

LETTER OF AGREEMENT
between
AIR WISCONSIN AIRLINES CORPORATION
and the
AIR LINE PILOTS
in the service of
AIR WISCONSIN AIRLINES CORPORATION
as represented by the
AIR LINE PILOTS ASSOCIATION INTERNATIONAL

THIS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Air Wisconsin Airlines Corporation and the air line pilots in the service of Air Wisconsin Airlines Corporation, as represented by the Air Line Pilots Association, International (“Association”)

WHEREAS, the Company currently offers an Indemnity, PPO, and EPO (self-insured HMO plan) to the pilots,

WHEREAS, ALPA and the Company wish to ensure that the employee portion of the monthly health insurance premiums for the Benefit Plan year 2007 remain at a level designed to encourage pilots to participate in the EPO, and

WHEREAS, ALPA and the Company have agreed upon the premium increases that will be effective for the Benefit Plan Year 2007.

THEREFORE, IT IS HEREBY AGREED THAT:

Section 27.D.2.b is modified to provide that:

The total cost will be calculated in accordance with Sections 27.D.1. above and 27.D.3. below. The cost of each plan will be calculated separately, and a blending method for the Indemnity, EPO, and PPO plans will be used to calculate premium cost to the pilot group that is mutually agreeable to both parties for the plan year of 2007.

Section 27.B.3 is modified that:

3. Health Maintenance Organization

The Company will offer alternative health care in the form of an HMO/EPO at all pilot domiciles.

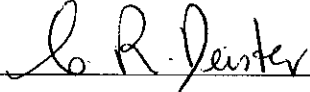
Prior to making a final determination on blending, the Association will review data in the fall of 2007 to determine if a blending method is appropriate and mutually agreeable for the benefit year of 2008. If no agreement is reached prior to October 15, 2007 then the method to determine the pilots' premiums will revert back to the original language.

If the Association prevails on their restructuring grievance, the Company and Association will meet without delay to discuss the medical benefit premium calculations that will be used in accordance with both the Arbitrator's ruling and timeline.

This Letter of Agreement Shall become effective on date of execution and shall remain in full force and effect concurrent with the Pilots' Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement this 30th day of October 2006

For AIR WISCONSIN AIRLINES
CORPORATION

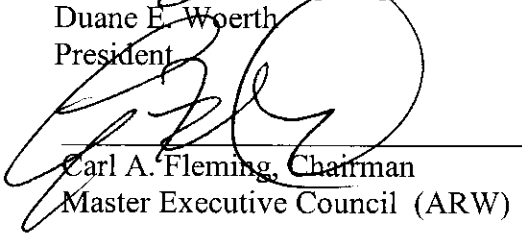


Exec. V.P. & CFO

For the AIR LINE PILOT
ASSOCIATION, INTERNATIONAL



Duane E. Woerth
President



Carl A. Fleming, Chairman
Master Executive Council (ARW)