

LETTER OF UNDERSTANDING
between
AIR WISCONSIN AIRLINES, LLC
and the
AIR LINE PILOTS
in the service of
AIR WISCONSIN AIRLINES, LLC
as represented by the
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

THIS LETTER of UNDERSTANDING is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Air Wisconsin Airlines, LLC (the "Company") and the air line pilots in the service of Air Wisconsin Airlines, LLC as represented by the Air Line Pilots Association, International ("Association").

WHEREAS, having completed a trial period using a hotel selection process, the Company and the Association have agreed upon a process to be used for the selection of hotels for lodgings for pilots in most situations; and

NOW, therefore, the undersigned parties agree on the following Hotel Selection Process:

1. This hotel selection process will be used by the Company and the ARW MEC for hotel selection unless the hotel is submitted to a process described in paragraph 12 below. This agreement in no way changes the original intent or supersedes any language found in Section 5.A of the contract.
2. The parties agree that the goal of the process is to select mutually acceptable hotels.
3. When the Company identifies a new hotel market, or when either party wishes to change from a hotel currently being used for pilot overnight lodging, then the following process will be used for the parties' selection of a hotel. The parties agree that they won't seek to change hotels without justification.
4. On the first business day of the month (e.g. January 1st for February list), or sooner if possible, the Company will provide the Hotel Committee with a listing of cities it has identified as having an upcoming need for pilot lodging, including an estimated number of room nights by city with the understanding that the list is subject to change. In the event that the Company cannot meet the 1st business day they will notify the Association with the reason for the delay and an estimated timeline to provide the data.

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5. The Company will provide the Hotel Committee any changes to hotel agreements and will update the Association with new information as it becomes available.
6. When the Company initiates a request to Travelliance for a hotel market study, the Company will notify the Hotel Committee as soon as practical that such request has been made, after which, as soon as practical, the parties will set a date to inspect the market(s). When the Company receives the market study it will forward it to the Hotel Committee Chair, or their designee, as soon as possible. The parties will then arrange to meet telephonically or in person if they so choose to review the information jointly prior to hotel inspections. During the meeting the Company will identify the hotels it wishes to be inspected and the ALPA Hotel Committee can identify additional hotels to be inspected and considered in the location. It is the desire of the parties to have this information received as soon as possible and for ongoing dialogue when needed. Whenever possible the final market study will be presented at least five (5) business days prior to the date set for the inspection.
7. All hotel contacts during the period the Company/Hotel contracts are being negotiated and administered will be made by the Company or its representatives. This does not preclude individual crewmembers from reporting specific incidents to hotel staff for resolution as they occur.
8. Upon the completion of the scheduled inspections at each market location, the MEC Hotel Committee and the Company will advise each other of their decision as to each hotel's acceptability and each party will provide the other party with information about the basis for such approval or disapproval prior to leaving the market location. Approval of a selection will not be unreasonably withheld. A party may offer a conditional acceptance of a hotel if specific conditions can be achieved.
9. The Company will contract with the hotel and report back to the Hotel Committee if any terms have been agreed upon as to such specific conditions. In the event approval was predicated upon such conditions the Company will provide an update to the Hotel Committee and the parties will discuss and agree as to whether the condition(s) has been met.
10. The Hotel Committee may request that the company attempt to secure different or increased amenities, such as but not limited to discounts, or additional amenities, and the company will report the hotel's response to these requests.

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11. Hotel inspections by the parties will continue in a location until there is one or more mutually acceptable hotel(s). If in the first round of inspections a mutually acceptable hotel is not identified, additional hotel inspections will be conducted at the time of the original inspection whenever practical. If the additional inspections to identify a mutually acceptable hotel cannot be immediately continued prior to crews beginning overnights, an interim hotel will be selected by the Company for use in that location and every reasonable effort will be made to find a mutually agreeable hotel as soon as practical.
12. The parties agree to continue to work toward defining another hotel selection process specific to the need for what is being referred to as “short term, last minute, or limited use” properties. The issue of hotel selection for irregular operations will also continue to be worked on by the parties toward an agreement while the parties preserve their respective positions and ability to utilize the grievance process in the event agreements are not reached. Nothing in this agreement will bind the parties on those topics.
13. In addition, the parties agree that ARW 16-03 will be considered closed and the pending arbitration for 16-03 scheduled for July 31, 2019 cancelled. Additionally, the cases of 17-02, 17-04, 17-06, 18-06, 18-07 will also be withdrawn without prejudice. Other hotel matters including 17-05, 18-01 and 19-01, which the parties may define as involving limited use or irregular operations referenced in paragraph 12 above, will be resolved with the parties’ agreements on those hotel selection processes.
14. In the event that either party believes that the other party is in material violation of this hotel selection process agreement, that party may, after conferring with the other party, suspend the use of this hotel selection process for up to forty-five (45) days following prior written notice by one party to the other party. Within five (5) days of sending such an email, the matter will be considered submitted by the parties to Arbitrator Gil Vernon for resolution. The party alleging the violation will request a telephonic hearing before Arbitrator Gil Vernon as soon as Mr. Vernon can accommodate the request. The goal of this process is to ensure that this agreement is adhered to, mutually, by the parties. The unavailability of individuals other than Mr. Vernon within a reasonable time will not be a reason to materially delay the telephonic hearing. On behalf of the Association, such notices will be sent and received by the MEC Chairman, and on behalf of the Company, such notices will be sent and received by the COO. All notices will be sent by email and considered delivered upon receipt. In the event that Arbitrator Vernon is unable or unwilling to accept the matter, the parties will substitute Arbitrator Bonnie Weinstock for Arbitrator Vernon using the same process. If either neutral is not reasonably available, then the parties will select a neutral from their approved list. Each party may submit a letter brief not exceeding five pages within fifteen days of the telephonic

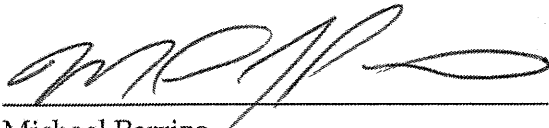
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hearing. The Arbitrator may order injunctive relief directing a party or the parties to comply with the provisions of this hotel selection process and, in the event of a material violation by the non-compliant party, may order that the prevailing party can withdraw from this Letter of Understanding.

15. Subject to paragraph 14. above, this Letter of Understanding will become effective on signing and will remain effective unless modified by written agreement of the parties.

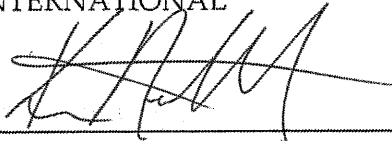
IN WITNESS WHEREOF, the parties have signed this Letter of Understanding this 26th day of July, 2019.

For AIR WISCONSIN AIRLINES,
LLC



Michael Perrizo
Vice President-Flight Operations

For AIR LINE PILOTS ASSOCIATION,
INTERNATIONAL



Captain Ken E. Nesbitt, Chairman
Master Executive Council (ARW)