

SUMMARY OF MATERIAL MODIFICATIONS FOR HEALTH AND WELFARE BENEFIT PLANS SPONSORED BY AMERICAN EAGLE, INC.

December 15, 2009

This document serves as notice to **American Eagle Airlines, Inc.** Active and Leave-of-Absence employees of changes to the Company sponsored health and welfare benefit plans listed below. This Summary of Material Modifications describes the changes that affect your benefit plans and updates your summary plan descriptions. This Summary of Material Modifications, together with the Employee Benefits Guide, makes up the official plan documents and Summary Plan Descriptions. **Please read this notice carefully, and place this notice with your Summary Plan Description(s) (the Summary Plan Descriptions are contained in the Employee Benefit Guide (“EBG”)). These changes are effective January 1, 2010, unless otherwise stated elsewhere in this document.**

These changes apply to the Group Health and Welfare Benefits Plan for Employees of American Eagle Airlines and Its Affiliates (Plan 501, EIN #38-2036404; referred to herein as the “Plan”).

In “Eligibility,” “Dependent Eligibility,” “Dependent Eligibility Criteria” on 17 & 18, the final paragraph of the section is changed as follows:

Michelle’s Law requires that the Plan cannot terminate coverage of a student who is a dependent child and who must take a medically necessary leave of absence, before the earlier of:

- *One year after the leave of absence begins; or*
- *The date on which the child’s coverage under the Plan would otherwise terminate.*

“Medically necessary leave of absence” means a leave of absence from a postsecondary school, or any other change in enrollment at the school, that:

- *Begins while the child is suffering from a serious illness or injury;*
- *Is medically necessary; and*
- *Causes the child to lose student status and therefore coverage under the Plan.*

The child must be under a physician’s care, and written statements must be provided from the attending physician and educational institution to your network and/or claim administrator. The written certification must state that the child is suffering from a serious illness or injury and that the leave of absence (or other change in enrollment, such as a change from a full-time to part-time student) is medically necessary.

If a dependent does not meet the conditions of Michelle’s Law, he or she will lose coverage after nine months. The child must be under a physician’s care, and statements must be provided from the attending physician and educational institution to the network and/or claim administrator. After nine months, coverage will end unless the child returns to school full-time or meets the definition of an incapacitated child. If you are enrolled in an HMO, you must contact your individual HMO to determine eligibility requirements and when coverage will be terminated.

In “Enrollment,” “Default Coverage” on page 22, the first row of the table is changed as follows:

Benefit	Default	Comments
Medical Benefit Option	PPO Deductible	If your current medical benefit option is not available in your location, you and your eligible dependents will be enrolled in the PPO-Deductible option. If you are not eligible for the PPO-Deductible option, you and your eligible dependents will be enrolled in the Out-of-Area Coverage option. Employees with a Puerto Rico address will default to the Humana HMO if current plan is no longer available.

In “Medical Benefit,” “Overview,” on page 40, the following text replaces the third paragraph, first sentence:

Employees residing in Puerto Rico will have the choice between HMOs and the PPO Copay, PPO Deductible, or Minimum Coverage Plans.

In “Medical Benefits,” “Medical Benefit Options,” “Medical Benefit Options Comparison,” “Hospital Services” on page 45, the following is replaces the first two rows in the table:

Features	Amount You Pay Under ...			
	In-Network PPO-Deductible & Out-of-Area Coverage	In-Network PPO-Copay	Minimum Coverage	Out-of-Network PPO-Deductible & PPO-Copay
Annual deductible	\$500 deductible/individual \$1000 deductible/family	\$250 deductible/individual \$750 deductible/family	\$1000 deductible/individual \$2000 deductible/family	PPO Deductible: \$1000 deductible/individual PPO Copay: \$750 deductible/individual No aggregate family deductible

In “Medical Benefits,” “Medical Benefit Options,” “Medical Benefit Options Comparison,” “Medical Services” on page 45, the following text replaces the text in the row “Mammograms”:

Features	In-Network PPO-Deductible & Out-of-Area Coverage	In-Network PPO-Copay	Minimum Coverage	Out-of-Network PPO-Deductible & PPO-Copay
Mammograms –	20% coinsurance if	No cost if part of	20% co-insurance if	40% co-insurance if