

Exhibit "B"

**Eagle's Tentative Agreement with TWU Dispatchers
Ratified on December 17, 2012**

Dispatch Art 1 - TA Final

By the Company _____

Date: _____

By the Union _____

ARTICLE 1
RECOGNITION AND RIGHTS

- A. In accordance with Recognition Agreements between AMERICAN EAGLE AIRLINES, INC AND TRANSPORT WORKERS UNION OF AMERICA dated April 28, 1998 and EXECUTIVE AIRLINES, INC. AND TRANSPORT WORKERS UNION OF AMERICA dated April 28, 1998 the Company hereby recognizes the Transport Workers Union of America, AFL-CIO, as the sole bargaining agent for all dispatcher employees and in their behalf to negotiate and conclude an Agreement with the Company covering rates of pay, rules and working conditions.
- B. This Agreement is binding upon the parties hereto and their successors and assigns.
- C. It is understood and agreed that qualified supervisors and other employees may assist in performing any work that may be necessary to complete a particular operation. Qualified supervisors will perform covered work only to maintain their qualifications and/or in the event of unusual circumstances. Supervisors will not be utilized to avoid the payment of overtime.
- D. Contracting out of work - The Company reserves the right to contract in or contract out to another AMR owned company, any or all such work covered by this Agreement, if by so doing the Company is able to accomplish such work more economically, provided however, that the Company shall not layoff any employee covered by this agreement solely by reason of the fact that the work ordinarily done by such employee has been contracted out. It is understood and agreed should the Company at such time not have the man power or facilities to do a particular job, such work may be contracted out without limitations. This revision shall be applicable only so long as American Eagle is a carrier wholly owned by AMR Corporation, Inc.

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- E. In the event that the Company is a party to any merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction, the Company will meet with the **Transport Workers Union** to discuss the merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction. The Company will provide the **Transport Workers Union** with information concerning the proposed merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction at the earliest practical time to allow the Union to prepare for those discussions. Those discussions will include the impact of the merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction upon **Transport Workers Union** represented employees.
- F. In the event that the Company is a party to any merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction and a satisfactory agreement between the parties is not reached in regard to seniority integration, the Company will agree to utilize the procedure as set forth in paragraph H. below.
- G. In the event that American Eagle **Airlines Inc.** is integrated with any AMR affiliate, the parties representing each bargaining unit will meet to determine seniority integration. If a satisfactory agreement between the parties is not reached in regard to seniority integration, the Company will agree to utilize the procedure as set forth in paragraph H. below.
- H. In the event of failure to reach a negotiated resolution, the seniority integration dispute will be resolved by a neutral arbitrator in accordance with Sections 3 and 13 of the Allegheny-Mohawk Labor Protective Provisions.
- I. Successorship – In the event **that the Company is a party to any merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction**, the Company will agree to use its best

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efforts to ensure that the purchaser recognizes the **Transport Workers Union** as the sole bargaining agent of the employees covered by this **Agreement**, accepts the terms of the collective bargaining agreement then in effect, and accepts the **Transport Workers Union** represented employees transferred with such transaction.

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ARTICLE 2 **DEFINITIONS**

- A. The term "Employee" as used herein, means all employees of the Company covered by this Agreement as defined in Article 10 of this Agreement, Classifications and Qualifications.
- B. Any masculine pronoun used herein shall be deemed and understood to designate any employee, hereunder, whether male or female.
- C. The word "qualification" as used herein shall mean all requirements and /or qualifying tests, which may be deemed necessary by the Company for a particular type of work to be performed.
- D. The term "hereunder" as used in this Agreement shall be construed to mean and read "under all applicable provisions of this Agreement."
- E. "Company seniority date" shall be defined as the employee's hire date with the Company.
- F. "Classification seniority date" shall be defined as an administrative date, which determines the placement of an employee on the applicable pay scale.
- G. "Occupational Seniority" will be defined as the employee's date of assignment in an Occupational group and will accrue as outlined in the provisions of the labor agreement.
- H. The term "emergency" as used herein shall mean a sudden, generally unexpected occurrence or set of circumstances demanding immediate action.

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I. "Base rate of pay", "base hourly rate", "regular pay", or "pay as if working" will be defined as an employee's rate as shown in Article 4 (Compensation) including any applicable longevity, license premium and Operations Coordinator premium. The following are excluded from base rate of pay: shift differential and higher capacity pay premium (e.g. relief coordinator and training dispatcher).

J. "AMR EAGLE CARRIER", "COMPANY" OR "COMPANIES" means AMR Eagle Holding Corporation and a carrier(s) owned by AMR Eagle Holding Corporation, including, but not limited to, American Eagle Airlines, Inc. or Executive Airlines, Inc. provided that in the event of a divestiture of any form from AMR Corporation, "AMR Eagle Carrier", "Company", or "Companies" shall mean the successor entity resulting from such a divestiture, in which case all references to "AMR Eagle Carrier", "American Eagle Airlines", "Executive Airlines", "Company", and/or "Companies shall be replaced with the name of the successor entity.

K. "Successor" will include, without limitation, any assignee, purchaser, transferee, administrator, receiver, executor, and/or trustee of the Company or of all or substantially all of the equity securities and/or assets of the Company.

L. "Successorship Transaction" means any transaction, whether single-step or multi-step that provides for, results in, or creates a successor.

M. "Affiliate", as used in this agreement means

1. any entity that controls the Company or any entity that the Company controls and/or

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2. any other corporate subsidiary, parent, or entity controlled by or that controls any entity referred to in M 1 of this paragraph.

N. "Meet and Confer" will mean an obligation to meet and provide information relating to a specific issue with the intent of resolving such issue.

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ARTICLE 3
NON-DISCRIMINATION AND MANAGEMENT RIGHTS

- A. The Company and the Union agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Union, the provisions of this Agreement will apply equally to all employees hereunder regardless of sex, age, color, race, religion, sexual orientation, disability, veteran status or national origin.
- B. No employee covered by this Agreement will be interfered with, restrained, coerced, or discriminated against by the Company, its officers or agents, because of membership in the Union.
- C. The rights of ownership, the management of the Company, and the direction of the working forces, including the right to hire, discipline and discharge employees for just cause, promote, demote, transfer, layoff and recall, the right to direct, plan and control operations, and to establish and change work schedules, and the right to determine the type of work to be performed, and the right to introduce new and improved methods, equipment or facilities, and to change existing methods, equipment and facilities, and to determine the location of the Company's facilities, and the work to be done at each, and the number of employees, and the right to lease facilities or equipment, and the right to establish or change Company rules, and in general to maintain discipline and efficiency, are vested exclusively with the Company so long as the exercise of such rights shall not be in conflict with the specific provisions of this Agreement.

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ARTICLE 4 **COMPENSATION**

A. During the period of this Agreement, the rates of pay for the classification of work covered hereunder shall be in accordance with the pay plan shown in C. below.

B. When an employee is initially employed, such employee may, at the sole option of the Company, be given credit for prior experience and may be placed in a position in the rate range commensurate with such prior experience. Such employee shall thereafter receive length of service increases in accordance with his length of service (including, for this provision only, his Credited Service). If the starting rate changes to a higher level all employees who are below the new starting rate shall be immediately raised to the new rate and thereafter receive length of service increases up to the maximum rate of his respective job classification.

C. Dispatch employees will be paid the following rates:

Pay Step	DOS	1/1/2015	1/1/2016
1st 6 Mos.	\$14.37	14.59	14.80
2nd 6 Mos.	\$14.85	15.07	15.30
2nd Year	\$15.75	15.99	16.23
3rd Year	\$16.37	16.62	16.86
4th Year	\$16.97	17.22	17.48
5th Year	\$17.90	18.17	18.44
6th Year	\$18.51	18.79	19.07
7th Year	\$19.10	19.39	19.68
8th Year	\$19.71	20.01	20.31
9th Year	\$20.30	20.60	20.91
10th Year	\$20.91	21.22	21.54
11th Year	\$21.49	21.81	22.14
12th Year	\$22.09	22.42	22.76
13th Year	\$22.68	23.02	23.37
14th Year (+)	\$24.14	24.50	24.87

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- D. Rates listed above include a license premium of \$.50 per hour.
- E. Operations Coordinators will be paid a premium of two dollars and fifty cents (\$2.50) per hour for all hours paid as an Operations Coordinator in addition to the rates listed above.
- F. Relief employees who work in a status that pays a higher premium will receive that higher premium for all hours worked in that status.
- G. If the current shift overlap is eliminated each affected Dispatcher will receive fifteen (15) minutes additional pay at their regular rate for each shift scheduled to work and for which payment is made, as compensation for the time spent performing the pass-down between shifts.
- H. Employees who perform OJT or classroom training in accordance with the approved training manual will be paid a premium of \$2.00 per hour for each such hour of training. Employees performing Check Dispatcher assignments will be paid a premium of \$2.25 per hour for all hours spent administering competency checks to employees of the Company.

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ARTICLE 5
VACATIONS

A. Employees hereunder shall become entitled to and receive vacation allowances in accordance with the following:

1. As used herein the term “year” is used to mean a calendar year.
2. As of December 31 of each year, each employee hereunder who has had one (1) year or more of active service with the Company will be entitled to a vacation period of two (2) weeks (80 hours) to be taken in the following year,
3. As of December 31 of each year, each employee hereunder who has had five (5) years or more of active service with the Company will be entitled to a vacation period of three (3) weeks (120 hours) to be taken the following year.
4. As of December 31 of each year, each employee hereunder who has had fifteen (15) years or more of active service with the Company will be entitled to a vacation period of four (4) weeks (160 hours) to be taken the following year.
5. As of December 31 of each year, each employee hereunder who has had twenty (20) years or more of active service with the Company will be entitled to a vacation period of five (5) weeks (200 hours) to be taken the following year.
6. An employee who, as of December 31 of any year, has less than one (1) year of service with the Company will be entitled to a vacation with pay on the basis of six hours and forty minutes (6:40) accrual for each

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month of active service with the Company for vacation to be taken in the following year.

B. In any calendar month, fifteen (15) days or more of service with the Company shall be considered a full month and less than fifteen (15) days shall not be considered. Fractions of one-half a day or more of earned vacation shall be considered as entitling the employee to a full day's vacation and fraction of less than one-half a day shall not be considered.

C. The pay for such vacation shall be at the employee's base rate of pay.

D. Preference for the period in which employees hereunder shall be permitted to take their vacations shall be granted in order of Company seniority.

1. An employee may slide his vacation (in either direction, within his scheduled vacation week) by the number of days necessary to ensure days off immediately preceding or following his vacation.

E. The Company will post request for vacation preference for the following year on Company bulletin boards not later than October 15th of each year and employees eligible shall list their preference not later than November 15th. The vacation periods shall be assigned and posted on Company bulletin boards not later than by December 1st. The posted vacation slots will be equally distributed throughout the year rounded up to the nearest whole number and no vacation bid will have less than one (1) slot available for each week of the year. The actual number of slots per week will be determined exclusively by the company. Any employee not expressing a preference will be assigned a vacation. Vacation swaps between employees will not be permitted.

F. If, during the year, a vacation slot is made available, at Company discretion, such slot shall be filled on a first-come, first-served basis.

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- G. After the normal vacation bid, at Company discretion, employees may request vacation day(s) on a day at a time basis. Such day(s) may be granted on a first come, first-served basis.
- H. An employee covered by this contract who resigns and has given the Company fourteen (14) days advance notice will be entitled to his earned vacation pay. This notice provision may be waived by the Company. If an employee dies while in the employ of the Company, his estate will be paid in a lump sum for all unused accrued vacation.
- I. The Company reserves the right to cancel and reschedule vacation if necessary to maintain service and will give as much advance notice as possible to the employee, but at least two weeks except in the case of emergency. In the event that an employees vacation has been canceled by the Company, the employee may at his option:
1. Reschedule his unused vacation during the same calendar year, if a slot is available, or
 2. Request to be paid for his unused vacation period
 3. Request to carry his unused vacation over to the following year.
- J. Except as stated in I. above, vacation allowance shall not be cumulative and a vacation to which an employee becomes entitled on December 31 of any year shall be forfeited unless taken during the following year.
- K. No more than 40 hours of accrual may be used per week, and no employee will be permitted to schedule more vacation weeks or days than permitted by the applicable section of paragraph A. above.

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- L. The Company will permit an employee who has completed probation to request up to forty (40) hours of personal vacation days per year, which must be requested in full day increments. The request will be granted if manning permits. Personal vacation days (PVD) are defined as vacation days accrued in the current year for next year to be taken in advance for the current year. The days would then be deducted from the next year's allocation.

- M. Upon retirement, an employee covered under this Agreement who has accrued vacation will receive a lump sum payment for his accrued vacation at his base rate of pay.

- N. Employees will not be Junior assigned for overtime immediately before or after vacation.

- O. As referenced in Article 6. D. – Holidays. Upon request, holidays recognized by this agreement which fall within the vacation period may be taken by extending the vacation period one (1) day for each holiday.

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ARTICLE 6 **HOLIDAYS**

A. The following holidays will be observed and compensated as set forth herein:

New Years Day

Labor Day

Memorial Day

Thanksgiving

Independence Day

Christmas

B. The above holidays will be observed on State and National Observance designated days.

C. In addition to any hours worked, an employee who works on any of the above holidays (including CSW and OT) shall receive a day's compensation at his base rate of pay, on any of the above holidays. An employee who does not work on a holiday will not be entitled to pay under this Article.

D. As referenced in Article 5. O. - Vacation, upon request, holidays recognized by this agreement which fall within the vacation period may be taken by extending the vacation period one (1) day for each holiday. No employee will be permitted to interrupt his vacation period to work on a holiday.

E. The Company shall provide an option for the employee to take compensatory time in lieu of holiday pay. Such day will require Company approval and must be requested at least fourteen days in advance. The Company shall agree to such request based on operational requirements. If approved, the first four (4) holidays of the calendar year (New Years, Memorial, Independence, and Labor Day) must be taken within ninety (90) days and the remaining holidays (Thanksgiving, Christmas) must be

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taken within sixty (60) days from such holiday or the employee will be paid for such time at his base rate. All requests for compensatory time off will be on a "first come, first serve" basis, that is, all requests will be considered in the order they were received. In the event two or more requests are handed in on the same day, then occupational seniority shall prevail.

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ARTICLE 7
SICK LEAVE/ON THE JOB INJURY

- A. Sick leave is that time granted to an eligible employee who is incapacitated for the performance of his regular duties by sickness or injury arising from non-occupational causes.
- B. An employee shall accrue four (4) hours of sick leave for each calendar month of active service with the Company up to a maximum of forty-eight (48) hours in any calendar year; provided; however that probationary employees may not take sick days. If the Company increases the rate of sick time accrual for any other TWU represented group or any other non-represented employee group, the increased accrual will be provided to employees covered by this agreement.
- C. Unused sick leave shall be cumulative up to a maximum of seven hundred and twenty (720) hours.
1. Any employee who has reached **three hundred (300)** hours in his sick bank may convert forty (40) hours of sick leave into forty (40) hours of vacation time (to be taken in a one (1) week block only). Such vacations will be bid after all regular bids (Article 5) have been awarded.
- D. The sick leave provided under this Article shall be payable only in cases of illness or injury from non-occupational causes which result in the employee's incapacitation for the performance of his regular duties. Such sick leave shall be paid in the following manner:
1. ~~2.~~ Payment of sick leave shall be the pay for the regular daily schedule of working hours, for those days which the employee would have worked but for the disabling sickness or injury, calculated at the applicable regular rate of pay. Such payment

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shall commence from the first (1st) workday's absence and shall continue until the employee's accrued sick leave is exhausted.

E. The Company acknowledges an employee's right to use sick time for the intended purpose. In accordance with Company policy, the use of sick time will not be subject to disciplinary action unless there is evidence to substantiate abuse.

1. An employee who will be absent from work due to illness or injury shall make every reasonable effort to report the absence to his immediate supervisor at least one (1) hour prior to normal shift starting time.
2. While it is not the policy of the Company to require medical confirmation of illness, the Company reserves the right to require such medical confirmation whenever circumstances indicate abuse of sick leave or excessive absenteeism.

F. Injury on duty benefits will be in accordance with the applicable workman's compensation laws.

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ARTICLE 8
TRANSFER TO SUPERVISORY OR OTHER DUTY

- A. An employee who accepts a supervisory position directly associated with the Flight Dispatch function at the request of the Company shall continue to accrue occupational seniority provided he is a member in good standing in the Union. A supervisor may elect to return to the Bargaining Unit upon thirty (30) days written notice; the Company may elect to defer the return for an additional sixty (60) days at its discretion. Return to the Bargaining Unit shall be to any open position to which he is entitled but he shall not have any displacement rights.
- B. An employee who accepts a position at the request of the Company in work not associated with the Flight Dispatch function shall continue to accrue occupational seniority provided he is a member in good standing in the Union for a period of time not to exceed two (2) years. After two (2) years in such work he shall forfeit all such seniority. Within the two (2) year period return to the Bargaining Unit shall be to any open position to which he is entitled but he shall not have any displacement rights.

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ARTICLE 9
SENIORITY

- A. Company seniority shall commence with the effective day of placement on the payroll. All references in the Agreement to seniority shall mean occupational seniority, except where specific reference is made to Company seniority and/or Classification seniority.
- B. Occupational seniority as a Flight Dispatcher shall begin to accrue on the date of permanent assignment to duty as a Flight Dispatcher. There shall be a single seniority list, which will indicate a Company seniority date, and a Flight Dispatcher occupational seniority date. Seniority lists shall be revised quarterly to reflect the seniority status of employees covered by this Agreement. Such list shall be posted quarterly at each Flight Dispatch office and two (2) copies shall be furnished to the TWU Local 542 President.
- C. If two or more employees are assigned to a classification on the same date, their relative seniority shall be determined on the basis of accredited service with the Company in any capacity; or if the accredited service with the Company is the same, relative seniority shall be determined on the basis of date of birth, the older employee will be listed before the younger.
- D. Seniority shall not govern promotion or assignment from Flight Dispatcher to supervisory or special duty assignments.
- E. Occupational seniority shall govern all employees hereunder in the case of shift preference, transfer, retention in case of reduction in force, and reemployment after release due to reduction in force.
- F. An employee or the Union may protest any omission or incorrect posting affecting an employee's seniority within thirty (30) days after initial posting

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of the seniority list, except that an employee on a leave of absence in accordance with Article 16 of this Agreement shall have thirty (30) days from the date of his return to duty however, typographical and clerical errors may be corrected at any time.

G. Resignation, discharge for just cause, or failure to accept recall from lay-off shall result in forfeiture of seniority and all rights thereto. At the end of seven (7) years from the effective date of layoff, any employee who has not been re-employed by the Company shall forfeit his seniority.

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ARTICLE 10
CLASSIFICATIONS AND QUALIFICATIONS

A. Employees covered by this Agreement shall be assigned a Classification as follows:

1. Operations Coordinator
2. Flight Dispatcher

B. The term "Operations Coordinator" as used herein means an employee who has been designated as such by the Company and who holds a currently effective Aircraft Dispatcher Certificate, issued by the Federal Aviation Administration, Department of Transportation, United States of America. The classification description of "Operations Coordinator" will, in addition to the Flight Dispatcher classification description in the labor agreement, include the following:

1. Receives and acts upon assignments from management.
2. Initiates equipment changes, equipment move-ups and cancellations by coordinating with dispatchers, managers, crew scheduling, stations, maintenance operations control, and other affected departments.
3. Maintains and communicates system equipment balance, assigns aircraft to the next day's flight schedule, routes aircraft to the proper maintenance bases, builds and modifies scheduled and unscheduled revenue flights, ferry flights, test flights, or other flights involving the Company's aircraft.

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4. The Operations Coordinator will act as a coordinating point of irregular operations to keep managers informed of the status and severity of the irregularities for edification and further action deemed necessary.
5. Maintains records, forms and other paperwork associated with the position.
6. Distributes available resources to maintain schedule integrity and profitability.
7. Participates in Air Traffic Control conference calls.
8. Interacts across divisions of the Company to affect and manage ATC flow control and Company arrival/departure control.
9. Assists in providing Dispatchers with ATC reroute information.
10. Acts as a clearing-house of ATC related information for all interested parties in the Company.
11. Performs such other Dispatch related duties as may be assigned by the company.

C. The term "Flight Dispatcher" or "Dispatcher" as used herein means an employee who has been designated as such by the company and who holds a currently effective Aircraft Dispatcher Certificate, issued by the Federal Aviation Administration, Department of Transportation, United States of America, and who is regularly assigned as a representative of the Company to exercise operational control within a prescribed area or on an assigned route, to be responsible for the safety and efficiency of operations in accordance with Federal Aviation Regulations and the Company Flight manuals and further defined hereunder whose duties shall consist of and include, but not be limited to:

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1. Preplans daily flight operations with primary emphasis on safety, efficiency, and economy consistent with passenger comfort and on-time performance.
2. Assures that appropriate personnel are informed of significant changes in the flight status such as specific aircraft to be used on flights, aircraft changes, aircraft substitutions, delays, unscheduled landings, diversions or cancellations.
3. Initiates operational flight information and time limit decision messages.
4. Assures availability of crew and aircraft for each scheduled departure.
5. Keeps informed of progress of all inbound flights entering control area, location of aircraft, and crews out of position during irregular operation.
6. Coordinates for optimum utilization of aircraft and crews during irregular operations(s).
7. Issues instructions in his/her dispatch area, which require implementation by appropriate personnel in the performance of those phases of his/her duties pertinent to flight operations.
8. Exercises and maintains joint responsibility with the pilot in command for operational control in all matters affecting the safety of flights.
9. Prepares required reports.
10. Performs such other Dispatch related duties as may be assigned by the Company.

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D. In the event the Company prepares uniform Dispatcher examinations to be administered to Dispatchers, the Section Chairman will be afforded the opportunity to review and discuss the examinations to be administered with appropriate Management. In the event examinations are administered orally, the Union, upon request, may have an observer present.

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ARTICLE 11
OVERTIME

A. Overtime will be paid at the rate of time at one and one-half (1 ½) of the base hourly rate, computed and adjusted to the nearest six-minute unit of work (tenths).

B. Weekly Overtime: Time worked in excess of forty (40) hours in a week (including Time Card Leave, but excluding sick, vacation, and CSW) shall be considered overtime and shall be paid as follows:

1. **Employees will receive one and one-half (1 ½) times the regular hourly rate for hours worked in excess of forty hours in a work week except as set forth in Article 11I. below.**
2. Double the regular hourly rate shall be paid for time worked on an employee's second or subsequent scheduled day off provided he has worked a preceding scheduled day off and **forty (40) hours.**
3. Employees working relief who are scheduled less than forty (40) hours in a scheduled work week need only work their scheduled days in that work week to receive double time when working on their second or subsequent day off as outlined above.

Example: A 10-hour employee's regular schedule is Monday-Thursday, with Friday, Saturday, and Sunday off. Overtime under this Article would be paid as follows for the scenarios below:

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	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Scenario #1	Off	10w	10w	10w	10SK	10w	Off
Scenario #2	Off	10VC	10VC	10VC	10VC	Off	10w
Scenario #3	10w	10w	9w 1TL	9w 1TL	10w	Off	Off
Scenario #4	Off	10UBP	10w	10UBC	10w	10w	Off

Scenario #1 – Employee would receive 40 hours of regular (ST) pay and 10 hours of sick pay.

Scenario #2 – Employee would receive 40 hours of vacation pay and 10 hours of regular (ST) pay.

Scenario #3 – Employee would receive 40 hours of regular pay (ST) and 10 hours of OT at 1.5x pay because the TL hours are included in hours worked.

Scenario #4 – Employee would receive 20 hours regular (ST) pay, 10 hours UBP, 10 hours UBC and 10 (ten) hours OT at 1.5x pay because the hours for UBP and UBC are included in hours worked.

C. Overtime work shall be distributed in seniority order among the employees available and qualified to perform the work necessitating overtime through equal distribution.

1. The distribution of overtime shall be as follows: Overtime will be assigned from the overtime sign up list in the order of the least number of overtime days accumulated. If a tie exists, the most senior employee will be awarded the work. If no employees are available from the overtime sign up list, the overtime will be assigned in the following order:

- a. The least senior available dispatcher on a scheduled day off.
- b. The least senior dispatcher on duty as a continuation of shift.

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- D.** An employee whose overtime working period continues into the following day shall continue to receive overtime rates for all overtime so worked.
- E.** No overtime shall be worked except by direction of the proper supervisory personnel of the Company, except in cases of emergency and when prior authority cannot be obtained.
- F.** In no event shall any employee covered hereunder receive more than double the regular hourly rate under this Agreement.
1. Company meetings shall not be included or used in the computation of double-time.
- G.** In the event of an emergency, which results in an insufficient number of employees being available, the Company may assign employees in inverse order of seniority to perform such work.
- H.** When an employee covered by this Agreement has been relieved for the day and is recalled to work, or works on his regularly scheduled days off, he will be paid not less than five (5) hours pay at the applicable rates.
- I.** Exchange of Shifts or Days Off:
1. An employee working an exchange of shifts or days off will be paid at applicable pay rates for the new schedule. If an employee works additional hours at Company request in conjunction with an exchange of shifts or days off, **such hours will be counted as hours worked for purposes of computing overtime.**

Example: A 10-hour employee's regular schedule is Monday-Thursday, with Friday, Saturday, and Sunday off. Overtime under this Article would be paid as follows for the scenarios below:

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	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Scenario #1	Off	10w	10w	10w	10w	10CSW	Off
Scenario #2	Off	10w	10w	10w	10w	10CSW 2hold over	Off

Scenario #1 – Employee would receive 40 hours of regular (ST) pay and 10 hours of CSW (ST) pay.

Scenario #2 – Employee would receive 40 hours of regular (ST) pay, 10 hours of CSW (ST) pay and two (2) hours of OT at 1.5x pay.

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ARTICLE 12
PROBATIONARY PERIOD

- A. Employees under this agreement shall be considered on probation for the first six (6) months of active service. Active service is exclusive of any time in which an employee is unable to report to work. The six (6) month probationary period may be increased by mutual agreement of the President TWU Local 542 and the Manager of Dispatch or their designees.
- B. Employees on probation shall have the right to union representation, and may file a grievance based on alleged violations of the agreement excluding discipline and discharge. Probationary employees may be disciplined or discharged without having recourse to the grievance and arbitration provision of this agreement.

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ARTICLE 13
HOURS OF WORK

- A. The Company will publish and post work schedules, which shall include shifts, hours, and days off for the employees under this agreement.
- B. B. The work schedules established may consist of either eight (8) hour or ten (10) hour days, exclusive of meal period, or any combination thereof.
- C. A standard week shall consist of forty (40) hours, worked within seven (7) consecutive days starting at 0001 Saturday.
1. An eight (8) hour work schedule shall have two (2) regularly scheduled consecutive days off each week.
 2. A ten (10) hour work schedule shall have three (3) regularly scheduled consecutive days off each week.
 3. Nothing herein shall prohibit work schedules with Friday and Saturday as consecutive days off.
 4. Full-time employees may volunteer for split days off.
- D. A work cycle and a work schedule averaging not more than twenty (20) days of work out of each twenty-eight (28) calendar days, and which contains not more than six (6) consecutive days of work without a scheduled day off shall be maintained for Flight Dispatchers.
1. No relief or temporary employee shall be scheduled for more than twenty (20) out of any twenty-eight (28) calendar days.

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2. In accordance with D. above, a relief employee may be scheduled to work eighty (80) hours within a two (2) week period and is not subject to the provisions of C. above.
- E. It is understood that the needs of the service and the nature of the Flight Dispatcher duties prevent a definite, fixed or exact number of hours per day or hours per week. Employees shall not be required to work seven (7) consecutive days on any posted work schedule, except for route qualifications or route check trips.
- F. Employees shall be assigned to regular shifts. Subject to the requirements of the service, choice of shifts, days off and rotation of shifts shall be in accordance with the preference of a majority of employees in a classification.
1. Where employees covered by this agreement are required to maintain continuous operation (two (2) or more shifts), days off and shift work may be either fixed or rotated in accordance with the preference of the majority of the employees involved. The employees may not vote unless a minimum period of three (3) months has elapsed since the previous vote. If rotating shifts are selected, employee assignment to a shift shall be for a minimum of four (4) weeks.
- G. Fifteen (15) calendar days notice will be given for shift changes, except in emergencies.
- H. Employees shall have at least nine (9) consecutive hours off duty between the conclusion of one shift and the commencement of the following shift (excluding training which will be subject to FAR minimums). If required, the employee's successive shift will be adjusted to allow the nine (9) consecutive hours off duty described above. In such cases, the

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employee's successive shift will not be extended and the employee will be paid for his full shift as originally scheduled at his regular rate of pay.

- I. An employee completing a shift shall not be relieved from duty until the relieving employee has become familiar with pending operational problems.

- J. In the event the Company implements an eight (8) hour, five (5) on, (2) off, fixed shift work schedule, such eight (8) hour shifts shall be limited to fifteen percent (15%) of the total number of Eagle or Executive shifts available for bid or three (3) lines, whichever is greater.

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ARTICLE 14
FILLING OF VACANCIES

A. A vacancy subject to bidding under the provisions for the Agreement, shall not be declared by the Company until the reemployment list has been exhausted.

1. Vacancies subject to bid shall be posted on a bulletin board at the dispatch center. Such bulletins shall describe the vacancy or vacancies and shall set a deadline date by which bids must be received and such vacancies filled. A vacancy or vacancies shall be open for bid for a period of not less than five (5) days after date of posting.

2. An employee may file a standing bid with the Manager, Dispatch, which will be honored in the filling of vacancies as described herein.

B. A Flight Dispatcher vacancy is a vacancy for a regular job, which results from the expansion of the required number of employees covered by this Agreement, the transfer of such employees to jobs with the Company not covered by this Agreement, or the permanent separation from the Company of such employees. A Flight Dispatcher vacancy is subject to bid and will be assigned to the senior qualified employee who bids for such vacancy. Failure to accept such vacancy, once training has commenced, may result in loss of seniority and termination.

C. A higher capacity vacancy is a vacancy for a regular job which results from the expansion of the required number of employees covered by this Agreement, the transfer of such employees to jobs with the Company not covered by this Agreement, demotion of an employee acting in that capacity, or the permanent separation from the Company of such employees. The following are general guidelines applicable to these positions.

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1. Such vacancies will be posted fifteen (15) days prior to candidate selection.
2. Qualifications for selection will be established by the Company and will include such reasonable measurable standards as are beneficial to the efficiency of the Company's operations and to the employees.
3. A selection Committee composed of two (2) members of SOC management and one (1) member of TWU local 542 will be formed to select the most qualified employee based on the required skills for the position to be filled. Preferential consideration will be given to those dispatchers acting as relief for the higher capacity position. In the event of an equal evaluation by the Selection Committee of two (2) or more qualified applicants, occupational seniority will prevail.
4. Applicants selected will be on a trial basis for six (6) months. In the event that the employee selected cannot satisfactorily perform his duties, such employee will be returned to his former classification. After the six (6) month trial period an employee will not be demoted unless there is just cause.

D. Temporary Vacancies

1. A temporary vacancy is a vacancy for a job anticipated to last six (6) months or less, a vacancy created by a personal or military leave of absence or a vacancy created by a special assignment.
2. At the expiration of six (6) months, the temporary vacancy shall be canceled and be filled through the provisions of this article, unless the Company and the Section Chairman of the Union mutually agree to extend such temporary job.

E. At the discretion of the Company, a supplemental bid may be posted in the event that Dispatch desks are created or closed.

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ARTICLE 15
REDUCTION IN FORCE AND RECALL

- A. The Company will notify the Union thirty (30) days in advance of planned reductions in force.
- B. The principle of occupational seniority shall govern reductions in force and offers of reemployment.
- C. Employee(s) on temporary assignment will be returned to their regular position prior to any reduction in force.
- D. When it has been determined that there will be a reduction in force, the employee with the least occupational seniority will be affected.
- E. The Company may, at their sole discretion, offer a voluntary leave of absence or a voluntary furlough to offset scheduled furloughs.
- F. An employee who elects not to retain, or who is unable to retain employment under this Article shall be recalled to the first vacancy to which his occupational seniority entitles him.
- G. An employee laid off by the Company, due to a reduction in force shall maintain his current address with the Manager, Dispatch.
- H. All notices offering reemployment must be sent certified mail return receipt requested. An employee must notify the person, whose name is signed to the notice offering reemployment of his intention to accept reemployment by certified mail, return receipt requested, within ten (10) calendar days of the date of the postmark of the notice. Any employee who fails to provide such notice of his intention, or who provided such notice and fails to return to the service of the Company on or before the date specified in the notice offering reemployment (which date shall not

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be less than fifteen (15) calendar days after the postmark of the notice offering reemployment) shall not be entitled to preference in reemployment and shall forfeit his seniority with the Company.

I. An employee laid off by the Company, due to reduction in force, shall continue to accrue Occupational seniority and shall retain Classification and Company seniority except as provided below:

1. If any employee(s), who has been laid off due to reduction in force, is offered the opportunity to return to duty under the provisions of this Agreement and elects not to return, his seniority rights of preference in reemployment shall at that time terminate and seniority be forfeited.
2. All seniority, reemployment and bidding rights shall be canceled at the end of seven (7) years from the effective date of such layoff.

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ARTICLE 16
LEAVES OF ABSENCE

- A. When the requirements of the service will permit, an employee hereunder may be granted a leave of absence for a period not in excess of ninety (90) days. When such leaves are granted, the employee shall retain and continue to accrue seniority during such leaves.

- B. When the requirements of the service will permit, such leave or leaves may be extended for additional periods not to exceed ninety (90) days. If such leave is extended by the Company, the employee will retain but will not accrue seniority.

- C. When leaves are granted on account of sickness, injury or pregnancy, an employee hereunder shall retain and continue to accrue his seniority plus length of service for pay purposes until he is able to return to duty, not to exceed a maximum continuous period of two (2) years. An employee shall retain seniority for reinstatement purposes only, for a period not to exceed five (5) years.

- D. An employee on leave of absence shall report, prior to termination date of such leave, his intention to return to employment. Failure to make such report or secure renewal of leave of absence will terminate leave of absence and his employment.

- E. An employee hereunder returning from a leave of absence, shall be permitted to exercise his seniority in resuming his classification to the base to which he has previously been assigned.

- F. All Military leaves of absence granted to employees, in the active service of the Company, and the associated reemployment and seniority status of such employees, shall be governed by the provisions applicable by law.

G. Three (3) days of personal emergency leave (bereavement leave) with pay, for death in the immediate family will be extended to the employees covered by the Agreement. Immediate family includes **Spouse or Company-recognized Domestic Partner, Children / dependent and non-dependent, Mother / Step-mother / Mother in-law, Father / Step-father / Father-in-law, Sister / Step-sister, Brother / Step-brother, Domestic Partner's Mother or Father, Employee's Grandparents, Employee's Grandchildren, Legal guardian (former/current), or any person who is a permanent member of your household.** If additional days are required, such days may be deducted from the employee's vacation allowance. **Personal emergency days must be taken within thirty (30) days of the personal emergency; any extensions must be approved by local management.**

H. Employees called for jury duty shall receive their regular pay less the fee received for jury services. The employee shall promptly show his supervisor the jury summons and court validation of jury services once completed.

I. An employee who accepts a position with the Union on a full-time basis will be granted a leave of absence not to exceed three (3) years. Such leave of absence may be extended upon written request from the Union for a period not exceeding three (3) years by agreement between the Company and the Union. Only one employee will be granted a leave of absence for such reason at a time.

J. To the extent that the Company provides more expansive leave of absence benefits to other employee groups, those benefits will be applied to all employees covered by this agreement.

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ARTICLE 17
FIELD WORK

- A. When an employee is required to perform work away from his base station on his regularly scheduled workdays, he will be paid for his regularly scheduled hours at his base rate of pay for each workday while away from his station, whether traveling or working. An employee required to work beyond his regularly scheduled workday will be compensated at his applicable overtime rate for those additional hours.
- B. When an employee is required to perform work away from his base station on his off duty period (scheduled day(s) off), he will be paid for actual hours worked but not less than five (5) hours compensation at applicable overtime rates whether traveling or working.
- C. During such assignment, the employee will, while away from base, be paid actual and reasonable expenses for meals, lodging and transportation. Whenever receipts are not provided, the employee will be paid in accordance with Company Policy.
- D. In the event of irregular operations or unforeseen circumstances, Dispatchers who are required to perform work while away from base must contact the Dispatch Manager, or designee, to discuss alternative arrangements and receive approval for additional expenses which may be incurred.
- E. Expense reports must be prepared on the form(s) provided by the Company and filed promptly at the end of each trip.
- F. A Dispatcher who is required to perform a route check in an area that requires a passport or visa may be reimbursed, one time only, for fees associated with such passport or visa.

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ARTICLE 18
TRAINING

- A. The company will provide training as necessary, which results from changes in Company manuals, policies or procedures, including such recurrent training as may be required by applicable Federal Aviation Regulations. All training will be completed in a timely manner.
- B. An Employee may be required to perform training functions such as on-the-job training and classroom training, in accordance with the approved dispatch-training program.
- C. The term "Check Dispatcher," as used herein, means an employee who has been designated as such by the Company, who holds a currently effective Aircraft Dispatcher Certificate, issued by the Federal Aviation Administration, Department of Transportation, United States of America. Such Check Dispatchers, who are identified by the Company and are on file with the Federal Aviation Administration, may administer initial and annual competency checks to employees of the Company.
- D. Employees required to complete training on a scheduled day off will be paid at applicable rates for actual hours spent in training. Such employee will receive a minimum of three (3) hours pay. The company will attempt to publish a class schedule providing enough classes that employees will have an opportunity to attend as part of their normal shift prior to having to come in on a day off.
- E. Training curricula will be definitively outlined and made available to the Dispatchers.
- F. Route Checks:

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1. Route qualification or route check trips will be scheduled or assigned by the Company as necessary to meet specified requirements of pertinent Federal or Company regulations or procedures.
2. To the extent possible the Company will schedule or assign these trips to be performed on one or more of the employee's regular workdays; however, if this is not practicable, these trips may be scheduled or assigned to be performed on one or more of the employee's regular days off.
3. An employee accomplishing a route check, within his base on a scheduled workday will be paid one (1) day's pay at the employee's regular pay. If a route check is performed on an employee's day off within his base, beginning one (1) hour prior to scheduled departure to block-in the employee will receive compensation at an overtime rate of one and one-half times his base hourly rate.
4. An employee accomplishing a route check away from his base on a scheduled workday will be paid one (1) day's pay at the employee's regular pay. If the route check away from base exceeds ten (10) hours actual time on a scheduled work day, beginning one (1) hour prior to scheduled departure to block-in, the employee will be paid the applicable overtime rate for the hours of the trip that exceed ten (10). For route check trips away from base on an employee's day off, beginning one (1) hour prior to scheduled departure to block-in the employee will receive compensation at an overtime rate of one and one-half (1 ½) times his base hourly rate.
5. In no case will route checks be paid at double-time rates.
6. The Company will provide suitable hotel accommodations when required.

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ARTICLE 19
GENERAL

- A. All orders to and requests from an employee involving transfers, promotions, demotions, layoff, reemployment, leaves of absence, or anything affecting his pay or status, shall be in writing.
- B. When requested by the Local president, employees will be granted relief from duty without pay for the purpose of official Union business provided this does not interfere with the operation. This provision shall also apply to attendance at an FAA or NTSB investigation or hearing involving a Company aircraft where a Company Dispatcher could have been a contributing factor.
- C. Employees covered by this Agreement and their immediate families shall be allowed the same pass and reduce fare privilege afforded other American Eagle Airlines, Inc. employees.
- D. The Company shall provide bulletin boards at each station where employees hereunder are employed, marked Transport Workers Union of America, AFL-CIO and the appropriate Local number, for the posting of official Union business. Such notices shall bear the signature of an officer of the Union and shall not contain anything of a defamatory or personal nature attacking the Company or its representatives. In the event the Company establishes a Dispatch office at a location other than DFW, the Company will provide a lockable file cabinet for the use of the Union in conducting its business.
- E. Disciplinary documents generated on an employee covered by the Transport Workers Union will only be kept in his file for a period not to exceed two years and/or existing company policy. An employee may review his/her personnel file upon request within the normal business

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hours. Nothing of a disciplinary nature shall be entered in the employee's personnel file without giving the employee a copy.

F. The Company will provide each employee with a copy of this Agreement.

G. UBP and UBC hours shall be considered as hours worked for the purpose of overtime under Article 11.

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ARTICLE 20 **REPRESENTATION**

- A. The Union may select and designate such representatives as may be necessary for the purpose of representing employees under the terms of this Agreement, or in accordance with the Railway Labor Act, as amended.
- B. The Union will notify the Company in writing of the names of its Accredited Representatives at each station and any changes in the personnel thereof. The Company will inform the Union, in writing, of the supervisors with whom said Accredited Representatives will deal and any changes thereof.
- C. International Officers and Accredited Representatives, or Local Officers of the Union, will during regular working hours, have access to the premises on the Company where employees hereunder are located, for the purpose of investigating grievances or other matters directly connected with the operations of this Agreement, and its procedures, for the settlement of any dispute. As a matter of courtesy, notice of such intended visit will be given to the ranking Company Official.
- D. An Accredited International Representative of the Union, or designated Company official who believes that any provision of this Agreement has not been or is not being properly applied or interpreted and which has not yet become the subject of an actual grievance, will have the right within ten (10) days after such alleged misapplication or misinterpretation has been ascertained to protest such violation, in writing, to the other party, who will evaluate such protest and render a decision in writing within fifteen (15) days. Disputes in respect to actual grievances will be handled exclusively according to the provisions of Article 21, Grievance Procedure. If no settlement is reached under paragraph (D) of this Article,

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an appeal may be made, in writing, within thirty (30) days to an Arbitration panel (as described in Article 22 J) of this Agreement.

- E. The Union does not question the right of the Company supervisors to manage and supervise the work force and make reasonable inquiries of employees, individually or collectively, in the normal course of work. In meetings for the purpose of investigation of any matter which may result in the application of discipline or dismissal, or when written statements may be required, or is of sufficient importance for the company to have witnesses present, or to necessitate the presence of more than one company supervisor, or during reasonable cause or post accident drug/alcohol testing as provided in Article 20(G), the company will inform the employee of his right to have Union representation present. If the employee refuses representation, the supervisor's record will reflect his refusal. The Union Representative may not unduly delay nor impede the investigation and/or interview but is allowed to give full representation during the investigation and/or interview.
- F. Employees covered by this Agreement who are interviewed by a Company Security Department representative as part of a Security Department investigation, may, upon request, have an Accredited Representative present during the interview. If a local Representative is not readily available after the request, the Company's Security Department will not be required to wait for his availability before conducting its interview. However, the employee in that circumstance may request the presence of another TWU represented employee to be present. The role of the representative will be that of a silent observer only. The Representative may in no way interfere nor impede the Security Department's interview and/or investigation.
- G. Employees who are required to take a reasonable cause or post accident drug/alcohol test by the Company may, upon request, have a TWU

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representative present as a witness during those parts of the specimen collection process indicated below.

1. In those stations where a local TWU representative is not readily available, the Company will delay the test up to one (1) hour from the time the employee requests or is notified of his right to union representation, whichever occurs first, in order to allow the first available representative to be present at the medical facility.
2. Only one (1) TWU representative will be allowed to accompany the employee to the medical collection facility and into the area where the medical collector opens the drug testing kit, completes the relevant paperwork, and secures the kit after completion of the collection process. The TWU representative will be allowed to witness the opening of the collection kit by the collector, the documentation of the chain of custody procedure by the collector and the employee, and the packaging and sealing of the kit for shipment following the collection. The union representative will not be allowed to accompany the employee or collector into the restroom.
3. In accordance with the FAA's directive of July 1990, no TWU representative will engage in any activity, which disrupts the collection process. Should the TWU representative engage in disruptive activity, the Representative will be required by the Company's Supervisor to wait in the employee/patient waiting area until the collection process and paperwork have been completed. This is pursuant to the FAA's directive.

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ARTICLE 21
GRIEVANCE PROCEDURE

- A. An employee who believes that he has been unjustly dealt with or that any provisions of this Agreement have not been properly applied or interpreted, or against whom the Company has **proffered** charges in writing, may present his grievance through his representative, within seven (7) days to his supervisor or designee who will evaluate the grievance or complaint and render his decision as soon as possible but no later than seven (7) days following receipt of said grievance. The manager or supervisor must physically give the employee the grievance response, unless the employee is on day(s) off, in which case the response will be placed in the employee's mailbox and a copy physically provided to an Accredited Representative of the Union.

- B. If the decision of the supervisor is not satisfactory, the grievant may appeal that decision (through the Union) within ten (10) days to the Vice President, Operations Planning and Performance or his designee, who will render a decision as soon as possible, but no later than ten (10) days after the appeal is submitted to him. Responses will be sent to the TWU Local 542 Vice President or his designee by certified mail return receipt requested.

- C. If the decision of the Vice President, Operations Planning and Performance is not satisfactory to the employee, the grievance and the decision therein may be appealed to the American Eagle Airlines, Inc. Board of Adjustment as provided for in Article 22 of this Agreement; provided however said appeal is submitted within twenty (20) days of receipt of the decision rendered by the Vice President, Operations Planning and Performance or by his designee. Once a grievance has been docketed for System Board, the Vice President, Operations Planning and Performance or his designee, and the Local Union President, or his designee, will meet in an effort to resolve the grievance

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prior to a System Board hearing.

- D. Any grievances involving discharge only, will be submitted initially to the second step, as provided in paragraph (B) of this Article. If the grievance is unresolved after such second step, it may be submitted to the System Board of Adjustment, as provided in paragraph (C) of this Article.
- E. All grievances processed under the procedures provided above will be in writing and will be signed by the employee whose grievance it is, and all decisions on said grievance will be in writing.
- F. An employee who has a grievance, and his representative, may present the grievance during work hours without loss of pay for time so spent, but no more time than is reasonably necessary will be devoted to such presentation of grievance.
- G. If any decision made by the Company is not appealed by the affected employee within the time prescribed herein for such appeals, or if the grievance is not presented within the time specified in this Article, the decision of the Company will become final and binding.
1. Furthermore, if the decision to be made by the Company is not made within the time limits prescribed herein for such decision, the grievance of the employee will be granted.
- H. If, as a result of a decision in any of the steps of the grievance procedure, an employee is exonerated, all related disciplinary records will be removed from the employee's personnel file. In addition, if he has been held out of service, he will be reinstated without loss of seniority, and he will be paid at regular rates for his regularly scheduled hours.
- I. All time limits are exclusive of Saturday/Sunday and Holidays.

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ARTICLE 22
BOARDS OF ADJUSTMENT

- A. In compliance with Section 204, Title II, of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment for the purpose of adjusting and deciding disputes which may arise under the terms of this Agreement and which are properly submitted to it, which board shall be known as "American Eagle Airlines, Inc. System Board of Adjustment," hereinafter referred to the "Board."
- B. The Board shall have jurisdiction only over disputes between the Company and the Union or any employee, or employees other than a probationary employee, governed by this Agreement growing out of grievances involving interpretation or application of this Agreement. The Board shall have no jurisdiction whatsoever over proposals or disputes relating to general changes in hours of work, rate of pay, rules or working conditions. Proposals relating to general changes in hours of work, rates of pay, rules or working conditions shall be handled in the manner provided for in Article 29 of this Agreement.
- C. The System Board of Adjustment shall be composed of a Company member, a Union member and a neutral referee selected by the Company member and the Union member of the Board.
- D. If the Company member and the Union member of the Board are unable to agree upon the selection of the neutral referee within fifteen (15) days, exclusive of Saturdays, Sundays and holidays, from the docketing of the case in question, the National Mediation Board or the American Arbitration Association will be requested to select a neutral in the manner described in Rule 12 of the American Arbitration Associations Voluntary Labor Arbitration Rules.

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- E. The Company member and the Union member of the Board shall serve as Chairman and Vice-Chairman, respectively, and shall exchange offices at the end of each calendar year.
- F. The Board shall meet in the Dallas/Fort Worth area (unless a different place of meeting is agreed upon by the parties to the dispute).
- G. The Company and Union shall at all times have their respective Board members available at the convenience of the neutral referee, and alternate members shall be provided by the Company or Union, as the case may be, whenever its regular Board member is not available. If an alternate member is not provided, the neutral referee shall proceed with the hearing and decision of the matters before the Board without participation by the absent member, and the decision of the neutral referee shall constitute the decision of the Board.
- H. All disputes referable to the Board shall be sent to the office of the Board in the general office of the Company and that office shall assign a docket number according to the order in which the dispute is received.
- I. The Chairman of the Board shall set the hearing dates (providing notice thereof to the parties), and all cases shall be set for hearing promptly in order to keep the number of cases docketed to a minimum. Unless the parties agree otherwise, all cases shall be set for hearing by the Board in numerical order according to the docket number assigned. If the Company member and the Union member of the Board jointly consider a case of sufficient urgency and importance to warrant an expedited hearing, a hearing shall be scheduled within fifteen (15) days, exclusive of Saturdays, Sundays and holidays, of their request.
- J. A submission to the Board shall be in the form of a petition stating:
1. the name of the employee involved;

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2. a statement that the remedies provided by Article 21 have been exhausted;
 3. a statement of the nature of the dispute (including question or questions at issue) and the basis for the jurisdiction of the Board;
 4. the position or contention of the party filing the petition.
- K. A petition shall be served upon the other party, who shall have the right within fifteen (15) days, exclusive of Saturdays, Sundays and holidays, after receipt to file a written answer. Union submissions will be submitted to the ATD office and assigned a case number. Time limits will not begin running until the date a case number is assigned.
- L. The written appeal will be sent to the International TWU in the form of a petition. The International TWU will assign a case number and forward the appeal and two (2) copies, with the case number noted on each, to the Employee Relations Department. The scheduling of cases to be heard before the Board is an administrative matter addressed by mutual agreement between the Union and the Company.
- M. Employees and the Company may be represented at Board hearings by such persons as they may choose and designate. Evidence may be presented either orally or in writing or both.
- N. Upon the request of either party to the dispute, or of two Board members, a Board shall summon witnesses to testify at Board hearing. The number of witnesses who are employed by the Company shall not be greater than the number, which can be spared without interfering with the service of the Company.
- O. Except as provided by paragraph (G) of this Article, a majority vote of all members of a Board shall be competent to make a finding or a decision

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with respect to any dispute properly before it, and such finding or decision shall be final and binding upon the parties to such dispute.

P. The failure of the Board to decide a dispute under the procedure established herein shall not serve to foreclose any subsequent rights or procedures which the Railway Labor Act, as amended, may provide with respect to the settlement of such disputes and nothing herein shall be construed to limit, restrict or abridge the rights or privileges accorded to either the employee or to the employer, or to their duly accredited representative, by said Act.

Q. Board findings and decisions shall be stated in writing and shall be rendered within thirty (30) days, exclusive of Saturdays, Sundays and holidays, from the close of hearing, unless such period is extended by agreement of the parties to the dispute. In each case, a copy of the finding or decision shall be furnished to the Company, the Union and such employee or employees as are parties to the dispute. If a dispute arises as to the interpretation of the finding or decision, then upon request of the Company, the Union or such employee or employees as are parties to the dispute, the Board shall interpret the finding or decision.

R. The Board shall keep complete and accurate records of all matters submitted to it and of all findings and decisions made. A stenographic record at all Boards will be taken, if requested by either party to the dispute. In such case, the cost of such record shall be borne by the requesting party. The other party, upon request, will be furnished a copy of the record, in which case the cost of such record shall be borne equally by both parties to the dispute.

S. Each party will assume the compensation, travel expense and other expenses of the Board members selected by it and of the witnesses called or summoned by it.

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T. So far as space is available, witnesses who are employees of the Company shall receive free transportation over the lines of the Company from the point of duty or assignment to the point at which they must appear as witnesses and return, to the extent permitted by law.

U. The Board, upon agreement of a majority of its members, shall have the authority to incur expenses necessary for the proper conduct of the business of the Board. Such expenses, as well as the expenses of each neutral referee, shall be shared equally by the parties hereto. Union Board members, who are employees of the Company, shall be granted necessary leaves of absence for the performance of their duties as Board members. So far as space is available, the Board members shall be furnished free transportation over the lines of the Company for the purpose of attending Board meetings, to the extent permitted by law.

V. Every Board member shall be free to discharge his duty in an independent manner, without fear that his individual relations with the Company or with the employees hereunder may be affected in any manner by any action taken by him in good faith in his capacity as a Board member. Each party shall specifically instruct each Board member selected that he shall at all times, while serving in that capacity, act not as a partisan or advocate of a partisan group or cause but shall act and serve solely to render impartial findings and just decisions.

W. The advocates will exchange all documents they may enter and the names of witnesses they may call in their direct case no later than ten (10) calendar days prior to the date set for the hearing.

Dispatch Art 23 - TA Final

By the Company _____

Date: _____

By the Union _____

ARTICLE 23
BENEFITS

A. Except as expressly provided herein, covered employees and their eligible dependants shall be eligible to participate in those health and insurance benefit programs which have been established as Company-wide programs. So long as American Eagle Airlines and Executive Airlines both are wholly owned subsidiaries of American Eagle Holding Corp., except as provided herein, these benefit programs will not be altered or diminished for employees under this Agreement unless done on a Company-wide basis. Before any changes are made, the Company will notify the Union in writing in advance of the effective date of such change(s). Upon request by the Union, the Company will meet to explain the change(s).

Dispatch Art 24 - TA Final

By the Company _____

Date: _____

By the Union _____

ARTICLE 24
ATTENDANCE AT INVESTIGATIONS, HEARINGS AND MEETINGS

- A. When an employee hereunder is required by the Company to attend hearings, investigations or meetings, he shall be paid for such time at straight time rates and such time shall not be considered overtime.
- B. An employee, who attends mandatory Company hearings, investigations or meetings on a day off, or when he is called back in after a shift, will be paid for actual hours with a minimum of three (3) hours pay, at an overtime rate of one and one-half (1 ½) times his/her applicable hourly rate for attendance at such meeting.
- C. A regularly assigned Flight Dispatcher selected by the TWU Local 542 President and approved by the Manager, Dispatch, will be permitted to attend any FAA or NTSB investigation or hearing being conducted as a result of an accident to any aircraft operated by the Company, so long as such attendance is permitted by the regulatory agency conducting the investigation or hearing. The dispatcher will be other than the employee(s) who was on duty and responsible for the flight operations over the section in which the accident occurred. It is understood that by such attendance, no expense to the Company will result except where such attendance is deemed necessary by the Company.

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

ARTICLE 25
UNION SECURITY

- A. All employees covered by this Agreement will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation fee and membership dues (not including fines and penalties), or agency fees in accordance with applicable law. An employee may have his membership dues deducted from his earnings by signing the form "Assignment and Authorization for Check-Off of Union Dues", also referred to as "Check-Off Form" or, if no such authorization is in effect, he must pay his initiation fee and membership dues directly to the Union.
- B. All new employees of the Company hired on or after the effective date of this Agreement will become members of the Union sixty (60) calendar days after the date of employment with the Company and will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying initiation fees and membership dues, or in lieu of maintenance of membership, agency fees in accordance with applicable law. The Company will allow the Union an opportunity, during local orientation, to meet with new employees and transferees regarding Union matters.
- C. If any employee, who has resigned from the Company or has been laid off is reemployed or recalled, he will be considered as a new employee for the purposes of this Article and will be governed by the provisions of paragraph B.
- D. Employees who are or become members of the Union under paragraphs A. or B. above will pay membership dues as set forth in this article, except that payment for membership dues will not be required as a condition of employment during leaves of absence without pay or during

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

periods of transfer to a classification or position not covered by this Agreement.

E. "Member of the Union", for purposes of this Article will mean any employee who is a member of the Union and is not more than sixty (60) calendar days in arrears in the payment of initiation fee and membership dues as specified herein, or agency fee payer not more than sixty (60) calendar days in arrears in the payment of his fees.

F. When an employee who is a member of the Union becomes delinquent within the meaning of paragraph E. above, the following procedure will apply:

1. The Director of the Air Transport Division of the Union will notify the employee in writing, certified mail, return receipt requested, that he is delinquent in the payment of the initiation fee and membership dues or agency fees, as specified herein, and accordingly, is subject to discharge as an employee of the Company. Such letter will also notify the employee that he must remit the required payment within fifteen (15) calendar days of the date of mailing of the notice, or be subject to discharge. This provision will be deemed to be complied with if the Union sends, but the employee refuses receipt of the above mailing.

2. If, upon the expiration of the fifteen (15) calendar day period, the employee still remains delinquent, the Director of the Air Transport Division of the Union will certify, in writing, to the Vice President-Employee Relations of the Company, copy to the employee, that the employee has failed to remit payment within the grace period allowed and is therefore to be discharged. The Vice President-Employee Relations after being presented with the appropriate documentation will take proper steps to discharge such employee from the services of the Company.

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

3. An employee discharged by the Company, under the provisions of this paragraph, will be deemed to have been discharged for cause within the meaning of the terms and provisions of this Agreement.

G. Any discharge under the terms of this Article will be based solely upon the failure of the employee to pay or tender payment of initiation fee and membership dues or agency fees, as specified in this Article, and not because of denial or termination of membership in the Union upon any other ground.

H. Any grievance by an employee concerning the interpretation or application of the provisions of this Article will be subject exclusively to the following procedure:

1. An employee, who believes that the provisions of this Article pertaining to him have not been properly interpreted or applied, may submit his request for review, in writing, within five (5) calendar days from the date the grievance arises, except that a grievance arising under paragraph F. 1., must be filed within the fifteen (15) calendar day period specified in that paragraph. The request will be submitted to the employee's immediate supervisor, who will review the grievance and render his decision, in writing, not later than five (5) calendar days following the receipt of the grievance.

2. The employee's immediate supervisor will forward his decision to the employee with a copy to the Local Union Accredited Representative. If the decision is not satisfactory to both the employee and the Union, then either may appeal the grievance directly to the System Board of Adjustment, established under Article 22 of this Agreement, within ten (10) calendar days from the date of the decision. The terms and provisions of such Article will be applicable, except as otherwise specified in this Article.

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

3. If the Union should appeal the decision to the System Board of Adjustment, it will prepare a joint submission of the grievance setting forth the Union's position and the employee's position and forward copies to the employee, the Vice President-Employee Relations of the Company and to the members of the System Board of Adjustment. If the employee should appeal the decision, he may request the Vice President-Employee Relations to prepare the submission papers in his behalf for the System Board of Adjustment. In this event, such request will be made by the employee, in writing, to his immediate supervisor who will transmit, through the local Manager all facts, data and information concerning the grievance, together with a copy of the decision from which the appeal is taken. The Vice President-Employee Relations will forward copies of the employee's separate submission to the employee, the local Manager, the Director of the Air Transport Division of the Union and to the members of the System Board of Adjustment.

4. During the period a grievance is filed under the provisions of this paragraph, and until after the final award is rendered by the System Board of Adjustment, the employee will not be discharged from the Company because of noncompliance with the terms and provisions of this Article. In the event the employee's grievance is denied because he has not tendered dues owed under this Article, he will be considered discharged for cause. In any proceeding under this Article, the employee, the Company, and the Union will be allowed to present any facts or arguments supporting their position, concerning proper application of this Article.

- I. The Union agrees that it will indemnify the Company and hold the Company harmless from any and all claims, which may be made by the employee or employees against the Company, by virtue of the wrongful application or misapplication of any of the terms of this Article.

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

- J. The Company will not interfere with, restrain or coerce employees because of membership or lawful activity in the Union, nor will it, by discrimination in respect to hire, tenure of employment, or any term or condition of employment, attempt to discourage membership in the Union.
- K. The Union agrees that neither the Union nor its members will intimidate or coerce any employee in respect to his right to work, in the proper exercise, performance, or implementation of his duties and responsibilities with the Company, or in respect to Union activity or membership. Further, there will be no solicitation of employees for Union membership on Company time. The Union further agrees that the Company may take disciplinary action for any violation of this provision.
- L. The Company agrees to deduct from the pay of each employee, who voluntarily executed the following agreed form on or after the effective date of this agreement, and remit to the Union the membership dues uniformly required by the Union.

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

ASSIGNMENT AND AUTHORIZATION FOR PAYMENT OF UNION DUES

To: PAYROLL DEPARTMENT
AMERICAN EAGLE AIRLINES, INC.

I, _____ (Name: Initials and last name), hereby assign to the Transport Workers Union of America, AFL-CIO, my Union dues from any wages earned or to be earned by me as your employee. I authorize and direct you to deduct the flat sum of _____, which is the bi-weekly equivalent of my monthly membership dues, or such bi-weekly equivalent as may be hereafter be established by the Union as my membership dues, from each bi-weekly paycheck and to remit the same to the Union.

This assignment, authorization, and direction may be revoked by me, in writing, after the expiration of one year from the date hereof, or upon the termination date of the labor agreement in effect at the time this is signed, whichever occurs sooner.

This authorization and direction is made subject to the provisions of the Railway Act, as amended, and in accordance with the existing Agreement between the Union and the Company.

Employee Signature _____

Employee Address _____

Personnel Number _____

Cost Center _____/_____

Location _____

Department _____

Local Union Number _____

Date _____

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

M. When a member of the Union properly executes such "Check-Off Form", the Union will forward an original copy to the appropriate official as designated by American Eagle, Inc. Any Check-Off form, which is incomplete or improperly executed, will be returned to the Local Union Office, which submitted it. Any notice of revocation as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and delivered by certified mail, addressed to his/her respective Local Union Office. Each Local Union Office will forward a copy to the appropriate official as designated by American Eagle, Inc. for future Union dues withholding. Check-Off Forms and notices received by the Company will be stamp-dated on the date received and will constitute notice to the Company on the date received, and not when mailed.

N. When a Check-Off Form, as specified herein, is received by the Company as provided above on or before a given payday, deductions will commence with the first regular paycheck following said payday, and will continue thereafter until revoked or canceled as provided in this Article. The Company will remit to the Union a check, in payment of all dues collected on a given payday, on or as soon after the payday as possible. These remittances will be subject to normal accounting practice, with respect to adjustments necessary, because of the methods involved in the deduction procedure. The Company remittance of Union membership dues to the Union will be accompanied by a list of names, personnel numbers, and station numbers of the employees for whom deductions have been made in that particular period arranged in order of their personnel numbers. Additionally, the Company will supply in duplicate to the office of the Union a listing of those employees who are on leave of absences; have accepted a position outside the bargaining unit, or have terminated employment with the Company. The Company will further provide a list of any employees covered by this agreement not on Check-Off to the Union on a monthly basis.

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

O.No deductions of Union dues will be made from the wages of any employee, who has executed a Check-Off Form and who has been transferred to a job not covered by the Agreement, or who is on leave without pay. Upon return to work within a classification covered by this Agreement, deductions will be automatically resumed, provided the employee has not revoked the assignment in accordance with this Article, and provided it is in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

P. An employee who has executed a Check-Off Form and who resigns or is terminated from the employ of the Company, for reasons other than layoff, will be deemed to have automatically revoked his assignment and, if reemployed, further deductions of Union dues will be made only upon execution and receipt of a new Check-Off Form. Provided, however, that upon return from layoff, leave of absence, or reinstatement from disciplinary discharge to work, within a classification covered by this Agreement, deductions will be automatically resumed. In cases where Check-Off is not reinstated by the Company, due to mechanical or software errors, the Company will collect the back dues at a maximum of fifty (50) dollars per month and remit to the Union, provided the employee has not revoked the assignment in accordance with this Article, and such deductions are in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

Q.Collection of any back dues, owed at the time of starting deductions for any employee, and collection of dues missed, because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period, will be the responsibility of the Union and will not be the subject of payroll deductions.

R. Deductions of membership dues will be made in a flat sum from each paycheck, provided there is a balance in the paycheck sufficient to cover the amount, after all other deductions authorized by the employee or

Dispatch Art 25 - TA Final

By the Company _____

Date: _____

By the Union _____

required by law have been satisfied. In the event of termination of employment, the obligation of the Company to collect dues will not extend beyond the bi-weekly period in which his last day of work occurs.

Dispatch Art 26 - TA Final

By the Company _____

Date: _____

By the Union _____

ARTICLE 26
NO STRIKE NO LOCKOUT

A. It is the intent of the parties to this Agreement that the procedures set forth herein and in the Railway labor Act, as amended, for the resolution of disputes, shall serve as a means of peaceable settlement of all disputes that may arise between them and that, therefore:

1. The Company shall neither cause nor permit any lockout of employees covered hereunder during the life of this Agreement; and
2. Neither the Union, nor the employees covered hereunder, both individually and collectively, shall authorize, cause, sanction, or engage in any strike against the Company, illegal picketing of the Company's premises, slowdown, sit-down, walkout, work stoppage, or curtailment of work of any kind, during the life of this Agreement.

Dispatch Art 27 - TA Final

By the Company _____

Date: _____

By the Union _____

ARTICLE 27
SAVINGS CLAUSE

- A. Should any term or provision herein be rendered invalid, such invalidation will not affect the remaining terms and provisions of this Agreement, which will remain in full force and effect.
- B. In the event of invalidation, unless otherwise required by law, either the Company or the Union may, upon thirty (30) days written notice, request negotiations concerning modifications or amendment of the invalidated provision or provisions and such negotiations will commence within fifteen (15) days from the date of receipt of said notice.

Dispatch Art 28 - TA Final

By the Company _____

Date: _____

By the Union _____

ARTICLE 28
INTENTIONALLY LEFT BLANK

Intentionally Left Blank

Dispatch Art 29 - TA Final

By the Company _____

Date: _____

By the Union _____

ARTICLE 29
DURATION OF AGREEMENT

This Agreement shall become effective as of **TBD**. It shall continue in full force and effect until and including **TBD**, and shall renew itself until each succeeding **TBD** thereafter, except that a written notice of intended change may be served in accordance with Section 6, Title I of the Railway labor Act, as amended, by either party hereto at least **five hundred and seventy eight (578)** days prior to **TBD**. **If the aforesaid notice is made, conferences between the parties will commence no later than five hundred and forty eight (548) days prior to TBD (Six (6) years from effective date) unless otherwise mutually agreed to by the parties.**

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this **TBD**.

TRANSPORT WORKERS UNION
OF AMERICA, AFL-CIO

AMERICAN EAGLE
AIRLINES, INC.

James C. Little
International President

Daniel P. Garton
President

Garry Drummond
ATD Director

Cathy McCann
Vice President, People

Jose Galarza
International Representative

John Plowman
Local 542 President

Witnesses:

Dispatch Art 29 - TA Final

By the Company _____

Date: _____

By the Union _____

Signatories and Witnesses will be identified and added prior to date of signing.

Dispatch Letter A - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER A- MOVING EXPENSES

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

RE: Moving Expenses

Dear Jim;

This letter will confirm our discussion during negotiations concerning moving expenses for American Eagle Airlines, Inc. dispatch employees.

Moving expenses of employees transferred at Company request shall be paid for by the Company in accordance with the provisions of the applicable Company expense regulations, so long as American Eagle Airlines is a wholly owned subsidiary of AMR Inc.

Sincerely,

Dan Garton
President
American Eagle Airlines, Inc.

Agreed to:
James C. Little

LETTER A
Page _____

Dispatch Letter B - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER B- RETENTION OF COMPANY SENIORITY

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Jim:

Following a review of our past policy regarding the retention of company seniority when hiring from an AMR affiliate to a position covered by American Eagle Airlines Inc./TWU Dispatch Agreement, the company has decided to acknowledge such prior service for company seniority purposes only. Company seniority shall be based on company policies on company seniority, as they may be amended by the company at its sole discretion. This letter shall be applicable to company employees hired into a job covered by American Eagle Airlines Inc./TWU Agreement on or after October 1, 1990, who have applicable service with another affiliate of AMR Corporation.

Employees who, before October 1, 1990, resigned from another AMR affiliate and within 60 calendar days were hired into a position at American Eagle Airlines Inc. will receive prior service credit but will not be eligible for retroactive pay or benefit reimbursement.

1. Employees with the same occupational seniority date who were hired into their title group prior to the date of this letter will not

LETTER B
Page_____

Dispatch Letter B - TA Final

By the Company _____

Date: _____

By the Union _____

be repositioned on the current TWU Dispatcher Seniority List because of their newly adjusted company seniority date.

2. Current and future employees who are affected by this letter will have their benefits which are determined by company seniority determined in accordance with the practice provided for in the company's inter-company employment policy, as may be amended by the company at its sole discretion.

Since the rules affecting the computation of company seniority have and will continue to exist outside of the scope of the collective bargaining agreements, the priority in bidding and awarding future vacations for 1992 and thereafter based on such adjusted company seniority will be determined by the practice of the company at each station.

Sincerely,

Dan Garton
President
American Eagle Airlines, Inc.

Agreed to:
James C. Little

Dispatch Letter C - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER C- LTD INSURANCE/PAYROLL DEDUCTION

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Jim:

This will confirm our agreement during negotiations, that the Company will honor payroll deduction authorizations executed by American Eagle Dispatchers who participate in the TWU LTD insurance plan.

Sincerely,

Dan Garton
President
American Eagle Airlines, Inc.

Agreed to:
James C. Little

Dispatch Letter D - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER D- EAP/DRUG & ALCOHOL POLICY

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Jim:

This will confirm our discussion during negotiations relative to the Company's Employee Assistance Program and Drug/Alcohol policy.

1. Employee Assistance Program - The Company will continue to allow covered employees to avail themselves of the Employee Assistance Program available to employees of the AMR Eagle carriers so long as American Eagle Airlines, Inc. is an AMR owned Eagle.
2. Drug & Alcohol Policy - In accordance with DOT regulations, the Company has a Drug and Alcohol policy in effect which includes Drug and Alcohol testing provisions. These regulations are outlined in the AMR Eagle Inc. Employee handbook. This policy is applicable to the American Eagle Airlines, Inc. Dispatch employees.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc.

LETTER D
Page_____

Dispatch Letter D - TA Final

By the Company _____

Date: _____

By the Union _____

Agreed to:
James C. Little

Dispatch Letter E - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER E- EMPLOYEE TRAVEL PRIVILEGES

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Jim:

This letter will confirm our discussion during negotiations concerning travel privileges for American Eagle Airlines, Inc. Dispatch employees.

As an AMR owned Eagle carrier, these American Eagle Airlines, Inc. employees are eligible for travel privileges extended to employees of AMR owned Eagle carriers. Any changes or improvements to the travel privileges for AMR owned Eagle carriers will also be extended to Dispatch employees, so long as American Eagle Airlines, Inc. continues to be an AMR owned carrier.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc.

Agreed to:
James C. Little

Dispatch Letter F - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER F-EXPANSION OF HOLIDAYS

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Jim:

This letter will confirm our discussions during the negotiations concerning observed holidays for American Eagle Airlines, Inc. dispatch employees.

As AMR owned Eagle carrier, American Eagle Airlines, Inc. employees are eligible for the observed holidays extended to employees of AMR owned Eagle carriers. Any changes or improvements to the number of observed holidays for other AMR owned carriers will also be extended to dispatch employees, so long as American Eagle Airlines, Inc. continues to be an AMR owned carrier.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc.

Agreed to:
James C. Little

LETTER F
Page_____

Dispatch Letter G - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER G- WORKLOAD COMMITTEE

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Jim:

RE: Workload Committee

In the negotiations which led to this agreement dated on October 8, 1995, discussions were held relative to the practices and procedures utilized in dealing with manning requirements and work distribution among desks.

It was concluded that the Union will provide, at each location, a committee appointed by the Union to review such procedures and practices and make suggestions or recommendations with regard to how best to regulate work distribution to obtain good working conditions with no loss of efficiency.

While management is under no obligation to accept a particular suggestion or recommendation, it is to consider the views of the Union Committee in making or changing practices and/or procedures relative to this work group.

Sincerely,
Dan Garton
President

LETTER G
Page _____

Dispatch Letter G - TA Final

By the Company _____

Date: _____

By the Union _____

American Eagle Airlines, Inc.

Agreed to:
James C. Little

Dispatch Letter H - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER H- AA FLOWTHROUGH AGREEMENT

March 4, 2005

Mr. Joseph C. Gordon
International Representative
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Gordon,

**AMERICAN EAGLE/AMERICAN AIRLINES EMPLOYMENT
PROGRAM**

The purpose of this program is to increase the opportunities for qualified Eagle employees to be hired at American Airlines. Inc. for the positions of:

Aviation Maintenance Technician
Overhaul Support Mechanic
Parts Washer
Aircraft Cleaner
Plant Maintenance Mechanic
Plant Maintenance Man
Utility Man
Cabin Cleaner
Building Cleaner
Stock Clerk
Fleet Service Clerk
Ground Serviceman
Dispatcher

Dispatch Letter H - TA Final

By the Company _____

Date: _____

By the Union _____

General Qualifications

1. Employees which are on any step of the PPC or ACP programs are not eligible.
2. Employee has passed all levels of training offered during this period.
3. Licenses as required by the position applied for.

Qualifications for M & E Employees

1. Employee has completed 36 months of service with Eagle.

Qualifications for Ramp Employees

1. Employee has completed 24 months of service with Eagle.

Qualifications for Dispatch Employees

1. Employee has completed 36 months of service with Eagle.

General Rules

1. After completing the required length of service with American Eagle Airlines Inc. or its associated subsidiaries, American Eagle Airlines will accept applicants who desire to be employed by American Airlines. This program will be administered by American Eagle Airlines and all documentation and requests for positions at American Airlines under this procedure will be handled by the American Eagle Coordinator.

Dispatch Letter H - TA Final

By the Company _____

Date: _____

By the Union _____

2. Applicants meeting the above listed qualifications will be placed on a preferred hiring list.
3. American will afford qualified American Eagle employees on the preferred hiring list the opportunity for open positions, prior to interviewing candidates from companies outside of AMR and in accordance with #4 below:
4. American will extend to qualified American Eagle Airlines employees at least one (1) out of four (4) vacancies that remain after American Airlines internal transfer procedures are complied with.
5. No more than ten (10) Ramp Service employees per classification per station per month will be permitted to leave American Eagle Airlines under this procedure. No more than ten (10) percent of Maintenance and Engineering employees per classification per station per quarter will be permitted to leave American Eagle Airlines under this procedure. No more than five (5) percent of the Dispatch employees per six (6) months will be permitted to leave American Eagle Airlines under this procedure.
6. The preferred hiring list provided by American Eagle Airlines will be forwarded to American Airlines, upon a request from American Airlines that a job vacancy exists under #3 above.
7. The employee is responsible for having his/her name on the list, (which will include the location/s the employee wishes to be considered for), providing American with a fully completed application and resume, and ensuring the Employee Information Record (EIR) is up to date.

LETTER H

Page _____

Dispatch Letter H - TA Final

By the Company _____

Date: _____

By the Union _____

8. Employee must pass any qualification tests administered by American Airlines.
9. Employee must pass any Drug and Alcohol tests as administered by American Airlines. Any failures of these tests are cause for immediate corrective action up to and including discharge from AMR.
10. Any refusal of a job offer from American Airlines will result in a permanent bar from transferring to American Airlines under this policy.
11. Lists will be forwarded quarterly to the Transport Workers Union International.
12. American may spread the hiring dates as required to meet its goals.
13. Employee will retain and carry Company seniority to his/her new position but other seniority and benefits will be as provided at the new position. Vacation accrued at the time of leaving American Eagle Airlines will be paid off at the appropriate rate and will not be carried over to the new position.

Any American Eagle Airlines employee who is hired at American Airlines will serve a new probationary period. Failure to complete the probationary period successfully will result in termination from American Airlines. The employee who fails to pass probation will not have any rights (including bumping back) to return to his/her former position at American Eagle Airlines, Inc.

Dispatch Letter H - TA Final

By the Company _____

Date: _____

By the Union _____

Sincerely,

Denise Lynn
Vice President, People
American Eagle Airlines, Inc

Agreed to:

Joseph C. Gordon
International Representative
Transport Workers Union

Dispatch Letter I - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER I- MANAGED CARE PLAN OPTION

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Mr. Little,

This letter will confirm our understanding reached during negotiations concerning the major medical plan the Company offers to employees. As we discussed, the Transport Workers Union requested the Company to offer a managed care plan design option in addition to its current PPO Plan. The Company is agreeable to this and has advised the Transport Workers Union that such an additional option would increase the costs of both plans and these costs would be shared by both parties under the current method of cost sharing. Based on the year over costs, the PPO type plan could have an increased cost due to adverse selection. If after final cost estimates of these changes are received, the Transport Workers Union has the option to reject the change and remain with the current PPO type plan.

In addition, it was agreed that effective January 1 1999, the Company will offer to part time employees (those completing 1040 hours the prior calendar year), the same medical plan/s as it offers full time employees. The monthly costs for such part time coverage shall be double the monthly rate paid by a full time employee for the same type of coverage.

Sincerely,
Dan Garton
President

LETTER I
Page _____

Dispatch Letter I - TA Final

By the Company _____

Date: _____

By the Union _____

American Eagle Airlines, Inc.

Agreed to:
James C. Little

Dispatch Letter J - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER J - 401k COMPANY MATCH OF ELIGIBLE EARNINGS

December --, 2012

Mr. James C. Little
International **President**
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Little,

This letter will confirm our understanding reached during negotiations whereby the Company offers to continue to provide a Company contribution for employee savings deferred in a 401(k) plan.

The details are outlined in the **American Eagle 401(k) Plan Document**. However, the chart below summarizes the agreed to contribution levels negotiated by the parties. Subject to the extent allowed by law, the Company shall contribute as an Employer Matching Contribution the following amount based on the employee's elective contributions and length of service:

In years 1 and 2 of this Agreement as follows:

Completed Years of Service	Company Match of Eligible Earnings
1 – 4	50% of up to 6% of eligible earnings for a maximum of 3%.
5 – 9	54.2% of up to 6% of eligible earnings for a maximum of 3.25%.
10-14	73.3% of up to 6% of eligible earnings for a maximum of 4.40%.
15 – 19	83.3% of up to 6% of eligible earnings for a maximum of 5%.
20+	85.7% of up to 7% of eligible earnings for a maximum of 6%.

Dispatch Letter J - TA Final

By the Company _____

Date: _____

By the Union _____

In years 3 and beyond of this Agreement as follows:

Completed Years of Service	Company Match of Eligible Earnings
1 – 4	50% of up to 6% of eligible earnings for a maximum of 3%.
5 – 9	70.8% of up to 6% of eligible earnings for a maximum of 4.25%.
10-14	90% of up to 6% of eligible earnings for a maximum of 5.40%.
15 – 19	100% of up to 6% of eligible earnings for a maximum of 6%.
20+	100% of up to 7% of eligible earnings for a maximum of 7%.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc

Agreed to:
James C. Little
International **President**
Transport Workers Union

Dispatch Letter K - TA Final

By the Company _____

Date: _____

By the Union _____

**LETTER K- EXPANSION OF VC, HOLIDAYS, OR MEDICAL
PLANS**

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Mr. Little,

This letter will confirm our understanding reached during the recently concluded negotiations in which the Company agrees that in the event it grants to other employees at American Eagle Airlines, Inc. an additional Holiday(s), Vacations, Improved medical plans, the Company will grant the same to those employees covered under this agreement.

Sincerely,

Dan Garton
President
American Eagle Airlines, Inc.

Agreed to:
James C. Little

Dispatch Letter L - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER L
2017 AIRCRAFT TYPE-BASED PAY ADJUSTMENTS

December --, 2012

**Mr. James C. Little
International President
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054**

Dear Mr. Little,

This letter will confirm our understanding reached during the recently concluded negotiations in which the Company agrees that, in light of the parties reaching a consensual restructuring agreement, Article 4 of the American Eagle/TWU Dispatch Agreement may be reopened as to “wages” based on a “snapshot” of the Company’s operations on January 1, 2017.

Specifically, as of January 1, 2017, if the Company operates any jet aircraft with more than 100 seats or 114,000 lbs. maximum takeoff weight (MTOW), the Company will enter negotiations with the TWU over wages for such aircraft for the duration of the Agreement, to be in addition to the pay rates set forth in Article 4 of the American Eagle/TWU Dispatch Agreement. If no agreement between the Parties is reached within six (6) months of beginning said negotiations, the issue will be decided in accordance with Article 22 of the American Eagle/TWU Dispatch Agreement.

If this accurately reflects your understanding, please signify by signing below.

Sincerely,

Agreed to:

**Dan Garton
President
American Eagle Airlines**

**James C. Little
International President
Transport Workers Union**

**LETTER L
Page ____**

Dispatch Letter M - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER M- COMPANY NEPOTISMPOLICY / CHANGES

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Mr. Little,

Changes have been announced to the Company's Nepotism Policy to be effective March 1, 1990. These revised rules will permit the employment of relatives (defined as an employee's spouse, parent, brother, sister, brother-in-law, and sister-in-law) provided that no first or second level supervisory relationship may be created at any time between such individual employees.

For purposes of first or second level supervisory relationships, crew chiefs and other bid positions under the American Eagle, Inc./TWU Agreements will not be considered supervisory positions and therefore relatives in these positions and in non-bid positions under their direction will not be in conflict with the new policy.

As outlined in the attached policy statement, each employee is responsible for ensuring he/she is in compliance with the applicable restriction of the policy. Therefore, it is agreed that no transfers nor bids from incumbents of future hires, under the applicable contractual provisions, will be allowed if such transfer of bid would create a first or second level supervisory conflict as described above. It is further agreed that if any bid or transfer that

Dispatch Letter M - TA Final

By the Company _____

Date: _____

By the Union _____

would be in violation of the above policy is attempted or completed under any conditions, such bid or transfer will be voided.

If the above accurately reflects your understanding, please signify by signing below.

Sincerely,
Dan Garton
President
American Eagle Airlines, Inc.

Agreed to:
James C. Little

Dispatch Letter N - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER N-COPE DEDUCTIONS

April 28, 1998

Mr. James C. Little
International Representative
Transport Workers Union
1848 Norwood Plaza
Suite 112
Hurst, TX 76054

Dear Mr. Little,

This will confirm our agreement recently reached with regard to COPE payroll deductions. We agreed the Company will allow all TWU represented employees to authorize payroll deductions for this fund, on a voluntary basis only. It will be the employee's responsibility to obtain and submit an authorization card to the Company. The Company will transfer funds collected to the TWU on the same schedule used for dues transfer.

Sincerely,

Dan Garton
President
American Eagle Airlines, Inc.

Agreed to:
James C. Little

Dispatch Letter O - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER O- CR1 ENTRIES RELATIVE TO INVESTIGATIONS

March 4, 2005

Mr. Joseph C. Gordon
International Representative
Transport Workers Union
1791 Hurstview Drive
Hurst, Texas 76054

Dear Mr. Gordon,

This letter will confirm our understanding reached during negotiations that, if there is an investigation of sexual harassment and the charged employee is found to be exonerated of the charges, no entry regarding the charge or investigation will be made in the CR1. Any entry previously made will be deleted from the CR1.

In other cases, a CR1 entry, if any, will reflect the nature of the discussion with the employee. As always, the employee has the prerogative of reviewing the CR1 entry and providing any additional information desired.

This will in no way preclude the Company from discussing policy as related to investigations.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,

Denise Lynn
Vice President, People

LETTER O
Page _____

Dispatch Letter O - TA Final

By the Company _____

Date: _____

By the Union _____

American Eagle Airlines, Inc
Agreed to:

Joseph C. Gordon
International Representative
Transport Workers Union

Dispatch Letter P - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER P- CR1 ENTRIES / EMPLOYEE REBUTTAL

March 4, 2005

Mr. Joseph C. Gordon
International Representative
Transport Workers Union
1791 Hurstview Drive
Hurst, Texas 76054

Dear Mr. Gordon,

This letter will confirm our understanding reached during negotiations that, when an employee hereunder is coached and counseled resulting in a CR1 entry, the employee can submit a separate rebuttal to the CR1 entry, sign and date it, and it will be attached to the related CR1. The employee can request a photocopy of the related CR1 documentation.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,

Denise Lynn
Vice President, People
American Eagle Airlines, Inc

Agreed to:

Joseph C. Gordon
International Representative
Transport Workers Union

Dispatch Letter Q – TA Final

By the Company _____

Date: _____

By the Union _____

LETTER Q
LIMITED AA FURLOUGH PROTECTION

December --, 2012

**Mr. John E. Plowman
President TWU Local 542
1201 Airport Freeway
Suite 386
Euless, TX 76040**

Dear Mr. Plowman,

This will confirm our understanding reached during negotiations regarding the retention of seniority for American Eagle Dispatch employees who accept employment at American Airlines Dispatch.

It is understood that employees covered by this Agreement who accept employment in American Airlines Dispatch will continue to retain and accrue all types of seniority for the period of time they are on probation at American Airlines, Inc.

While on probation at American Airlines, if an event occurs which is beyond the control of the former American Eagle employee, which is the cause for them to be released from American Airlines employment, that employee will have return rights, including bumping rights, to a Dispatch position at American Eagle.

Dispatch Letter Q – TA Final

By the Company _____

Date: _____

By the Union _____

Events beyond the control of the employee include:

- 1. An act of God;**
- 2. A national war emergency;**
- 3. Revocation of the Company's operating certificate(s);**
- 4. Grounding of a substantial number of Company aircraft for safety reasons; or**
- 5. An event similar to 9/11.**

This letter will remain in full force and effect for the duration of this agreement and will sunset unless mutually agreed-to be extended by the parties.

Questions or issues not foreseen at this time will be resolved by the Vice President Operations Planning and Performance and the President TWU Local 542.

If the above accurately reflects your understanding, please signify by signing below.

Sincerely,

**Cathy McCann
Vice President, People
American Eagle Airlines, Inc**

Agreed to:

**John E. Plowman
President TWU Local 542**

Dispatch Letter R - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER R- EARLY OUT OPTION

March 4, 2005

Mr. Joseph C. Gordon
International Representative
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Gordon,

This will confirm our discussion, during the negotiations leading up to the signing of the labor Agreement effective January 26, 2005.

In the event that the Company chooses to extend an option for an early out to employees covered by this agreement, the Company will meet and confer with the TWU representatives prior to the implementation of any such plan.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,

Denise Lynn
Vice President, People
American Eagle Airlines, Inc

LETTER R
Page_____

Dispatch Letter R - TA Final

By the Company _____

Date: _____

By the Union _____

Agreed to:

Joseph C. Gordon
International Representative
Transport Workers Union

Dispatch Letter S- TA Final

By the Company _____

Date: _____

By the Union _____

LETTER S- EXECUTIVE BRIDGE AGREEMENT

March 4, 2005

Mr. Joseph C. Gordon
International Representative
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Gordon,

This will confirm our discussion, during the negotiations leading up to the signing of the labor Agreement effective January 26, 2005.

The Company has agreed to honor the existing Executive Bridge Agreement that became effective on December 11, 2002.

If the above accurately reflects your understanding of our agreement, please signify by signing below.

Sincerely,

Denise Lynn
Vice President, People
American Eagle Airlines, Inc

Agreed to:

Joseph C. Gordon
International Representative
Transport Workers Union

Dispatch Letter T - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER T – SJU ENTITLEMENTS

March 4, 2005

Mr. Joseph C. Gordon
International Representative
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Gordon,

This will confirm our discussion, during the negotiations leading up to the signing of the labor Agreement effective January 22, 2005.

The Company agrees that it will provide to its employees in Puerto Rico, who are represented by the Union, those entitlements which it is legally required to provide to them under the laws of the Commonwealth of Puerto Rico, as properly amended from time to time by the Commonwealth.

If the above accurately reflects your understanding, please signify by signing below.

Sincerely,

Denise Lynn
Vice President, People
American Eagle Airlines, Inc
Agreed to:

LETTER T
Page_____

Dispatch Letter T - TA Final

By the Company _____

Date: _____

By the Union _____

Joseph C. Gordon
International Representative
Transport Workers Union

Dispatch Letter U - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER U
SJU MOVING EXPENSES

December --, 2012

**Mr. John E. Plowman
President TWU Local 542
1201 Airport Freeway
Suite 386
Euless, TX 76040**

Dear Mr. Plowman,

This letter will confirm our understanding reached during negotiations whereby the parties agreed to certain provisions relating to moving expenses for Executive Dispatch employees in SJU. Specifically, the parties agreed as follows:

- 1. The Company agrees to provide to Executive Dispatch employees who relocate to GSW a one-time moving expense allowance.**
- 2. Upon presentation of proper receipts to the Company, an Executive Dispatch employee shall be entitled to the following moving expenses:**

Dispatch Letter U - TA Final

By the Company _____

Date: _____

By the Union _____

- a. **For single employees, up to two thousand five hundred dollars (\$2,500.00) and one automobile;**
 - b. **For married employees, up to five thousand dollars (\$5,000.00) and one automobile.**
3. **The parties understand and agree that this moving expense allowance is non-precedent setting and shall not apply to moves of other employees or any relocation other than Executive Dispatch employees moving from SJU to GSW.**

If the above accurately reflects your understanding of our discussion and agreement, please signify by signing below.

Sincerely,

Agreed to:

**Cathy McCann
Vice President
American Eagle Airlines,
Inc**

**John E. Plowman
President TWU Local 542**

Dispatch Letter V - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER V
SJU DISPATCHER SCHEDULE MODIFICATION

December --, 2012

**Mr. John E. Plowman
President TWU Local 542
1201 Airport Freeway
Suite 386
Euless, TX 76040**

Dear Mr. Plowman,

This letter will confirm our understanding reached during negotiations whereby the parties agreed to certain provisions relating to modification of shifts/schedules for Executive Dispatch employees in SJU only. Specifically, the parties agreed as follows:

- 1. For Executive Dispatch employees only, the parties understand and agree that there may be a need to modify the current shift and percentages beyond the three (3) shifts or 15% eight (8) hour shift limitation in Article 13G.**
- 2. Any increase beyond the three (3) shifts or 15% eight (8) hour shift limitation may be implemented only upon joint agreement between the Company and the President of TWU Local 542.**

Dispatch Letter V - TA Final

By the Company _____

Date: _____

By the Union _____

If the above accurately reflects your understanding of our discussion and agreement, please signify by signing below.

Sincerely,

Agreed to:

**Cathy McCann
Vice President
American Eagle Airlines,
Inc**

**John E. Plowman
President TWU Local 542**

Dispatch Letter W - TA Final

By the Company _____

Date: _____

By the Union _____

LETTER W – 1113 DISPATCHER EARLY OUT INCENTIVE

**LETTER OF AGREEMENT
between**

AMERICAN EAGLE AIRLINES, INC.

and the

OPERATIONS COORDINATORS AND FLIGHT DISPATCHERS

in the service of

AMERICAN EAGLE AIRLINES, INC.

EXECUTIVE AIRLINES, INC.

as represented by

TRANSPORT WORKERS UNION of AMERICA, AFL-CIO

Early-Out Incentive Package

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN EAGLE AIRLINES, INC. and EXECUTIVE AIRLINES, INC., (both – “Company”) and the TRANSPORT WORKERS UNION of AMERICA, AFL-CIO (“TWU”) on behalf of Operations Coordinators and Flight Dispatchers (“Dispatcher(s)”) in the service of the Company.

A. Global Incentive Provisions

- 1. The Company will offer, no later than seven (7) days following the ratification and bankruptcy court approval of the bankruptcy tentative agreement, the Early-Out Incentive Program described in this Letter of Agreement.**
- 2. Dispatchers will have thirty (30) days following the date of the offer, as described in A.1 above, to respond to this offer.**
- 3. A Dispatcher who accepts the Early-Out offer will forfeit any recall rights he/she may have, and will no longer be considered an active employee and will waive all seniority credit upon any future rehire. However, a Dispatcher will have fifteen (15) days to rescind his/her acceptance after it is made.**

**LETTER W
Page ____**

Dispatch Letter W - TA Final

By the Company _____

Date: _____

By the Union _____

- 4. **Eligibility:** A Dispatcher will be eligible for the Early-Out Incentives so long as he/she had 13 or more years of Dispatcher seniority at American Eagle and/or Executive Airlines.
- 5. The Company may stage the separation dates for operational purposes. If so, Separation dates will be offered for preferencing, and preferences will be awarded in seniority order.

B. Early-Out Incentive Package Provisions:

- 1. **Separation Pay:** The Dispatcher will receive \$21,500 upon separation from the Company.
- 2. **Medical Benefits:** A Dispatcher who elects to accept the Early-Out offer will be eligible for COBRA at the active employee rate for the first 30 days. Following the first 30 days, COBRA will be available for purchase for an additional 17 months at full COBRA rates.
- 3. **Travel Pass Benefits:** The Dispatchers will receive 18 months of travel benefits in accordance with the AA Travel Policy. He/she will receive an additional 6 months of travel benefits (total of 24 months) if in the 90 days prior to the date of separation from the Company, he/she had no attendance occurrences. During the first 90 days of boarding priority will be D2 and will convert to D2P for the remaining eligibility period. Retiree Pass Benefits will be in accordance with AMR company policy.

Agreed:

For the Transport Workers Union / Dispatchers

For American Eagle

Jose Galarza, International Representative

Cathy McCann, Vice President of People

Date

Date

Exhibit "C"

Letter of Agreement on Settlement Consideration and Bankruptcy Protections

December __, 2012

Mr. James C. Little
International President
Transport Workers Union of America
1791 Hurstview Drive
Hurst, TX 76054

Subject: Administrative Expense Claim and Bankruptcy Protections

Dear Mr. Little:

This Letter of Agreement is between American Eagle Airlines, Inc. and Executive Airlines, Inc. (collectively "Eagle" or "the Company") and the Transport Workers Union of America, AFL-CIO ("TWU").

The modifications to the collective bargaining agreements ("CBAs") between the Company and the four (4) TWU-represented bargaining groups in connection with the Company's Chapter 11 Restructuring embodied in the following four ratified agreements (the "TWU Agreements") were agreed to in furtherance of the Company's effort to restructure its capital structure and operations:

- July 20, 2012 TWU Agreement covering Fleet Service employees (\$4.8 million), which was ratified on August 24, 2012;
- October 9, 2012 Tentative Agreement covering Aircraft Maintenance Technician, Inspector, Ground Support Technician, Aircraft Cleaner and Inventory Control Specialist employees (\$7 million), which was ratified on October 26, 2012;
- October 10, 2012 Tentative Agreement covering Ground School Instructor employees (\$10,000), which was ratified on October 19, 2012;
- December 3, 2012 Tentative Agreement covering all Dispatcher employees (\$0.4 million), which was ratified on December 17, 2012.

This Letter of Agreement will be binding on any Chapter 11 trustee that may be appointed in the Company's pending cases under chapter 11 of the United States Bankruptcy Code entitled *In re AMR Corporation, et al.*, Chapter 11 Case No. 11-15463(SHL) (the "Chapter 11 Cases"), or other entity operating with the equivalent authority of a Chapter 11 trustee.

For purposes of this Letter of Agreement, the term "Debtors" shall include Eagle, American Airlines, Inc., AMR Corporation and all their affiliated entities that are debtors in the Chapter 11 Cases.

The Company and TWU agree as follows:

1. Effective Date. This Letter of Agreement shall not become effective until approved by an order of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") which order has not been stayed.

It is expressly understood and agreed that if the Effective Date does not occur, all of the terms contained in this Letter of Agreement are inapplicable and will be of no force or effect. At such time as the Effective Date occurs but prior to the approval of any Plan of Reorganization in these Chapter 11 Cases, this Letter of Agreement shall constitute a binding and enforceable post-petition agreement between TWU and the Company.

2. Administrative Claim for Fees and Expenses. TWU shall have an allowed administrative expense claim of \$700,000.00 as of the Effective Date ("TWU Allowed Administrative Expense Claim") to be utilized to reimburse TWU for all reasonable fees, expenses and costs, including but not limited to legal fees, financial advisors' fees, expert fees, investment banking fees, costs associated with lost time of TWU local employees, agents and other representatives, and expenses incurred by TWU and TWU local's employees, agents, and other representatives, incurred in the Chapter 11 Cases in connection with the negotiations related to the collective bargaining agreement between Eagle and TWU, this Letter of Agreement, and any Plan of Reorganization (the "Fees and Expenses"). The TWU Allowed Administrative Claim, however, shall not include any Fees or Expenses (a) incurred with respect to TWU's opposition to any Company motion filed pursuant to 11 U.S.C. 1113; or (b) incurred with respect to any services rendered in connection with consideration or pursuit of any potential third party purchaser of the Company or merger partner (including but not limited to US Airways).
3. Indemnification. The Company will indemnify and hold harmless TWU and its current or former (a) members, (b) officers, (c) directors, (d) committee members, (e) employees, (f) advisors, (g) attorneys, (h) accountants, (i) investment bankers, (j) consultants, (k) agents, (l) actuaries, (m) financial advisors, (n) professionals, (o) agents and (p) other representatives (each an "Indemnitee") from fifty percent of any liability, loss, damages, fines, penalties, taxes, expenses, and costs (not including any income or excise taxes or similar amounts imposed by any governmental agency) relating to, concerning or resulting from any and all third party claims, lawsuits, or administrative charges of any sort whatsoever, including fifty percent of the reasonable attorney's fees and costs, arising in connection with matters relating to, concerning or connected to the negotiation or establishment of (a) any of the TWU Agreements and this Letter of Agreement, and (b) any other document or agreement forming part of any of the TWU Agreements and this Letter of Agreement. This fifty-percent sharing arrangement will exist until TWU's financial exposure reaches \$1 million. Any exposure exceeding \$1 million will be the responsibility of the Company.

Such indemnification and hold harmless obligation will not apply to: 1) any claim, lawsuit or administrative charge resulting from the willful or intentional conduct of

any Indemnitee; 2) any claim, lawsuit or administrative charge asserting that TWU violated its By-Laws or other organizational requirements by entering into any of the TWU Agreements and this Letter of Agreement; 3) any claim, lawsuit or administrative charge resulting from any statement made by any Indemnitee that incorrectly describes any of the TWU Agreements or Letter of Agreement or the modifications made thereby; 4) any claim, lawsuit or administrative charge related to allocation among Eagle employees represented by TWU of any proceeds or distribution received in connection with the TWU Allowed Claim (as defined in paragraph 6 below); or 5) any claim, lawsuit or administrative charge related to any disposition by TWU or employees represented by TWU to third parties of the TWU Allowed Claim or any Proceeds (as defined in paragraph 6 below) or distribution received in connection therewith or on account thereof.

An Indemnitee seeking to be indemnified and held harmless pursuant to this paragraph must provide to the Company written notice within seven business days of the Indemnitee learning of the claim, lawsuit or administrative charge as to which the Indemnitee seeks to be indemnified and held harmless. The Company will have the right to conduct the defense of such matter with counsel of the Company's choosing and enter into a settlement of such matter. The Company will give reasonable consideration to the wishes of the Indemnitee in connection with the matters described in the foregoing sentence.

4. Exculpation. The Company agrees that it will not propose or support any Plan of Reorganization that does not contain an exculpation or release provision for TWU and each of its current or former members, officers, directors, committee members, employees, advisors, attorneys, accountants, actuaries, investment bankers, consultants, agents and other representatives at least as favorable as any exculpation or release provisions provided for the Company's officers, directors, employees, advisors, attorneys, accountants, actuaries, investment bankers, consultants, agents and other representatives.
5. Bankruptcy Protection. From the date of this Letter of Agreement until a date three years from the date of this Letter of Agreement, the Debtors will not file or support any motion ("Motion") pursuant to 11 U.S.C. Sections 1113, 1113(e), or any other relevant provision of the Bankruptcy Code, seeking rejection or modification of, or relief or interim relief from, the TWU Agreements or this Letter of Agreement and the finalized documents implementing the TWU Agreements or this Letter of Agreement. The Debtors will actively oppose any such Motion if filed by another party.

Notwithstanding the foregoing, the Debtors reserve the right to file or support any Motion if there is a material deterioration in the Company's financial condition or financial prospects, whether because of general economic conditions or otherwise. All requirements and provisions of Section 1113 will also remain applicable to any such Motion. TWU reserves its right to object to such Motion and nothing in this Letter of Agreement shall be construed as an agreement by TWU to such modifications or relief.

6. TWU Settlement Consideration As TWU Allowed Claim. As additional consideration for, among other things, the concessions made during the Section 1113 process, including the so-called “me-too” provisions under the TWU Agreements, and in connection with the TWU Agreements, and subject to the approval of the Bankruptcy Court, TWU, on behalf of the employees it represents, will have an allowed general, unsecured prepetition non-priority claim under section 502 of the Bankruptcy Code in the American Airlines, Inc. Chapter 11 Case (Case No. 11-15464) in the amount of \$6.105million not subject to reconsideration under section 502 of the Bankruptcy Code or otherwise (the “TWU Allowed Claim”; and any equity and other consideration received in respect of the TWU Allowed Claim or the proceeds of one or more permitted sales of the TWU Allowed Claim or such equity or other consideration are collectively referred to as the “Proceeds”). On receipt of the Administrative Claim amount and the TWU Allowed Claim, and for other good and valuable consideration under the TWU Agreements and this Letter of Agreement, any and all claims, interests, causes or demands (including all pending grievances) (collectively the “TWU Claims”) TWU has or might arguably have, on behalf of itself or the Company’s employees represented by TWU pursuant to the Railway Labor Act (“RLA”) and the terms of the existing collective bargaining agreements (the “Existing CBAs), against the Debtors (or any of them) in the Chapter 11 Cases (including, without limitation, the claims described in the following proofs of claim filed in the Chapter 11 Cases: Claim Numbers 08271 and 08273) arising prior to the Effective Date (as defined herein) of this Letter of Agreement shall be automatically fully, finally, and completely released, expunged and extinguished.

TWU further agrees that the TWU Allowed Claim may not be assigned or transferred (including the granting of any participation) prior to the effective date of a plan of reorganization, except with the express written consent of Eagle, exercised in its sole discretion.

Notwithstanding the foregoing, the TWU Claims shall not include claims asserted in any proofs of claim actually filed in the Chapter 11 Cases by or on behalf of TWU represented employees (the “Excluded Claims”), including, but not limited to, Claim Numbers 11242, 11243, and 11244 filed by TWU Local 575, TWU Local 574, and TWU Local 570, respectively. The Excluded Claims shall be administered and resolved pursuant to the claims resolution process in the Chapter 11 Cases and the parties reserve all of their rights with respect to the Excluded Claims.

The Company and TWU will discuss in good faith whether, and if so on what terms, a portion of the TWU Allowed Claim shall be in the form of cash or debt (based on the value of the claim otherwise to be received).

7. Court Approval. With the full and active support of TWU, the Company will file and prosecute a motion for approval and assumption of the CBA(s) contemplated by the TWU Agreements and this Letter of Agreement under sections 363 and 105 of the Bankruptcy Code and any other applicable sections thereof. Both the

motion and the proposed order attached thereto (the "363 Order") shall be in form and substance reasonably acceptable to TWU. Both the Company and TWU will use their reasonable best efforts to obtain the support of the Official Committee of Unsecured Creditors and other parties and stakeholders for the TWU Agreements, including this Letter of Agreement, and to seek entry of the 363 Order.

8. Superseding Effect. This Letter of Agreement entirely replaces and supersedes the prior letter dated August 2, 2012 between Eagle and TWU bearing the subject "Administrative Expense Claim and Bankruptcy Protections," which prior letter, upon the date of execution by Eagle and TWU of this Letter of Agreement, shall have no further force or effect. This Letter of Agreement does not replace, supersede, or otherwise affect the "1113 Me-Too" provisions in the TWU Agreements.

Cathy McCann
Vice President
Human Resources

Beverly K. Goulet
Vice-President, Corporate Development and Treasurer, American Airlines, Inc.
On behalf of American Airlines, Inc. solely for the purpose of binding American Airlines, Inc. to the first sentence of Paragraph 6 of this Letter of Agreement and to no other provision.

Agreed:

James C Little
International President
Transport Workers Union of America, AFL-CIO

Exhibit "D"

Me-Too Letter

Dispatch Letter X – TA Final

By the Company _____

Date: _____

By the Union _____

LETTER X – 1113 ME-TOO PROVISION

DOS

**Mr. Jose Galarza
International Representative
American Eagle System Coordinator
Transport Workers Union of America—AFL-CIO
1791 Hurstview Drive
Hurst, Texas 76054**

“Me, too: Provision”

Dear Jose,

During the negotiations that led to the signing of the Agreement between American Eagle Airlines, Inc. (“AE” or “the Company”) and the Transport Workers Union of America, AFL-CIO (“TWU”) covering Dispatcher (“Dispatcher”) employees, the Company and the TWU agreed to the following, effective upon ratification of the Dispatcher Agreement by the TWU membership:

- 1) Notwithstanding any provision to the contrary in this Restructuring Agreement (“Agreement”) the terms of the Agreement shall not become effective until the Company has received approval to implement, through binding agreement, and/or implemented by legal unilateral authority revisions to (i) the labor contracts of the Company’s other non-TWU unionized employees and (ii) the wages, benefits and working conditions of the Company’s non-union hourly employees and (iii) the wages, benefits, and working conditions of the non-union salaried and management employees so that the aggregate revisions, agreed to or imposed, in (i), (ii), and (iii) for each individual non-TWU union and non-union employee group are reasonably projected by the Company to produce the targets of labor cost savings specified in the Company’s 1113(c) Restructuring Proposals for each union dated March 21, 2012 and in the Company’s March 21, 2012 Big Tent Presentation for each non-union labor group, and any Section 1113(c) motion subsequently filed by the Company, provided that the targets specified in the Company’s motion match the March 21, 2012 targets.
- 2) The Company agrees that if it fails to implement the changes described in paragraph 1 for any other non-TWU union or non-union employee group, without implementing other changes that are reasonably projected by the Company to achieve equivalent labor cost savings, the Company will meet with TWU to discuss and agree upon a proportionate reduction in projected labor cost savings under the Agreement. This paragraph shall expire upon the earlier of 1) six (6) months after the date the Company emerges from the bankruptcy process; or 2) when the changes described in paragraph 1, or other changes that are reasonably

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By the Company _____

Date: _____

By the Union _____

projected by the Company to achieve equivalent labor cost savings, are implemented for all non-TWU union or non-union employee groups.

- 3) The Company further agrees that if it obtains modifications to agreements with other non-TWU union groups that result in labor cost savings to the Company from reduction in TWU represented employees working under TWU agreements, it will meet with TWU to discuss and agree upon an appropriate credit to the TWU based on the level of labor cost savings realized by the Company from that reduction.**

- 4) The Company will provide TWU with sufficient relevant information reasonably necessary for TWU to determine compliance with the terms of this agreement.**

- 5) Any alleged violation of these provisions will be resolved pursuant to the grievance and arbitration procedures of the applicable TWU Agreement.**

If this letter accurately reflects the agreement of the parties, please indicate by signing below.

Sincerely,

**Cathy McCann
Vice President of People**

Agreed to:

**Jose Galarza
International Representative
AE System Coordinator
Transport Workers Union of America, AFL-CIO**

Exhibit "E"

Profit Sharing Letter

Dispatchers Profit Sharing Letter

By the Company: _____

Date: _____

By the Union: _____

LETTER OF AGREEMENT
between
AMERICAN EAGLE AIRLINES
and the
Operations Coordinators and Flight Dispatchers
in the service of
AMERICAN EAGLE AIRLINES
as represented by the
TRANSPORT WORKERS UNION of AMERICA, AFL-CIO

PROFIT SHARING PLAN

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor act, as amended, by and between American Eagle Airlines (hereinafter referred to as the "Company"), and the Operations Coordinators and Flight Dispatcher employees (hereinafter referred to as "Dispatcher employees") in the service of American Eagle Airlines, as represented by the Transport Workers Union of America, AFL-CIO (hereinafter referred to as the "Union").

WHEREAS the Company and the Union have reached consensual agreement upon a collective bargaining agreement (hereinafter referred to as the "Agreement");

NOW THEREFORE, the parties agree as follows:

A "first dollar" profit sharing plan for Dispatcher employees will be implemented as described below:

A. DEFINITIONS

1. "Pre-tax earnings" means the Company's consolidated earnings for the target year before any applicable income tax expense, excluding any accruals for profit sharing and/or incentive compensation, accounting adjustments, or extraordinary or one-time items as may be determined by the Company's Board of Directors Compensation Committee (consistent with Generally accepted Accounting Principles (GAAP) and applicable regulations, after consultation with the Company's independent auditors.
2. "Profit Sharing Pool" means 100% of the Company's pre-tax earnings for the target year at the applicable percentage.

Dispatchers Profit Sharing Letter

By the Company: _____

Date: _____

By the Union: _____

B. PROFIT SHARING POOL

Bracket #	American Eagle Profit Margin %	Profit Sharing Pool
1	0-2	5% of pre-tax profit within the bracket
2	2-4	10% of pre-tax profit within the bracket
3	4-6	15% of pre-tax profit within the bracket
4	6-8	20% of pre-tax profit within the bracket
5	8+	25% of pre-tax profit within the bracket

C. DISBURSEMENT

1. The profit sharing payments due to individual Dispatcher employees shall be computed as follows:
 - a. For the year in which the profit sharing was earned, the applicable profit sharing pool shall be divided by the total W-2 earnings of all eligible employees of the company to arrive at a profit sharing percentage of W-2 figure. This figure will be used to distribute the profit sharing pool based on share of W-2 salary expense.
 - b. The profit sharing percentage of W-2 figure, as calculated in 1.a. above shall be multiplied by the individual employee's reported W-2 earnings for the year in which profit sharing is was earned.
 - c. To be eligible for profit sharing payments, employees must:
 - i. Have earned W-2 salaries during the year in which profit sharing was earned.
 - ii. Hold current employment status, either active or on leave, with the company as of the date the profit sharing pool distribution calculations are made.
2. Profit Sharing awards are not considered compensation for purposes of determining Company contributions to the 401(k) plan.

D. Dispatcher employees at American Eagle and Executive Airlines will participate in the Profit Sharing Plan on terms outlined above and in no event may those terms be any less favorable than any other labor group at American Eagle.

E. The effective date of this letter of agreement, as to TWU represented employees covered by this agreement, will be when the Agreement has been ratified by the membership and the Agreement and this letter of agreement have been approved by the bankruptcy court. TWU represented employees covered by this Agreement shall begin to accrue Profit Sharing

Dispatchers Profit Sharing Letter

By the Company: _____

Date: _____

By the Union: _____

earnings on January 1, 2013, to be paid out annually beginning in March 2014.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement on this ____ day of _____, 2012.

FOR AMERICAN EAGLE AIRLINES, INC

FOR THE TRANSPORT WORKERS UNION
OF AMERICA, AFL-CIO

Cathy McCann

Vice President – Human Resources

Jose Galarza

International Representative