

LETTER OF AGREEMENT
between
AMERICAN AIRLINES, INC. and US AIRWAYS, INC.
and the
FLEET SERVICE EMPLOYEES
in the service
AMERICAN AIRLINES, INC. and US AIRWAYS, INC.
as represented by the
TRANSPORT WORKERS UNION OF AMERICA
and the
INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended (the "Act"), by and between Legacy American Airlines, Inc. ("American"), Legacy US Airways, Inc. ("US Airways") collectively (the "Airline Parties"), and the Fleet Service employees in the service of US Airways as represented by the International Association of Machinists and Aerospace Workers District 141 ("IAM"), and the Fleet Service employees in the service of American as represented by the Transport Workers Union of America, AFL-CIO ("TWU"). All parties are collectively referred to as (the "Parties").

WHEREAS, effective December 9, 2013, American and US Airways became subsidiaries of American Airlines Group; and

WHEREAS, the Airline Parties intend that Legacy American and Legacy US Airways will continue to operate with separate fleet service work groups, under their respective collective bargaining agreements until the two fleet service workforces are integrated under a Joint collective bargaining agreement and a single, combined seniority list;

WHEREAS, the Parties intend during the Interim Period to provide employment opportunities to fleet service employees of either airline with recall rights from layoff or displacement;

THEREFORE, the Parties mutually agree as follows:

I. Interim Period

- A. The Interim Period is defined as the period beginning as soon as practicable and no later than 30 days following execution of this agreement and ending upon the effective date that the fleet service employees of American and US Airways are integrated into a combined fleet service workforce under a joint collective bargaining agreement and integrated seniority list.

- B. The respective Fleet Service employees of American and US Airways will remain separate during the Interim Period, except as provided for herein, and the American employees will continue to be employed by American and governed by the terms of the American Fleet Service TWU collective bargaining agreement ("TWU CBA") and the US Airways employees will continue to be employed by US Airways and governed by the terms of the US Airways IAM Fleet Service collective bargaining agreement ("IAM CBA").
- C. Should Legacy American or Legacy US Airways have a fleet service vacancy during the term of the Interim Period, then prior to hiring a new employee, the respective company will offer preferential hiring opportunities to employees from the opposite carrier, (Legacy American/Legacy US Airways) who have recall rights from layoff or displacement to the same station as the vacant position. The following provisions for a preferential hire opportunity applies:
1. Fleet Service employees with recall rights from layoff or displacement will be offered a one-time preferential hire opportunity in recall order to the station and status (FT/PT) from which they were furloughed or displaced, except that an employee with full time recall will be offered a one-time opportunity for both full time and part time vacancies. Employees with part time recall will be offered full time vacancies only after all employees with full time recall have been exhausted. Employees who refuse a preferential hire opportunity will not be eligible for another hiring opportunity for the same status for which they refused.
 2. An offer extended pursuant to paragraph C.1 above for employees will be a contingent offer subject to satisfying the following criteria: the employee must satisfy all new hire provisions of the hiring carrier, including, background checks, drug/alcohol testing and other new hire training and security screening requirements.
 3. An employee accepting a Fleet Service position pursuant to paragraphs C.1 and C.2 above will be a new hire employee subject to all employment policies of the hiring airline and all terms and conditions of the collective bargaining agreement except as specifically addressed below. Legacy AA employees hired at Legacy US will be eligible for applicable Health and Welfare benefits immediately, with the exception of Long Term Disability; which is 60 days. Legacy US employees, on furlough, hired at Legacy AA will be eligible for applicable Health and Welfare benefits after 30 days of employment, and those hired from an active (displaced) position will have applicable benefits upon date of employment.
 4. An employee accepting a position under these provisions will be placed on the pay step of the hiring airline's applicable pay scale consistent with the employee's Occupational (AA) / Pay Date (US) seniority date upon hiring. This provision shall have no impact on the pay step of any other fleet service employee in the location. Employees who accept a position will not be subject to any new hire probation

periods under the applicable collective bargaining agreement.

5. Employees accepting positions will retain recall rights from their original airline for the duration of any remaining recall period and during such time will continue to be eligible for recall as provided for under the respective CBA, except that:
 - a. Should the employee forfeit recall under the terms of the applicable agreement and continue to be employed by the Airline Parties on the date of Operational Employee Integration, their Classification Seniority will apply as described under paragraph C.6 below;
 - b. Should an employee's recall rights expire while working for the opposite airline, such employee will forfeit all recall rights. However, should the employee continue to be employed by Airline Parties on the date of Operational Employee Integration, their Occupational/Classification Seniority will apply as described under paragraph C.6 below;
 - c. An active employee accepting a position under this agreement will be viewed as voluntarily leaving the collective bargaining agreement and will be placed in an inactive status. However, the employee will retain the right to transfer back to his original carrier e.g.: PE-66 (US). The employee will also retain all rights previously accrued e.g.: sick time bank.
6. At Operational Employee Integration, Fleet Service employees who were hired at either the Airline Parties under this agreement and continue to be employed by the Airline Parties under the terms of this Agreement, will receive a Fleet Service Occupational/Classification Seniority date based on their date of entry into their basic classification at their original airline as determined pursuant to the "Agreement Regarding Seniority List Integration" signed on April 24, 2013.
7. Employees who are receiving furlough/severance pay and accept employment under these provisions will have such furlough/severance pay cease effective their first day of employment. Additionally, employees who received lump sum or advanced furlough pay will be required to pay back any severance allowance that exceeds the amount of time between the furlough date and their first day of employment under the terms of this agreement.
8. Employees who have accepted employment under these provisions and who subsequently resign from that position, will forfeit all rights for time worked at the hiring airline, however such employees will retain any remaining recall rights under the applicable CBA of their legacy carrier.
9. Employees employed under the terms of this Agreement who are terminated for cause will be considered terminated from both carriers and will be entitled to the grievance provision of the terminating airline's applicable collective bargaining

agreement.

II. Operational Employee Integration

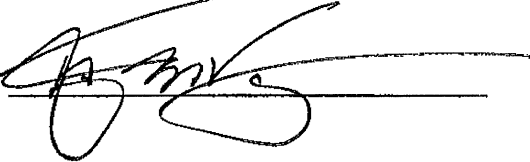
Operational Employee Integration ("OEI") is defined as the time when the fleet service employees of American and US Airways are integrated into a combined fleet service employee workforce, under a joint collective bargaining agreement, and when the combined fleet service employee integrated seniority list becomes effective.

III. Effective Date and Duration

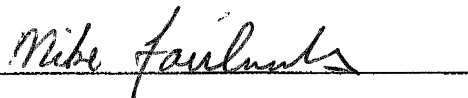
This Agreement will become effective upon the execution by the Parties and will remain in effect up to Operational Employee Integration ("OEI").

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Agreement effective this 6 day of August 2014.

For Legacy American Airlines, Inc. and Legacy US Airways, Inc.

By: 

For International Association of Machinists and Aerospace Workers

By: 

For Transport Workers Union of America, AFL-CIO

By: 