

LETTER OF AGREEMENT No. 16
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 offer alternatives to the pilot group that will reduce the number of involuntary furloughs,

THEREFORE, the parties agree as follows:

A. Voluntary Leave of Absence (VLOA)

1. Both 3 and 6 month Voluntary Leaves of Absence will be offered for bid. All pilots, except a pilot who would otherwise be furloughed, will be eligible to bid for such Leaves regardless of position and status. A pilot will be eligible to take one such leave, but not both. However, because the number of 3 month Voluntary Leaves will be limited to 15, a pilot will be permitted to bid the 3 month Leave as a first choice, and the 6 month Leave as a second choice. The Company may limit the number of the VLOA's offered, but the total shall not be less than the number of pilots who would otherwise be furloughed. Awards will be in accordance with seniority.
2. The VLOA's will commence on September 1, 2008. The 3 month Leave will terminate effective December 1, and the 6 month Leave will terminate effective March 1. The VLOA's awarded shall reduce the number of furloughs on a one-for-one basis.
3. A pilot awarded a VLOA will retain and continue to accrue seniority and longevity for the duration of his awarded VLOA. In addition, a pilot who wishes to continue coverage under Air Wisconsin's medical plan may do so by paying the full COBRA amount for the duration of the VLOA. A pilot on a VLOA will retain but not accrue sick or vacation leave.
4. A pilot who has taken a VLOA will continue to participate in the Permanent Bid System, and may be awarded a new position while on VLOA, in accordance with his preferences. The pilot will be treated as if he were an active pilot with respect to any new position awarded.

5. A pilot who is on VLOA will be eligible to participate in the 2009 vacation bid, and will be awarded or assigned vacation as if he were an active pilot. A pilot who has vacation during a month that he is on VLOA will be paid for that vacation in the same pay period in which the vacation would have been paid if the pilot were active.
6. A pilot will be returned to service at the end of his VLOA, unless there are additional furloughs which would result in the pilot on VLOA being furloughed, in which case his status will be converted to "furlough" in accordance with the applicable sections of the Agreement.
7. A pilot on VLOA will be permitted to bid a schedule for the month in which he returns to work. Air Wisconsin will schedule any necessary training for the pilot returning from VLOA as early in the month as possible, however, any trips that commence before such training or which conflict with the training shall be dropped from the pilot's line during integration, and the trip guarantee shall not apply to those trips. Regardless of the date upon which Air Wisconsin schedules the pilot's training, the pilot will be guaranteed 75 hours for the month in which he returns, or his actual credits, whichever is greater.
8. This Letter of Agreement shall become effective on the date of signing and shall drop dead and become null and void effective March 1, 2009, except for the purpose of enforcing the terms of the VLOA's included herein.

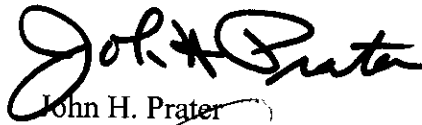
IN WITNESS WHEREOF, the parties have signed this Agreement this 10th day of July, 2008.

For AIR WISCONSIN AIRLINES
CORPORATION

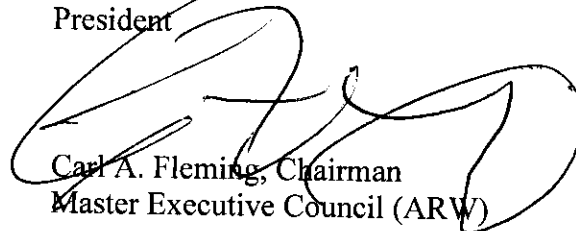


Robert D. Frisch
Managing Director of Flight Operations/
Chief Pilot

For the AIR LINE PILOTS
ASSOCIATION, INTERNATIONAL



John H. Prater
President



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