

LETTER OF AGREEMENT No. 14  
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 ("Air Wisconsin") 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 parties wish to facilitate the distribution of the remedy associated with the ALPA Case No. ALPA Case No. 05-02,

THEREFORE, the parties agree as follows:

A. 401(k) Plan

1. The monies paid to a pilot or former pilot pursuant to the award in ALPA Case No. 05-02 shall not be considered to be "regular wages" within the meaning of Section 28. A. of the Pilots' Agreement, and the three percent (3%) employer contribution shall therefore not be made. In addition, regardless of an individual pilot's elective salary deferrals, no portion of a pilot's allocated share of the award shall be withheld and paid into his 401(k) account.
2. The parties further hereby agree to expeditiously agree to and execute a Plan Amendment consistent with paragraph A.1.above.

B. Contingency Fund

1. A \$10,000.00 Contingency Fund shall be established to rectify any errors in a pilot's allocated share, and/or to pay a pilot who may have been inadvertently overlooked. Air Wisconsin shall retain the \$10,000.00 in its general funds for this purpose. While this Contingency Fund is maintained by the Company, no interest shall accrue or be paid on the Contingency Fund or on any balance thereof.
2. If, at the end of six months from the date of the distribution of the pilots' allocated shares of the award, any pilot or pilots have submitted a written claim for additional monies, and if such claim is deemed meritorious by the ARW MEC, the ARW MEC Chairman will advise Air Wisconsin of the name(s), address(es) and amounts due the to affected pilot(s) and the corresponding dues owed to ALPA. Air Wisconsin will pay such amounts as are specified by the MEC Chairman within two weeks of notice by the MEC Chairman; provided that under

no circumstance will the amount(s) to be paid by the Company, either individually or in total, exceed the \$10,000.00 retained by the Company pursuant to this Letter of Agreement.

3. If, at the end of six months from the date of the distribution of the pilots' allocated shares of the award, there are no additional claims specified by the ARW MEC Chairman to be paid, or if such claims total less than \$10,000.00, then the remaining balance of the \$10,000.00 shall be applied to offset ALPA Flight Pay Loss for ALPA representatives to conduct union business pursuant to the parties' collective bargaining agreement, as directed by ALPA, until such time as the balance of the retained monies is zero. It is understood and agreed that Air Wisconsin will not seek reimbursement from ALPA for any Flight Pay Loss so long as such Flight Pay Loss is being paid from the remainder of the Contingency Fund set up pursuant to this Letter of Agreement. Air Wisconsin will advise the MEC Chairman of said funds remaining on a monthly basis. At such time as the balance of the \$10,000.00 fund is zero, ALPA shall be responsible for reimbursing the Company for ALPA Flight Pay Loss in accordance with the current Collective Bargaining Agreement between the parties.

C. Calculation of Individual Pilot Shares

ALPA agrees that Air Wisconsin is not responsible for the accuracy of the calculation of each pilot's allocated share, and ALPA shall take full responsibility for such calculations and shall defend, indemnify and hold harmless the Company should any claims be made against it. Air Wisconsin shall allow ALPA to review all of the checks to be mailed to the pilots affected by the award before such mailing occurs. Air Wisconsin will also provide to ALPA a computer generated payroll report which specifies the amount paid to each pilot. If any errors are discovered, they will be promptly corrected.

D. Unclaimed Property

If a check is returned to Air Wisconsin, the check will be handled in accordance with the applicable unclaimed property laws.

E. Union Dues

Dues will be applied to all monies allocated at a rate of 1.95%.

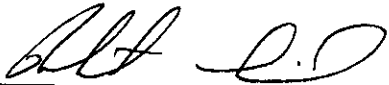
F. Deceased Pilots

A pilot or former pilot who is eligible for an allocated share of the Award, but who is deceased, shall have his share paid to his estate.

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

IN WITNESS WHEREOF, the parties have signed this Agreement this 2<sup>nd</sup> day of July, 2008.

For AIR WISCONSIN AIRLINES  
CORPORATION



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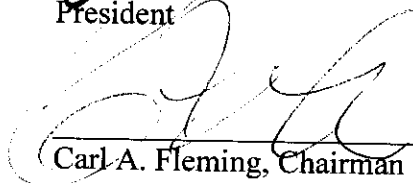
Robert D. Frisch  
Managing Director of Flight Operations/  
Chief Pilot

For the AIR LINE PILOTS  
ASSOCIATION, INTERNATIONAL



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John H. Prater  
President



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