

LETTER OF AGREEMENT
between
SOUTHWEST AIRLINES CO.
and the Mechanics represented by the
AIRCRAFT MECHANICS FRATERNAL ASSOCIATION

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 Southwest Airlines Co. (SWA) and the Mechanics in the service of SWA as represented by the Aircraft Mechanics Fraternal Association (AMFA).

WHEREAS SWA and AMFA are parties to a collective bargaining agreement dated February 3, 2009 (the Agreement); and,

WHEREAS Southwest Airlines Co. and AirTran Holdings, Inc., parent company of AirTran Airways, Inc. (AirTran) have entered into an Agreement and Plan of Merger, dated September 26, 2010; and

WHEREAS on May 2, 2011, Southwest Airlines Co. acquired 100% of the outstanding stock of AirTran Holdings, Inc., parent company of AirTran Airways, Inc. ; and

WHEREAS pending the integration of the mechanic seniority lists of the two airlines and Southwest and AirTran being operationally integrated into a single entity, the parties desire to establish a mechanism under the Agreement for accommodating the AirTran Mechanics based at the Dallas/Fort Worth International Airport (DFW).

NOW, THEREFORE, the parties agree as follows:

The AirTran operation located at Dallas/Fort Worth International Airport (DFW) will close at some point prior to January 2, 2012. In order to prevent displacement of the eleven (11) AirTran DFW-based Mechanics (DFW Mechanics) upon the closing of the DFW operation, the following will occur:

The DFW Mechanics will be hired as new hires for mechanic positions at Southwest's Dallas Love Field location (DAL) and may perform covered work under the Agreement. The DFW Mechanics will:

- (1) Be placed on open positions only, as determined by the Agreement ;
- (2) Pending seniority integration, be treated for all purposes, e.g., bidding, vacation, overtime, as new hire Southwest employees;
- (3) Continue to accrue AirTran company and classification seniority under the AirTran/IBT Mechanics CBA pending full seniority list integration and ratification of the Transition Agreements; and
- (4) Remain on the AirTran Master Seniority List for Seniority List Integration into the Southwest Mechanics Master Seniority List pending full seniority list integration and ratification of the

Transition Agreements only after which they will be permitted to exercise their seniority consistent with the terms of the Transition Agreements.

Southwest will increase the Company-matched 401(k) contribution set out in Article 16 of the Agreement from 7.3% to 9.3%, provided that if the Company applies a rate higher than 9.3% to any other employee group such rate shall also be extended to all employees under the Mechanics Agreement. If the Transition Agreements, which incorporate an agreed to or arbitrated integrated seniority list, are ratified after December 14, 2011 but prior to April 1, 2012, the 401(k) increase will be retroactive to January 1, 2012. If the Transition Agreements, which incorporate an agreed to or arbitrated integrated seniority list, are ratified, on or after April 1, 2012, the 401(k) increase outlined in this Letter of Agreement will be effective as of the date of ratification.

The Parties further agree that, within 90 days of ratification of the Transition Agreements as stated above, the Company shall staff aircraft maintenance in Denver (DEN) by utilizing a method used for the staffing at other Line stations.

This Letter of Agreement is limited to the acquisition by Southwest Airlines Co. of AirTran Airways only, and does not apply to any other situation.

IN WITNESS WHEREOF, the parties have signed this Agreement this ____ day of _____, 2011.

SOUTHWEST AIRLINES CO.

By: _____
Jim Sokol
Vice President Maintenance Operations

AIRCRAFT MECHANICS FRATERNAL (AMFA National)

By: _____
Louie Key
National Director