

February 18, 2010

SETTLEMENT AGREEMENT

**MIA DOMICILE GRIEVANCE
PARKING PERMITS
Grievance No. 06-020
May 1, 2003 Agreement - Letter M**

Jurisdiction:

Pursuant to the mutual agreement of the parties, American Airlines, Inc. (the "Company") and the Allied Pilots Association ("APA") met and discussed settling the MIA Base Grievance No. 06-020 concerning the reimbursement for the cost of parking permits in accordance with Letter M of the Collective Bargaining Agreement.

Procedural History:

CA Mark Raynor, Chairman-MIA, and FO Mike Lackovic, Vice Chairman-MIA, filed a Grievance on behalf of all MIA-based pilots via letter dated May 1, 2006, grieving the Company's violation of Letter M, and all related sections of the Agreement, failing to reimburse MIA-based pilots for the cost of parking permits in accordance with the provisions of Letter M of the Agreement. The Grievance was addressed to CA Tom Hynes, Director of Flight-MIA.

Resolution:

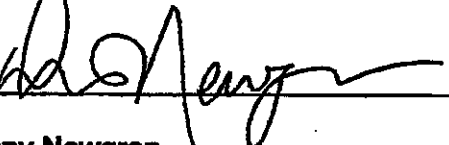
Following discussions by the parties, and in accordance with the Tentative Agreement on Letter M dated February 18, 2010, the parties agree that Grievance 06-020 and any related grievance will be considered settled under the terms of the modified Letter M. In addition, the Company agrees to reimburse any eligible pilot any shortfall between what the pilot was actually reimbursed, up to an aggregate total of seventy-five hundred dollars (\$7,500.00), to pilots who can provide receipts of actual expenditures. Receipts must be provided within sixty (60) days from date of signing of this settlement agreement. Eligibility and reimbursement shall be in accordance with the modified Letter M dated February 18, 2010.

Based on the above agreement, this Grievance is withdrawn with prejudice.

ALLIED PILOTS ASSOCIATION

AMERICAN AIRLINES, INC.

By: 

By: 

Lloyd Hill
President

Denny Newgren
Managing Director
Employee Relations

AA Proposal

AA 01/10

AA Proposal

Date: 2/18/2010

Time:

Subject: Parking Permits

Version: 9

Proposal Reference(s): APA Proposals – 10/24/2007, 5/8/08, 12/3/08, 6/23/09, 8/31/2009;
AA Proposals – 5/8/2008, 12/3/08, 6/24/2009, 7/21/2009, 9/1/2009, 2/2/2010

Contract Reference(s): Letter M

The Company proposes to amend Letter M to include the following:

“The Company will explore opportunities to simplify the attainment of parking permits”.

The Company will work with the Association, AA Corporate Real Estate and local airport authorities to encourage and facilitate equitable parking policies for commuting employees. At any domicile, satellite or co-terminal airport that requires more than one visit to obtain a parking permit, the Company will request a meeting with the local airport authorities and APA, with additional follow up meetings as necessary, to discuss and propose solutions for streamlining the parking permit process. If an APA representative(s) is unable to attend, the Company will provide APA with a summary of the meeting(s).

The Company proposes to amend Paragraph I. of Letter M to include the following language:

I.C. In the event commuter parking at an AMR station is not available at local employee parking rates, the Company will reimburse the pilot the actual monthly amount paid, up to the maximum monthly amount the Company pays for local employees at any airport at the pilot's domicile from which sequences in such pilot's bid status originate, plus fifty (50) dollars per month.

Additionally, Grievance 06-020 and any related grievance will be considered settled, with prejudice, under the terms of this revised Letter M. The Company agrees to reimburse eligible pilots under the above paragraph any shortfall between what eligible pilots paid and were actually reimbursed, upon receipt of actual expenditures. The parties agree to implement this Tentative Agreement as a policy until such time as a new Collective Bargaining Agreement is ratified and the modified Letter M becomes effective.