

EXHIBIT A

SCN Engagement Agreement

**ENGAGEMENT AGREEMENT BETWEEN AMERICAN AIRLINES, INC. AND
SKYWORKS CAPITAL, LLC**

This Engagement Agreement (the “*Agreement*”) dated as of the 5th day of September, 2012, between American Airlines, Inc., a Delaware corporation with its principal offices at 4333 Amon Carter Boulevard, Fort Worth, Texas 76155 (the “*Company*”), and SkyWorks Capital, LLC, a Delaware limited liability company with its principal offices at 283 Greenwich Avenue, 4th Floor, Greenwich, CT 06830 (“*SkyWorks*”), sets forth below and in any schedules to this Agreement the terms and conditions under which SkyWorks shall serve as advisor to the Company with respect to the Project (as defined herein).

Section 1. Services.

In connection with the Company’s efforts to evaluate parts of the purchase agreement executed between the Company and an Original Equipment Manufacturer (“OEM”) (the “Project”), SkyWorks shall provide assistance to the Company with certain advisory services (collectively, the “Services”) as outlined below, upon the request and at the direction of the Company:

- (i) Review any work undertaken by the Company or materials provided by OEM with respect to changes the Company is seeking under the Customization Budget Proposal (“SCN List”) of the purchase agreement, and including all sections of the purchase agreement relating to the Standard Specification and Customization Budget of the Aircraft;
- (ii) Assist the Company in evaluating the proposals provided by OEM on changes to the SCN List and all related costs;
- (iii) Create economic model(s) to evaluate the costs of SCN changes being contemplated and negotiated; and
- (iv) Assist the Company in negotiating with OEM and securing an agreement on an amended SCN List and associated costs for aircraft types on order under the purchase agreement.

Section 2. Application for Retention of SkyWorks.

The Company shall apply promptly to the Bankruptcy Court pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure, applicable local rules and procedural orders of the Bankruptcy court and procedural guidelines established by the Office of the United States Trustee, for approval of (a) this Agreement and (b) SkyWorks retention by the Company under the terms of this Agreement (including, without limitation, the reimbursement of the fees, disbursements and other charges of SkyWorks counsel pursuant to Section 3 hereof without the requirement that the retention of such counsel be approved by the Bankruptcy Court), and shall use reasonable best efforts to obtain Bankruptcy Court authorization thereof. The Company shall use reasonable best efforts to obtain such Bankruptcy Court approval and authorization subject only to the subsequent review by the Bankruptcy Court under the standard of review provided in Section 328(a) of the Bankruptcy Code and not subject to the standard of review set forth in Section 330 of the Bankruptcy Code. The Company shall supply SkyWorks and its counsel with a draft of such application and any proposed order authorizing SkyWorks’ retention sufficiently in advance of the filing of such

application and proposed order to enable SkyWorks and its counsel to review and comment thereon. SkyWorks shall have no obligation to provide any Services under this Agreement unless and until SkyWorks' retention under the terms of this Agreement is approved in the manner set forth above by a final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which order is reasonably acceptable to SkyWorks in all respects, provided that any Services that Skyworks shall have elected to perform at the Company's request following the commencement of the Bankruptcy Case shall be deemed, upon approval of Skyworks' retention, to have been performed under the terms of this Agreement.

SkyWorks acknowledges that in the event the Bankruptcy Court approves its retention by the Company pursuant to the application process described in this Section 2, payment of SkyWorks' fees and expenses shall be subject to (a) the jurisdiction and approval of the Bankruptcy Court under Section 328(a) of the Bankruptcy Code; (b) any applicable fee and expense guidelines and/or orders; and (c) any requirement governing interim and final fee applications. In the event that SkyWorks' engagement hereunder is approved by the Bankruptcy Court, the Company shall pay all fees and expenses of SkyWorks hereunder as promptly as practicable in accordance with the terms hereof and the orders governing interim and final fee applications, and after obtaining all necessary further approvals from the Bankruptcy Court, if any.

In agreeing to seek SkyWorks' retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges that it believes that SkyWorks' financial advisory experience and expertise to airlines in financially distressed situations, its knowledge of the aviation industry and its capabilities will inure to the benefit of the Company, as well as the fact that SkyWorks advised the Company in its order with the OEM, that the value to the Company of SkyWorks services hereunder derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the fees are reasonable regardless of the number of hours expended by SkyWorks professionals in the performance of the services provided hereunder. The work to be performed by SkyWorks hereunder is in addition to and separate from the services for the Company as approved by the Bankruptcy Court pursuant to its order dated March 2, 2012.

Section 3. Compensation.

In consideration for SkyWorks' providing to the Company the Services outlined in Section 1 above, the Company shall pay to SkyWorks the following fees:

- (i) Work Fee. For Services provided as described above, an amount equal to \$50,000 ("Work Fee") from the date of this Agreement through October 21, 2012, payable upon submission of an invoice from SkyWorks.
- (ii) Continuing Work Payment: Should the Services shown above be requested of SkyWorks beyond October 21, 2012, in addition to the Work Fee, SkyWorks shall be paid \$25,000 per week, in advance upon submission of an invoice from SkyWorks.

The Company and SkyWorks acknowledge and agree that (a) the hours worked, (b) the results achieved and (c) the ultimate benefit to the Company of the work performed, in each case, in connection with this engagement, may be variable, and that the Company and SkyWorks have taken such factors into account in setting the fees hereunder.

Section 4. Expenses.

Without in any way reducing or affecting the provisions of Exhibit A hereto, the Company shall reimburse SkyWorks upon receipt of an invoice for its customary, reasonable and documented out-of-pocket expenses incurred in connection with the performance of its engagement hereunder, and the enforcement of this Agreement, including, without limitation, the reasonable and documented fees, disbursements and other charges of SkyWorks' counsel (without the requirement that the retention of such counsel be approved by the Bankruptcy Court). Consistent with and subject to any applicable order of the Bankruptcy Court, the Company shall promptly reimburse SkyWorks for any such incurred and unreimbursed expenses under this Section 4 upon presentation of an invoice or other similar documentation with reasonable detail.

Section 5. Indemnity; Limitation of Liability.

In partial consideration of the Services rendered hereunder, the Company shall indemnify SkyWorks and certain other Indemnified Persons (as defined in Schedule A hereto) in accordance with Schedule A attached hereto. The Company shall not and shall cause its affiliates and its and their respective directors, officers, employees, shareholders and agents not to, initiate any action or proceeding against SkyWorks or any other Indemnified Person in connection with this Agreement, this engagement or any Financing unless such action or proceeding is based solely upon the bad faith or gross negligence of SkyWorks or any such Indemnified Person.

Section 6. Termination.

This Engagement may be terminated for any reason upon 10 days' prior written notice by either party; provided, however, that any termination for cause shall be effective immediately.

Notwithstanding any termination, the Company shall still be liable for SkyWorks' expenses incurred pursuant to Section 4 hereof prior to the date of termination, as well as any unpaid fees pursuant to Section 3 that have accrued prior to such termination but are unpaid.

Termination of SkyWorks engagement hereunder shall not affect or impair the Company's continuing obligation to indemnify SkyWorks and certain related persons as provided in Schedule A.

Section 7. Payments.

Unless otherwise notified to change such instructions, all payments made to SkyWorks by the Company shall be made by wire transfer to the account of SkyWorks Capital, LLC; People's United Bank; ABA No. 221172186; Account No. 0267019706 .

Section 8. Agreement and Modification; Successors and Assigns.

Except as otherwise modified in writing by a specific agreement, this Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, and supersedes and cancels any prior communications, understandings and agreement between the parties with respect to such subject matter. This Agreement cannot be modified or changed nor can any of its provisions be waived, except in writing signed by all parties. This Agreement shall be binding on the successors and assigns of the parties hereto, and on any person who acquires all or substantially all of the assets of the Company.

Section 9. Assignment

Except as expressly permitted in this Section 9, this Agreement may not be assigned by either party hereto without the prior written consent of the other, to be given in the sole discretion of the party from whom such consent is being requested; provided, however, that SkyWorks may delegate certain of its duties hereunder to its affiliated entities or agents, but it shall remain liable as if such delegation had not occurred. Any attempted assignment of this Agreement made without such consent may be void, at the option of the non-assigning party.

Section 10. Governing Law.

The laws of the State of New York shall govern this Agreement and any annexes to this Agreement.

Section 11. Counterparts.

This Agreement and any annexes thereto may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument

Section 12. Confidentiality.

Notwithstanding the provisions of the Confidentiality Agreements between the Company and representatives of SkyWorks concerning the engagement set forth herein, SkyWorks shall be entitled to state that it acted as the Company's advisor in its marketing materials.

Section 13. Information Provided by the Company.

The Company shall furnish to, or cause to be furnished to, SkyWorks any and all information as is reasonably available to the Company and as SkyWorks reasonably deems appropriate to enable SkyWorks to render services hereunder (all such information being the "Information"). The Company recognizes and confirms that in performing its Services under this Agreement SkyWorks (i) will be relying on the Information and on information available from generally recognized public sources, without having independently verified the accuracy or completeness of the same, (ii) does not assume responsibility for the accuracy or completeness of the Information and any such other information and data, and (iii) will not act in the official capacity of an appraiser of specific assets of the Company or any other party. The Company confirms that the information to be furnished by the Company, when delivered, to the knowledge of its executive officers, will be true and correct in all material respects, will be prepared in good faith and will not contain any material misstatement of fact or omit to state any material fact. The Company will promptly notify SkyWorks if it learns of any material inaccuracy or misstatement in, or material omission from, any Information theretofore delivered to SkyWorks.

Section 14. Independent Contractor.

Skyworks has been engaged under this Agreement as an independent contractor to the Company, and nothing contained herein is intended to confer any rights or remedies as against

SkyWorks upon any person (including the management, Board of Directors, employees, equity security holders and creditors of the Company) other than the Company. No one, other than management employees or members of the Board of Directors of the Company (in their capacities as such), is authorized to rely upon the Company's engagement of SkyWorks or any statements, advice, opinions or conduct by SkyWorks. Without limiting the foregoing, any advice, written or oral, rendered in the course of the Company's engagement of SkyWorks is solely for the purpose of assisting management employees and members of or the Board of Directors of the Company (in their capacities as such) in evaluating the specific transactions that are the subject of the Services and does not constitute a recommendation to any stakeholder of the Company of any action that such stakeholder might or should take in connection with any such transaction. The Company agrees that, notwithstanding any termination or expiration of this engagement, any advice, written or oral, rendered by SkyWorks may not be disclosed publicly or made available to third parties without the prior written consent of SkyWorks. Notwithstanding the foregoing and the Confidentiality provisions entered into between the Company and representatives of SkyWorks, nothing herein shall prohibit the Company from disclosing to any and all persons the tax treatment and tax structure of any transaction and the portions of any materials that relate to such tax treatment.

Section 15. Miscellaneous.

No claim arising under this Agreement shall be commenced or prosecuted in any forum other than (i) during the pendency of the Bankruptcy Case, the Bankruptcy Court, or (ii) otherwise, the courts of the State of New York located in the City and County of New York or the United States District Court for the Southern District of New York, and each of the parties hereto submits to the jurisdiction of said courts. The parties hereto waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) related to or arising out of this Agreement or the engagement of SkyWorks pursuant to, or the performance by SkyWorks of the Services contemplated by, this Agreement. Each party hereto waives any right to claim consequential, special or punitive damages in any action, proceeding or counterclaims arising hereunder.

SKYWORKS CAPITAL, LLC

Matthew Landess
Managing Director

Agreed and Accepted by:

AMERICAN AIRLINES, INC.

By: _____

Title:

Date:

SCHEDULE A

Indemnification Agreement

September 5, 2012

Ladies and Gentlemen:

In connection with the engagement of SkyWorks Capital, LLC (“SkyWorks”) to advise and assist the Undersigned (referred to herein as “we”, “our”, or “us”) with the matters set forth in the Engagement Agreement dated as of September 5, 2012 (the “Engagement Agreement”) between us and SkyWorks, we hereby agree to indemnify and hold harmless SkyWorks and each of SkyWorks’ officers, directors, agents, employees, and controlling persons (within the meaning of each of Section 20 of the Securities Exchange Act of 1934 and Section 15 of the Securities Act of 1933) (each of the forgoing, including SkyWorks, being hereinafter referred to as an “Indemnified Person”) to the fullest extent permitted by law from and against any and all losses, claims, damages, expenses (including reasonable fees, disbursements, and other charges of counsel), actions (including actions brought by us or our equity holders or derivative actions brought by any person claiming through us or in our name), proceedings, arbitration or investigations (whether formal or informal), of threats thereof (all of the foregoing being referred to as “Liabilities”), based upon, relating to, or arising out of such engagement or any Indemnified Person’s role therein; provided, however, that we shall not be liable under this paragraph: (a) for any amount paid in settlement of claims without our consent, unless our consent is unreasonably withheld or (b) to the extent that it is finally judicially determined, or expressly stated in an arbitration award, that such Liabilities resulted primarily from the willful misconduct or gross negligence of the Indemnified Person seeking indemnification. In connection with our obligation to indemnify for expenses as set forth above, we further agree to reimburse each Indemnified Person for all such expenses (including reasonable fees, disbursements, and other charges of counsel) as they are incurred by such Indemnified Person; provided, however, that if an Indemnified Person is reimbursed hereunder for any expenses, the amount so paid shall be refunded if and to the extent it is finally judicially determined, or expressly stated in an arbitration award, that the Liabilities in question resulted primarily from the willful misconduct, fraud or gross negligence of such Indemnified Person. We hereby agree that neither SkyWorks nor any other Indemnified Person shall have any liability to us (or anyone claiming through us or in our name) in connection with SkyWorks’ engagement by us except to the extent that such Indemnified Person has engaged in willful misconduct or been grossly negligent. under the circumstances of the litigation or settlement in respect of which indemnity is sought. Notwithstanding anything to the contrary contained herein, in no event shall any Indemnified Person be indemnified in the case of its own bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct, and in no event shall Indemnified Persons be indemnified if the Company or a representative of the estate, assert a claim for, and a court determines by final order that such claim arose out of, SkyWorks’ own bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct.

The Company shall further reimburse any Indemnified Person promptly after obtaining the necessary approval of the Bankruptcy Court, if any, for any legal or other fees, disbursements or expenses as they are incurred (a) in investigating preparing or pursuing any action or other proceeding or threat thereof, whether or not in connection with pending or threatened litigation or arbitration and whether or not any Indemnified Person is a party and (b) in connection with enforcing such Indemnified Person's rights under this Agreement; provided, however, that in the event and only to the extent that it is finally judicially determined or expressly stated in an arbitration award, that the Liabilities of such Indemnified Person arose primarily because of the gross negligence, willful misconduct, or fraud of an Indemnified Person, such Indemnified Person will promptly remit to the Company any amounts reimbursed under this paragraph.

Promptly after SkyWorks receives notice of the commencement of any action or other proceeding in respect of which indemnification or reimbursement may be sought hereunder, SkyWorks will notify us thereof; but the omission so to notify us shall not relieve us from any obligation hereunder unless, and only to the extent that, such omission results in our forfeiture of substantive rights or defenses. If any such action or other proceeding shall be brought against any Indemnified Person, we shall, upon written notice given reasonably promptly following your notice to us of such action or proceeding, be entitled to assume the defense thereof at our expense with counsel chosen by us and reasonably satisfactory to such Indemnified Person; provided, however, that any Indemnified Person may, at its own expense, retain separate counsel to participate in such defense; provided further, however, that such participation does not, in the reasonable opinion of our counsel conducting such proceedings, unreasonably interfere with such defense. Notwithstanding the foregoing, such Indemnified Person shall have the right to employ separate counsel at our expense and to control its own defense of such action or proceeding if, in the reasonable opinion of counsel to such Indemnified Person, (i) there are or may be legal defenses available to such Indemnified Person or to other Indemnified Persons that are different from or additional to those available to us, or (ii) a difference of position or potential difference of position exists between us and such Indemnified Person that would make such separate representation advisable; provided, however, that in no event shall we be required to pay fees and expenses under this indemnity for more than one firm of attorneys (in addition to local counsel) in any jurisdiction in any one legal action or group of related legal actions. We agree that we will not, without the prior written consent of SkyWorks, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, or proceeding relating to the matters contemplated by SkyWorks' engagement (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, or consent includes an unconditional release of SkyWorks and each other Indemnified Person from all liability arising or that may arise out of such claim, action, or proceeding.

If the indemnification of an Indemnified Person provided for hereunder is finally judicially determined by a court of competent jurisdiction to be unenforceable, then we agree, in lieu of indemnifying such Indemnified Person, to contribute to the amount paid or payable by such Indemnified Person as a result of such Liabilities in such proportion as is appropriate to reflect the relative benefits received, or sought to be received, by us on the one hand and by SkyWorks on the other from the transactions in connection with which SkyWorks has been engaged. If the allocation provided in the preceding sentence is not permitted by applicable law, then we agree to contribute to the amount paid or payable by such Indemnified Person as a result of such Liabilities in such proportion as is appropriate to reflect not only the relative benefits referred to in such preceding sentence but also the relative fault of us and of such Indemnified Person. The relative fault by us shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or the omission or alleged omission to

state a material fact giving rise to such claim for indemnification hereunder relates to information supplies by us or by the Indemnified Person and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

Notwithstanding the foregoing, in no event shall the aggregate amount required to be contributed by all Indemnified Persons taking into account our contributions as described above exceed the amount of fees received by SkyWorks pursuant to such engagement. The relative benefits received or sought to be received by us on the one hand and by SkyWorks on the other shall be deemed to be in the same proportion as (a) the total value of the transactions with respect to which SkyWorks has been engaged bears to (b) the fees paid or payable to SkyWorks with respect to such engagement.

The rights accorded to Indemnified Persons hereunder shall be in addition to any rights that any Indemnified Person may have at common law, by separate agreement or otherwise.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE.

We and SkyWorks also hereby irrevocably waive any right we and SkyWorks may have to a trial by jury in respect of any claim based upon or arising out of this agreement. This agreement may not be amended or otherwise modified except by an instrument signed by both SkyWorks and us. If any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision of this agreement, which shall remain in full force and effect. If there is more than one Indemnitor hereunder, each Indemnifying Person agrees that its liabilities hereunder shall be joint and several. Each Indemnified Person is an intended beneficiary hereunder.

The foregoing indemnification agreement shall remain in effect indefinitely, notwithstanding any termination of SkyWorks' engagement.

Very truly yours,

AMERICAN AIRLINES, INC.

By: _____

Name:

Title:

Acknowledged and Agreed to:

SKYWORKS CAPITAL, LLC

By: _____

Matthew Landess
Managing Director