

September 9, 2020

Julie Hedrick, National President
Association of Professional Flight Attendants
1004 West Eules Boulevard
Eules, TX 76040-5018

Re: Waiver of Rights Pursuant to California Labor Code Section 227.3

Dear Julie:

This Letter of Agreement (“Letter”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between American Airlines, Inc. (“Company”) and the Flight Attendants in the service of American Airlines, Inc., as represented by the Association of Professional Flight Attendants (“Union”), with both the Company and Union referred to as the “Parties.” This Letter confirms our understanding regarding Section 23.E of the 2014 AA/APFA Joint Collective Bargaining Agreement (“JCBA”) as applied to California-based flight attendants subject to furlough and the Union’s waiver of the rights on behalf of the Company’s Flight Attendants that may be provided by Section 227.3 of the California Labor Code.

California Labor Code Section 227.3 (“Section 227.3”) provides, in relevant part,

Unless otherwise provided by a collective-bargaining agreement, whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination.

The Parties have discussed the possibility that California law may treat a furlough as a termination. The Union believes that Section 227.3 may provide that, in the absence of a waiver, California-based flight attendants must be paid for all accrued unused vacation time at the time of their furlough. To ensure that furloughed California-based flight attendants have the option to elect to carry vacation time until recall from furlough, the Union hereby knowingly and expressly waives what the Union understands Section 227.3 provides California-based flight attendants that are furloughed (i.e., the right to receive all accrued unused vacation when furloughed). Accordingly, each California-based flight attendant who is furloughed will be provided the options provided in Section 23.E of the JCBA (i.e., to receive payout for accrued unused vacation time or carry over such vacation time until she/he is recalled from furlough).

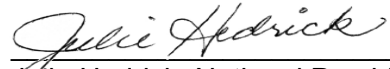
It is understood that the provisions of the 2014 AA/APFA Joint Collective Bargaining Agreement, except as specifically modified by this letter, shall apply in all respects.

Sincerely,

Cindi Simone

Cindi Simone
Managing Director
Labor Relations

Agreed to by:



Date: 09/09/2020

Julie Hedrick, National President
Association of Professional Flight Attendants

cc: Larry Salas
Vince Heyer