DATE: July 11, 1969

TO: Owners and Operators of Yankee Aircraft

SUBJECT: Exhaust System Modification

MODELS AFFECTED: AA1-0001 through AA1-0159

TIME OF COMPLIANCE: At the next scheduled inspection or sooner at owner's
                         discretion.

Starting with aircraft Serial No. AA1-0160 we are installing a new type exhaust
tail pipe brace. This new rigid brace is much more effective in absorbing and
distributing vibrational stresses than the flexible hanger previously used.

Since some reports have been received from the field regarding vibration induced
muffler and tail pipe cracks, it is recommended that the following be accomplished
on all aircraft listed above as soon as possible, but no later than the next
scheduled inspection.

1. Inspect muffler assembly and muffler shroud for cracks, particularly in the
    area adjacent to the welds inside the shroud at the transition between the
    muffler and tail pipe. If cracks are found in the muffler or tail pipe, they
    should be heli-arc welded. (Muffler material is 321 Stainless Steel). If
    cracks are found in the muffler shroud they should be stop-drilled or heli-
    arc welded. (Shroud material is 304 Stainless Steel).

2. Install the new rigid tail pipe brace.

The new brace with related hardware and instructions is available as Service Kit
No. SK-106, "Exhaust System Modification" (copy attached). Service Kit No. SK-106
will be available at no charge from your Authorized American Aviation Corporation
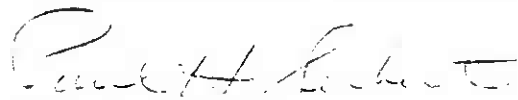Dealer by July 30, 1969.

A labor allowance of .5 hours at the Dealer's prevailing shop rate will be credited
for the installation of Service Kit No. SK-106 providing the work is performed or
authorized by an Authorized American Aviation Corporation Dealer.

Work must be completed and Warranty Claim Form AA-740, submitted to the factory
prior to September 30, 1969 for credit allowance.

The Service Reply Card (attached) is to be completed and mailed immediately upon
completion of the modification.

                                        Very truly yours,

                                        AMERICAN AVIATION CORPORATION

                                        Paul H. Seibert
                                        Customer Service Manager

PHS:gec