



AGREEMENT

between

ENVOY AIR INC.

and

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

covering

GROUND SCHOOL INSTRUCTORS

of

ENVOY AIR INC.

Effective date – January 01, 2013 and June 2, 2017, as amended

Revision 1: June 2, 2017

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TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

Covering

Ground School Instructors

Effective – **January 1, 2013 and June 2, 2017, as amended**

This Agreement is made and entered in accordance with the provisions of the Railway Labor Act, as amended by and between ENVOY AIR INC. hereinafter collectively referred to as the “Company”, and the TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO, hereinafter known as the “Union”.



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ARTICLE 1

RECOGNITION AND SCOPE

A. In accordance with Certification, Case No. R-7096 by the National Mediation Board on August 4, 2006, AMERICAN EAGLE AIRLINES, INC. and EXECUTIVE AIRLINES, INC. ("Company") hereby recognizes the Transport Workers Union of America, AFL-CIO, ("Union") as the exclusive and sole bargaining agent for all Ground School Instructors employed by the Company, and in their behalf to negotiate and conclude an Agreement with the Company with respect to rates of pay, rules and working conditions for all employees covered under this agreement in the classification set forth in Article 10 (CLASSIFICATION and QUALIFICATIONS) for the purposes of the Railway Labor Act.

B. Ground School

Instructors covered by this Agreement will be utilized for Ground School Training conducted at the Flight Academy, or at other locations as required by the Company as specified below:

1. In as much as it is extremely difficult to define certain work as totally inclusive of the Ground School Instructor work scope, the parties agree that, to the extent possible, the practice at the time of the signing of this Agreement will govern. To the extent that Check Airmen provided instruction under existing practices, that may continue.
 - a. However, if the Company determines that any components of the Ground School Instruction currently performed by Ground School Instructors should be taught by other individuals in the Company, then they agree to meet and confer with the union before making such changes provided however, that the Company will not lay off any employee covered by this Agreement solely by reason of the fact that the instruction currently performed by Ground School Instructors is reassigned to other individuals.
 - b. The Company may elect to reassign any of the ground school components currently taught by Check Airmen to Ground School Instructors. The Company agrees to meet and confer with the union prior to making such changes.
 - c. Qualified Flight Instructor/Check Airmen may be used to perform any or all Ground School Training when circumstances beyond the control of the company exist that require that substitution and overtime within the work unit is not readily available. These substitutions include but are not limited to, Ground School Instructor sickness, various LOAs, qualification of a new Ground School Instructor, and/or peak periods of training. In any

case, the company will make its best effort to discontinue the substitution at its earliest opportunity.

- C. This Agreement is binding upon the parties hereto and their successors and assigns.
- D. 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 TWU to discuss the merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction. The Company will provide the TWU with information concerning the proposed merger, purchase, sale or acquisition, consolidation, reorganization or similar corporate transaction at the earliest practical time to allow for 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 TWU represented employees.
- E. In the event that the Company is a party to any merger, purchase, sale or acquisition, consolidation, reorganization or similar corporation 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 G below.
- F. In the event that American Eagle 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 set forth in paragraph G below.
- G. 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.
- H. Successorship - In the event of a sale of the Company, the Company will agree to use its best efforts to ensure that the purchaser recognizes the TWU as the sole collective bargaining agent of the employees covered by this Agreement, accepts the terms of the collective bargaining agreement then in effect and accepts the TWU represented employees transferred with such transaction.
- I. If the Company determines that any additional components of the Ground School Instruction, beyond current practice, can be performed by utilizing home study, computer based training, or other types of distance learning then they agree to meet and confer with the union before making such changes.

ARTICLE 2

DEFINITIONS

- A. The term "employee" as used herein shall mean an employee covered by this Agreement as defined in Article 10.
- B. The term "hereunder" as used in this Agreement will be construed to mean and read "under all applicable provisions of this Agreement".
- C. Any masculine pronoun used herein will be deemed and understood to designate any employee hereunder, whether male or female.
- D. "Base rate of pay", "base hourly rate", "regular hourly rate", regular pay" or "pay as if working" will be defined as an employee's annual salary as shown in Article 4 divided by 2210 hours worked per annum.
- E. "Company seniority date" will be defined as the employee's hire date with the Company.
- F. "Classification seniority date" will be defined as an administrative date which determines the placement of an employee on the applicable pay scale, should a structured pay scale be used in the future.
- G. "Occupational Seniority" will be defined as the employee's date of assignment in a title group and will accrue as outlined in the provisions of the labor agreement. Such occupational seniority will govern shift preference. (Including any paid training).
- H. The term "Emergency" will herein mean a sudden, generally unexpected occurrence or set of circumstances demanding immediate action.
- I. "Will" has the same meaning as "shall".
- 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
 2. Any other corporate subsidiary, parent, or entity controlled by or that controls any entity referred to in M 1 above.
- N. "Administrative duty" will mean a scheduled workday with no specific assignment or the work has been cancelled.
- O. "Meet and Confer" will mean an obligation to meet and provide information relating to a specific issue with the intent of resolving such issue.
- P. The term "TNG" (instructor training) is used to identify a day on the monthly work schedule designated for annual recurrent training for instructors. This term may also be used for initial training.
- Q. The term "PD" (program development) when listed on the monthly work schedule, will mean a day designated for program development/review.

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 will not be in conflict with the specific provisions of this Agreement.

ARTICLE 4
COMPENSATION

A. During the period of this Agreement, effective June 2, 2017, the rates of pay for the Ground School Instructors are specified below:

| STEP | Rate of Pay |
|-------------|--------------------|
| 1 | \$24.56 |
| 2 | \$24.94 |
| 3 | \$25.29 |
| 4 | \$27.30 |
| 5 | \$28.61 |
| 6 | \$29.98 |
| 7 | \$31.42 |
| 8 | \$32.93 |
| 9 | \$34.51 |
| 10 | \$36.17 |
| 11 | \$37.90 |
| 12 | \$39.72 |

ARTICLE 5

VACATIONS

- A. Employees hereunder will 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 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 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 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 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 seven (7) hours and five (5) minutes accrual for each 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 will be considered a full month and less than fifteen (15) days will not be considered a full month. Fractions of one-half a day or more of earned vacation will be considered as entitling the employee to a full day's vacation and fraction of less than one-half a day will not be considered a full day.
- C. The pay for such vacation will be at the pay which the employee would normally have received at his base rate of pay.
- D. Preference in the period in which employees hereunder will be permitted to take their vacations will be granted at each city/station 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 requests for vacation preference for the following year on Company bulletin boards at each city/station no later than October 15th of each year and employees eligible will list their preference no later than November 15th. The posted vacation slots will include at least one (1) slot for each week of the year. The Company will round to the nearest whole number (up) to determine the number of weeks to be provided thereafter. The actual number of slots per week will be determined exclusively by the Company. The vacation periods shall be assigned and posted on Company bulletin boards no later than December 1st. Any employee not expressing a preference shall be assigned a vacation.
1. Upon an employee's request, holidays recognized by this agreement which fall within a vacation period will not be considered as part of the vacation. Holidays falling within a vacation period may, at the employee's option be taken by extending the vacation period one (1) day for each holiday.
 2. Vacation schedules will be arranged by the Company to provide vacations at employee's convenience and preference as to date in order of company seniority, except the maximum number released at one time from a classification will be limited by the requirements necessary to maintain efficient operation.
- F. An employee covered by this agreement 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. Upon death, the estate of an employee covered by this agreement will be paid in a lump sum for all accrued and unused vacation.
- G. Upon retirement, an employee covered by this agreement who has accrued and unused vacation will receive a lump sum payment for his accrued vacation.
- H. The Company reserves the right to cancel and reschedule vacation if necessary to maintain service and will give as much advance written notice as possible to the employee, but at least two weeks. In the event that an employee's vacation has been cancelled by the Company, the employee will select, at his option to:
1. Reschedule his unused vacation during the same calendar year, if a slot is available, or
 2. Be paid for his vacation period, or
 3. Carry his unused vacation over to the following year.
- I. Vacation allowance will not be cumulative and vacation time to which an employee becomes entitled on December 31 of any year will be forfeited unless taken during the following year, unless the employee is requested by the Company in writing to forego his vacation during the year in which it is to be taken.

- J. The Company will permit an employee to request up to one (1) week personal vacation days. Personal Vacation Days (PVD) are defined as vacation days accrued in the current year for use next year to be taken in advance for the current year. The days would then be deducted from the next year's allocations. The days will be granted if manning permits.
- K. Employees will not be junior assigned for overtime immediately before or after vacation.

ARTICLE 6

HOLIDAYS

A. The following holidays will be observed and compensated for as such at the regular base rate of pay for a regular day worked as outlined in Article 13 of this agreement:

| | |
|------------------|------------------|
| New Year's Day | Labor Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Christmas Day |

B. The above holidays will be observed on State and National Observance designated days. In addition to the preceding holidays, each employee will be entitled to one personal holiday, to be designated at any time during the year by the employee with at least 14 days notice and will be granted in order of seniority at the fourteen (14) day cutoff based upon operational requirements.

C. An employee who is required to work at his regular duties on any of the above holidays will receive double time (2) at his base rate of pay.

D. Except as provided in Article 5—Vacations, if any of the above holidays falls on an employee's day off, his next workday will be observed as the holiday. No employee will be permitted to interrupt his vacation period to work on a holiday

E. Payment for a holiday as such will not be made to an employee on a leave of absence or to an employee scheduled to work on such holiday who is not excused from work and who fails to report to work as scheduled.

F. The Company will provide an option for the employee to request compensatory time off in lieu of holiday pay. The Company will agree to such request based on operational requirements. The employee must elect this option no later than the actual holiday, in writing. The compensatory day must be requested at least fourteen (14) days in advance and, if approved, those first four (4) holidays of the calendar year (New Years, Memorial, Independence, Labor Day) must be taken no later than November 15 of that year. Compensatory time requested for the Thanksgiving and Christmas holidays must be taken no later than March 31 of the subsequent year; however, the employee may request to be paid out for compensatory time associated with the Thanksgiving and Christmas holidays, prior to March 31. Pay for compensatory time will be at the employee's base rate of pay.

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. A full-time employee who completes six (6) months of active service with the Company will be credited with six (6) days sick leave for the calendar year in which the six (6) month period is completed.
- C. Upon being credited with the applicable six (6) days of sick leave, as mentioned in paragraph B above, an employee will thereafter accrue one-half of a regular day's work (see Article 13) of sick leave for each calendar month of active service with the Company up to a maximum of six (6) days in any calendar year. Such sick leave accrued during a calendar year will not be used prior to January 1 of the following year.
- D. Unused sick leave will be cumulative up to a maximum of ninety (90) days.
- E. The sick leave provided under this Article 7 will be payable only in cases of bona fide illness or injury from non-occupational causes which result in the employee's incapacitation for the performance of his regular duties and/or doctors' appointments for sickness. Such sick leave will be paid in the following manner:
 - 1. Payment of sick leave will 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 base rate of pay. Such payment will commence from the first (1st) work day's absence and will continue until the employee's accrued sick leave is exhausted.
 - 2. Any full time employee who has reached sixty (60) days in his sick bank may convert one week of sick leave into one week of vacation time (to be taken in a one (1) week block only). Such vacations will be bid after all regular vacation bids (Article 5) have been awarded.
- F. 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. It will be the responsibility of the employee who will be absent from work due to illness or injury to report the facts to his immediate supervisor at

- least one (1) hour prior to normal shift starting time in accordance with local procedures.
2. While it is not the policy of the Company to require a medical confirmation of illness, the Company reserves the right to require such medical confirmation whenever circumstances indicate abuse of sick leave or excessive absenteeism.
- G. Injury on duty benefits will be in accordance with the applicable worker's compensation laws.

ARTICLE 8

PHYSICAL EXAMINATIONS

- A. Any employee hereunder who fails to pass a Company physical examination may, at his option, have a review of his case as outlined below.
1. Within fifteen (15) days he may employ a qualified medical examiner of his own choosing and at his own expense for the purpose of conducting a physical examination for the same purpose as the physical examination was made by the medical examiner by the Company.
 2. A copy of the findings of the medical examiner chosen by the employee will be furnished to the Company within fifteen (15) days following the examination, and in the event that such findings verify the findings of the medical examiner employed by the Company, no further medical review of the case will be afforded.
 3. In the event that the findings of the medical examiner chosen by the employee disagree with the findings of the medical examiner employed by the Company, the Company will, at the written request of the employee, ask that the two (2) medical examiners agree upon and appoint a third, qualified and disinterested medical examiner, preferably a specialist for the purpose of making a further physical examination of the employee.
 4. Such three (3) doctors, one (1) representing the Company, one (1) representing the employee affected, one (1) disinterested doctor approved by the Company doctor and the employee's doctor will constitute a board of three (3), the majority vote of which will decide the case.
- B. If the majority opinion of the Board of three (3) medical examiners upholds the employee's case, he will be restored to his former job and be paid for time lost, at his base rate of pay, less any amount he may have received as compensation during the interim period.
- C. The expense of employing the disinterested medical examiner will be borne one-half ($\frac{1}{2}$) by the employee and one-half ($\frac{1}{2}$) by the Company. Copies of such medical examiner's report will be furnished to the Company and to the employee.
- D. The above procedures do not apply in the case of time-sensitive examinations, such as random drug testing, when required by law or approved Company plan.
- E. In instances where the Company requires an examination by a specialist to make the initial determination as stated in paragraph A above, such costs will be borne by the Company.

ARTICLE 9

SENIORITY

- A. Company seniority will commence with the effective day of placement on the payroll.
- B. All references in the agreement to seniority will mean Instructor Seniority, also referred to as Occupational seniority, except where specific reference is made to Company seniority or Classification seniority.
- C. Occupational seniority will begin to accrue from the date of first assignment to a Classification, including paid training, within the Classification as enumerated in Article 10 of this Agreement.
- D. Occupational seniority will govern all employees hereunder in the case of shift preference (hours/days off), transfer, retention in case of reduction in force, and re-employment after release due to reduction in force.
- E. Seniority shall not govern promotion or assignment from Ground School Instructors to Managerial positions or special duty assignments.
- F. The parties agree to the establishment of an accurate seniority list for the Classification covered by this agreement, including company, classification, and occupational seniority. Such list will be posted on Jetnet.
- G. Resignation, discharge for just cause, or failure to accept recall from layoff will result in forfeiture of seniority and all rights thereto.
- H. An employee or the Union may protest any omission or incorrect posting affecting any employee's seniority.
- I. An employee who accepts a position with the Company outside the bargaining unit will retain his seniority for a period of six (6) months. Such an employee may return to his former Classification, if a vacancy exists, within six (6) months of the day he left the bargaining unit.
- J. An employee who accepts a position with the Company outside the bargaining unit, and remains outside the bargaining unit for greater than six (6) months, will retain a portion of his seniority, which will diminish over time, directly related to the amount of time he is away from the bargaining unit. For each day such employee is outside of the bargaining unit, his occupational seniority will decrement by one day, starting with the date he left the bargaining unit. Such employee may return to his former Classification, if a vacancy exists and he is deemed the most qualified candidate, and upon being selected for the position, he may exercise the rights associated with his remaining occupational seniority,

which has been decremented by the number of days of his absence from the bargaining unit.

- K. An employee who accepts a temporary (acting) Company Assignment to work outside his Classification or to work outside the bargaining unit will retain and continue to accrue seniority in the Classification from which he is temporarily transferred. An employee who accepts such an assignment will not work in that capacity for more than one hundred twenty (120) days within a calendar year (January 1st-December 31st). Nothing in this paragraph prohibits the Company from assigning an employee to such work outside of the bargaining unit for periods of shorter duration than one hundred twenty (120) days, provided that such assignments or the total of such assignments do not exceed one hundred twenty days (120) days in a calendar year (January 1st-December 31st). If an employee in such capacity works over the prescribed time, he will forfeit all seniority. On a semi-annual basis the Company will furnish the Local President a report listing employees names, station, branch, hours worked and job function of employees within the Agreement working outside the bargaining unit, or as MPR. Any extensions will be made only by agreement between the Company and the Union.

- L. An employee covered by this agreement who permanently transfers at his own request to a Classification in another Title Group will retain seniority in the Classification and Title Group from which he transferred for a period of time not exceeding his service in the former Classification. Such retained seniority may be exercised only in the event of a reduction in force pursuant to the provisions of Article 15.

- M. In the event several employees are hired on the same date and have the same Occupational Seniority date, the following agreed upon procedure should be used to determine proper placement:
 - 1. Occupational Seniority
 - 2. Company Seniority
 - 3. Date of Birth

ARTICLE 10

CLASSIFICATION AND QUALIFICATIONS

- A. Employees covered by the Agreement will be assigned as Ground School Instructors.
- B. The Classification description set forth is incorporated herein and made part of this Agreement.
- C. Qualifications: The Company will establish qualifications for employees covered by this Agreement. Such qualifications, including prerequisite qualifications for the classification above, initial qualification/instruction for this classification, and recurrent qualification/instruction for this classification, will be determined and revised by the Company and applicable Federal Aviation Regulations, as necessary. These qualifications will be contained in the appropriate manuals, Flight Department Administrative Guide, Federal Aviation Regulations, or other controlling documents. Copies of the appropriate sections of these manuals, and other controlling documents, and any revisions will be mailed to the Director of Air Transport Division of the International Union. A copy will also be mailed to the President of Local 541.
- D. When the International Union has objection to any changes in any of the above qualifications, except changes as required by the Federal Aviation Regulations, the same may be discussed by the International Union with the Company (Director of Flight Training or his designee) upon written notice of the objection within thirty (30) days from the date the revisions were made available. If an agreement concerning the objections raised cannot be reached within a reasonable time, the revised qualifications may be placed in effect and the International Union may take up the disputed points as a grievance under Article 21 of this Agreement.
- E. Once qualified, Ground School Instructors will maintain familiarity with line operations by being scheduled for two (2) Line Observation Days (LOB), provided a Ground School Instructor Line Observation program exists in the Company's Approved FAR 121 and/or 142 Training Program or two (2) days observing simulator training, annually. Additionally, Ground School Instructors will be scheduled to observe three (3) days of Initial or Recurrent ground training and attend one (1) Instructor/Check Airman Meeting annually.
- F. In the event the Company prepares a qualifying test to determine the competency of an employee, these tests will be prepared by the Company. Written portions of qualifying tests will be multiple-choice type. Copies of qualifying tests will be available for Union review on Company premises prior to their use. When the Union has objections to any portions of any revisions or any new qualifying tests, the same will be discussed by the Union with the Company

upon thirty (30) days' notice from the date the tests are renewed. If agreement concerning the objections raised cannot be reached, the tests may be placed in effect and the Union may take up the disputed points as a grievance under Articles 21 and 22 of this Agreement.

G. The job descriptions set forth are incorporated herein and made part of this Agreement. These job descriptions are not intended to be all-inclusive.

H. Job Description

“Ground School Instructors” means an Instructor whose work, depending upon assignment, includes, but is not limited to, any or all of the following:

Provides formal and tutorial training for flight crewmembers, maintenance personnel, flight attendants, other company employees or non-company employees in Ground School on such subjects as aircraft systems, normal operating procedures, (CRM) Crew Resource Management, abnormal operating procedures, emergency procedures, survival techniques, capabilities, procedures and equipment, navigation, aerodynamics, FAA (CAA and JAA as required) Regulations, Company policies and procedures related to Domestic and International flying and other training as deemed necessary by the Company. Utilizes Cockpit Procedures Trainers, Cabin Emergency Evacuation Trainers (CEET), Systems Trainers and other training devices as required by course curriculum. Conducts aircraft visits and procedures training in static aircraft. Administers written and other examinations required by course curriculum. Obtains required training equipment, training aids, manuals, course material and supplies necessary to conduct assigned courses. Develops and reviews course ware, home studies and examinations for technical content and accuracy. Completes required training records and reports. Determines and reports on student progress, proficiency and recommends crewmembers for FAA Oral Examinations. Provides specialized instruction and counseling of students as needed. Reviews engineering and other technical documents on assigned subject matter and makes necessary revisions to training aids and course materials impacted by these documents. Attends in-company and out-of-company training programs as assigned. Provides and assists in providing training of other instructors as assigned.

ARTICLE 11

OVERTIME

A. Daily Overtime:

1. Employees working eight and one half hour (8 ½) shifts:
 - a. One and one-half (1 ½) times the base rate of pay for each hour worked in excess of Ten (10) hours.
 - b. Any employee hereunder will not be entitled to overtime rates until he has worked Ten (10) hours in the workday, including time worked before or after his regular shift.

B. Weekly Overtime: Time worked on an employee's regularly scheduled days off will be considered overtime and will be paid as follows:

1. Employees working eight and one half hour (8 ½) shifts:
 - a. One and one-half (1 ½) times the base rate of pay for hours worked on an employee's scheduled day off provided he has worked 42.5 hours including CS. Administrative & canceled work (CW) days will be credited toward the 42.5 hour work week (whether worked or not).

C. Overtime work will be distributed in seniority order among the employees qualified to perform the work necessitating overtime as equitably as practicable. The Company and the Union will "meet and confer" to develop a distribution method for each work location.

D. Exchange of Shifts or Days Off:

An employee working an exchange of shifts or days off will be paid at his base rate of pay for the new schedule. If an employee works additional hours over Ten (10) at Company's request in conjunction with an exchange of shifts or days off, overtime provisions hereunder will apply.

E. An employee whose overtime working period continues into the following day will continue to receive overtime rates for all overtime so worked.

F. If any work period continues so that its termination will fall within nine (9) hours prior to the commencement of the employee's regular shift in the succeeding workday, he will receive pay for all time worked during his regular shift on the succeeding workday at the rate of time and one-half (1 ½) his regular hourly rate.

- G. No overtime will 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.
- H. If overtime on any workday or any workweek is due to an authorized exchange of days off or shifts by employees (which must be approved in advance by the appropriate supervisor), said time will be compensated at his base rate of pay; provided, however, any continuous work, exclusive of meal periods in excess of Ten (10) hours will be paid for at the overtime rates provided in Paragraphs A and B of this Article.
- I. In the event of an emergency or when there are an insufficient number of employees being available, the Company will assign employees in inverse order of seniority to perform such work.
- J. In the routine coverage of overtime for the next day an instructor will be bypassed for an assignment if a reasonable attempt at notification is unsuccessful. "Reasonable" attempts may vary depending on the volume of open schedules to be covered, but will normally consist of at least three (3) calls spaced thirty (30) minutes apart up to 1530 for work assignments commencing prior to 1200 the following day.
- K. An instructor will be bypassed for work arising the same day if a reasonable attempt at notification was unsuccessful. The word "reasonable" is described as no less than two (2) attempts spaced thirty (30) minutes apart unless such time intervals will not permit the orderly notification and coverage of such work assignment.

ARTICLE 12

PROBATIONARY PERIOD

- A. Employees under this agreement shall be considered on probation for the first twelve (12) months of active service. Active service is exclusive of any time in which an employee is unable to report to work. The twelve (12) month probationary period may be decreased by mutual agreement, in writing, by the President TWU Local 541 and the Director of Training 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.

ARTICLE 13

HOURS OF WORK

- A. The workday will consist of a twenty-four (24) hour period beginning at 12:00 o'clock midnight local time and a regular day's work shall consist of eight and one half (8 ½) hours, exclusive of meal periods. On any workday where a class ends early, an instructor will be allowed to leave early with no loss of pay, subject to his supervisor's approval.
- B. The basic workweek (and pay week) will consist of:
1. Seven (7) days beginning at 12:01 a.m. Saturday and the regular weekly work schedule shall consist of five (5) workdays of eight and one half (8 ½) hours each within the workweek.
 2. Each employee will be scheduled two (2) days off during each workweek. The Company will make every reasonable effort to arrange work schedules so that, whenever practicable, those two days will be consecutive and if possible those days will be Saturday and Sunday. These days off minimums will apply to scheduled patterns created by month-to-month schedule bids.
- C. All time worked in any continuous tour of duty will be considered as work performed on the workday within which the workday started.
- D. Work Schedule bids will be posted for selection monthly. Bids will be posted on centrally located bulletin boards no later than ten (10) days prior to the effective date of the work schedule. Bid awards will be posted no later than five (5) days prior to the effective date of the work schedule. If extraordinary circumstances prevent posting or awarding within this time schedule, the Company will make every effort to adhere as closely as possible to such schedule. If the schedule for posting and awarding bids is not complied with for two (2) consecutive months, representatives of the Company and the Union will promptly confer in an attempt to resolve the situation.
- E. The monthly work schedules will be generated and proffered to Ground School Instructors in each fleet type for bid as follows:
1. Scheduled duty days, scheduled days off and scheduled start times for all known and anticipated training together with admin days listed in organized lines of work will be proffered for each fleet type and awarded in order of seniority to the Ground School Instructors submitting bids and qualified to perform the assignment for that month.
 2. Schedules, once awarded, may be changed with seven (7) days notice. This may only be done due to unforeseen circumstances. Scheduled start time(s)

may be changed up to two (2) hours from the scheduled start time with at least twelve (12) hours notice.

3. Duty periods will be scheduled to provide a minimum of ten (10) hours off between work assignments. This ten (10) hour rest period is always applicable, even on month-to-month bid awards. Only bid schedules for individuals affected by the need for a rest period required by this Agreement will be adjusted once the bids are awarded, to ensure this rest period is provided.
4. The duty period for all observation flights will begin one (1) hour prior to scheduled departure time and conclude upon actual arrival time.
5. In the case of training away from the Flight Academy, a deadhead will be scheduled at the beginning and end of each training sequence as defined in Article 17 A & B for travel to and from the place of training.
6. Work awarded by bid, then subsequently cancelled will be designated "CW". CW days are subject to reassignment, but will retain the start time plus or minus (+/-) five (5) hours of the original scheduled work. However, the Instructor given a CW day is not required to stand by.

ARTICLE 14

TRANSFERS

A. Bidding for job transfers;

1. An instructor may bid any job opening within the Classification providing he has the prerequisites and qualifications as defined in Article 10. Jobs will be awarded by seniority.
2. When there is an overage of Ground School Instructors within a fleet type and vacant jobs within another fleet type, then only those instructors within the fleet type with the overage will be eligible to bid. The most senior Ground School Instructor bidding will be so assigned. If no bids are forthcoming from within the fleet type with the overage, then the most junior Ground School Instructor within that fleet type will be assigned. The Company, at its option, may assign a probationary Instructor into that fleet type.
3. Due to unforeseen circumstances a bid for a vacant Ground School Instructor position may be cancelled within six (6) months of the award.
4. An employee who has successfully bid for a posted job will not be held on a trial basis on his new assignment for a period longer than ninety (90) days after completion of training and qualification for new assignment and will be returned to his former assignment in the event of his inability to perform his duties in a satisfactory manner. Vacancies created as a result of the above bid award will be filled at the Company's discretion. Additionally, if the vacancies created as a result of the above bid award are filled, at the Company's discretion, they may be filled by new-hire employees.
5. An employee having successfully bid for a different assignment within the Ground School Instructor classification who subsequently fails to demonstrate the required ability within six (6) months will be returned to his previous assignment and location. Furthermore, the employee would need to re-qualify and allow a period of twelve (12) months to elapse before rebidding for any other assignment.
6. A permanent vacancy(ies) will be posted on bulletin boards in all work locations where there are Ground School Instructors. The notice of the vacancy will specify a closing date for all bids. Such date will not be less than ten (10) days after the date of such posting. All successful awards will be posted no later than ten (10) days after the closing date. A vacancy that exceeds one hundred eighty (180) days will be deemed permanent, unless agreed to otherwise between the union and the Company.

7. A Ground School Instructor who is a successful bidder will be ineligible to bid another vacancy for a period of eighteen (18) months after completion of training/qualification for the new assignment, except, if a new fleet type is established. All Ground School Instructors may bid for transfer to the new fleet type. Ground School Instructors who bid from one fleet to another may, due to unplanned workload peaking, be reassigned to their previous fleet for a period not to exceed ninety (90) days during their first six (6) months after qualification in the new fleet type. Such reassignment shall not extend the trial period in (2) above.
8. Ground School Instructors on probation will not be eligible to bid on a vacancy within another work unit. However, a probationary Ground School Instructor may be reassigned to another fleet if a more senior Ground School Instructor does not bid an opening in that fleet.
9. Notices of such vacancies and awards will be posted on all bulletin boards and work areas where employees are employed. Each bid notice will have a number assigned and list the prerequisites and qualifications for the job. The bid notice will note if the bidding procedure is to be restricted to within a specific fleet where an overage exists.
10. Bid notices will be posted for a ten (10) day period exclusive of Saturday, Sunday and holidays, and awarded within ten (10) days of posting exclusive of Saturday, Sunday and holidays.
11. A copy of each transfer award of bid will be furnished to the ranking local Union Representative.
12. Linear Utilization

A transferred Ground School Instructor will carry forth his original qualification to the new fleet type, which becomes his primary fleet type. He may be utilized in this dual capacity for a period of one (1) year from the date he completes qualification on the new fleet type; on a planned monthly basis or on a daily operational basis, based on operational requirements and if the Company deems necessary. The Company will provide the appropriate training to remain dual qualified. On completion of one (1) year, his previous fleet type qualification will automatically be dropped unless retention is mutually agreeable with the TWU local and the Company, or work volume in the new fleet type will not support full time employment. In such case, the Ground School Instructor will retain dual qualifications.

- B. Employees covered by this agreement will be given the opportunity to fill regular or part-time vacancies, under any American Eagle/Executive Airlines agreement, prior to filling those vacancies with new-hires. If an employee covered under this Ground School Instructor agreement and an external candidate are equally qualified, as determined by the Company, under the requirements of Article 10 of this Agreement, the American Eagle/Executive Airlines employee will be given preference to the vacancies under this agreement prior to filling those with new-hires.

ATTACHMENT 14.1

TRANSFERS “EXPLANATIONS”

| Fleet Type | CRJ | EMB | ATR | SAAB |
|------------|-----|-----|-----|------|
| Emp 1 | | X | | |
| Emp 2 | X | | | |
| Emp 3 | | X | | |
| Emp 4 | | X | | |
| Emp 5 | | | X | |
| Emp 6 | | | | X |
| Emp 7 | X | | | |
| Emp 8 | | | | X |
| Emp 9 | | | | X |
| Emp 10 | | | X | |
| Emp 11 | | | X | |

Vacancy

- “CRJ (emp #7)” retires.
- As a result, CRJ vacancy opens and is bid on by eligible bidders.
- CRJ vacancy is bid by (emp #5, #6, #10 and #11) and filled by most senior bidder “ATR (emp #5)”.
- The company either posts for bid, or fills the “ATR (emp #5)” position from the street.
- “New ATR (emp #12)” begins training, upon qualification “ATR (emp #5)” begins training as “CRJ (emp #5)”.
- Void created by retirement of “CRJ (emp #7)” is temporarily filled by a check airman.
- Should “CRJ (emp #5)” fail to qualify on the CRJ, then “CRJ (emp #5)” would return to “ATR (emp #5)” and “ATR (emp #12)” would be reassigned to “CRJ (emp #12)”.
- Should “CRJ (emp #12)” fail to qualify on the CRJ, and more than 12 months has passed since the employee was hired, he/she would be placed on furlough with recall rights to any position to which he/she can qualify.
- “CRJ (emp #12)” position would then be filled from the street at the company’s discretion.

EMB Overage

- The company determines an overage exists in the EMB program.
- The company posts a reduction in force notice to EMB ground school instructor #4.
- Most junior EMB (“EMB emp #4”) ground school instructor may elect furlough or displace the most junior ground instructor in class provided he/she meets the qualifications for that position.
- If “EMB (emp #4)” elects to displace, he/she will displace the most junior ground school instructor in class “ATR (emp #11)”. “EMB (emp #4)” will become “ATR (emp #4)”.
- “ATR (emp #11)” will be retained until “ATR (emp #4)” completes qualification.
- Should “ATR (emp #4)” fail to qualify in the ATR program, “ATR (emp #11)” will be retained and “ATR (emp #4)” will be placed on furlough with recall rights to any aircraft type to which he/she could qualify.
- If “ATR (emp #4)” is recalled to a position to which he/she could qualify and fails to do so, he/she will be released from employment.

ARTICLE 15

FURLOUGH - RECALL

FURLOUGH

- A. When employees are to be furloughed, such furlough will be accomplished in reverse order of Instructor Seniority from within the Instructor classification affected by the curtailment of work. Employees covered by this Agreement who are to be furloughed will receive at least fourteen (14) calendar days notice, or pay in lieu of such notice. An email message will constitute notice. This notice requirement will not apply where an Act of God, fire, any government's actions, laws or regulations, FAA action or strikes or other work stoppages cause the furlough.
- B. Employees will not be withheld from bidding for transfer unless they are identified as employees who will be furloughed within the next four (4) months. The Company agrees to meet with the TWU regarding those employees who are to be withheld from bidding. The Company and the TWU local will meet to discuss any extension of the withholding for up to an additional three (3) months. If no agreement is reached, a panel consisting of the Vice President of Flight and the Air Transport Director or their designees will meet to review the request.
- C. The Company may, at their sole discretion, offer a voluntary leave of absence or a voluntary furlough to offset scheduled furloughs.
- D. An employee who has completed his probationary period and who is directly affected by a curtailment of work requiring a reduction in force may exercise his seniority to fill a vacancy. If a vacancy does not exist, then the employee may exercise his seniority to displace (bump) the least senior employee (provided he is senior to such employee) in any fleet type for which he can qualify per Article 10.
 - 1. If an employee displaces another employee, as the result of a reduction in force, and a vacancy opens during the transitional training period, the employee who was originally furloughed will be reassigned to the vacant position and the displaced (bumped) employee will receive a rescind notification.
 - 2. An employee who fails to qualify in the position that he has been awarded, will be given the opportunity to exercise his right and take lay-off with recall to the fleet type from which he was furloughed or a fleet type for which he can qualify.
- E. All employees laid off by the Company due to reduction in force will file the proper addresses with the Director of Training at the time of layoff. Any change

in address must be filed promptly in writing, certified mail, return receipt requested, with the Director of Training.

- F. An employee who has completed his probationary period and is laid off by the Company due to a reduction in force will continue to accrue seniority for 90 days and retain seniority thereafter. All seniority will be canceled and recall rights forfeited if the Company does not recall the employee within ten (10) years from the effective date of layoff.
- G. Employees will be recalled in seniority order to any opening for which they can qualify. The Company will recall according to the information on file at the time of recall. It is up to the Instructor to keep his file updated, with proof in writing to the Director of Training.
- H. Employees being offered recall will be advised in writing via certified mail, return receipt requested, at their last filed address. Employees so advised must, within ten (10) calendar days of receipt of the recall letter, notify the person whose signature is on the recall letter via certified mail, return receipt requested, of acceptance of recall.
- I. Any employee who fails to provide such notice or who fails to return to duty within twenty (20) calendar days of the date of the recall letter sent to his last filed address will lose all rights to re-employment and will forfeit all seniority. This period may be extended, at the Company's option, for a period not to exceed twenty-five (25) additional days. The Company will furnish the ranking local Union representative a copy of all such recall letters.

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 will 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 not accrue seniority.
- C. When leaves are granted on account of sickness, injury, or pregnancy, an employee hereunder will retain and continue to accrue his seniority plus length of service for pay purposes until he is able to return to duty, except that in no case will leave for sickness or injury exceed a total continuous period of two (2) years. An employee will retain seniority for reinstatement purposes only for a period not to exceed three (3) years. If the leave of absence granted to the employee is of a duration requiring the company to fill the position, the company, at its discretion, may fill the position. When the employee returns from the leave of absence he will be placed in any vacancy for which he can qualify or displace the most junior ground school instructor in class.
- D. An employee on a leave of absence will notify the Director of Training, or his designee, at least 15 days prior to the termination date of such leave his intention to return to employment. Failure to make such a report or secure a renewal of the leave of absence will terminate the leave of absence and his employment.
- E. An employee returning from a leave of absence will be returned to the same fleet type he was assigned at the time of the leave. (refer to Article 14.1)
- F. The reemployment and seniority status of any employee hereunder who, while in the active service of the Company, takes a Military Leave, 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 employee covered by this Agreement. Immediate family includes mother, father, grandmother, grandfather, spouse, sister, brother, daughter, son, mother-in-law, father-in-law, stepmother, stepfather, or relative who is a resident of the household. If additional days are required, such days may be deducted from the employee's vacation allowance.
- H. Employees called for jury duty will receive their base rate of pay less the fee received for jury services. Such an employee will promptly show his supervisor the jury summons and also show the court's validation of jury service when completed.

- I. An employee hereunder granted a leave of absence under the provisions of the Family Medical Leave Act will continue to accrue all forms of seniority during such leave.

- J. The Company reserves the right to require a physical examination of any employee at Company expense prior to return from any leave of absence. If an employee is required to report for said exam outside his base station, the Company will be responsible for travel costs and associated expenses.

ARTICLE 17

FIELD WORK

- A. When an employee hereunder is required to perform work away from his base station on his regularly scheduled workdays, he will be paid at least eight and one half (8 ½) hours at his base rate of pay for each scheduled workday while away from his base station, whether traveling, on call, or working. An employee required to work beyond his regularly scheduled work day will be compensated at his applicable overtime rate for those additional hours.
- B. When an employee hereunder is required to perform work away from his base station on his scheduled day off, he will be paid at least five (5) hours compensation at overtime rates, whether traveling, on call, or working.
- C. During such assignment, the employee will, while away from his base, be reimbursed actual reasonable expenses for meals, lodging and transportation. Whenever receipts are not provided, the employee will be paid in accordance with Company Policy.
- D. Expense reports must be prepared on the form(s) provided by the Company and filed promptly at the end of each trip.

ARTICLE 18

ATTENDANCE AT HEARINGS, INVESTIGATIONS, OR TRAINING CLASSES

- A. When an employee hereunder is required by the Company to attend training classes during regular working hours, he will be paid for time spent in the attendance of such classes at his base rate of pay and such time will be deemed as time spent at his regular work, provided, however, any time so spent after regular work hours or on a scheduled day off will not be classed as overtime and will be compensated for, when attendance is required by the Company, at the employee's base rate of pay.
- B. An employee required due to training, hearings, investigations, or meetings and travel on a scheduled day off, will be paid at least five (5) hours for such time at time and one-half his base rate of pay. Travel time referred to herein will begin one (1) hour before the scheduled departure of the flight actually taken by the employee and will end with the actual arrival at the airport of destination. No employee will receive more than five (5) hours unless the actual trip time exceeds such.
- C. When an employee hereunder is required by the Company to attend hearings, investigations or meetings, he will be paid for such time at his base rate of pay and such time will not be considered overtime.
- D. When an employee hereunder is required by the Company to attend training classes, best efforts will be made to schedule such training on an employee's scheduled workday.
- E. All Instructor/Management meetings will be scheduled on the monthly bid sheets with a published start time. If the workday goes beyond eight and one half (8 ½) hours, overtime will be paid in accordance with Article 11.

ARTICLE 19

GENERAL

- A. All orders to and request from an employee involving transfers, promotions, demotions, layoff, re-employment, leaves of absence, or anything affecting his pay or status, will 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.
- C. Within forty-five (45) days after signing this Agreement, the Company will provide each employee a copy of this Agreement.
- D. Employees covered by this Agreement and their immediate families will be allowed the same pass and reduced fare privilege afforded other American Eagle Airlines, Inc. employees.
- E. The Company will 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 will bear the signature of an officer of the Union and will not contain anything of a defamatory or personal nature attacking the Company or its representatives.
- F. 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 (2) two years and/or existing company policy. An employee may review his personnel file upon request within the normal business hours. Nothing of a disciplinary nature will be entered in the employee's personnel file without giving the employee a copy.
- G. The Company will forward to the ranking Local Union Representative a copy of the regular shift bid schedule for the station. The shift bid schedule will include scheduled shift hours and scheduled days off.

ARTICLE 20

REPRESENTATION

- A. The Union may select and designate such representatives in the respective fields, stations, shops and other working units as may be necessary for the purpose of representing the employee 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 changes thereof.
- C. International Officers and Accredited Representatives, or Local Officers of the Union will, at any time during regular working hours, have access to the premises of 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, an appeal may be made, in writing, within thirty (30) days to an Arbitration panel (as described in Article 22K) 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 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 a Union representative present. If the employee refuses representation, the supervisor's record will reflect his refusal.

1. When the Company convenes a meeting under the provisions of Article 20 E, it will, except for rare and compelling reasons, indicate the purpose of the meeting and then, provide an opportunity for the employee and his Union representative to confer for a reasonable period of time. Once the 20.E. meeting reconvenes, it will continue until concluded by the supervisor. 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.
 2. Before written notification of discipline or dismissal is given to the employee, he will be afforded the opportunity to discuss the matter with his supervisor. If he desires, he will have a Union representative present during this discussion. Nothing in this article will be construed as preventing the Company from holding an employee out of service pending an investigation.
- F. Employees covered by these Agreements 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 the 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 investigation and/or interview.
- 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 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 for up to one (1) hour from the time the employee requests or is notified of his right to union representation, whichever comes 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 collection area where the medical collector opens the drug testing kit, completes the relevant paperwork and secures the kit after completion of the drug testing 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 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.

ARTICLE 21

GRIEVANCE PROCEDURE

- A. An employee who believes that he has been unjustly dealt with or that any provision of this Agreement has not been properly applied or interpreted, or against whom the Company has preferred charges in writing, may present his grievance through his representative, within seven (7) days to his supervisor 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 supervisor must physically give the employee the grievance response, unless the employee is on a 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 within ten (10) days to Vice President, Flight 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 grievant by certified mail return receipt requested to the grievant's home address as provided by the employee on the grievance form.
- C. If the decision of the Vice President, Flight or his designee is not satisfactory to the employee, the grievance and the decision thereon 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, Flight or by his designee. Once a grievance has been docketed for System Board, the Vice President, Flight or his designee and the Local Union President or his designee will meet in an effort to resolve the grievance prior to a System Board hearing.
- D. Any grievances involving discharge only, will be submitted initially to the second step, as provided in section (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 section (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 the decision to be made by the Company under the provisions of this Article 21 is not made within the time limits prescribed herein for such decisions, the grievance will be processed to the next step. If such untimely answers are a recurring problem at a given location / station the Local president can call for a panel review of the late answers. The panel will be composed of the Senior Vice President of the department and the International Representative (or his designee) of the Union. Such panel will review the facts surrounding the late grievance answers and issue a panel decision outlining the remedy. Such remedy will be binding on the Company and the employees.
- 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 his base rate of pay for his regularly scheduled hours.

ARTICLE 22

BOARDS OF ADJUSTMENT

- A. There are hereby established, pursuant to the provisions of the Railway Labor Act, as amended, boards of adjustment, called the "Boards of Adjustment, American Eagle Airlines, Inc."
- B. The Boards will be composed of two (2) members, one selected by the Company and one selected by the Union. Either party will have the right to change its representatives from time to time provided only that the designation of the representative for any particular dispute must be made prior to the start of the scheduled hearing.
- C. The System Board will have jurisdiction only over disputes between the Company and the Union or any employee governed by this Agreement growing out of grievances involving interpretations or applications of this Agreement. The Area Board will have jurisdiction only over disputes between the Company and the Union involving discharge or discipline.
- D. The members of the respective Boards will select a Chairperson and a Vice Chairperson whose terms of office will be one (1) year, provided, however, that the offices of Chairperson and Vice Chairperson will be filled alternately by a member representing the Union; that is, when a Union member is the Chairperson, a Company member will be the Vice Chairperson, and vice versa.
- E. The Chairperson, or in his absence, the Vice Chairperson, will preside at meetings of the Board and will have a vote on the adoption of all decisions of the Board.
- F. A dispute submitted to the Board will be in the form of a petition submitted by either party and stating the position of the party submitting the grievance. 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 and docketed.
- G. 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 Boards is an administrative matter addressed by mutual agreement between the Union and the Company.

- H. In the event any dispute or grievance is properly appealed to the System Board, the Company and the Union members of the System Board will, upon request of either party, meet and attempt to resolve the controversy. The System Board will thereafter meet on the matter as soon as possible and at all events within thirty (30) days of request by either party. The System Board hearings will generally be held in DFW unless a different location is agreed upon by the Board members.
- I. The TWU Local president or his designee and the Company designated employee relations representative will establish a time and date for all Area Board cases, however,
 - 1. In the event of a discharge case the meeting will take place within ten (10) days of receipt of the Union submission from the TWU ATD Int'l office to set a date for the discharge hearing. The scheduling of the hearing will be within thirty (30) days of that meeting.
 - 2. For cases involving discipline, which are properly submitted for hearing, the local Area Board will adopt a procedure that will require discipline cases to be scheduled for hearing as soon as possible but not less than once every quarter.
- J. The Board may summon any necessary witness(s) and relevant non-confidential records of the Company and the employee involved. An employee will not be required to testify unless he was a first hand witness.
- K. 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, unless otherwise mutually agreed upon by the advocates in writing.
- L. A majority vote of all members of the Board will provide full and complete authority to compromise and otherwise settle any and all grievances presented to it. Any settlement or agreement reached on any grievance will be binding upon the Union, the employee, and the Company. Board findings and decisions will be stated in writing and will be rendered within thirty (30) calendar days from the close of the hearing, unless the period is extended by agreement of the parties to the dispute. In the event the Board deadlocks and is unable to resolve the issue(s) after hearing evidence either member of the Board can, within ten (10) days of the meeting of the Board, request the appointment of a neutral arbitrator in writing.
 - 1. The jointly selected impartial arbitrator will sit with a Board, comprised of one (1) member selected by the Company and one (1) Board member selected from the Union. In the event the parties are unable to agree on a selection of an arbitrator, either party may request the National Mediation Board to provide a list of seven (7) neutrals. The parties will select one neutral to serve as the third (3rd) member

of the Board by alternately striking names from the list submitted by the National Mediation Board, with the first strike being determined by toss of a coin.

2. A majority vote of all members of the arbitration panel, as provided herein, will be competent to make a finding or decision with respect to any dispute properly submitted to it and such finding or decision will be final and binding upon all parties, including the grievant(s), to such dispute. Board findings and decisions will be stated in writing and will be rendered within forty-five (45) calendar days from the close of the hearing, unless the period is extended by agreement of the board members.
- M. The Boards of Adjustment or the Arbitration panel will have no power to amend or modify this Agreement or any written agreements or addenda supplementary hereto or to establish any new terms or conditions of the same.
- N. The Board will keep a complete and accurate record of all matters submitted for its considerations and of all findings and decisions made. Such findings and decisions of the Board will be stated in writing in each case a copy of the finding or decision will be furnished to the Company, the Union, and such employees who are a party to the dispute.
- O. All expenses of the Board, including those incurred by reason of the participation of a "Referee" in the determination of the controversy as herein provided, will be borne one-half by the Company and one-half by the Union. The salary or compensation of the members of the Board, if any, will be by the parties selecting such member or members; except that Board members who are employees of the Company will be granted necessary leaves of absence without loss of pay to attend Board meetings. Board members will receive space available transportation over the lines of the Company from point of duty to point of meetings of the Board.
- P. Essential witnesses and representatives will be furnished space available transportation over the Company's lines without charge to, the point of hearing and return.

ARTICLE 23

MEAL PERIODS

A. Meal periods will be sixty (60) minutes, exclusive of the duty day.

ARTICLE 24

BENEFITS

- A. Except as expressly provided herein, covered employees and their eligible dependents will 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 AMR 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 changes(s).

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 re-employed 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 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 D 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 of the People Department, 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 of the People Department after being presented with the appropriate documentation will take proper steps to discharge such employee from the services of the Company.
 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 his 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 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.

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 and the employee's position and forward copies to the employee, the Vice President of the People Department and to the members of the System Board of Adjustment. If the employee should appeal the decision, he may request the Vice President of the People Department 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 of the People Department 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 final award 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 save 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.
 - 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. 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 executes the check-off form on or after the effective date of this agreement, and remit to the Union the membership dues uniformly required 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 their 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 cancelled 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 absence; 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.
- 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 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 period in which his last day of work occurs.

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 will serve as a means of peaceable settlement of all disputes that may arise between them and that, therefore:
1. The Company will 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, will authorize, cause, sanction, or engage in any strike or job action 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.

ARTICLE 27

SAVING 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.

ARTICLE 28

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ARTICLE 29

DURATION OF AGREEMENT

This Agreement shall become effective as of **June 2, 2017**. It shall continue in full force and effect until and including **June 2, 2023**, and shall renew itself until each succeeding **June 2nd** 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 sixty (60) days prior to **June 2, 2023**.

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

TRANSPORT WORKERS UNION
OF AMERICA, AFL-CIO

ENVOY AIR, INC

John Samuelson
International President

Pedro Fabregas
President

Michael Mayes
Air Division Director

R. Dee Temples
Senior VP, Flight Operations

Chris Turner
Local 548 President

Captain Ric Wilson
Vice President, Flight Operations

Jose Galarza
International Representative

Chris Pappaioanou
Vice President, Legal & Labor Relations

WITNESSES

TRANSPORT WORKERS UNION
OF AMERICA, AFL-CIO

ENVOY AIR, INC.

Allen Hill
Director of Flight – Training

Matt Bartle
Counsel – Labor Relations

LETTER A - MOVING EXPENSES

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

RE: Moving Expenses

Dear Mr. Conley,

This letter will confirm our discussion during negotiations concerning moving expenses for American Eagle Airlines, Inc. Ground School Instructor 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,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER B - INTERCOMPANY EMPLOYMENT POLICY

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

This will confirm our discussion during negotiations regarding the Intercompany Employment Policy (ICE) agreement as outlined in Jetnet. Employees covered by this agreement, who meet the required eligibility for ICE, may participate in this program. The program's overview, eligibility requirements and benefits and privileges are detailed in Jetnet.

Sincerely,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER C - PAYROLL DEDUCTIONS FOR TWU LTD INSURANCE PLAN

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

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

Sincerely,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER D - EAP / DRUG & ALCOHOL POLICY

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

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 Jetnet. This policy is applicable to the American Eagle Airlines, Inc. Ground School Instructor employees.

Sincerely,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER E - TRAVEL PRIVILEGES

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

This letter will confirm our discussion during negotiations concerning travel privileges for American Eagle Airlines, Inc. Ground School Instructor 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 Ground School Instructors, so long as American Eagle Airlines, Inc. continues to be an AMR owned carrier.

Sincerely,

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

Agreed to:

John M. Conley
Air Transport Director
Transport Workers Union

LETTER F – GRANDFATHERED INSTRUCTOR’S DOS INCREASE

October 3, 2012

Mr. Jose Galarza
American Eagle Coordinator
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Galarza:

This will confirm our agreement reached during negotiations with respect to Article 4. Ground School Instructors Valenti and Stewart will be grandfathered at their current rate of pay, \$58,255, which is outside the negotiated pay scale in Article 4.A. Additionally they will receive a one and one half (1.5%) percent increase upon Date of Signing of the Agreement. Additionally, provided that the Company and the Union reach a consensual agreement, these two Instructors will receive a one and one half (1.5%) percent increase on January 1, 2015 and January 1, 2016.

Sincerely,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

Jose Galarza
Transport Workers Union
American Eagle Coordinator

LETTER G - ARBITRATION – PROCEDURE FOR FINALIZING AWARDS

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

Procedures for Finalizing Awards: The following procedures are provided in order to standardize the arbitration process and avoid any controversy regarding the deliberations and discussions associated with the publication of System and Area Boards of Adjustment awards:

1. Executive Sessions for every case should take place at the conclusion of the hearing or at such time as agreed upon by a majority of the Board at the conclusion of the Hearing. This postponed session may be necessary due to the submission of briefs or other post-hearing issues, and should be the exception, not the rule.
2. An arbitrator's draft decision, distributed to the Board unsigned, may be changed to any extent agreeable to a majority of the Board. A written decision once executed and signed by the neutral arbitrator, will only be modified as to content by agreement of all Board members.
3. The Board members are not to discuss the decision of the Board with anyone other than the Board members prior to the publication of the award by the Administrator of the System Board.
4. No ex parte communication concerning the case (that is, discussion held without the presence of the full Board) is permitted at any time.
5. The details of the Board's deliberations must be held confidential by virtue of the Board's intended neutrality. No Board member should divulge the nature or content of the discussions held between the Board members in reaching their decision.

Sincerely,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER H - AA FLOWTHROUGH AGREEMENT

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

RE: 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
Aircraft Dispatcher
Ground School Instructor

General Qualifications

1. Employees who 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.

Qualifications for Ground School Instructors 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.
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. No more than one (1) employee of the Ground School Instructor employees per twelve (12) 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.
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.

Sincerely,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER I - NEPOTISM POLICY

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

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 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,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER J - PAYROLL DEDUCTIONS FOR TWU COPE

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

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,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER K - CR1 ENTRIES RELATIVE TO INVESTIGATIONS

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

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,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER L - CR1 ENTRIES / EMPLOYEE REBUTTAL

April 27, 2010

Mr. John M. Conley
Air Transport Director
Transport Workers Union
1791 Hurstview Drive
Hurst, TX 76054

Dear Mr. Conley:

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,

Cathy McCann
Vice President, People
American Eagle Airlines, Inc

Agreed to:

John M. Conley
Transport Workers Union
Air Transport Director

LETTER M – FMS TRAINING

January 1, 2013

Mr. Jose Galarza
American Eagle Coordinator
Transport Workers Union
1701 Hurstview Drive
Hurst, TX 76054

Dear Mr. Galarza,

This letter will confirm the understanding we reached during the recently concluded Section 1113 negotiations with the TWU.

Specifically, the parties reached the following agreement regarding the assignment of certain ground school training to Ground School Instructors.

By way of background, Article 1 B.1.b. of the current American Eagle/TWU Agreement states as follows:

“b. The Company may elect to reassign any of the ground school components currently taught by Check Airmen to Ground School Instructors. The Company agrees to meet and confer with the union prior to making such changes.”

Pursuant to the language cited above, the Company has agreed to reassign a portion of the its Flight Management Systems (“FMS”) training from Check Airmen to Ground School Instructors (“GSIs”). It is anticipated this reassignment will result in the need to hire one additional GSI, and further that the timing of the reassignment is subject to having GSIs qualified to perform the FMS training.

The parties further stipulate and agree that the reassignment of FMS training described above does not change in any manner the language or intent of Article 1 B.1.b., and as such, does not confer the exclusive right to such ground training work to the GSI group as represented by the TWU.

Please indicate your acceptance of the terms of this letter by signing below.

Sincerely,

Cathy McCann
Vice President, Employee Relations
American Eagle Airlines, Inc

Agreed to:

Jose Galarza
American Eagle Coordinator
Transport Workers Union

LETTER N – 1113 ME-TOO PROVISION

January 1, 2013

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 Ground School Instructor (“GSI”) employees, the Company and the TWU agreed to the following, effective upon ratification of the GSI 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 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

LETTER O – ADMINISTRATIVE EXPENSE CLAIM AND BANKRUPTCY PROTECTIONS

July 31, 2012

Mr. James C. Little
International President
Transport Workers Union
1848 Norwood
Suite 112
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 two of the four (4) TWU-representative bargaining groups in connection with the Company’s Chapter 11 Restructuring embodied in the following two Tentative Agreements (the “Two Tentative Agreements”) were agreed to in furtherance of the Company’s effort to restructure its capital structure and operations:

1. July 20, 2012 Tentative Agreement covering Fleet Service employees (\$4.8 million)
2. July 20, 2012 Tentative Agreement covering Aircraft Maintenance Technician, Inspector, Ground Support Technician, Aircraft Cleaner and Inventory Control Specialist employees (\$7 million)

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.

The Company and TWU agree as follows:

1. Effective Date. Subject to the “1113 Me-Too” provisions in the Two Tentative Agreements, this Letter of Agreement shall not become effective until the later-occurring of both of the following events (the “Effective Date”):

- (1) Either of the Two Tentative Agreements is ratified by the TWU membership pursuant to procedures determined by the TWU;
- (2) This Letter of Agreement is approved by a final order of the United States Bankruptcy Court for the Southern District of New York.

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 the TWU and the Company.

2. Administrative Claim for Fees and Expenses. The Plan of Reorganization shall provide that, subject to Court approval, TWU shall have an allowed administrative expense claim which shall be paid in full on the effective date of the Plan of Reorganization (“TWU Allowed Administrative Expense Claim”). The amount of the TWU Allowed Administrative Expense Claim shall be equal to the amount sufficient to reimburse TWU for all reasonable fees and expenses incurred by TWU lawyers, professionals, investment bankers and experts, and other reasonable expenses incurred, in the Chapter 11 Cases in connection with the negotiation related to the four (4) TWU CBAs, this Letter of Agreement, and Plan of Reorganization. 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), and shall be capped at \$700,000.

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) either or both of the Two Tentative Agreements and

this Letter of Agreement, and (b) any other document or agreement forming part of either or both of the Two Tentative 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 the either of the Two Tentative Agreements and this Letter of Agreement; 3) any claim, lawsuit or administrative charge resulting from any statement made by any indemnitee that incorrectly describes either of the Two Tentative Agreements or this 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 Eagle Claim (as defined 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 Eagle Claim or any proceeds 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 their 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 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 Two Tentative Agreements or this Letter of Agreement and the

finalized documents implementing the Tentative 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 Agreement shall be construed as an agreement by the TWU to such modifications or relief.

6. Non-Objection to Unsecured Claim. Eagle agrees not to oppose the allowance of a general non-priority unsecured claim under section 502 of the Bankruptcy Code asserted by TWU in the Chapter 11 Cases (against the Eagle estate or, at the option of TWU, from the same estate as any similar claim allowed for any other labor union at Eagle) in an amount not to exceed \$ 11,800,000 (which is the total of the \$4.8 million concessions agreed to in the Tentative Agreement covering Fleet Service employees and the \$7 million in concessions agreed to in the Tentative Agreement covering Aircraft Maintenance Technicians & Related Personnel) (the "TWU Eagle Claim") in respect of all claims relating to the Two Tentative Agreements and corresponding existing CBA(s) between TWU and Eagle or otherwise; provided, however, that even if the TWU Eagle Claim is not allowed in the Chapter 11 Cases for any reason, this Letter of Agreement and its terms, as well as all terms of the Two Tentative Agreements, as ratified, shall remain in full force and effect. TWU further agrees that any TWU Eagle 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 at its sole discretion.

7. Settlement Consideration. To the extent the Company agrees to provide settlement consideration in the form of equity or other value (other than the amount of the allowed administrative expense claim provided for in Paragraph 2 above) ("Settlement Consideration") to any other labor union at Eagle that is in excess of the Settlement Consideration set forth in this agreement when compared to the size and payroll of such other union, the Company agrees to meet with TWU and negotiate in good faith for the provision of Settlement Consideration to TWU on the same relative terms and basis. For the avoidance of doubt, any such Settlement Consideration for TWU would be in lieu of the TWU Eagle Claim in paragraph 6, the provisions of which would not apply to any such Settlement Consideration for TWU unless specifically agreed in such negotiations thereon.

8. Court Approval. With the full and active support of TWU, the Company will file and prosecute a motion for approval and assumption of the CBAs as modified by the Two Tentative Agreements and this Letter of Agreement under sections 363 and 1113 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 Two Tentative Agreements, including this Letter of Agreement, and to seek entry of the 363 Order.

Agreed:

Cathy McCann

Vice President

Human Resources

Agreed:

James C Little

International President

Transport Workers Union of America, AFL-CIO

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