LETTER OF AGREEMENT
Between
US AIRWAYS, INC.
and the
FLIGHT ATTENDANTS
in the service of
US AIRWAYS, INC.,
as represented by the
ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO

New Tentative Agreement

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between US Airways, Inc. ("US Airways") and the Flight Attendants in the service of US Airways, Inc., as represented by the Association of Flight Attendants-CWA, AFL-CIO (hereinafter referred to as the "Union") (collectively, the "Parties").

WHEREAS, on August 7, 2012, the Parties reached a tentative agreement for a single collective bargaining agreement governing Flight Attendants in the service of US Airways (the "August Agreement"); and

WHEREAS, the Parties desire to amend the August Agreement with certain additional obligations and conditions;

THEREFORE, the Parties agree that the following provisions shall become the "New Tentative Agreement":

A. General

1. The New Tentative Agreement (2013 Flight Attendant Agreement) will incorporate, in full, the terms of the August Agreement, except as modified herein.

2. Implementation timeline modified as attached.

B. Ratification Bonus. Within thirty (30) days of a successful ratification of the New Tentative Agreement, a one-time "Ratification Bonus" of $1,700.00 (less applicable taxes and withholding) will be provided to each US Airways flight attendant who is in active status (i.e., in regular active pay status with US Airways or on a FMLA, Military, Maternity, Adoption, or Paternity leave and not on any other unpaid leave of absence) on the date of ratification and remains in continuous employment with US Airways through and including the date on which the Ratification Bonus is issued.

C. Voluntary Early Out Program. Following the successful ratification of the New Tentative Agreement and a merger between American and US Airways Group, Inc. completed during the AMR 2011 bankruptcy case or upon AMR's emergence from that bankruptcy ("Merger") that has been closed on a specified date pursuant to a Merger agreement ("Merger

Completion Date"), US Airways will offer eligible Flight Attendants the opportunity to elect to participate in a Voluntary Early Out Program ("VEOP"), with the following terms:

1. Eligibility. To be eligible for the VEOP, a Flight Attendant must**:**

a. have fifteen (15) or more years of Company seniority; and

b. be in active status (i.e., in regular active pay status with US Airways or on a FMLA, Military, Maternity, Adoption or Paternity leave and not on any other unpaid leave of absence) on the date the VEOP is first offered, and must remain in continuous employment with US Airways through and including the date on which the Flight Attendant is released pursuant to the VEOP;

2. **VEOP Benefits**. A Flight Attendant who meets the eligibility requirements listed in Paragraph C.1, above, will receive the following benefits if he/she elects to participate in the VEOP:

a. A one-time lump sum $40,000.00 severance payment (less applicable taxes and withholding), payable following the Flight Attendant's release from employment pursuant to the VEOP (check to be issued no later than thirty (30) days following final normal paycheck issuance);

b. Travel benefits consistent with the Flight Attendant New Tentative Agreement;

c. For retirement-eligible Flight Attendants only, sick payout benefits in accordance with the terms of the New Tentative Agreement;

d. Eligibility for COBRA benefits at Flight Attendant's expense in accordance with applicable law; and

e. Payment for accrued, unused vacation at the rate provided for in the New Tentative Agreement.

3. **Limitations.**

a. Bidding for participation in the VEOP will commence within thirty (30) days following the Merger Completion Date. The bidding will be open for a minimum of thirty (30) days, and, at US Airways' discretion, may be extended up to forty-five (45) days;

b. Any Flight Attendant who participates in the VEOP shall not be eligible for any other form of severance (other than as described in Paragraph 2.a, above) and shall be permanently separated from employment with US Airways;

c. A Flight Attendant's separation from employment pursuant to the VEOP is "voluntary" and the Company will contest claims for unemployment benefits filed by Flight Attendants who participate in the VEOP;

d. A Flight Attendant who incurs more than one sick occurrence per each ninety (90) day period (cumulative) after the award and prior to release may be considered

as "claiming excessive sick" and may be denied the severance payment of $40,000 and will separate under the VEOP as requested. In the event the Company believes that a Flight Attendant who has been awarded the VEOP has, under the above guidelines, "claimed excessive sick" as it pertains to the VEOP, the Company will notify the applicable LEC President. Any extraordinary cases occurring during the period of the VEOP award date and the applicable release date will be reviewed on a case by case basis;

e. The Company shall have sole discretion to determine the VEOP release dates. The Company will make reasonable effort to release all Flight Attendants who elected VEOP within twelve (12) months following the awards. The Company will process VEOP bids in system seniority order, awarding the Flight Attendant's preferred release date, if available, until all slots are filled;

f. Participation in the VEOP is entirely voluntary on the part of any Flight Attendant who wishes to receive benefits and such Flight Attendant shall execute a general release of all claims in a form to be prepared by the Company;

g. Once an eligible Flight Attendant has elected to participate in the VEOP and the recession period in the release as described in paragraph 3.f., above has expired, such election shall be irrevocable in accordance with applicable law; and

h. This one-time, limited VEOP shall not constitute a precedent for any purpose. Furthermore, the VEOP does not change, alter, or modify the provisions of any Flight Attendant CBA, except as provided herein. In addition, the terms or existence of the VEOP will not be construed against any Party nor will it prejudice the Parties' respective positions for purposes of any other matter between the Parties, including, but not limited to, in any grievance, arbitration, and/or litigation.

D. Negotiations.

1. After both (i) US Airways has executed, and made a public announcement that they have entered an agreement to complete a Merger, and (ii) ratification voting on this New Tentative Agreement is complete, AFA-CWA agrees to enter into good faith negotiations with American, US Airways, and the Association of Professional Flight Attendants (the "APFA") on a four-party Memorandum of Understanding ("MOU"). The purpose of these MOU negotiations shall be to develop a framework for the terms of employment for flight attendants of, as well as a process for, flight attendant operational integration.

2. The AFA-CWA agrees that it will not file or support any suit, grievance, or other challenge in any forum to the process described in this Paragraph D, or to the Conditional Labor Agreement between the APFA and US Airways, dated April 12, 2012, as modified and clarified by the Acknowledgment Letter from US Airways to the APFA, dated December 31, 2012 (collectively, the "CLA"), provided, however, that prior to any change in representation as determined by the National Mediation Board, AFA reserves the right to challenge the CLA's applicability to the pre-merger US Airways flight attendants.

3. AFA-CWA agrees that it will, jointly with APFA, file for and support a single carrier application with the National Mediation Board as soon as practicable, and no later than, six (6) months following the Merger Completion Date.

IN WITNESS WHEREOF, the Parties hereto have signed this New Tentative Agreement this 23rd day of January, 2013.

FOR THE ASSOCIATION OF FLIGHT ATTENDANTS, CWA; AFL-CIO

Veda Shook
International President

Deborah A. Volpe
MEC President

Roger Holmin
MEC President

FOR US AIRWAYS, INC.

E. Allen Hemenway
Vice President, Labor Relations

Cindi Simone
Managing Director, Labor Relations Inflight