

December 3, 2014

David Supplee  
President & Directing General Chairman  
IAMAW District 142

Relocation of OCC to IOC – Maintenance Control Technicians

Dear David,

On July 8, 2014 the Company broke ground on a new Integrated Operations Control (IOC) center in the DFW area. The plans are aggressive and they are to have a “move-in” facility by third quarter 2015.

The result of this will be the need to relocate employees from OCC in PIT to the DFW area. We recognize this is a life-changing decision for our employees and one we don't take lightly. With that time table in mind, the following terms and conditions have been agreed to with respect to the relocation.

1. The relocation of OCC to IOC and the consolidation of Maintenance Operations Control from OCC to IOC will be considered a relocation of work and will be governed by the provisions of Article 8(D) and any related Articles of the LUS/IAM Mechanic and Related agreement.
2. On September 22, 2014, the Company and the IAM met for the first time in a series of meetings to discuss the appropriate level of relocation and housing assistance, along with other related matters of interest. As part of those discussions, the Company committed to provide the following relocation package and incentives to LUS Maintenance Control Technician (MCT) employees based on the following:
  - a. Any LUS MCT employee, who commits in writing to accept a MCT position at IOC by January 30, 2015, will be afforded the LUS & LAA Merger Relocation Policy for Maintenance Control Technicians inclusive of a Home Selling – Buyer Value Option (BVO) and Home Purchase Assistance, as described in the attached.
  - b. In addition, in committing by January 30, 2015, the Company will provide a \$7500 lump sum payment no later than thirty (30) days after the employee has signed the commitment document. Additionally, the Company will provide a \$2500 lump sum payment no later than thirty (30) days after reporting to IOC. In order to be eligible and retain both incentive payments, employees must remain in the position at IOC for at least twelve (12) months following the report date. Any employee who receives the lump sum payment(s) but

does not remain active in their position in the new location for at least twelve (12) months following the relocation will be responsible for paying back the Company the lump sum amount received to that point and such employees agree that the Company will recover the balance of forfeited lump sum payment(s) through payroll deduction from the employee's paycheck or final paycheck, whatever is applicable. See Relocation Policy for repayment of relocation expenses in the event the employee resigns after reporting to IOC.

Any MCT employee who subsequent to signing the commitment document to accept a position, chooses to alter the decision and not report to IOC, will be responsible for paying back the Company (if initial lump sum has been paid) the entire amount of the initial lump sum payment and such employee agrees that the Company will recover forfeited lump sum payment balance from the employee's final paycheck or through payroll deduction. In addition, the employee will be provided the abolishment notice in c. below so long as the reduction in force has not commenced.

- c. Any remaining MCT vacancies at IOC will be made available to the LUS system and filled in accordance with Article 9(B). Employees selected for these positions will be subject to the stability period as outlined in Article 9(A) once MCT training commences and up until the report date to IOC.

In addition, employees selected to fill the positions will be entitled to the relocation package as described above, excluding the lump sum payments, so long as they commit, in advance of relocating, to remain in the position at IOC for at least twelve (12) months following the report date. See Relocation Policy for repayment of relocation expenses in the event the employee resigns after reporting to IOC.

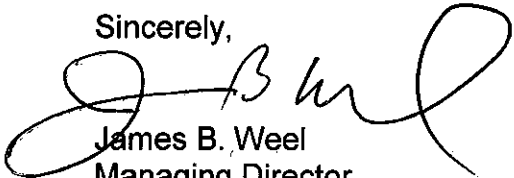
Employees who remain at OCC until the Company determines it is no longer necessary will be afforded the options under Article 8(G) which includes severance as outlined in Article 20 of the LUS/IAM agreement, if employee chooses furlough. The abolishment notice will be provided at least thirty days (30) days in advance of the effective date of the furlough.

3. In the unlikely, but possible situation where the opening date of IOC or the closing date of OCC must be delayed more than sixty (60) days, the Company will determine if it will open another opportunity for employees to decide to accept or reject a position at IOC.
4. Applicable federal, state and local payroll taxes will be withheld from the lump sum payment.

The agreement is made on a non-precedent, non-referral basis and does not waive any preexisting rights of either party. If the above accurately reflects your understanding, please signify by signing below.

If you have any questions, please contact me at 817-967-1447.

Sincerely,



James B. Weel  
Managing Director  
Labor Relations – Tech/Air Ops.

Agreed to:



---

David Supplee  
President & Directing General Chairman  
IAMAW District 142

cc: D. Seymour  
A. Hemenway  
T. McMullen  
S. Bobzin  
T. Herschell  
T. Regan  
S. Ryan  
J. Werkmeister  
A. Hollander  
R. Slakey  
G. Raymond

