

# American Airlines®

July 27, 2005

Tommie L. Hutto-Blake  
President  
Association of Professional  
Flight Attendants  
1004 Eules Blvd.  
Eules, TX 76040-5018

Re: Duty-Free Sales Commissions

Dear Tommie:

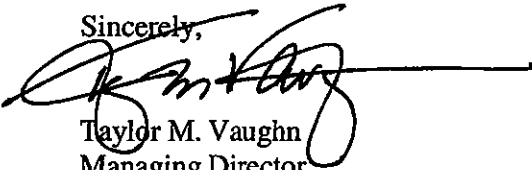
This is to confirm the following agreements and understandings with respect to the payment of commissions to flight attendants for the sale of duty free products.

1. The Company's current duty free vendor, DFASS, has expressed a desire to provide and administer its own duty free sales commission program, effective April 1, 2005, for Company flight attendants, and the Company has granted permission to flight attendants to participate in such program. Such participation shall not be inconsistent with any Company policies concerning or relating to conflicts of interest; nor shall such participation in any way interfere with the flight attendants' other required job duties and responsibilities.
2. The Company and Association understand and agree that DFASS shall be solely responsible for the administration of any duty free sales commission program it may, at its sole discretion, choose to implement; and shall be solely responsible for determining all aspects of the program, including such things as the amount of such commission and any eligibility requirements for receipt of commission payments. DFASS may terminate or otherwise modify any such program at any time, at its sole discretion.
3. Commission payments on duty free sales will be paid directly to the flight attendants by DFASS, and any taxes due on such payments shall be the sole responsibility of the individual flight attendants receiving such payments.
4. Duty free commission payments by DFASS to flight attendants shall not be considered or treated as pensionable pay for purposes of calculating an employee's benefits under the Company's pension plans. The plans will be amended, to the extent necessary, to reflect this understanding.
5. Neither the implementation nor administration of any duty free sales commission program by DFASS is intended to, nor shall it, create or establish any employer-employee relationship between DFASS and the flight attendants, nor any joint employer relationship between American and DFASS.

6. The parties agree that any duty free sales commission program implemented and administered by DFASS does not constitute part of the collective bargaining agreement between American and the APFA
7. Any dispute that may arise between an individual flight attendant and DFASS related to any DFASS duty free commission program, including the payment or non-payment of commissions by DFASS, shall be resolved directly between the flight attendant and DFASS.
8. The Company shall have no obligation to pay or otherwise satisfy any duty free sales commission payments in connection with any DFASS duty free commission program should DFASS fail to make any such payments; nor shall the Company have any obligation to continue any duty free sales commission program implemented and subsequently terminated by DFASS.

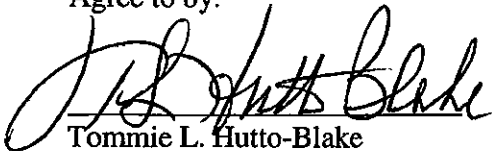
Please indicate your agreement by signing and returning a copy of this letter to me.

Sincerely,



Taylor M. Vaughn  
Managing Director  
Employee Relations

Agree to by:



Tommie L. Hutto-Blake  
President, APFA

Date

7/29/08