obsolete or no

longer suitable or appropriate for use on such spare engine. All parts (with certain exceptions) incorporated or installed in or added to such spare engine as a result of such alterations, modifications or additions will be subject to the lien of the Aircraft Security Agreement. The Grantor (or any lessee) will be permitted to remove (without replacement) parts that are in addition to, and not in replacement of or substitution for, any part originally incorporated or installed in or attached to such spare engine at the time of delivery thereof to the Grantor, as well as any part that is not required to be incorporated or installed in or attached to such spare engine pursuant to applicable requirements of the FAA or the applicable aviation authority of any other jurisdiction in which the Related Aircraft may then be registered, or any part that can be removed without materially diminishing the requisite value or utility of such spare engine.

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

Registration, leasing and possession

The Grantor will be required to record the Aircraft Security Agreement with the FAA. In addition, the Grantor will register the "international interests" created pursuant to the Aircraft Security Agreement under the Cape Town Convention on International Interests in Mobile Equipment and the related Aircraft Equipment Protocol (the "Cape Town Treaty"). The Grantor will be permitted, subject to certain limitations, to lease such spare engine to any United States certificated air carrier, to certain foreign air carriers or to certain manufacturers of airframes or engines (or their affiliates acting under an unconditional guarantee of such manufacturer). In addition, subject to certain limitations, the Grantor will be permitted to transfer possession of such spare engine, other than by lease, including transfers of possession by the Grantor or any lessee in connection with certain interchange and pooling arrangements, "wet leases," and transfers in connection with maintenance or modifications and transfers to the government of the United States, Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland and the United Kingdom or any instrumentality or agency thereof. There will be no general geographical restriction on the Grantor's (or any lessee's) ability to operate such spare engine.

Insurance

With respect to such spare engine, the Grantor will maintain insurance, against such risks, including fire and other risks, as is prudent and customary for United States-based passenger airlines of similar size insuring similar assets.

With respect to such spare engine, the Grantor will maintain public liability insurance against claims for personal injury or death or property damage occurring upon, in, about, or in connection with the use of such spare engine in such amounts and with such deductibles as is prudent and customary for United States-based passenger airlines of similar size insuring against similar risks.

Events of loss

If an Event of Loss occurs with respect to such spare engine, the Grantor may elect within 90 days after such occurrence to substitute (such substitution to be completed by the first business day after 120 days following the occurrence of such Event of Loss), as replacement for such spare engine an engine of the same model as such spare engine to be replaced or a comparable or improved model. In connection with such replacement, the Grantor shall provide (x) an Appraisal of the replacement engine demonstrating that the Appraised Value of such replacement engine is no less than the Appraised Value of such spare engine, (y) opinions of counsel as to the due recordation of a supplement to the Aircraft Security Agreement relating to such replacement engine, the registration of such replacement engine with the International Registry under the Cape Town Treaty and the validity and perfection of the security interest granted to the Security Trustee in the replacement engine. Following the replacement of such spare engine with a replacement engine as provided above, such spare engine will be released from the Collateral.

If the Grantor elects not to replace such spare engine, as applicable, then upon compliance with Section 2.12 or Section 6.04 of the Credit Agreement, such spare engine will be released from the Collateral.

An "***Event of Loss***" with respect to such spare engine, means any of the following events with respect to such spare engine:

- the loss of such spare engine or of the use thereof due to destruction, damage to such spare engine beyond repair or rendition of such spare engine permanently unfit for normal use for any reason whatsoever;
- any damage to such spare engine that results in an insurance settlement with respect to such spare engine on the basis of a total loss or a compromised or constructive total loss;
- the theft, hijacking or disappearance of such spare engine for a period exceeding 180 consecutive days;
- the requisition for use of such spare engine by any government (other than a requisition for use by the government of Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, the United Kingdom or the United States or the government of the country of registry of the Related Aircraft) that results in the loss of possession of such spare engine by the Grantor (or any lessee) for a period exceeding 12 consecutive months;

- any requisition of title or other compulsory acquisition, capture, seizure, deprivation, confiscation or detention (excluding requisition for use not involving a requisition of title) for any reason of such spare engine by any government that results in the loss of title or use of such spare engine by the Grantor (or any lessee) for a period in excess of 180 consecutive days; and
- any divestiture of title to or interest in such spare engine or, in certain circumstances, the installation of such spare engine on an airframe that is subject to a conditional sale or other security agreement.

Remedies

The Aircraft Security Agreement will provide that, if an Event of Default under the Credit Agreement has occurred and is continuing, the Security Trustee may exercise certain rights or remedies available to it under the Aircraft Security Agreement or under applicable law. Such remedies include the right to take possession of such spare engine, subject to the Aircraft Security Agreement, and to sell such spare engine.

OFFICER'S CERTIFICATE

Collateral Coverage Ratio Certificate

AMERICAN AIRLINES, INC.

Reference is made to the Credit and Guaranty Agreement, dated as of June 27, 2013 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms defined therein being used herein as therein defined), by and among AMERICAN AIRLINES, INC., a Delaware corporation (the "Borrower"), AMR CORPORATION, a Delaware corporation ("Parent"), the direct and indirect Domestic Subsidiaries of Parent from time to time party thereto other than the Borrower, each of the several banks and other financial institutions or entities from time to time party thereto as a lender (the "Lenders"), DEUTSCHE BANK AG NEW YORK BRANCH, as administrative agent for the Lenders and as collateral agent for the Secured Parties.

[This certificate is being delivered pursuant to Section 4.02(d) of the Credit Agreement. The undersigned hereby certifies, on behalf of the Borrower, that the Collateral Coverage Ratio as of [insert applicable date of Loan and/or Letter of Credit], giving pro forma effect to any Loans made on, and/or Letters of Credit issued on, such date, is [ ] to 1.0.][1]

[This certificate is being delivered in connection with a Disposition of Collateral pursuant to Section 6.04(ii)(D) of the Credit Agreement. The undersigned hereby certifies, on behalf of the Borrower, that the Collateral Coverage Ratio as of [insert applicable date of Disposition of Collateral], giving pro forma effect to such Disposition of Collateral and any actions taken pursuant to Section 6.04(ii)(B)(II), is [ ] to 1.0.][2]

[1] For Collateral Coverage Ratio Certificate delivered pursuant to Section 4.02(d) of the Credit Agreement.

[2] For Collateral Coverage Ratio Certificate delivered pursuant to Sections 5.01(i) and 6.04(ii)(D) of the Credit Agreement.

[This certificate is being delivered pursuant to Section 6.09(a) of the Credit Agreement. The undersigned hereby certifies, on behalf of the Borrower, that the Collateral Coverage Ratio as of [insert applicable Reference Date] is [ ] to 1.0.][3]

[This certificate is being delivered in connection with a release of Collateral pursuant to Section 6.09(c) of the Credit Agreement. The undersigned hereby certifies, on behalf of the Borrower, that the Collateral Coverage Ratio as of the date hereof, giving pro forma effect to such release and any actions taken pursuant to Section 6.09(c)(B)(y), is [ ] to 1.0.][4]

[This certificate is being delivered in connection with a Permitted Disposition of Leased Collateral pursuant to clause (6)(B) of the definition of Permitted Disposition. The undersigned hereby certifies, on behalf of the Borrower, that the Collateral Coverage Ratio as of the date hereof, giving pro forma effect to such Permitted Disposition, is [ ] to 1.0.][5]

Annex A sets forth the calculation of the Collateral Coverage Ratio.

[Remainder of page intentionally left blank.]

[3] For Collateral Coverage Ratio Certificate delivered pursuant to Sections 5.01(f) and 6.09(a) of the Credit Agreement

[4] For Collateral Coverage Ratio Certificate delivered pursuant to Section 6.09(c) of the Credit Agreement.

[5] For Collateral Coverage Ratio Certificate delivered pursuant to clause 6(B) of the definition of Permitted Disposition.

IN WITNESS WHEREOF, the undersigned has hereunto set his name as of [ ].

AMERICAN AIRLINES, INC.

By: _____
Name:
Title:

Collateral Coverage Ratio Calculation

(1) **Appraised Value of Collateral:** $_____

(2) **Sum (without duplication) of the following:**:

(a) The outstanding Total Revolving Extensions of Credit (other than LC Exposure that has been Cash Collateralized in accordance with Section 2.02(j) of the Credit Agreement) $_____

(b) *plus*, the aggregate outstanding principal amount of all Term Loans $_____

(c) *plus*, the aggregate outstanding principal amount of all Pari Passu Senior Secured Debt $_____

(d) *plus*, the aggregate outstanding amount of all Designated Hedging Obligations that constitute "Obligations" $_____

(e) *plus*, the aggregate outstanding amount of all Designated Banking Product Obligations that constitute "Obligations" $_____

Total Obligations (sum of lines (a), (b), (c), (d) and (e) $_____

Ratio of (1) to (2):

Subsidiaries

All voting securities are owned directly or indirectly by Parent, except where otherwise indicated.

Name of Subsidiary	State or Sovereign Power of Incorporation
American Airlines, Inc.	Delaware
AA 2002 Class C Certificate Corporation	Delaware
AA 2002 Class D Certificate Corporation I	Delaware
AA 2003-1 Class C Certificate Corporation	Delaware
AA 2003-1 Class D Certificate Corporation	Delaware
AA 2004-1 Class B Note Corporation	Delaware
AA 2005-1 Class C Certificate Corporation	Delaware
AA Real Estate Holding GP LLC	Delaware
AA Real Estate Holding L.P.	Delaware
Admirals Club, Inc.	Massachusetts
American Airlines de Mexico, S.A.	Mexico
American Airlines de Venezuela, S.A.	Venezuela
American Airlines IP Licensing Holding, LLC	Delaware
American Airlines Marketing Services LLC	Virginia
American Airlines Realty (NYC) Holdings, Inc.	New York
American Airlines Vacations LLC	Delaware
American Aviation Supply LLC	Delaware
Reno Air, Inc.	Delaware
Americas Ground Services, Inc.	Delaware
Aerodespachos Colombia, S.A. AERCOL S.A.	Colombia
Caribbean Dispatch Services, Ltd.	St. Lucia
Dominicana de Servicios Aeroportuarios (DSA), S.R.L.	Dominican Republic
International Ground Services, S.A. de C.V.	Mexico
AMR Eagle Holding Corporation	Delaware
American Eagle Airlines, Inc.	Delaware
Business Express Airlines, Inc.	Delaware
Eagle Aviation Services, Inc.	Delaware

Executive Airlines, Inc.	Delaware
Executive Ground Services, Inc.	Delaware
AMR Merger Sub, Inc.	Delaware
Avion Assurance Ltd.	Bermuda
PMA Investment Subsidiary, Inc.	Delaware
SC Investment, Inc.	Delaware

Exhibit 12

AMERICAN AIRLINES, INC,
Computation of Ratio of Earnings to Fixed Charges
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Income (Loss):				
Income (Loss) before income taxes	$ 228	$ (264)	$ (55)	$ (1,940)
Add: Total fixed charges (per below)	416	391	847	804
Less: Interest capitalized	12	12	25	24
Total earnings (loss) before income taxes	$ 632	$ 115	$ 767	$ (1,160)
Fixed charges:				
Interest	$ 153	$ 157	$ 328	$ 328
Portion of rental expense representative of the interest factor	258	219	508	445
Amortization of debt expense	5	15	11	31
Total fixed charges	$ 416	$ 391	$ 847	$ 804
Ratio of earnings to fixed charges	1.52	—	—	—
Coverage deficiency	$ —	$ 276	$ 80	$ 1,964

Exhibit 31.1

I, Thomas W. Horton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Airlines, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 18, 2013

/s/ Thomas W. Horton

Thomas W. Horton

Chairman and Chief Executive Officer

Exhibit 31.2

I, Isabella D. Goren, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Airlines, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 18, 2013

/s/ Isabella D. Goren

Isabella D. Goren

Senior Vice President and Chief Financial Officer

Exhibit 32

AMERICAN AIRLINES, INC.
Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of American Airlines, Inc, a Delaware corporation (the Company), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 (the Form 10-Q) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 18, 2013

/s/ Thomas W. Horton

Thomas W. Horton

Chairman and Chief Executive Officer

Date: July 18, 2013

/s/ Isabella D. Goren

Isabella D. Goren

Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.