

ARTICLE 1 - RECOGNITION AND MERGER/ACQUISITION PROTECTION

A. RECOGNITION OF APFA AS EXCLUSIVE BARGAINING AGENT

In accordance with the certification from the National Mediation Board, Case R-4711 dated May 16, 1977, the Company recognizes the Association of Professional Flight Attendants as the exclusive and sole collective bargaining agency for Flight Attendants in the employ of the Company for the purposes of the Railway Labor Act.

B. MERGER AND ACQUISITION PROTECTION LANGUAGE

1. The Agreement shall be binding upon any Successor. The Company shall not bring a single step or multi-step Successorship Transaction to final conclusion unless the Successor agrees, in writing, to recognize APFA as the representative of Flight Attendants on the American Airlines Flight Attendant Seniority List consistent with the Railway Labor Act, to employ the Flight Attendants on the American Airlines Flight Attendant Seniority List in accordance with the provisions of this Agreement, and to assume and be bound by this Agreement

a. The term "Successor" shall 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.

b. The term "Successorship Transaction" means any transaction, whether single step or multi-step, that provides for, results in, or creates a Successor.

2. If the Successor is an Air Carrier (any common carrier by air) or an affiliate of an Air Carrier, the Company shall, at the option of APFA, and prior to finally concluding a Successorship Transaction, require the Successor to agree to integrate the pre-transaction Flight Attendant seniority lists of the Company and the Successor in a fair and equitable manner within 12 months of the Successorship transaction pursuant to Sections 3 and 13 of the Allegheny-Mohawk Labor Protective Provisions ("LPPs").

3. The provisions of paragraphs 1. and 2. above do not apply to the Company's acquisition of all or part of another Air Carrier in a transaction which includes the acquisition of aircraft and Flight Attendants.

4. In the event that, within any 12 month period, the Company transfers (by sale, lease or other transaction) or otherwise disposes of aircraft, slots, or route authorities ("Aircraft-Related Assets") which, net of Aircraft-Related Asset purchases or acquisitions during the same 12 month period, constitute 40% or more of the value of the Aircraft-Related Assets of the Company to an entity or to a group of entities acting in concert that is an Air Carrier or that will operate as an Air Carrier following its acquisition of the transferred Aircraft-Related Assets (any such entity or group, the "Transferee"; any such transaction, a "Substantial Aircraft-Related Asset Sale"):

a. the Company shall require the Transferee to proffer employment to Flight Attendants from the American Airlines Flight Attendant Seniority List in strict seniority order (the "Transferring Flight Attendants"). The number of Transferring Flight Attendants shall be no fewer than the average monthly Flight Attendant staffing over the prior 12 months for the Aircraft-Related Assets transferred to the Transferee in connection with the Substantial Aircraft-Related Asset Sale; and

b. the Company shall not finally conclude a transaction under this subsection unless the Transferee agrees to integrate the Transferring Flight Attendants into the Transferee's Flight Attendant seniority list pursuant to Sections 3 and 13 of the Allegheny-Mohawk LPPs.

5. In the event the Company acquires another air carrier, merges the operations of the acquired carrier with the Company's operations and, as part of the merger, employs Flight Attendants of the acquired carrier, the combined seniority list of the two carriers for the Flight Attendants who are employed by the Company as part of the merger shall be pursuant to a method to be determined by the APFA. Such combined seniority list integration shall not require a system flush and/or system rebid. In addition, the APFA will use best efforts to provide the combined seniority list to the Company no later than ninety (90) days following the date on which the acquisition closes.

6. Remedies

a. The Company and APFA agree to arbitrate any grievance filed by the other party alleging a violation of Article 1 of the Agreement on an expedited basis directly before the System Board of Adjustment sitting with a neutral arbitrator. The arbitrator shall be member of the National Academy of Arbitrators and experienced in airline industry disputes. The burden of proof will be determined by the arbitrator. The provisions of the Railway Labor Act shall apply to resolution of any dispute regarding this Article.

b. The parties agree that, in addition to any other rights and remedies available under law and this Agreement, an arbitration award under Article 1 of the Agreement shall be enforceable by equitable remedies, including injunctions and specific performance against the Company and/or AMR Corp. and/or an Affiliate Company. The Company and the Association agree that in a court proceeding to enforce an arbitration award under Article 1 of the Agreement, the rights and obligations are equitable in nature, that there are no adequate remedies at law for the enforcement of such rights and obligations, and that the APFA and the Company's Flight Attendants are irreparably injured by the violation of Article 1 of the agreement.

The term "Affiliate" refers to (a) any entity that controls the Company or any entity that the Company controls, and/or (b) any other corporate subsidiary, parent, or entity controlled by or that controls any entity referred to in (a) immediately above.