

AD HOC GROUP OF AMR CORPORATION CREDITORS
c/o Milbank, Tweed, Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, New York 10005

August 28, 2012

AMR Corporation
4333 Amon Carter Boulevard
Fort Worth, Texas 75261
Attention: Gary F. Kennedy, Esq.

Fee Letter

Ladies and Gentlemen:

On November 29, 2011, AMR Corporation and certain of its direct and indirect domestic subsidiaries (collectively, “you” or the “Debtors”) commenced cases under chapter 11 of title 11 of the United States Code, 11, U.S.C. §§ 101 et seq. (the “Bankruptcy Code”), which are pending in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

You have informed that certain Ad Hoc Group of AMR Corporation Creditors, the constituency of which may be modified from time to time (such group, the “Group”), represented by Milbank, Tweed, Hadley & McCloy LLP (“Milbank”) as counsel and its financial advisors, Houlihan Lokey Howard & Zukin (“Houlihan”), that the Debtors will be seeking to negotiate, propose and file a chapter 11 plan or plans of reorganization and, in connection therewith, may seek commitments for equity and other financings. You have also advised the Group that you are exploring strategic alternatives involving a potential public combination transaction in collaboration with the UCC. One or more members of the Group, as substantial creditors of the Debtors, have expressed an interest in participating and/or providing for equity and other financings for the Debtors and are prepared to engage in negotiations with the Debtors and the UCC concerning such equity and other financings, subject to analysis of the terms of a plan or plans of reorganization (collectively, the “Commitments”) and subject to appropriate due diligence and analyses of the Debtors’ reorganization proposals.

The Debtors agree to reimburse the Group, to the extent provided in this Fee Letter and whether or not a Commitment is obtained, closed upon and funded, as allowed administrative expenses of the Debtors’ chapter 11 cases the reasonable professional fees and reasonable and documented out of pocket costs and expenses (to the extent that such costs and expenses comply with the Debtors’ guidelines for the Debtors’ retained professionals and may also include any

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reasonable fees, charges and disbursements for specialists retained by Milbank in connection with the proposed financing) incurred by Milbank and Houlihan incurred on and after August 1, 2012 solely in connection with the Group's due diligence, analyses, negotiation, preparation and execution of any Commitment and related transaction documents and any ancillary efforts related thereto. The Group expressly agrees and acknowledges that no professional fees and/or expenses shall be reimbursable hereunder for any other scope of engagement activity for which the Group has retained Milbank and Houlihan, including, but not limited to, the monitoring of or participation in the Debtors' chapter 11 cases on account of any existing or future claims held by members of the Group and any incidental matters relating to the formulation and maintenance of the Group such as the preparation, filing and updating of the Group's statement(s) pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure.

Milbank's hourly fee schedule is set forth on **Schedule A**. The Debtors agree also to pay Houlihan a monthly fee for services performed at the rate of \$150,000 per month earned as of the first day of the month for which Houlihan is being compensated and all reasonable and documented out of pocket expenses incurred beginning as of August 1, 2012. This Agreement is without prejudice to the Group, Houlihan or Milbank with respect to any further request for reimbursement of fees and expenses incurred prior or in addition to the fees and expenses contemplated hereby, including a reasonable success fee to be paid to Houlihan if a binding Commitment is received from one or more members of the Group or otherwise resulting primarily from the efforts of the Group and the Commitment is closed and funded, provided, however, that any such request shall first be negotiated among the Debtors, the UCC and the Group and shall be subject to further approval by the Bankruptcy Court having jurisdiction over the Debtors' chapter 11 cases with the rights of all interested persons, including the Debtors and the UCC, to object thereto.

The current members of the Group consist, as of the date hereof, of the entities identified in **Schedule B** annexed hereto. The Group shall at all times comply with Rule 2019 of the Federal Rules of Bankruptcy Procedure. The Group will promptly inform counsel to the Debtors and the UCC, in writing, of any deletions or additions to the Group.

Either the Debtors or the UCC may terminate this Fee Letter at any time upon thirty (30) days' written notice to Milbank; provided that the Debtors shall remain liable for all amounts owed under this Fee Letter through the effective date of such termination.

All fees and expenses payable pursuant to this Fee Letter, shall be paid promptly upon delivery of an invoice, copied to counsel to the UCC and the United States Trustee, but in no event later than 10 business days, and are, once paid, not refundable under any circumstances and will not be subject to counterclaim or set-off for, or be otherwise affected by, any claim or dispute relating to any other matter; provided, however, no portion of any statement objected to by the Debtors, the UCC or the United States Trustee shall be paid unless such objection is otherwise consensually resolved or withdrawn or the dispute is determined as provided in the next sentence of this paragraph. Unless otherwise ordered by the Bankruptcy Court, no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with the Bankruptcy Court, provided, however, the Bankruptcy Court shall have jurisdiction to determine any dispute concerning such invoices.

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It is understood that this Fee Letter shall not constitute or give rise to any obligation on the part of the Group to provide or arrange any financing or support any plan of reorganization; such an obligation will arise only pursuant to a Commitment if delivered in accordance with its terms. This Fee Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the parties hereto. **THIS FEE LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, TO THE EXTENT THAT THE SAME ARE NOT MANDATORILY APPLICABLE BY STATUTE AND WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION).** This Fee Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Fee Letter by facsimile (or other electronic) transmission shall be effective as delivery of a manually executed counterpart of this Fee Letter.

The Debtors' obligations hereunder shall be subject to the approval of the Bankruptcy Court. The Debtors agree to promptly seek concurrence of the UCC to this Fee Letter and to file a motion seeking Bankruptcy Court approval of this Fee Letter.

If the foregoing correctly sets forth our understanding, please indicate your acceptance of the terms hereof by returning to us an executed counterpart hereof, whereupon this Fee Letter shall become a binding agreement between us.

Very truly yours,

**Milbank, Tweed, Hadley & McCloy LLP, as counsel
to and on behalf of the Ad Hoc Group of AMR
Corporation Creditors**

By: 

Name: Gerard Uzzi

Title: Partner

Accepted and agreed to as of
the date first above written:

**AMR Corporation, for itself
and its Debtor subsidiaries**

By: 

Name: Gary F. Kennedy

Title: Senior Vice President and General Counsel

SCHEDULE A

The standard hourly rates for Milbank professionals are based on each professional's level of experience. At present, the standard hourly rates charged by Milbank are in the following ranges:

Partners:	\$825 - \$1,140
Of Counsel:	\$795 - \$995
Associates and Senior Attorneys:	\$295 - \$795
Legal Assistants:	\$130 - \$290

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SCHEDULE B

1. Carlson Capital, L.P.
2. Claren Road Asset Management, LLC
3. CSS, LLC
4. Cyrus Capital Partners, L.P.
5. J.P. Morgan Securities LLC
6. King Street Capital Management, L.P.
7. Litespeed Management, L.L.C.
8. Pentwater Capital Management LP
9. Tricadia Capital Management
10. York Capital Management Global Advisors LLC

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