

AmericanAirlines®

August 29, 2012

Donald M. Videtich
International Representative
Transport Workers Union of America
1791 Hurstview Drive
Hurst, TX 76054

Dear Don,

This letter will confirm our understanding relative to the implementation of the Early Out Letter of agreement contained within the recently ratified AA/TWU Maintenance and Related (M & R) agreement.

As you know, the Company cannot implement the new terms and conditions of the restructured agreement until it receives court approval. Based on the current status of the motion filed for approval, the new terms of the AA/TWU M & R agreement would not go into effect any sooner than September 12, 2012.

However, since the M & R agreement has ratified and contains the Early Out letter, the Company is interested in opening the window for eligible employees to sign up for the Early Out starting September 4th at 01:00 CST and closing on September 25th at 23:00 CST. Eligible employees will have the ability to add or remove their names from the list during this time period.

In addition, once the window closes on September 25th, an employee will have the opportunity to revoke their choice by submitting this change in writing and presenting it to a member of management no later than 17:00 CST of September 30th, 2012. The Company will make available on Jetnet the revocation letter.

For Title I, the eligibility for the Early Out is based on age (45 years or older) and Company seniority (15 years or more) as of December 15, 2012. For Title II, the eligibility for the Early Out is based on age (45 years old or older) and Company seniority (15 years or more) as of November 15, 2012. Both the November 15th and December 15th date coincide with the anticipated date of the first separation for payroll for that particular Title Group.

The majority of the layoffs that will take place in December 2012 and February 2013 are as a result of the restructure process. Additional headcount changes will be necessary due to adjustments in workload, i.e. aircraft retirements, which will accommodate additional exits in May and September of 2013.

It is anticipated that the Early Out release dates will be December of 2012, and February, May, and September of 2013. However, these dates are subject to change, by management, based on operational needs and the number of Early Out participants.

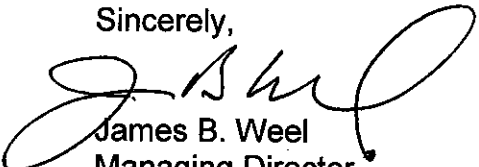
In providing this opportunity, it will allow employee's sufficient time to consider their choice to sign up; however, the Company will not grant or award any of the Early Out opportunities until such time the conditions have been met to fully implement the new terms of the AA/TWU Maintenance and Related (M & R) agreement as outlined above.

In addition, the Company will simultaneously open the window of opportunity for employees not eligible for the Early Out, to sign up for the Stand in Stead (SIS) program. In the interest of ensuring employees are signing up for the Early Out or the SIS based on their eligibility, the names on the **current SIS list as of September 3, 2012 will be deleted**. Employees interested in the SIS will be able to sign up starting September 4, 2012. Since the SIS letter of agreement is a continual process, the ability to sign up will remain open indefinitely; however, we will notify you when we plan to pull the SIS list for purposes of awarding prior to the anticipated reduction in force.

The Company will distribute and provide communications to ensure employees are fully aware of the window of opportunity for both the Early Out and SIS programs for Maintenance and Related employees.


If the above accurately reflects your understanding of the agreement, please indicate by signing below. If you have any questions, please feel free to contact me at 817-967-1447.

Sincerely,



James B. Weel
Managing Director
Employee Relations - TWU

Agreed to:



Donald M. Videtich
International Representative
Transport Workers Union, AFL-CIO

cc: B. Collins
K. Durst
L. Einspanier
G. Drummond
M & R Managing Directors
T. Herschell
B. Gless
M. Nelson
M. Coplin
A. Hollander
Talent Services