

LM# 545-089

K# 9801



Agreement

Between the

Sky Lease Pilots Association

And

Sky Lease I, Inc.

January 1, 2013

Until

December 31, 2017

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## Preamble

This Agreement is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between, Sky Lease I, Inc., or its subsidiaries or its affiliates, hereinafter known as the "Company" and the Crewmembers, Co-Crewmembers and Flight Engineers known as the "Crewmembers" in the service of the Company as represented by the Sky Lease Pilots Association (hereinafter "SLA").

COLLECTIVE BARGAINING AGREEMENT



## **Article 1**

### **Recognition, Purpose, Scope and Mergers**

#### **Section 1 Purpose of Agreement**

In the mutual interests of the Crewmembers and the Company, the purpose of this Agreement is to provide for the orderly collective bargaining relations between the Company and the SLA as a method for the prompt and equitable disposition of grievances, and a method for establishment of wages, hours and working conditions for the Crewmembers covered hereunder. In making this Agreement, it is recognized to be the duty of the Company, the Crewmembers and the SLA to cooperate fully for the advancement of the purpose of this Agreement.

#### **Section 2 Sole Agreement**

- A. This Agreement shall supersede all existing or previously executed agreements by and between the Company, Crewmembers as represented by the SLA, or any other labor organization or individual with respect to the rates of pay, or working conditions specifically covered by the provision of the agreement in accordance with the provisions of the Railway Labor Act, as amended. Any and all subsequent modifications of this Agreement shall be reduced to writing by their authorized representatives.
- B. Whenever the words "Pilots", "Captains(s)", "Co-Pilots(s)", "First Officers", "Flight Engineers", or "Crewmember(s)" are used in this Agreement, they designate and refer to only such employees as are covered by this Agreement. It is further recognized that when there are references they are to be understood to be both male and female. It is further understood that there shall be no discrimination by either party against any Crewmember who is now, or may be come, subject to the terms of this Agreement, because of age, race, sex, color, disability, nation origin, or SLA membership.

#### **Section 3 Scope**

- A. The scope of this agreement will not in any way limit or restrict the rights of the Company as provided in Article 21 – Management Rights

## **Article 2 Definitions**

As used in this Agreement, except as otherwise provided:

**Airframe & Powerplant Certification** is the FAA approved license held by those Crewmembers who have the qualifications to performance maintenance on company aircraft.

**Accommodations** are suitable hotel facilities for the Crewmembers as reviewed and accepted by the Hotel and Committee.

**Active Service** means all accumulated time, commencing with date of hire as a Crewmember, for which the Crewmember is paid by the Company, including any time that he receives any portion of sick leave pay. It is recognized that Tradewinds operated in the past under a different arrangement and the Company, as a successor, does not intend to prohibit Crewmembers who are qualified and terminated their services with Tradewinds under certain separation and release agreements, because they were terminated to be prevented from seeking employment. Without in any way limiting itself, or its discretion, or its requirements, if the Company chooses to hire Crewmembers who previously worked for its predecessor, such Crewmembers, if hired, would start as new entries and that means that there would not be any credit for prior service or work, and such Crewmembers would start at the bottom of the seniority list at the date of their hire. This provision insofar as it relates to employees who previously worked for Tradewinds would not be applicable to those who are on the seniority list or those with recall rights, as to Tradewinds, or the predecessor, or successor, of the Company effective September 24, 2008.

**Active Status** means the period of time when a Crewmember is paid by the Company, including any time that he receives any portion of sick leave pay.

**Agreement** means this collective bargaining agreement and any side letter to the agreement, memorandum of understanding and letters of agreement made contemporaneously with or expressly part of this collective bargaining agreement. At the time this contract becomes effective there are no side letter of agreement.

**Assign** means to place a qualified Crewmember in a duty status (as in to assign a Bid Line). Assigned Lines occur after bids are awarded.

**Available** means a time period during which a Crewmember so assigned must be available to be called to duty.

**Available Time** means a period of time up to eighteen (18) days during which a Crewmember so assigned must be available to be called to duty for ad hoc, short notice or otherwise unscheduled flight or to cover duty/flights where another Crewmember is unavailable due to emergency circumstances.

**Award** means to grant a bid Line, a vacancy or a vacation to a Crewmember using seniority.

**Base - Foreign** mean any base outside the Contiguous United States (48) and DC

**Base - Home** mean the place nominated by the operator to the Crewmember from where the Crewmember starts and ends a duty period or a series of duty periods and at which place – under normal conditions – the operator is not responsible for the accommodation of the Crewmember concerned. Sky Lease I, Inc. designated Home Base is MIA.

**Base - Permanent** means a location where the Company performs flying for a period in excess of one hundred eighty (180) days.

**Base - Temporary** means a location where the Company performs flying for a period up to one hundred eighty (180) days.

**Bid Period** means the period of days beginning at 00:00 Zulu on the first day of the month and ending at 23:59 Zulu on the last day of the month. There are twelve (12) bid periods in a calendar year.

**Bid Package** means the monthly document containing Regular Lines, or provision for Custom Lines with associated instructions and procedures developed prior to each Month for award and assignment of Crewmember flight schedules.

**Blank Day** means, on a regular line, a day off that is not guaranteed. It is not a “reserve” day and a Crewmember, if available, may be assigned make-up flying. A Crewmember may be called and assigned a trip if contacted on a blank day. Crewmembers not subject to make-up flying are not obligated to answer the call.

**Block Time** means the time between an airplane first moving from its parking place for the purpose of taking off until it comes to rest on the designated parking position or until all engines are stopped.

**Cancelled Flight Pay** – 2 Hours on days off for cancelled flights

**Category** means the respective crew skill (Pilot or Flight Engineer) held by a Crewmember.

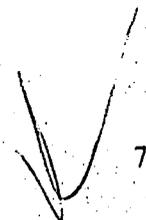
**Check Airman** means a Pilot or Flight Engineer qualified under FAR Part 121 and designated by the Company to perform OE (Operating Experience) and other training in a simulator, ground school or during Line operations.

**Commander/Captain** means the Pilot designated by the operator to be in command of the aircraft and its Crewmembers while on duty and who is properly qualified under FAR Part 121 to serve as a Commander/Captain and hold a Crew Class bid as Commander/Captain

**Contract Pilot** means those pilots who are contracted to fly and or instruct on company aircraft and who are not on the master seniority list and who are not covered by this agreement.

**Crew Class** means the respective job description of a Crewmember within his or her respective category as follows:

Category	Crew Class
Pilot	Commander/Captain
Flight Engineer	First Officer



## First Officer/IRO

**Crewmember** means the Pilot or Flight Engineer employed by the Company and whose name appropriately appears on the master seniority list.

**Custom Line** means a monthly schedule built by the Company with a sequence of Trips, Reserve Days and/or Days Off when a Crewmember is unavailable for a portion of a month to perform flight or a duty, excluding vacation.

**Date of Hire** means the Crewmember's 1<sup>st</sup> day of reporting to initial ground school.

**Day** means a twenty-four (24) hour period commencing at 0000 Zulu to 2359 Zulu

**Day Off** means a day off at the Crewmember's foreign, home, permanent or temporary base.

**Deadhead** means time spent by a Crewmember in traveling from one point to another at the direction of the Company, either for duty or returning from duty.

**Domicile** means a Crewmember's award/assigned city and company facility from which his or her work begins and ends.

**Duty Day** means a day during which a Crewmember is on a Trip, or other Company related business.

**Duty Period** means a period of time during which a Crewmember is scheduled to be on duty (to include training) or is actually on duty during a Trip.

**Duty Time** means that time interval between the time a Crewmember is required to report for duty and the time he/she is released from duty as specified in Article 16, Section 2 (Hours of Service).

**ETD** means estimated time of departure.

**FAR** means Federal Aviation Regulations.

**First Officer** means a Pilot designated by the operator to be second in command, and who is properly qualified under FAR Part 121 to serve as a First Officer and holds a Crew Class bid for First Officer.

**First Officer/IRO (Inflight Relief Officer)** means a Pilot who is trained and qualified to operate as an Inflight Relief Pilot to provide rest opportunities for the basic crew for extending the scheduled flying duty periods.

**Flight Engineer** means a Crewmember whose duty is to perform the function of a Flight Engineer as specified by the Company may hold an Airframe and Powerplant Certificate and has been designated by the Company, to perform required maintenance on Company aircraft and holds a Crew Class bid as a Flight Engineer.

**Flight Hour Pay** means the hourly rate of pay based on the time a Crewmember performs the duties of a Crewmember. Flight Hour Pay shall be computed on the basis of the greater of the scheduled time per leg or the Block-to-Block time.

**Flight Status** means a Crewmember who has no restrictions of any kind to fly e.g. medical, currency, etc. The Crewmember can be awarded, scheduled or assigned trips.

**Furlough** means the reduction in work force.

**Grievance** means a controversy, complaint, misunderstanding, or dispute arising as to interpretation, application or observances of this Agreement.

**Guaranteed Day Off** means a day off, when the Crewmember is not responsible to answer calls or requests from the Company and cannot be assigned a trip or any other duty, unless by mutual agreement between the Crewmember and the Company. A Guaranteed Day Off is from 0000 Zulu to 2359 Zulu.

**High Time** means fifteen (15) or more projected pay hours above the average projection of Crewmembers in the same position.

**Immediate Family** means the crewmember's spouse, children (including step, adopted and foster), father, mother, sister and brother, grandparents, stepparents, step-siblings.

**Initial Cadre** means those Pilots who are contracted to fly and or instruct on company's new equipment and who are not on the master seniority list and who are not covered by this agreement for a period not exceed one hundred and eighty (180) days.

**Known Flying** means all trips, contracted charters and other flying planned at least thirty (30) days prior to the Bid period.

**Line** means a Regular, Custom or Paid Duty Time (PDT) line.

**Longevity** means the cumulative time as a Crewmember or Management Pilot has been in active service with the company or affiliate and shall begin accruing the day the Crewmember/Management Pilot begins training and shall continue to accrue uninterrupted except as provided in the agreement, e.g. furlough, etc.

**Lost Time** means when a Regular Line trip cancels thereby affecting the Crewmember's projected hours.

**Low Time** means fifteen (15) or more projected pay hours below the average projection of Crewmembers in the same position.

**Make up flying** means flight time that a Crewmember, on a hard line, is assigned to which compensates for loss of flight time within a bid period.

**Management Pilots** are pilots on the Sky Lease master seniority list who hold a management position.

**Month** means the period of time commencing with and including the first day of the month up to and including the last day of the month, with the exception of the first quarter of the year which shall be as follows:

January shall commence on January 1 at 0000 Zulu, and end on January 30 at 2359 Zulu; February shall commence on January 31 at 0000 Zulu and end March 1, 2359 Zulu; March shall commence on March 2 at 0000 Zulu and end on March 31 at 2359 Zulu.

**New Hire** means a Crewmember

**One in Seven** means a Crewmember will receive at least one (1) twenty-four (24) hour period free of all duty in any consecutive seven (7) Days. A one-in-seven may be moved by the Company with notice to the Crewmember, but will not be assigned retroactively.

**Open Time Trip** means known flying that is not placed into lines of flying and flying that becomes available for reasons such as training, vacations, sick leave, bid period-to-bid period transitions, or other unforeseen circumstance after completion of bid awards.

**Paid Duty Time** means eighteen (18) days of availability for: flight time, training (e.g. ground school and simulator), deadheading while on duty, jury duty, vacations and shows no go.

**Pay Day** will be done biweekly. All pay above minimum guarantee, per diem and expense reimbursement for the previous bid month shall be on the second pay check of the month.

**Pilot** means a Commander/Captain, First Officer or First Officer/IRO as defined herein.

**Position** means a Crewmember's awarded/assigned Category, Crew Class, Type, Domicile and Base.

**Projected Pay Hours** means the total of all credited pay hours in a Crewmember's line: vacation, sick leave (Article 11), training, jury duty, trip rig, the greater of scheduled or actual block hours, deadhead and show no go.

**Promotion Board** means a Board of review that determines the fitness and qualifications of Crewmembers and recommend for advancement or not as the case may be in Category or Crew Class to fill vacancy positions if in the Company's discretion they are made available by the Company.

**Reduction** means a reduction in flight hours.

**Regular Line** means a monthly schedule posted in the bid package by the Company with planned sequences of trip and intervening days-off.

**Release Time** means thirty (30) minutes after block in or the time, at which a Crewmember's Duty Period actually ends, whichever is later and the Crewmember has no further obligation to be available for duty until report for his or her next Duty Period.

**Report Time** means the time at which a Crewmember's Duty Period begins.

**Reserve Day** means a calendar day (time at domicile) of obligation to be available to fly. A Crewmember on a Reserve Day assignment shall remain immediately contactable by Crew Scheduling and available to report for duty within 3 hours of initial assignment.

**Reserve Line** means the Crewmembers' awarded line of Reserve Days and Guaranteed Days Off for a bid period.

**Rest Period** means a time free from duty. Rest periods are provided to give the Crewmember a predetermined opportunity for rest. It should be noted that the Crewmember cannot be required by the Company to contact the Company, answer the telephone, remain at a specific location, or in any other way be responsible to the Company at his or her discretion. However, if operationally necessary, the Company may make one (1) brief telephone call to the Crewmember to notify of any operational changes during the rest period. If a Crewmember's rest period is again interrupted by the Company, the Crewmember may restart his or her rest period from the time of contact, at the Crewmember's discretion.

**Training Line** means a Line constructed to accommodate Crewmember training.

**Trip** means a flight assignment consisting of one or more flights including deadheading beginning with the start of duty at report time at the Crewmember's Base until the end of duty at release time at the Crewmember's Base. A trip sequence may begin in one bid period and end in the following bid period.

**Trip Rig** means a basis of determining the minimum pay for a "Trip" computed by dividing the total trip hours by five (5). Trip pay is the greater of the "Trip Rig" or "Flight Hour Pay."

**Training** means all types of training to include, but not limited to, Initial, Transition, Recurrent, Proficiency, Upgrade differences.

**Type** means an aircraft type, e.g. DC-10, MD-11, A300, B747 on which a Crewmember is qualified in accordance with FAR.

**Sister Air Carrier** means any air carrier that is directly or indirectly, controlled by the Company, its holding company or sole owner.

**UTC** means the Universal Time Code which is used to identify the Greenwich meantime.

**Vacancy** means additional or open positions in any Category, Crew Class and Type as required by the Company.

**Wet Lease Agreement** means a leasing arrangement whereby one airline (lessor) provides an aircraft, complete crew, maintenance, and insurance (ACMI) to the Company (the lessee), which pays by hours operated.



### Article 3 Dues Check Off and Representation

#### Section 1 Security and Check Off

- A. All present employees covered by this Agreement shall on the effective date of this Agreement become members and maintain membership in good standing, in the SLA, as a condition of employment. All future employees covered by this Agreement shall, as a condition of their employment, within sixty days (60) days of employment, become members and remain members in good standing of the SLA.
- B. The Company shall have the right to assume that all employees are members of the SLA and in good standing, unless notified to the contrary by the SLA.
- C. The Company will, within fourteen (14) business days after receipt of notice from the SLA, terminate the service of any employee who is delinquent in the payment of SLA initiation fees or dues unless within such fourteen (14) business days, the employee cures the delinquency. If the Company believes that the discharge of any employee declared by the SLA to be delinquent might violate the rights of such employee under Federal or State statute or subject the Company to a charge of discrimination for violation of rights of such employee, it shall notify the SLA, in which event it shall not be required to discharge said employee until the propriety of such discharge shall have been determined pursuant to the grievance procedure.
- D. It is agreed that the Company shall deduct from the wages and make payable to the SLA the initiation fee and current monthly dues of the SLA for those employees who have given the employer a duly executed and lawful written assignment for such purpose to be approved in advance by the Company and in accordance with applicable law. Such dues will be remitted to the SLA no later than ten (10) calendar days after such dues are withheld.
- E. The SLA will only levy those initiation fees and dues which are authorized or permitted by the Constitution and By-laws applicable to the SLA and in the manner provided therein and lawful pursuant to all applicable legal requirements. The Company shall be entitled to rely upon compliance by the SLA with this provision and the SLA shall save the Company harmless with respect thereto, and as to all matters related to this Security and Check Off Clause; and, the SLA shall also hold the Company and its representatives harmless and indemnify the Company and its representatives against all expenses, claims and liabilities arising in any way under or out of this Security and Check Off clause.
- F. Notwithstanding any language, or implied language, to the contrary in this any other provision of this Agreement, those members of management who are Crewmembers (including but not limited to: Pilots, or Flight Engineers, or any others that arguably might be regarded as Crewmembers or covered by this Agreement) shall not be required to join the SLA or pay any dues or fees or assessments of any kind to the SLA. As a result, as examples, Management crewmembers would not be covered by this provision, or required to join or pay any dues or fees or assessments to the SLA.

## **Section 2 Representation**

- A. The Company will recognize the reasonable appointment of the SLA officers who are Chief Base Representatives and Base Representatives, by the SLA. Such appointments will be confirmed by the SLA to the Company, in writing. Employees so appointed will maintain their designation until such time a relieved in writing by the SLA, or transferred to a classification outside of this Agreement.
- B. Any employee member of the SLA, acting in any official capacity whatsoever shall not be discriminated against for his or her proper acts as the representative of the members so long as such acts do not interfere with the conduct of Company business, nor shall there be any discrimination against any employee because of SLA membership or activity.
- C. Mutual agreement between the Company and the SLA in writing for an extension of time limitations governing the grievance procedure will not be considered a violation of terms of this Agreement.
- D. The Company agrees that a SLA President, or Representative, after notice can enter the Company's premises during working hours for the purpose of adjusting disputes and/or observing working conditions in a reasonable manner. When an SLA Representative, President, or Representative, or designee, wishes to enter the premises, a proper request will be made to the appropriate Company official such as Chief Operating Officer, the Director of Operations, or Chief Pilot (or such other Company Representative as is designated by the Company).
- E. The SLA shall be notified of all hearings as to grievances to be held in accordance with the provisions of this Agreement and shall have the right to participate in such hearings.
- F. The SLA shall be notified of all New Hire training courses.
- G. Representatives of the SLA shall be provided an opportunity (up to two [2] hours) to meet with and address the Company's New Hire Crewmembers at a mutually agreed upon time and location during the Company indoctrination training period. The SLA will advise the Company in advance as to who its representative(s) will be at these meetings.

## **Article 4 Seniority**

### **Section 1 General**

- A. Seniority, except as modified in this Agreement, shall be used to determine promotion, retention in case of reduction, assignment or reassignment due to expansion or reduction, and recall from furlough. Seniority shall also apply in the following Articles: Furlough and Recall, Vacations, Leave of Absence and Scheduling.

### **Section 2 Seniority Determination and Accrual**

- A. Seniority shall begin to accrue from the date an individual enters initial qualification and training for the Company to be a Crewmember in FAR Part 121 Operations, and shall continue to accrue during such period of employment except as otherwise provided in this Agreement. When two (2) or more Crewmembers enter initial qualification training as new hires on the same date in the same Category, seniority will be determined by use of the last numbers of the crewmember's Social Security number. If two crewmembers have the same last four digits of the social security then a lottery will break the tie.
- B. Any Crewmember once having established a seniority date hereunder shall not lose that date except as provided below: (a) Resignation or Retirement; (b) Termination (it being understood that termination will be for "just cause" after completion of the probationary period and subject to the provisions of this Agreement including Section 4 of this Article); (c) Furlough for more than twenty-four (24) months.

### **Section 3 Seniority List**

- A. A Crewmember Seniority List shall be established upon the date of ratification of this Agreement. The Seniority List will be based on the Crewmember's date of hire with the Company, as defined in paragraph 2.A of this or her Article, adjusted, if necessary, for leaves of absence or furlough. The Seniority List shall be established no later than thirty (30) days from date of ratification of this Agreement by the parties, and list all Crewmembers on the payroll of the Company on the date of ratification by initial training date.
- B. Within the first ten (10) days of January and the first ten (10) days of July, of each year, the. The company shall issue and post at the Company's Base, a Seniority List compiled in accordance with this Article. Such lists shall contain all information as defined in paragraph 3.D of this Article.
- C. The Seniority List shall include all Captains, First Officers, and Flight Engineers as defined in Article 2 - Definitions. All Crewmembers hired by the Company after the date of ratification of this or Agreement shall be placed on the Seniority List.
- D. All of the Seniority Lists shall contain the following information:
1. The date of the list

2. Seniority numbers
3. Crewmember's name
4. Date of hire
5. Current aircraft assignment
6. Status (crew class)
7. Check or management status
8. Leave Status

#### **Section 4 Probation**

Crewmembers shall be on probation until they have accumulated twelve (12) months of service in FAR 121 Operations as a Crewmember, or have completed their first annual proficiency check, whichever comes last. During this period, such Crewmember will be placed on the Seniority List, but will not accrue Seniority and may be discharged or disciplined without recourse to the Grievance Procedure. At the completion of such probationary period, the Seniority shall date back to the original date of hire as a Crewmember in the Company's FAR 121 operation. All time spent by a newly hired Crewmember in training or probationary periods, shall be cumulative. A probationary Crewmember furloughed or taking leave of absence during his or her probationary period shall, upon recall, complete his or her probationary period; however, previous active service will be cumulative for all pay and benefits. It is understood, however, that those Crewmembers on the Seniority List, or those with recall rights as of, effective, September 24, 2008 will not be probationary employees.

#### **Section 5 Vacancies**

- A. The Company shall determine the number(s) of vacancies per Article 12 - Vacancy Bidding.
- B. Crewmembers(s) bidding vacancies shall meet qualifications for those positions as outlined in Article 13 - Training and Upgrading.
- C. Qualified bidders must be recommended by the Promotion Board prior to selection for training. Crewmembers failing to qualify or be selected by the Promotion Board shall be notified in writing of the reason (s) for non-acceptance and recommendations for improvement within ten (10) days of the Board's decision.

#### **Section 6 Reductions**

When the Company determines that a furlough is necessary, the following procedure shall apply:

- A. The Company shall determine the number of Crewmembers that must be furloughed.
- B. If the Company elects to discontinue or reduce the use of a certain type of aircraft, Crewmembers from the discontinued or reduced aircraft type shall be furloughed in reverse order of seniority. It is understood that those Crewmembers on the seniority list, or those with recall rights, as September 24, 2008 will be protected as to bumping rights and will be able to displace by category seniority.

## Article 5 Grievance Procedure

### Section 1

Any Crewmember(s) covered by this Agreement who have a grievance shall have such grievance(s) considered and processed in accordance with the following procedure. It is the intent of the parties to resolve grievances or potential grievances informally whenever possible, and there shall be an earnest effort on the part of the parties to settle grievances promptly in accordance with the procedure outlined herein.

A grievance is hereby jointly defined to be a controversy, complaint, misunderstanding, or dispute arising as to interpretation, application or observance of this or her Agreement.

All unsettled grievances, as defined above, shall be subject to the following procedure:

- A. Any Crewmember having a grievance shall present it to the Chief Pilot or his or her designee. The Crewmember must present the grievance within ten (10) calendar days, of his or her knowledge of its occurrence. If satisfactory settlement is not reached within ten (10) calendar days thereafter, then the grievant(s) may proceed to Step "B" below.
- B. The Crewmember shall reduce the grievance to writing (on a form provided by the SLA, consistent with the terms of this Agreement), and present it to the Director of Operations or his or her designee. All grievances must be filed in writing within fifteen (15) calendar days of failure to resolve the grievance in Step "A" above. If satisfactory settlement is not reached within fifteen (15) calendar days thereafter, then the grievant(s) may proceed to Step "E" below.
- C. A SLA Representative or Base Representative may accompany or represent any Crewmember in Steps "A" and "B" above.
- D. The time limits set forth in Paragraph "A" and "B" above may be extended in writing (e-mail correspondence accepted), by mutual agreement of the Company and the SLA Business Agent or designee, the Base Representatives, or SLA Committee members.
- E. If the Grievant(s) is not satisfied with the decision of the Director of Operations or their designee, the grievant(s) may appeal such decision to the Crewmember's Systems Board of Adjustment. Such appeal shall be made by the grievant(s) in writing within fifteen (15) calendar days from the date of receipt by the grievant (s) of the decision of the Director of Operations or his or her designee.

- F. Failure on the part of the grievant(s) to appeal within the limits specified herein shall constitute a waiver of the grievant(s) position unless an extension of time has been mutually agreed in writing between the Company and the SLA.

## **Section 2**

Nothing in this Section shall be construed as extending the rights of Section 1, to a probationary Crewmember as it relates to discipline and/or discharge.

- A. The Company shall not be required to recognize any Crewmember as a Base Representative, unless, and until, the SLA has duly certified, in writing, that the Crewmember is a designated Base Representative.
- B. The Company shall provide the SLA, on the effective date of this Agreement, and immediately thereafter upon effectuating of any changes herein, the name of any individual to whom grievances are to be directed pursuant to the steps outlines in Section 1, paragraphs "A" and "B".
- C. In the case of discipline or discharges, such Crewmember shall be notified in writing of the precise charge or charges against him or her, with a copy to the SLA Representative.

# GRIEVANCE FORM

Grievant Name: \_\_\_\_\_ Job Title: \_\_\_\_\_

Complete Address: \_\_\_\_\_

Shift: \_\_\_\_\_ Work Phone: \_\_\_\_\_ Home Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

Employer: \_\_\_\_\_ Employer Supervisor/Manager: \_\_\_\_\_

\_\_\_\_\_

**1. Grievant Statement of Grievance:**

(Describe in detail the action giving rise to the complaint. Specify names, dates, classification, place and site of violation, time, etc....)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2. Specify the Article(s) of the Agreement which is/are violated:**

**,and any other pertinent Articles**

**3. What are the remedy and/or relief sought?**

\_\_\_\_\_  
\_\_\_\_\_

I hereby authorize the SLA to act for me in the disposition and settling of this grievance.

Date: \_\_\_\_\_ Grievant Signature: \_\_\_\_\_



Date: \_\_\_\_\_ SLA Signature: \_\_\_\_\_

**Decision & Appeal of Grievance**

Decision of Employee Manager: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date of Decision: \_\_\_\_\_ Employer Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Signature of SLA Rep: \_\_\_\_\_ Date: \_\_\_\_\_

Grievance Settled: Yes \_\_\_\_\_ No: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Case Appealed to: \_\_\_\_\_ Date: \_\_\_\_\_

Case Appealed by: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Decision of Appeal: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Deciding Employer Officer: \_\_\_\_\_ Title: \_\_\_\_\_

Date of First Appeal Decision: \_\_\_\_\_ Phone Number of Deciding Employer: \_\_\_\_\_

Signature of SLA Representative: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Grievance Settled: Yes \_\_\_\_\_ No \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Case Filed for Arbitration: Yes \_\_\_\_\_ No \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_



## **Article 6**

### **System Board of Adjustment**

#### **Section 1 General**

In compliance with Section 204, Title II of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment for the purposes of adjusting and deciding disputes which may arise under the terms of the Grievance Procedure and which are properly submitted to it. The Board shall be known as: Sky Lease I, Inc. Crewmembers System Board of Adjustment', hereafter referred to as the "Board".

#### **Section 2 Composition of the Board**

- A. The Board shall consist of two (2) members, one (1) of whom shall be appointed by the Company and one (1) of whom shall be appointed by the SLA, and such appointees shall be known as the "Board Members". In addition, the Company and the SLA shall each designate/select an alternate, and in the event of unavailability of a Board Member, such alternate shall serve in place of the absent Board Member.
- B. The two (2) Board Members appointed by the Company and the two (2) Board Members appointed by the SLA, and their alternates shall serve for a minimum of one (1) year from the date of their selection and thereafter until their successors have been duly selected. Vacancies for either the Board Members or their alternates shall be filled within thirty (30) days in the same manner as provided herein for the selection of the original Board members and the original alternates.
- C. The terms of office of Chairman and Vice Chairman shall be one (1) year. Thereafter, from year to year, the Board shall designate one (1) member to act as Chairman and one (1) member to act as Vice-Chairman for one (1) year or until his or her successor has been duly selected. Such terms of office shall commence on January 1 of each year.
- D. The office of Chairman shall be filled and be held alternately by a Board Member selected by the SLA and by a Board member appointed by the Company. When a Board member selected by the SLA is Chairman, a Board Member appointed by the Company shall be Vice-Chairman and vice-versa. The Chairman, or in his or her absence, the Vice Chairman, shall preside at meetings of the Board and at hearings and shall have a vote in connection with all actions taken by the Board.
- E. The Board may meet in Miami commencing in the months of January and July of each year, at a time to be fixed by the board, provided that at such time there are cases filed with the Board for consideration. The meetings shall continue in session until all matters before it have been considered unless otherwise mutually agreed upon in writing. The Board may convene at any time to hear and render decisions on grievances that include but are not limited to terminations. Each party shall assume the cost of their own expenses.
- F. The SLA and the Company will pay their respective Board members.

- G. All members of the Board shall be employees of the Company or the SLA.

### **Section 3 Jurisdiction of the Board**

- A. The Board shall have jurisdiction over all disputes involving the following designated specific areas:
1. Terminations of employees, provided that the Board will only have jurisdiction to evaluate a reinstatement and, if the Board concludes by majority, back pay.
  2. Such other disputes as the parties specifically agree to base on the terms of this or her Collective Bargaining Agreement.
- B. The jurisdiction of the Board shall not extend to negotiations of a new or revised Agreement.

### **Section 4 Proceeding before the Board**

- A. All disputes properly referred to the Board for consideration shall be addressed, in writing, to the Chairman. Three (3) copies of each petition, including all papers and exhibits in connection therewith, shall be forwarded to the Chairman, who shall transmit one (1) copy thereof to each member of the Board within seven (7) calendar days.
- B. Upon receipt of notice of the submission of a dispute, the Chairman shall set a date for hearing, which shall be the time of the next regular meeting of the Board as provided in Section 2.E above, or if at least two (2) Board members, one (1) from the Company and one (1) from the SLA, consider the matter of sufficient urgency and importance, then at such earlier date and at such place as the Chairman shall agree upon, but not more than thirty (30) days after such request for a meeting is made. The Chairman shall give the necessary notices in writing of such meeting to the Board members and to the parties to the dispute.
- C. The Company and the SLA may be represented by such person or persons as it may choose to designate. Evidence may be presented either orally or in writing, or both.
- D. The Board Member(s) may summon witnesses who are deemed necessary by the Board.
- E. The Board shall be competent to hear the disputes properly submitted to it and decide such disputes by a majority vote of all members of the Board. Decisions of the Board shall be final and binding upon the parties hereto.
- F. The Board shall render their decision in writing to the parties within fifteen (15) calendar days of the date of the Board hearing.

## **Section 5 Deadlock Procedures**

- A. When a dispute is properly submitted to the Board for hearing before the one (1) Company and one (1) SLA Board members, or their alternates, and the board is unable, by majority vote, to decide the dispute, the Board shall consider itself deadlocked. The dispute may be submitted to the Board of Arbitration by the SLA within fifteen (15) calendar days from the Board's written decision by written notice to the Company with copies to the Chairman.
- B. If the SLA fails to serve such notice within fifteen (15) calendar days, the Board of Arbitration will have no jurisdiction. In such case, the controversy shall be considered withdrawn and no action thereon shall be taken thereafter by any party.
- C. It is understood and agreed that each party and every Board member shall be free to discharge his or her duty in an independent and un-coerced manner without fear that their individual relations with the Company, with the Crewmembers, or with the SLA will be affected in any manner by any action taken by them in good faith in his or her capacity as Board Member.
- D. If new evidence becomes available to the Company or the SLA prior to the scheduled date of Arbitration, the evidence shall be provided to the System Board for consideration. If the Board determines that the evidence justifies a "New Hearing", the Board shall notify the parties concerned. If the Board "deadlocks" on the evidence submitted, the evidence shall be given to the arbitrator for his or her consideration.



## **Article 7 Board of Arbitration**

### **Section 1**

There is hereby established a Board of Arbitration, hereinafter referred to as the "Arbitration Board," for the purpose of adjusting disputes or grievances of any Crewmember which may arise under the terms of this Grievance Procedure and which are properly submitted to it after all steps for settling disputes or grievances, as set forth in Grievance Procedures and System Board of Adjustment, have been exhausted.

### **Section 2**

The Arbitration Board shall consist of one (1) neutral arbitrator.

### **Section 3**

In the event any dispute or grievance is properly appealed to the Arbitration Board, the SLA may request the National Mediation Board to provide a list with the names of seven (7) arbitrators. The parties shall select one (1) arbitrator by alternately striking names from such list of seven (7) names. The order of striking shall be determined by lot for the first case in which a neutral member is chosen under the provision hereof and in subsequent cases, the parties shall alternate taking the first strike.

### **Section 4**

The Arbitration Board shall hear and determine the dispute or controversy as promptly as possible. The decision of the Arbitration Board shall be final, binding and conclusive to the parties thereto. Such decision shall be within the scope and terms of this Agreement, but shall not change any of its terms or conditions. All Arbitration Board hearings will be held at a place determined by the Board. The parties shall share the costs and fees of the neutral or arbitrator.

### **Section 5**

Each of the parties hereto shall split the compensation, traveling expenses, and other expenses of the arbitrator and each party shall bear all of the expenses of their respective witnesses. In the event a Crewmember is called or summoned as a witness by the Company or the SLA while on his day(s) off, the Crewmember's day(s) will be reassigned by mutual agreement.

At no time will there be a loss of the monthly guarantee for an active Crewmember who is serving as a witness.

### **Section 6**

If the Company or the SLA independently requests a "court reporter" to be present at the hearing, the costs of the "court reporter" shall be borne by the requesting party.

**Section 7**

The arbitrator shall have no power to add to, or subtract from, or modify any of the terms of this Agreement, nor shall the arbitrator substitute his or her discretion for that of the Company or the SLA.

**Section 8**

The decision of the arbitrator shall be final and binding on both parties and the award of the Arbitrator shall be enforceable as the agreement of the parties, at law or in equity, in any Federal Court having jurisdiction thereon provided that the arbitrator must comply with the conditions of Section 9 of this Article.

**Section 9**

The arbitrator shall have the sole and exclusive power and jurisdiction to determine whether or not a particular grievance dispute or complaint is arbitral under the terms of this Agreement provided that the arbitrator is only empowered and authorized to review matters that relate to:

- A. Grievances, which relate to terminations or disciplinary action, provided the only remedy (if the Grievant is found to be correct) will be to reinstate and return the employee to the position from which there was a termination, or a suspension, and award back pay. There shall not be any award of punitive, exemplary or any damages other than wages (excluding per diem) lost due to lack of actual flying time lost.
- B. Such other matters as are not excluded by the provisions of the Management Rights Article of this Agreement, which will be construed liberally in favor of the Company.



## **Article 8 Furlough and Recall**

### **Section 1**

Prior to a "reduction in force" in accordance with Section 6.A and B of Article 4, a "voluntary furlough" will be offered to all and may be granted to any Crewmember that requests such with the understanding that all recall rights are subject to the provisions in this Article and that the "voluntary furlough" grant will be controlled by the Company's discretion.

### **Section 2**

A Crewmember recalled from furlough shall be paid the monthly guarantee while re-qualifying.

### **Section 3**

No advance notice of furlough or recall shall be required where the furlough is caused by a strike, Act of God, involuntary grounding of company aircraft or other circumstances over which the Company has no control, or caused by any third party or person over which the Company has no control; however, in such cases the Company shall give as much notice as possible. Where the Company has prior knowledge of the need for a furlough, the Company shall give as much notice as possible but not less than a minimum of two (2) weeks' notice. All notices of reduction in force shall be in writing and posted at the Company Base. Notification shall be by registered or certified mail, return receipt, mailed to the Crewmember's last address on file with the Company or hand-delivered to and received by the Crewmember(s) or, alternatively, in the Crewmember's mail file.

### **Section 4**

Crewmembers who are furloughed shall continue to accrue seniority during the period of furlough for re-bid purposes, but shall not accrue longevity or seniority for any pay or benefit purposes. Re-employment shall be subject to the recalled Crewmember's holding of the appropriate current FAA medical certificate required by his or her position. The Crewmember shall be required to serve the un-expired portion of his or her probationary period if any.

### **Section 5**

A Crewmember shall file his or her address with the Company and thereafter advise of any change of address immediately. It is the Crewmember's responsibility to ensure the Company has his or her current address and telephone number on file.

## **Section 6**

All voluntary and non-voluntary furloughs shall expire at the end of twenty four (24) months, as provided in Article 4, Section 2.B from the effective date of such furlough and any accrued seniority shall be forfeited and totally eliminated unless the Company in its discretion determines otherwise.

## **Section 7**

A Crewmember may pass up recall if there are sufficient Crewmembers to fill all positions. A Crewmember must honor recall if there are no Crewmembers junior to him or her on furlough. If the junior Crewmember refuses recall, he or she shall be terminated.

## **Section 8**

All recalls of furloughed Crewmembers shall be accomplished through the following procedure:

- A. A Crewmember shall be recalled in order of category seniority and in addition by virtue of his or her ability to meet the requirements necessary to ensure the safe operation of the Company's aircraft. The recall shall be accomplished in such manner that Crewmembers who have been reduced and those being recalled from furlough are able to exercise seniority pursuant to the foregoing requirements and provided that they meet the qualifications to ensure the safe operation of the Company's aircraft.

Nothing in this Agreement shall prevent the Company from using temporary Crewmembers to provide flying in those cases where Crewmembers who have not been recalled do not meet the qualifications provided in this or her provision.

- B. A Crewmember's notice of recall from furlough shall be in writing, by certified or registered mail, return receipt, to the Crewmember's last address on file with the Company. This written notice shall fulfill the Company's obligation to notify a Crewmember of recall. A copy of all recall notices shall be supplied to the SLA. A Crewmember shall reply, in writing, to the Company within fourteen (14) days of the recall notice by certified or registered mail, return receipt. If he or she accepts recall, he or she shall present himself or herself to the Company prepared to return to duty within fourteen (14) days of the recall notice. After accepting recall, if a Crewmember fails to report within the time specified he or she shall be considered to have waived all of his or her rights under this Agreement.
- C. A Crewmember shall be considered terminated if he or she fails to return to duty or fails to advise the Company of his or her acceptance of the recall within the terms stated in Section 7 above.
- D. Crewmembers may accept early recall and waive the provisions of paragraph 8.B above. Early recall may be through the use of telephone or other means available to contact the Crewmember(s).

## General Provisions

Employees who are on a Company authorized Leave of Absence when a furlough is required shall have their Leave of Absence status with the company changed to a furlough status if their seniority number come up for furlough during their Leave of Absence. It is understood that those Crewmembers on the seniority list, or those with recall rights will be protected as to bumping rights and will be able to displace by category seniority.

**Article 9**  
**Leaves of Absence**

**Section 1 Personal Leaves**

- A. When the requirements of the Company will permit, at the sole discretion of the Company, and upon written request submitted by the Crewmember (with a copy to the SLA) or to the Company as far in advance as possible, a Crewmember may be granted a leave of absence without pay. When such leaves are granted, the Crewmember shall retain and continue to accrue seniority during the first sixty (60) days of leave in any twelve (12) consecutive months. The Crewmember shall not accrue sick leave credit, vacation or longevity for pay purposes, starting with the first day of the month following the month in which his or her leave commenced.
  
- B. Accrual shall commence on the first day of the month in which he or she returns from leave. Such leave or leaves may be extended for additional periods when approved in writing by the Company. The Crewmember shall be responsible to pay for his or her Group Health Care Benefits during any Personal Leave period. A Crewmember returning from an authorized leave or an extension thereof, as provided herein, shall be permitted to resume his or her position and pay status in accordance with his or her seniority and ability as decided by the Promotion Board. If the crewmember requests to return prior to the approved and agreed upon time frame of the Leave of Absence, the Company, at its discretion will return the crewmember to resume his or her position and his or her return date.
  
- C. For Leaves of Absence of up to sixty (60) days, crewmembers will continue to pay all the required employee contribution portions in effect at the time of the Leave of Absence. However, for leaves or portions of the leaves beyond the sixty (60) days, the crewmembers will pay the entire cost of the insurance premium for the medical, dental, etc. coverage that is furnished by the Company.

**Section 2 Military Leave of Absence**

Any Crewmember who enters military service shall be granted military leave in accordance with applicable Federal laws and regulations. Such military leave shall be without pay from the Company. Return to Company duty shall be subject to a reasonable re-qualifying period not to exceed ninety (90) days or longer if the Federal law dictates.

**Section 3 SLA Leave of Absence**

One Crewmember appointed as a SLA official, representative, or delegate shall be granted a leave of absence without pay for a period mutually agreed to by the Company and the SLA, and shall be guaranteed re-employment at the end of such period with the same seniority rights as if he or she had been continuously employed, but the Company will not in connection with its

determination to grant a leave, unreasonably withhold a leave. The Crewmember shall be responsible to pay his or her Group Health Care Benefits during any SLA leave period.

#### **Section 4 Medical Leave of Absence**

When a Crewmember's sick leave bank has been exhausted and the Crewmember is still unable to return to Active Status, he or she will automatically be placed on Medical Leave of Absence for a period determined by the crewmember's physician and the Company without pay, and shall not accrue vacation time, however, shall retain and accrue seniority and longevity. A Medical Leave of Absence, however, shall not exceed three (3) years. A Crewmember may supplement his or her sick leave bank with earned vacation time. When a crewmember is able to resume all normal duties (active status) and return from medical leave of absence he shall furnish medical documentation from his physician which clears him for return. The Company can require a medical letter from an FAA approved physician or doctor, or require a Crewmember to see a doctor to obtain a medical letter for the medical leave, at the Company's expense.

#### **Section 5 Funeral Leave of Absence**

In the case of death of the immediate family, a Crewmember is entitled to three (3) days leave with pay, for the purpose of attending the funeral. Immediate family shall be limited to the Crewmember's spouse, children (including step, adopted and foster) father, mother, sister and brother, grandparents, stepparents. Additional unpaid time for bereavement may be requested and granted or additional time may be taken from the Crewmember's accumulated vacation days, if any. The Crewmember may be required to provide verification of attendance at the funeral. A Crewmember who has the death of an immediate family member during a vacation period must notify his or her supervisor immediately upon receiving notice of the death and shall have up to three (3) days of remaining vacation rescheduled at a later date, provided the Crewmember attends the funeral service. Funeral Leave of Absence shall not apply when the Crewmember was scheduled for days off.

If a crewmember is assigned away from his Base when the death of the spouse, children or parents occur, and if requested by the Crewmember, the company will provide travel by the most expeditious means to the crewmember's choice of any Base, the commercial airport nearest his residence, or, if less expensive, another location. If the death of other immediate family members occurs while assigned away from his Base, the Company, at its sole discretion will make the appropriate arrangements.

During Bereavement Leave a crewmember shall retain and continue to accrue Longevity and Seniority.

#### **Section 6 Family Medical Leave Act (FMLA)**

A Crewmember who has completed one (1) year of service and has been credited with Duty Time of at least nine hundred (900) hours in the previous twelve (12) months is eligible for an unpaid family medical leave of absence. The "previous twelve months" begins twelve (12) months prior to the first day of requested leave. The term "duty" hours includes all hours at

times where the Crewmember is required to report for flight and such time subsequent to a flight which is subject to a release by the Company.

A request for a family medical leave of absence will be granted in accordance with the applicable law or with Company policy where the benefit provided exceeds that required by law unless otherwise provided in his or her Agreement.

If the purpose of the family medical leave of absence is because of the Crewmember's illness or injury, the Crewmember may, at Crewmember's option, be paid from his or her sick leave bank. Once Crewmember's sick leave bank is exhausted, the Crewmember may, at Crewmember's option, be paid from his or her vacation bank. A Crewmember may not be paid from either his or her sick leave or vacation banks while he or she is receiving short-term disability benefits.

If the purpose of the family medical leave of absence is because of an illness or injury of a Crewmember's child, spouse or parent or for the birth or adoption of a child, the Crewmember may be paid, at his or her option, from his or her vacation bank, but not his or her sick leave bank.

## **Section 7 Company Leave of Absence**

- A. When the requirements of the Company allow, the Company, will offer in writing (via e-mail correspondence is acceptable) within two (2) weeks with a copy to the SLA, by Seniority from the master seniority list, and classification, a Leave of Absence without pay. If any Crewmember(s) accepts the leave, he/she shall retain and continue to accrue seniority and longevity during the entire approved Leave of Absence, not to exceed six (6) consecutive months. Such leave or leaves may be extended for additional periods when approved in writing by the Company (with a copy to the SLA) and continue to accrue seniority and longevity during the entire approved Leave of Absence, but not to exceed twelve (12) consecutive months. The Crewmember(s) shall not accrue sick leave credit or vacation for pay purposes, starting with the day of the month in which his or her leave commenced.
  
- B. If a shortage of Crewmembers occurs at any time while any Crewmember(s) is on this Leave, the Company may cancel such leave, giving as much notice as possible. The following procedure must be followed when requesting the return of crewmembers from this Leave:
  - 1) The Company must advise the Crewmember(s) of the classification to return
  - 2) If more than one crewmember is on leave within a classification, the Company is to offer return by seniority in that classification (i.e. offered to most senior and so on)
  - 3) If more than one crewmember is on leave within a classification, the senior crewmember may pass and decline the return offer without penalty
  - 4) Once all crewmembers in a classification, or classifications, selected by the Company have been offered the return by seniority, the Company may force return, within a classification, or classifications, in reverse seniority order, i.e. most junior. The

Crewmember(s) on such Leave must return to his/her duties at the once the above procedure is followed by the Company.

- C. Accrual shall commence on the day of the month in which he or she returns from leave. The Crewmember(s) shall be responsible to pay for his or her Group Health Care Benefit contribution portion during the Company Leave of Absence period. A Crewmember(s) returning from an authorized leave or an extension thereof, as provided herein, shall be permitted to resume his or her position in accordance with his or her seniority.

### **General Provision**

If there is any conflicting or competing request (s) for Personal and Company Leaves of Absence, the company will approve it by seniority within their category, crew class and type.



## **Article 10 Vacations**

### **Section 1 Accrual/Use**

- A. Vacation time is accrued on a calendar year basis, January 1<sup>st</sup> to December 31<sup>st</sup> for use during the following calendar year. Vacation accrues at the rate of fourteen (14) days per year during years 0 - 5. Commencing on the 5<sup>th</sup> anniversary (begins on 6<sup>th</sup> year with Company) vacation accrues at the rate of twenty-one (21) days per year. Accrued vacation will be prorated for partial year of service and rounded to the nearest whole day. A Crewmember employed at least fifteen (15) days in a month will get credit for a full month.
- B. Accrued vacation will be paid out at the rate of 3hr 45 minutes. Total pay for a Month in which vacation is taken will be Flight Hour Pay and Trip Rig earned outside the vacation plus the hourly rate per vacation day listed above.

### **Section 2 Vacation Bidding Procedures**

- A. Vacation will not be cumulative and must be taken within the calendar year following the year in which earned and if not taken following the year due to company necessity/crewmember discretion, it shall be paid out at the corresponding yearly rate as referred in section 1-B. Vacation periods are awarded by seniority preference within each crew Position. The Position for vacation bidding is the Position held by the Crewmember at the time the vacation bid closes.
- B. Crew scheduling will publish a schedule of vacation periods available and will make arrangements for accepting and recording vacation bids.
- C. Available vacation periods for the next year will be out by October 15<sup>th</sup>. Bids will be submitted by close on October 30<sup>th</sup>. Vacation bid awards will be published by November 15<sup>th</sup> after the primary vacation bids have closed.
- D. A Crewmember must submit his or her bid(s) prior to the vacation bidding closing. If a Crewmember fails to submit his or her vacation bid(s) on time, he or she will forfeit his or her seniority preference in selecting a vacation period(s). A Crewmember who has any un-bid or unassigned vacation period(s) will be bid or assigned no later than September 15 of that year to an unavailable vacation period(s) by the Operations Department.

### **Section 3 Splitting Vacations**

- A. A Crewmember may with at least eight (8) days of accrued vacation split his or her vacation into two separate bid periods, one of which must be at least seven (7) consecutive days. A Crewmember with at least fifteen (15) days of accrued vacation

may split his or her vacation in to three (3) separate bid periods, two of which must be at least seven (7) consecutive days.

**B. Vacation Period Change:**

A Crewmember may change vacation period by exchanging his or her awarded vacation slot with an open slot, by changing with another Crewmember in the same crew Position, or with the approval of the Director of Operations. A Crewmember who wishes to change a vacation period must request such change no later than twenty-four (24) days prior to the beginning of the affected bid month.

**Section 4 Cancellation**

Once awarded, a vacation shall not be cancelled. However, by mutual consent between the Company and the Crewmember, a Crewmember may defer his or her vacation to another open time.

**Section 5**

A Crewmember with a vacation period in his or her due for training month, who has not been scheduled by the Company for recurrent training during his or her pre-month, has the option of scheduling his or her recurrent training, if available, in his or her pre-month. He or she must notify the Training Department of his or her intentions at least thirty (30) days prior to the beginning of his or her pre-training month.

## **Article 11 Sick Leave**

### **Section 1**

A Crewmember who is unable to fly due to illness or injury, may at the Company's option, be offered a non-flying job until he or she is able to return to flight duty. If the Crewmember accepts a non-flying duty job, he or she will be compensated at the rate of pay for that non-flying position. The individual will, in addition to this non-flying position pay, receive flight pay only for hours actually flown (i.e., no guarantee or pro-rates guarantee during beginning and ending months of transition). The Company can require a medical letter from an FAA approved Physician or Doctor, or require a Crewmember to see a Doctor to obtain a medical letter as to any medical leave or illness, at the Company's expense.

### **Section 2**

Prior to assuming duties in a non-flying position, the individual may exhaust all sick leaves which have been accrued.

### **Section 3**

Sick leave accrues at the rate of four (4) hours per each complete month, and such four (4) hours per month accrual can result in up to forty-eight (48) hours per year. A Crewmember can have up to a maximum of two hundred forty (240) sick leave accumulated hours.

### **Section 4**

Crewmembers will be paid at the rate of three hours and twenty-five minutes (3:25) per day for each sick day which will be applied toward the guarantee if the Crewmember has less than the sixty-five (65) hour credit at the end of the bid period or will apply toward straight time if the Crewmember has accumulated more than sixty-five (65) hours.

## **Article 12 Vacancy Bidding**

### **Section 1**

A vacancy shall mean additional or open positions in any category, Crew Class and Type as required by the Company.

### **Section 2**

Any vacancies in Category, Crew Class and Type shall be filled in accordance with the following procedure:

- A. The Company shall determine the number of vacancies available and shall post bulletins announcing such vacancies, stating the effective date. A copy of such bulletin shall be posted at the Company Crew Base.
- B. The bulletin shall stipulate a closing date and time, indicating a deadline for Crewmembers bids for such positions. This date and time shall not be less than ten (10) business days after the date such bulletin is posted and delivered as provided in paragraph 2.A. All such bulletins shall be numbered consecutively during a calendar year.
- C. All bids for vacancies shall be made on forms provided by and directed to the office of the Chief Pilot via e-mail. Every bid submitted shall become a "standing bid on file" and shall be used for all subsequent bids until a new bid sheet is received by the company. A new bid sheet may be submitted by the Crewmember at any time after the final results are posted of a previously closed bid, thereby updating the "standing bid on file".
- D. A bulletin announcing the results of all bidding for, or assignment to, vacancies shall be posted at the Company Crew Base, within ten (10) business days after the specified closing date and shall refer to the bulletin number which announced such vacancy(s). Such bulletin shall state the effective date, Crew Class and Type, and the name and seniority number of the successful bidder or Crewmember assigned.

### **Section 3**

A Crewmember is not eligible to bid on any type of aircraft other than the Type he or she is flying, unless, he or she has completed twenty-four (24) months of active Service flying from completion of his or her initial line check in his or her Crew Class on his or her Type at the time of the bidding. The Company, when posting a bulletin in any vacancy, may waive this or her provision in a non-discriminatory manner if the Company operations require it. This Section does not apply to the Crewmembers when implementing Article 8, Furlough and Recall.

#### **Section 4**

Active Crewmembers may bid and be awarded positions as Flight Crew through the vacancy bidding process. Crewmembers reaching their sixty-fifth (65<sup>th</sup>) Birthday (or whatever age is approved and effective by the FAA) shall retain for a two (2) year period thereafter the right to bid for and be awarded a Flight Crew position when such a vacancy occurs during that period. Such Crewmembers shall retain their date of hire as a Crewmember with the Company for seniority and pay purposes. Crewmembers are not required to possess an Airframe and Power Plant certificate to exercise their privilege under this Section.

#### **Section 5 Initial Cadre**

The Company will consider for the creation of an initial cadre for New Equipment, at its sole discretion, all Crewmembers on the master seniority list prior to contracting outside of the bargaining unit. The Company retains the right to use contract initial cadre pilots.

For purposes of this subsection the individual contract initial cadre pilots can be utilized for a maximum period of six (6) months following the date of commencement as the initial cadre on the New Equipment as defined herein. During this six (6) months period the company will train pilots on the current master seniority list.

#### **General Provisions**

A crewmember while on any Leave of Absence may submit standing bids to be awarded upon their return so long as there is an opening at that the time of return.



## STANDING VACANCY BID FORM

**Effective Date:**

Crewmember Name: \_\_\_\_\_

Crewmember Seniority #: \_\_\_\_\_

**CAPTAIN**

Aircraft Type \_\_\_\_\_

**FIRST OFFICER**

Aircraft Type \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Place a number on the blank next to the Aircraft Type as to your choice of position, (i.e. 1 for Captain and 2 for First Officer)

Please e-mail or return this completed form to the **Chief Pilot**.

The results will be published as per this Agreement and posted on the Bulletin Board in the crew room.

This Standing Vacancy Bid will close effective \_\_\_\_\_, 20\_\_ at 09:00 a.m. local time.

Results shall be posted on \_\_\_\_\_, 20\_\_



## **Article 13 Training**

### **Section 1**

A Crewmember, except a new hire during initial training, who is assigned to a ground school training program involving five (5) or more days of training shall be given one (1) period of twenty four (24) consecutive hours free of all duty with the Company during any seven (7) consecutive days assigned to such training with a maximum of nine (9) hours per day.

A training event will commence at show time for flight simulator training and will conclude at the end of the debriefing. Show time for briefing will be scheduled two (2) hours prior to the actual flight simulator training. There will not be an excess of eight (8) hours at the training center to include briefing, mechanical "breakdowns", simulator training, etc. The Crewmember may agree to waive this requirement by a maximum of two (2) hours.

If recurrent trainings are scheduled on a Crewmember's day(s) off, the Crewmember has the option of charging the company for the day as per the provisions of training pay in Article 19 Compensation, or have the day(s) off moved to another day(s) by mutual agreement with the Crew Planning Department (Scheduling).

### **Section 2**

Each Crewmember shall review and be made to understand his or her performance and grading sheet at the conclusion of each training or check period. A copy of his or her training record shall be furnished him or her at the conclusion of each training course or check period. The Company will require a Crewmember to sign for the receipt of any training record (s).

### **Section 3**

All training as defined in this agreement shall be administered in accordance with the Company's FAA approved/accepted training manual(s) to all Crewmembers covered by this Agreement. The Company shall provide training in accordance with requirements for that position on that equipment type.

If a Crewmember fails a proficiency check or proficiency training, he shall be afforded a minimum of one (1) day off, while on pay status. He will then be retrained with a different instructor for a minimum of one (1) simulator session, which consists of four (4) hours followed by another proficiency check as applicable in the Flight Crew Training Manual (FCTM).

**Article 14**  
**Upgrade Process**

**Section 1**

Crewmembers meeting the qualifications by the company may bid.

**Section 2**

Evaluation of all candidates who bid for Crew Class advancement will consist of the following step process:

- A. A simulator warm up and proficiency check performing Captain Duties and supported by a qualified crew member only.
- B. A line check will be conducted before or after the simulator warm up/proficiency check, at the company's discretion.

**Section 3**

When a vacancy(s) exist, the vacancy(s) shall be filled by a qualified Crewmember(s), from the Sky Lease I, Inc. master seniority list.

**Section 4**

Crewmember(s) evaluated and recommended for upgrade will receive training in accordance with the Company's training manual.

**Section 5**

If the Crewmember(s) fails to successfully complete all aspects of upgrade training, the Crewmember's future upgrade attempts will be handled as follows:

- A. After the first unsuccessful upgrade attempt, the Crewmember will return to the previously held position for twelve (12) months before being eligible for consideration for upgrade again.
- B. After the second unsuccessful upgrade attempt, the Crewmember will return to the previously held position for an additional twenty-four (24) months before being eligible for consideration for upgrade again.
- C. After the third unsuccessful upgrade attempt, the Company may opt to either terminate the employment of the Crewmember or permanently retain the Crewmember at the previously held position with no future eligibility for upgrade.



## **Article 15 Scheduling Policy**

### **Section 1 General/Scheduling Committee**

#### **A. Scheduling Committee**

1. The Company and the SLA Scheduling Committee will meet periodically at the request of the Scheduling Committee Chairman or the Director of Operations, or his designee, to discuss scheduling issues.
2. The Company will cooperate with the SLA Scheduling Committee in its reasonable review of scheduling issues.
3. The Company will notify the SLA Scheduling Committee at least forty-eight (48) hours before the bid packages are published and allow the Scheduling Committee the opportunity to review the bid packages and it will consider its input.
4. The Company and the SLA may agree to use an alternative scheduling method on a trial basis for up to 60 days.

#### **B. Required Records**

Required Records: The Company will keep a record of all Bid Packages and Bid Line awards or assignments, and bid request forms for six (6) Bid Periods.

### **Section 2 General Scheduling Policy**

- A. The Company shall plan its Crewmember staffing, considering block hours, attrition, vacations, training, sick leave, and similar circumstances.
- B. In the event a Crewmember is not available to answer a call, Scheduling will leave a message including time at both primary and secondary numbers. The terms of this paragraph apply to all messages left by Scheduling to crewmembers.
- C. It is the responsibility of the Crewmember to notify scheduling as soon as possible, if the Crewmember is unable to report to work due to an emergency or illness.
- D. Scheduling will make every attempt to assign the trips in advance, normally for the next day. Scheduling or Flight Control will provide a three (3) hours notification call before the trip's ETD. With a crewmembers approval a shorter call out time of less than three hours could be arranged. The notification call should be arranged between the crewmember and the scheduling manager. If the crewmember is at the Miami base the

above rule may apply; for foreign layovers the notification call will be arranged by the station manager and the Captain.

- E. If a crewmember chooses to contact, or makes themselves available for contact by Scheduling on guaranteed days off, the crewmember will have the option to accept or pass the trip.
- F. Scheduling will assign the trips available by using the Scheduling Policy as described below in Section 3 and/or Section 4 as applicable.
- G. Scheduling will make every attempt to incorporate split lines for those crewmembers that commute.
- H. Crewmembers on reserve day must return a phone call to Scheduling within twenty (20) minutes after Scheduling has left a message. If no response is received by crew scheduling at the end of the thirtieth minute the crewmember is subject to be assigned the trip. It is the responsibility of the Crewmember to be available for contact by Scheduling when on a reserve day.
- I. It is the responsibility of the crewmembers to be aware and notify the scheduling department of all the legalities of the FARs regarding rest periods including the one in seven rule, this one being to notify Scheduling in the preceding forty eight (48) hours.

### **Section 3 Regular Line Scheduling Policy**

- A. Regular line trips as well as days off may be traded with another Crewmember with the approval of Crew Scheduling, as long as both Crewmembers are regular line holders and such trade will not interfere with subsequent trips, training, vacation, etc.
- B. When a regular line trip cancels (lost time) the affected Crewmember must be available for "make up" flights for a period of five (5) hours beginning at the regular line trip's original ETD. This will not restrict the individual Crewmember from making themselves available beyond the five (5) hours.

#### **Trips will be offered or assigned as follows:**

- A. Offered to Crewmembers, by position and seniority, who have lost time and/or are subject to make up rules.
- B. Assigned to Crewmembers on Blank Day by position in reverse seniority order; except for junior available assignment, Open Time awarded/assigned to a Crewmember shall not conflict with any other scheduled trip.
- C. The Crewmember must be legal to complete the whole trip (no conflicts with FARs).

- D. The new trip must not conflict with any other of the Crewmember's scheduled trips, training, or vacation. The new trip must not conflict with Crewmember's guaranteed days off unless Crewmember agrees to fly the trip on guaranteed days off or, prior to the initiation of the new trip, the Crewmember's guarantee days off are moved by mutual agreement between Scheduling and the Crewmember. The company will make every effort to bring back the Crewmember however, may choose to fly the new trip with the agreement to have him returned in the most expeditious manner via deadhead or commercial flight to begin his guaranteed days off. If your guaranteed days off are interrupted, the guaranteed day off will be replaced Days off that cannot be replaced, will be paid at full time.
- E. A senior Crewmember must be bypassed if the Crewmember is projected to have "High Time" for the current month (trip would be offered to next senior Crewmember following the same criteria).
- F. In the event additional open time trips become available after a Crewmember accepts or is assigned a trip, the newly available trips will be offered to Crewmembers who are available following the policies prescribed here. If a "better" trip becomes available after a Crewmember accepts or is assigned a trip or series of trips the Crewmember cannot "bump" a junior Crewmember.
- G. A senior Crewmember must accept a trip if the Crewmember is projected to have "Low Time", for the current month.
- H. Once a Crewmember accepts or is assigned a trip, the Crewmember will be available for contact by Scheduling:
- I. Scheduling will advise the Crewmembers of any change or cancellation of their assigned trip, making every effort to respect the Crewmember's rest. Crewmember rest will consist of ten and half (10.5) hours at base or eight (8) hours while away from base. It is up to the particular Crewmember to allow contact by the Company during the rest period depending on the Crewmember's preference indicated to the Company on the monthly Bid Form. Application of rest for Base - You may receive your three (3) hour call at the end ten and half (10.5) hour in order to begin your duty one and one-half (1 ½) hours later. Application of rest for Away from Base - You may receive a one (1) hour call at the end of the eighth (8<sup>th</sup>) hour of rest at the hotel, in order to begin your duty one and one-half (1 ½) hours prior to ETD. (No conflicts with FAR)
- J. A Crewmember who shows up at the field for a flight that is cancelled or otherwise does not fly will receive show - no go pay.

- K. If the flight is delayed in excess of five (5) hours from the original ETD, not to exceed eighteen (18) up to twenty (20) hours of duty with the Chief Pilot or the D/O approval. The Crewmember may decide not to take the flight in which case the Crewmember will be paid show – no go pay and be released from duty until completion of rest. This flight will then be offered to a Reserve Day Crewmember as per the Reserve Day Scheduling Policy in Section 4 below.
- L. If a flight is delayed more than eight (8) hours from ETD while the crewmember is at base, he/she would have the right to accept or decline the flight by notifying crew scheduling.

**Section 4 Reserve Day Scheduling Policy**

- A. Crewmembers on reserve days may trade guaranteed days off among other Crewmembers with the approval of Crew Scheduling.
- B. A Reserve Day begins at 0000 Zulu and ends at 2359 Zulu.
- C. Crewmembers on reserve day must return a phone call to Scheduling within twenty (20) minutes after Scheduling has left a message. If no response is received by crew scheduling at the end of the thirtieth minute the crewmember is subject to be assigned the trip. It is the responsibility of the Crewmember to be available for contact by Scheduling when on a reserve day.
- D. Scheduling will call Reserve Day Crewmembers to offer open trips as specified in Section 3 above.

**Trips will be offered or assigned as follows:**

- A. Assigned to Crewmembers on Paid Duty Day(s) by positions and seniority (refer to C and D below).
- B. Offered to Crewmembers on days off by position and seniority
- C. Except for junior available assignment, Open Time awarded/assigned to a Crewmember shall not conflict with any other scheduled trip.
- D. The Crewmember must be legal to complete the whole trip (no conflicts with FAR).
- E. The new trip must not conflict with any other of the Crewmember's scheduled trips, training or vacation. The new trip must not conflict with Crewmember's guaranteed days off unless Crewmember agrees to fly the trip on guaranteed days off or, prior to the initiation of the new trip, the Crewmember's guarantee days off are moved by mutual agreement between Scheduling and the Crewmember. The Crewmember however, may choose to fly the new trip with the agreement to have him returned in the

most expeditious manner via deadhead or commercial flight to begin his guaranteed days off. If your guaranteed days off are interrupted, the guaranteed day off will be paid at time and one half.

- F. A senior Crewmember must be bypassed if the Crewmember is projected to have "High Time" for the current month (trip would be offered to next senior Crewmember following the same criteria).
- G. In the event additional open time trips become available after a Crewmember accepts or is assigned a trip, the newly available trips will be offered to Crewmembers who are available following the policies prescribed here. If a "better" trip becomes available after a Crewmember accepts or is assigned a trip or series of trips the Crewmember cannot "bump" a junior Crewmember.
- H. A senior Crewmember must accept a trip if the Crewmember is projected to have "Low Time", for the current month.
- I. Once a Crewmember accepts or is assigned a trip, the Crewmember will be available for contact by Crew Scheduling.
- J. Scheduling will advise the Crewmembers of any change or cancellation of their assigned trip, making every effort to respect the Crewmember's rest. Crewmember rest will consist of ten and half (10.5) hours at base or eight (8) hours while away from base. It is up to the particular Crewmember to allow contact by the Company during the rest period depending on the Crewmember's preference indicated to the Company on the monthly Bid Form. Application of rest for Base - You may receive your three (3) hour call at the end of the ten and half (10.5) hour in order to begin your duty one and one-half (1 ½) hours later. Application of rest for Away from Base - You may receive a one (1) hour call at the end of the eighth (8<sup>th</sup>) hour at the hotel in order to begin your duty one and one-half (1 ½) hours prior to ETD. (no conflicts with FAR)

#### **Section 4 Schedule Construction and Bid Award**

- A. For each Position, the Company shall construct a number of Regular Lines containing all known flying for the bid period projected, to the extent possible, within five (5) hours of each other. All lines will be available for bid by Position and Seniority.
- B. Bid and Custom Lines will contain at least twelve (12) days off including at least one block of five (5) consecutive days off or may be built with twelve (12) consecutive days off in a row. Bid Lines will be designed in groups of two or three Trips in a row, followed by as many days off in a row as the schedule will permit.

- C. Bid lines will be posted by the 20<sup>th</sup> of every month. Bids will close at 9:00 a.m. and awards will be posted by 12:00 Local ET on the deadline date listed on the Bid Package, normally five (5) days after posting.
- D. Bid Lines will be awarded by position and seniority. Crewmembers not bidding by the deadline will be assigned to remaining Lines after all bidding Crewmembers have been awarded Lines. Crewmembers are responsible for the Lines awarded or assigned.
- E. Any Crewmember protest of the bid process must be made to Crew Scheduling committee in writing within twenty-four (24) hours of bid award.

## **Section 5 Make up Rules**

Regular line holders are subject to make up rules. Make up flying will be accomplished as follows:

- A. A Crewmember displaced from a flight in order to accommodate another Crewmember's training (such as OE) may be assigned to make up time only on that day(s) the Crewmember would have worked had the Crewmember not been displaced. If the Crewmember makes himself or herself available for such duties, the Crewmember will be credited towards the sixty-five (65) hour guarantee or toward the payment of overtime, if applicable, three hours and thirty-seven (3:37) minutes or actual block time for each day offered, whichever is greater.
- B. Any Crewmember who has time dropped from the Crewmember's line will be subject to the makeup rules. Except as provided in paragraph C and D below.
- C. A Crewmember who shows at the field for a flight that is cancelled or otherwise does not fly will receive show – no go pay, and the Crewmember will be subject to make up flying on days other than the Crewmember's Guaranteed Days Off if the Crewmember's projected monthly time falls below minimum monthly guarantee. If the flight is delayed in excess of five (5) hours, the Crewmember may decide not to take the flight in which case; the Crewmember will be paid show no go pay and will not be subject to make up flying for that particular day.
- D. The Company will not be restricted by a cap related to a Crewmember's original line value when assigning make up time. For example, if a Crewmember has a line with a seventy-five (75) hour line value and the Crewmember drops a ten (10) hour pairing due to maintenance that projects him or her to be at the Crewmember's sixty-five (65) hour guarantee, the Crewmember will not be required to make up such time. If the same Crewmember dropped a twenty (20) hour pairing, placing his or her projection at fifty-five (55) hours, the Crewmember may be assigned on days other than the Crewmember guaranteed days off to pairings, or other similar combinations that will bring the time dropped to at least minimum monthly guarantee.

- E. Make up trips will not be scheduled if they conflict with other scheduled trips.
- F. Regular line holders are expected to fly their line value and will be responsible for such time up to at least the Crewmember monthly guarantee. There are exceptions such as training, illness, maintenance, operations, customer's demand, etc. that will prevent a Crewmember from accruing the Crewmember's line projected value but will not reduce guarantee.

## **Section 6 Reserve Day Scheduling Policy**

Crewmembers on reserve days may trade days off among other Crewmembers with the approval of Crew Scheduling.

- A. Paid Duty Time will be performed at the Crewmember's home Base.
- B. A Paid Duty Time Day begins at 0000Z and ends at 2359Z.
- C. Crewmembers on Paid Duty Time must return a phone call to Scheduling within twenty (20) minutes after Scheduling has left a message. It is the responsibility of the Crewmember to be available for contact by Scheduling when on Paid Duty Time.
- D. Scheduling will call Paid Duty Time Crewmembers to offer open trips as specified in Section 3 above.
  - 1) A Crewmember who shows up at the field for a flight that is cancelled or otherwise does not fly will receive show – no go pay.
  - 2) Crewmembers on reserve day must return a phone call to Scheduling within twenty (20) minutes after Scheduling has left a message. If no response is received by crew scheduling at the end of the thirtieth minute the crewmember is subject to be assigned the trip. It is the responsibility of the Crewmember to be available for contact by Scheduling when on a reserve day.



## Article 16 Hours of Service

### Section 1 General

- A. All flights operated by Crewmembers covered by this Agreement shall constitute duty time as a flight Crewmember.
- B. The Company shall provide adequate and clean rest facilities in hotels or motels or their equivalent for each Crewmember. The Company shall book lodging to provide each Crewmember with a separate room.

### Section 2 Duty Time and Rest

- A. Maximum scheduled duty period, including all non-flight duty assignments (e.g. Deadhead), if any, is limited to eighteen (18) up to twenty (20) hours with the Chief Pilot or the D/O approval. A Crewmember will receive a minimum rest between duty assignments of eight (8) hours at Domicile and eight (8) hours away from Domicile or applicable FARs. If the duty day exceeds eighteen (18) hours with the crewmembers approval, the portion of the flight over eighteen (18) duty hours will be paid as time and one half.
- B. Duty Time shall commence when a Crewmember is required to report for Duty (one and one half [1:30] hours prior to scheduled departure), or actually reports to the airport, whichever is later. Duty Time shall end thirty (30) minutes after the flight arrives at the blocks at the point where the flight terminates or actual whichever is later.
- C. Whenever a Crewmember is required to report for duty and the first assignment prior to a flight, or series of flights is Deadhead, the time spent in traveling shall be considered Duty Time. The Crewmember shall be considered On Duty.
- D. If a Crewmember is required to Deadhead between flight duty assignments, and is not provided a rest period as defined in this Article, the time spent in traveling shall be considering Duty Time.
- E. Crewmembers shall not receive deadhead time when traveling between the base and a training assignment or return.
- F. During Duty Time, a Crewmember is under the control and direction of the Company and is subject to variations in Trip itinerary as provided in this Agreement.
- G. A Crewmember's Duty Time shall be broken anytime the Crewmember is released for a rest period. Rest Time is measured from release of Duty, as specified in Paragraph 2.B of this Article, until report for Duty. A rest period is defined to be freedom from all restraint including freedom from work and from responsibility for work should the occasion arise.

## **Article 17**

### **Physical Examination**

#### **Section 1**

The physical standards required of a Crewmember shall be the standards established by the Federal Aviation Administration, outlined in Part 67 as amended. It is the obligation of the Crewmember to inform the Chief Pilot and Scheduling of any medical condition disqualifying him or her for flight duty.

#### **Section 2**

Any information obtained by or as a result of a Company physical examination shall be kept confidential between the doctor(s), the Crewmember, and the administrative personnel of the Company concerned with the Crewmember's physical condition to the extent possible.

#### **Section 3**

It is the responsibility of the Crewmember to provide the Company's Flight Operations Department with a copy of his or her new current medical certificate by the twenty-fifth (25<sup>th</sup>) Day of the month in which the old medical certificate is due to expire. The Company will reimburse the cost of up to two required FAA medical examinations per calendar year, with the cost of up to \$ 250.00 USD maximum per calendar year.

#### **Section 4**

During the month the Crewmember is due his or her physical examination, the Company shall ensure he or she is not prevented from taking the examination. It is the Crewmember's responsibility to schedule his or her physical examination on his or her days off.

#### **Section 5**

The Company and the Crewmembers shall adhere to the Current FAA Drug and Alcohol Testing Programs. The Company shall provide at no costs to the Crewmembers all FAA required material and information regarding the programs. The Company will make every effort to schedule the FAA Drug Testing on a Crewmember's Duty Day. During the terms of this Agreement, the Company shall notify all Crewmembers in writing as to any changes, modifications, or additions to the current programs. However, it is understood that FAA requirements are for random testing and the ability to schedule testing on a Crewmember's Duty Day may not be possible.



## Article 18

### Health and Welfare/401(k)

#### Section 1

The Company will provide the same health and welfare it provides to all part 121 employees who are employed by this airline group represented by a Union, and it is understood that this may be changed from time to time in terms of benefits and the funding; but, whatever the policy for health insurance that is available to those employees listed above will be available to the Crewmembers, subject to specific restrictions that are in that insurance. The purpose of this is to provide the continuation of insurance as had previously existed in this Agreement, subject to changes that may occur because of changing companies, policies, premium payments, benefits, as with other employees. This is not an arrangement that will lock in the amount of premium so that if the benefits available were to increase or decrease that would be based upon whatever the policy is that is utilized for other employees who are in unions.

#### Section 2

Notwithstanding the foregoing, if at anytime, the SLA gives sixty (60) days' notice that it wants to take the amount that the Company has been providing, in terms of the dollar amount paid by the Company for the premiums, and have transferred to another insurance program, as long as the Company determines that insurance program is going to satisfy the legal requirements, and the SLA takes responsibility for the transfer, the transfer can occur. If the insurance coverage benefits provided by the insurance the Company uses during the duration of this Agreement, or any extension of the Agreement under the Railway Labor Act are reduced, then the SLA will have the right to give the sixty (60) day notice and try to obtain alternative insurance under the same conditions and requirements as set forth above, and if the SLA does obtain such insurance but in order to provide some additional benefits there is some additional expense, the Company will pay up to the amount of twenty-five dollars (\$25.00) a month extra for each employee covered in terms of monies paid over the prior Company premium portion of payments (as to the Company's share). It is agreed and understood, however, that if the premiums cost more, or the benefits are more costly than the fixed or limited amount to be paid by the Company, the SLA would then have the obligation to either reduce the benefits, or have the employees or the SLA pay the difference in premium payments which are above the fixed amount paid by the Company, depending on what arrangements the SLA and employees then agree to pursuant to this provision. The Company will maintain the equivalent healthcare insurance in the event of cost increases for health insurance it obtains provided that:

- A. Any premium increases up to twenty percent (20%) will be paid one hundred percent (100%) by the Company for such twenty percent (20%) increases over the amounts being paid on the date of the signing of this Agreement by the Company.
- B. Any premium increases above twenty percent (20%) will be paid by the Company as to an additional seventy-five percent (75%) and also paid by the employees as to an additional twenty-five percent (25%) of the amount above the twenty percent (20%) increase referred to above.

## Article 19 Compensation

### Section 1 Crewmember Compensation

- A. Crewmembers on flight status shall receive a monthly guarantee of sixty-five (65) hours for each Month a Crewmember is available to fly his or her awarded/assigned Regular, Custom or Paid Duty Time (PDT) Line. Separate provisions are provided in the event a Crewmember is not available to fly a Line due to sickness or Leave of Absence.
- B. Flight Hour Pay will be computed on the basis of "schedule or greater" for each leg. The Schedule shall realistically reflect the time required to operate each leg to include average flight and ground times including pushback and tow-in, if any.
- C. It is understood that:
1. Trip Rig will be one (1) to five (5). A Trip Rig of one (1) hour flight pay for every five (5) hours away from base shall be applied to each Trip (computed as Trip hours divided by five (5)). Trip pay shall be the greater of the Trip Rig or the total of Flight Hour Pay, on a trip by trip basis.
  2. Overtime will be at one hundred fifty percent (150%) for hours above sixty-five (65) hours for flight time (which includes Trip Rig), deadheading while on duty, check airmen and instructors while training others while flying and in simulator.
  3. Minimum days off will equal twelve (12) days on the months with (30) calendar days and (13) days with the months of (31) calendar days, on the month of February (10) days off.
  4. All flying on Days Off will be paid at one hundred fifty percent (150%) above and beyond the monthly guarantee.
- D. Two hours Show/No Go pay shall apply. In the event a crewmember is called for duty on a day off, and the assignment is cancelled, the crewmember shall be paid two hours at overtime rates.
- E. Work Schedule to include: eighteen (18) days and sixty-five (65) hours of flight time, training (e.g. ground school and simulator), deadheading while on duty, jury duty, vacations and show/no go.
- F. Crewmembers entering a new Category and/or Crew Class will enter the pay scale at his or her longevity with the Company.
- G. Crewmembers will be paid biweekly; a payroll schedule will be published no later than two weeks before the beginning of a new year.

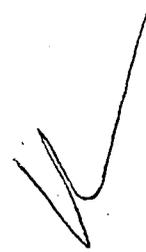
- H. Management pilot compensation will consist of sixty five (65) hours minimum guarantee. Any flying will be paid in addition to this minimum guarantee.

**Section 2 Flight Hour Pay Rate**

- A. Flight Pay for Captains is presented in the following table. First Officers and Flight Engineers shall receive Flight Pay at sixty-eight percent (68%) of the rate for Captains. Flight Engineer possessing FAA A&P licenses will earn an additional three dollars (\$3.00) per hour. To receive the extra pay, they must have adequate knowledge of the aircraft to perform maintenance as determined by the Director of Maintenance and the Director of Operations and be RII approved.
- B. The Flight Pay rate for Check Airmen and Management Pilots is the applicable rate from paragraph 2.A above plus twelve dollars (\$12.00) for all hours. The instructors designated by the Company will be paid the applicable rate from paragraph 2.A above plus twelve dollars (\$12.00) for each hour while instructing Crewmembers.
- C. Pay becomes effective upon the commencement of the Crewmember's first OE, but in no case later than thirty (30) days after the successful proficiency check.

**Captain Hourly Pay Rates**

<u>Crewmember Longevity</u>	<u>January 1,2013</u>
0-1	87.85
1-2	99.20
2-3	112.89
3-4	115.75
4-5	118.60
5-6	121.47
6-7	124.33
7-8	127.18
8-9	130.04
9-10	132.89
10-11	135.76
11-12	138.48
12+	142.90



**Section 3 Non Flight Pay**

**A. Deadhead Pay**

1. Deadhead will be paid at fifty percent (50%) of applicable Flight Pay rate.

**B. Training Pay**

1. Except for initial new-hire Crewmembers, Crewmembers shall be paid for training as follows:
  - A. Classroom: Two (2) hours Flight Pay for each day or fifty percent (50%) of actual classroom training hours, whichever is less.
  - B. Simulator: Hours of Flight Pay for each simulator session.
2. Ground School away from home base requires the Company to supply per diem, hotel accommodations and round trip transportation.
3. Days of initial training for existing Crewmembers on new equipment or in upgrade will be prorated and credited against the monthly guarantee. Crewmembers are expected to be available to satisfy the remaining portion of guarantee.

**C. Per Diem**

Per Diem shall be paid for all flights beginning at Report Time (one and one-half hours (1:30) prior to scheduled departure) and ending at Release (one-half hour (:30) after Block In or Actual Release at home Base/Domicile, whichever is later), subject to the following schedule:

Operational Area	Rate in USD, per trip hour
Americas; North, South, Central, Caribbean, Mexico and Canada	\$2.75 per hour
Europe, Asia and elsewhere	\$3.00 per hour

**D. Moving Expenses**

The Company will reimburse actual and reasonable moving expenses for Crewmembers moving to a newly established Domicile or those Crewmembers assigned to a Domicile other than their current Domicile.

#### **Section 4 Equipment Changes**

If a Crewmember moved or is transferred to alternative equipment, the Crewmembers cannot transfer off or out of the equipment so transferred to without Company permission for a one-year period, even the Crewmember were otherwise qualified or eligible for transfer. The objective of this prohibition is to ensure that unless there is Company consent, a Crewmember cannot upgrade or transfer to a piece of equipment, go through the training and then decide that because of availability of another piece or equipment, the Crewmember will seek to transfer based on seniority or any other opportunity, unless the Company agrees. This is necessary so that the stability of the two years requirement for remaining on the equipment a Crewmember previously transferred to, will protect the Company against training Crewmembers, or placing Crewmembers on equipment and then finding that they are moving in a way that is disruptive of operations or procedures deemed necessary by the Company for its business objectives.

#### **Section 5 Base**

When the Company establishes Temporary Base, the Company shall bear the following costs related to Crewmember expense; ground or air transportation from a Crewmember's domicile and return, per diem and lodging, if applicable.

Where a Base has been established and the expected duration is such that it would be classified as a Permanent Base, such Base shall be the Domicile of those Crewmember's awarded or assigned to that Base. If a Permanent Base subsequently comes within the definition of a Temporary Base (have a duration of less than one hundred eighty (180) days), the Company shall then be responsible for the Crewmember costs as defined in Article 2 Definition Temporary Base. Additionally, the Company shall bear the costs of returning the Crewmember to the Crewmember's last Permanent Base, covered costs shall be those contained in Article 19, Section 3.D, and those costs associated with Crewmember's assigned or awarded a Temporary Base.

## Article 20

### General Conditions

#### Section 1

A Crewmember shall not be required to pay for the use of any Company equipment used in training and will not be required to pay the Company for any Company aircraft damage while under the direction of the Company.

#### Section 2

The Company shall pay for all FAA pilot medical exams to include EKG (article 17 section 3), visas, passports and W.H.O. required inoculations.

#### Section 3

The Company shall cater all flights as follows:

Duration of Trip	Food	Beverage	Ice
Less than 8 hours	1-cold snack to consist of Sandwich, Vegetable, Fruit and candy bar	Water/Coffee/Tea/Soda	Sufficient to ensure chill for all cold beverages (including turnaround points)
More than 8 hours	1-cold snack, as above, 1-hot meal to consist of Protein Entrée, vegetable, starch, fruit and dessert	Water/Coffee/Tea/Soda	Sufficient to ensure chill for all cold beverages (including turnaround points)

#### Section 4

Any Crewmember who becomes sick or injured while away from his or her Base on Company business shall be provided with any necessary transportation arising from his or her illness or injury. Such transportation shall be provided at Company expense if not otherwise covered by applicable insurance. The Crewmember will be returned to Domicile by the Company at the earliest possible time.

### **Section 5**

No Crewmember can have any other civilian flying equipment for compensation or hire, or remuneration or benefit or consideration of value of any kind. Likewise, no Crewmember shall engage in work for another employer at any time during that day/those days due to crew rest and availability considerations without written permission from the Company in its discretion. Other employment on days off is permissible, as long as it does not involve civilian flight for compensation, and the Director of Operations is advised, in writing, of the employment, Director of Operations approves in writing in advance of the employment.

### **Section 6**

The Company reserves the right to use its rules and regulations, or to promulgate new rules and regulations as it deems necessary in its discretion, provided, however, such rules and regulations will be subject to the terms of this or her Agreement including, but not limited to, the management rights provisions and posted where possible to allow seven (7) day notice.

### **Section 7**

The company will provide lodging, preferably in the proximity of the airports that the crewmembers fly in and out of, for the purpose of resting between flights.

### **Section 8**

The company will provide hazard life insurance for all Department of Defense flights in to and out of war zones at no cost to the crewmember.



## **Article 21 Management Rights**

### **Section 1**

The Company retains, solely and exclusively, all the rights, powers and authority exercised or possessed by its prior execution of this Agreement, except as expressly limited by a specific provision of this Agreement. Without limiting the generality of the foregoing, the rights, powers and authority retained solely and exclusively by the Company and not limited by this Agreement include, but are not limited to, the following: To manage, control, direct, and maintain the efficiency of its business, personnel departments and facilities in whole or in part; to use independent contractors or discontinue work without limitation for business, economic or operational reasons, to direct, increase or decrease the work force and determine the number of employees needed; to hire, transfer, or promote employees, to demote, suspend, discipline, furlough and discharge employees, for just cause; to maintain efficiency of its employees; to establish work standards; schedules of operations and work load; to specify or assign work requirements and overtime; to assign work and decide which employees are qualified to perform work; to determine working hours, and days off; to adopt rules of conduct, dress, appearance and safety, to effect technological changes in its equipment and operations; to acquire and dispose of, and determine the location and relocation, of equipment and facilities; to determine and change the location of its Crew Bases and the places where work will be performed; to determine and change the composition of its cockpit crews; to determine and change the type of aircraft that will be flown by the Company including the ability to lease aircraft under any conditions that may be possible; to hire temporary or part-time employees for such designated periods of time as the Company designates in its discretion for training or for staff as Crewmembers when no Crewmembers are available to fly the equipment; to pay wages and benefits in excess of those required by this Agreement; and to subcontract, provided that the Company will not subcontract in the manner prohibited below.

### **Section 2**

The parties agree that any Arbitrator shall be bound by the provisions of this Agreement, and in case of doubt, the management rights shall be determined in favor of the Company. The parties hereto agree that only those restrictions specifically imposed on management operations by express provisions herein can restrict the Company.

### **Section 3**

The Company shall not subcontract out work to fly the aircrafts included in the Company's certificate, except when: (i) all its Crewmembers are on Active Status; (ii) its Crewmembers are not qualified (as determined by the Company's qualifications) to fly such aircrafts; or (iii) an aircraft has been included in the Company's certificate through a Wet Lease Agreement. If the equipment does not operate for any reason, or if it is transferred, loaned, leased out or removed from the Company's certificate, the Crewmembers shall not have any claim or right to the work, or any compensation of any kind related to it. The Company may transfer any aircraft on the Company's certificate to a Sister Air Carrier with the intent of utilizing that Sister Air Carrier and such aircrafts in sub-service of the Company's routes. The Company agrees to establish, with the prior consent of the Crewmembers, which shall not be unreasonably

withheld, rules that will allow the Company's Crewmembers to be transferred to those vacancies existing at any Sister Air Carrier before hiring a new crewmember. In any event, the Crewmembers may be transferred at the Company's sole discretion provided their category/crew class, longevity for pay, sick leave and vacation accrual are respected. In the case of a transfer, seniority will be agreed by both crewmembers associations. Other than the limitations on subcontracting in this clause, nothing in this provision will prohibit any other type of sub-service.

## **Article 22**

### **Work Stoppages**

#### **Section 1**

During the term of this Agreement, and thereafter until permitted by the Railway Labor Act, neither the SLA nor its agents or representatives, nor any employee, individually or collectively, shall call, sanction, support, or participate in any strike, work stoppage, picketing, sit down, sick-out or slow down, or any refusal to cross a picket line at or near the Company's premises, or engage in any other interference with any of the Company's services or operation, or with the movement or transportation of goods to or from the Company's premises. Nor shall the SLA participate in any secondary activity or "information" activity at the Company's premises, or any other location (including corporate or municipal or residential premises) in connection with any type of primary or secondary activity, which would be in violation of the terms of the Railway Labor Act. It is, however, not improper for the SLA to engage in informational picketing that would be permissible under the provisions of the Railway Labor Act and applicable legal requirements. The prohibitions of this Article are intended to apply regardless of the motivation for the strike or other conduct. By way of illustration only, this Article expressly prohibits sympathy strikes (individual or concerted failure to cross a picket line established by another labor organization or by members of another bargaining unit), strikes over disputes that are not subject to arbitration, strikes in protest of alleged violations of state or federal law, and strikes for alleged violations of state and federal law, and strikes for political objectives and "informational picketing". Any statutory right which the employees may otherwise have, to engage in such conduct is hereby expressly waived by the SLA.

#### **Section 2**

If a violation of this Article should occur, the SLA shall immediately do everything within its power to terminate the violation. This shall include, but not limited to, immediately sending a written communication to the employees participating in the prohibited conduct (i) informing them that their conduct is unlawful and in violation of this Agreement, that it exposes them to termination of their employment, and that it exposes the SLA to liability for damages; and (ii) instructing them to cease such conduct immediately. This communication shall be given by letter or personal delivery.

#### **Section 3**

Any employee who participates in any activity prohibited by this Article shall be subject to discharge or such lesser discipline as the Company in its discretion shall determine, and the Crewmember's discharge or other discipline shall not be subject to arbitration under this Agreement.

#### **Section 4**

The Company shall be entitled to all appropriate judicial remedies, including but not limited to injunctive relief and damages, if a violation of this Article occurs. It may immediately institute judicial proceedings to obtain such remedies, without any prior obligation to seek relief from the System Board of Adjustment or in arbitration under this Agreement. Any right to remove a state court action filed by the Company to federal court is expressly waived by the SLA.

## Article 23

### Labor Protective Provisions

It is agreed and understood that the Company will engage in good faith efforts to preserve and protect Crewmember's positions which affect operations in connection with any sale or merger, but if the Company is not able to do so, then in the event there is any type of a sale, merger, acquisition, or other change in ownership that causes employees under this Agreement to be terminated, the Company will pay an additional four (4) months' pay for separation pay after the date on which such employee is given a two (2) month notification prior to being terminated, it being understood the payment would be made within thirty (30) day period from that date to each such employees covered by this Agreement so affected. There will be a two (2) month "look back" period in which any employee who is terminated within the two (2) months prior to the above stated notice will be given the same four (4) months payment. The two (2) months' notice and the four (4) months' pay shall apply if any employee is terminated within the first and the sixth month of the sale, merger, acquisition, or other change in ownership.

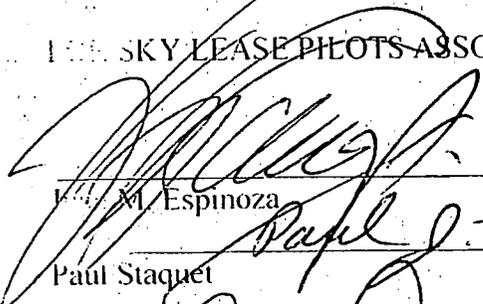
## Article 24

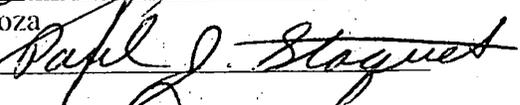
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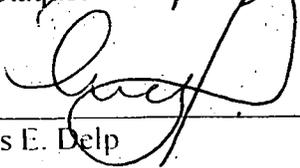
This Agreement shall become effective on January 1, 2013 and then it will last sixty (60) months thereafter from either the foregoing date or the date of implementation of the Agreement; it may be open for review twenty four (24) months after the date of implementation of this Agreement and upon agreement of both parties. It shall renew itself each successive January 1<sup>st</sup> thereafter until a written notice of an intended change is served in accordance with Section 6 of the Railway labor Act, as amended, by either party at least thirty (30) days, but not more than one hundred twenty (120) days prior to the amendable date of December 31, 2017; January 1<sup>st</sup> of any subsequent year.

DATED AND ACCEPTED this 7<sup>th</sup> day of FEBRUARY, 2013.

THE SKY LEASE PILOTS ASSOCIATION

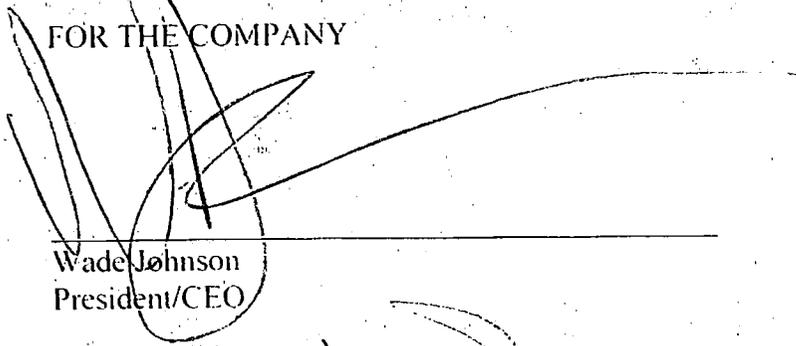
  
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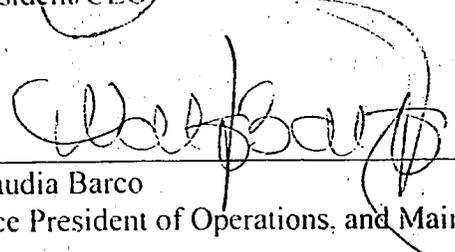
  
\_\_\_\_\_  
Paul Staquet

  
\_\_\_\_\_  
Carlos E. Delp

DATED AND ACCEPTED this or her \_\_\_\_\_ of \_\_\_\_\_.

FOR THE COMPANY

  
\_\_\_\_\_  
Wade Johnson  
President/CEO

  
\_\_\_\_\_  
Claudia Barco  
Vice President of Operations, and Maintenance