Agreement

Between

HORIZON AIR INDUSTRIES INC.

And

Airline Technicians and Related Employees

In the Service of

Horizon Air Industries Inc.

As Represented By

The International Brotherhood of Teamsters

December 16, 2014 – December 15, 2020
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ARTICLE 1

PURPOSE OF THIS AGREEMENT

A. The purpose of this Agreement is to set forth the terms and conditions of employment of the Employees covered by this Agreement. It is in the mutual interest of the Company, the Union and the Employees to promote harmony, professionalism, efficiency, trust and confidence in the workplace in order that the product of the Company's aircraft maintenance operations is a safe and reliable fleet that meets the Company's schedule commitments to its customers, to the fullest extent possible. It is the duty of the Company, the Union, and its Employees to cooperate fully, both individually and collectively, for the advancement of these mutual interests.

B. The Company recognizes that the work covered by this Agreement is performed by a group of employees who possess high levels of skill and a demonstrated commitment to the safety of flight and the progress of commercial aviation through the practice of quality maintenance.
ARTICLE 2

RECOGNITION AND SCOPE

A. Recognition

1. Pursuant to the certification from the National Mediation Board dated April 21, 2009, in case No. R-7196, Horizon Air Industries Inc. (the “Company”) recognizes the International Brotherhood of Teamsters (the “Union”) as the exclusive collective bargaining agent, with respect to rates of pay, hours of work, rules and other working conditions set forth in this agreement for all employees of the Company who perform work in the mechanics and related classifications, the class and craft covered under this agreement.

2. This Agreement shall supersede all previous agreements by and between the Company and the Union or individual(s) with respect to the employees covered by this agreement and shall constitute the sole agreement between the Company and the Union. Any and all agreements made by the parties shall be reduced to writing and signed by authorized representatives.

NOTE: Subject to inclusion of current Heavy Maintenance Outsourcing side letter.

B. Scope

1. The Company agrees that all present and future mechanical work now and of the kind or type customarily done by its own employees wherever performed involving the maintenance, inspection, repair, modification, and servicing of aircraft is recognized as coming within the jurisdiction of the Union and is covered by this Agreement and shall be performed by employees on the system seniority list, except as otherwise provided in this article.

2. Supervisory personnel will not perform work which is covered by this Agreement except during planned training, demonstrations and safety education, or when no other covered employee is available to perform the work in order for the aircraft to meet service commitments. The Company shall not use the exceptions above as a subterfuge to perform work.

3. Subject to the limitations of the no furlough side letter (dated December 16, 2010), the Company reserves the right to continue to subcontract the types of work heretofore customarily contracted in such ways, or to contract for work when it determines that its facilities or personnel are not sufficient or available. The Company also retains the right to contract for other work coming within the scope of this Agreement when it is more cost efficient to do so. If such work is performed by current employees in current locations, and furlough, reduction or transfer of such employees would result from the contracting, the Company’s decision shall be based only on
reasonable and verifiable economic considerations, and not for the purpose of reducing its maintenance employee workforce or discriminating against members of the IBT.

4. Notice of intended subcontracting action that would result in the furlough, reduction or transfer of employees will be served on the IBT at least thirty (30) days before employees are furloughed, transferred or removed from active status. Upon request of the IBT or the Company made within ten (10) days after such notice, the parties will promptly meet and confer over the effect on the employees involved and will consider alternatives proposed by the Union. The Company will not unreasonably reject alternatives that can be demonstrated to provide the Company with substantially equivalent or better services on the basis of cost, quality, turn time, and other relevant factors. The Company shall not be obligated to delay planned subcontracting action for which notice has been timely given to comply with its obligation to confer with the IBT.

5. When Company facilities are available, in order to increase the opportunity for covered employees to perform work which has customarily been contracted out or work which has not been customarily performed by covered employees, such work may be performed by covered employees without losing its character as work which has been historically contracted out or work which has not been performed by unit employees on a regular basis.

C. Review Committee

1. A Committee (the "Review Committee") consisting of equal numbers of Company and Union representatives, with a maximum of three (3) members each, shall meet at least quarterly for the purpose of discussing the Company's current practice and future plan for contraction aircraft maintenance, including opportunities for efficiently and economically increasing work done in house. The Company will provide the Review Committee, upon request, information necessary to facilitate these discussions. Proprietary, sensitive, or confidential information shall be reviewed under standard confidentiality agreements at the Company's request.

D. Expedited Arbitration

1. Any and all disputes concerning alleged violation of Article 2 of the Agreement shall be resolved by final and binding arbitration. Both parties agree to arbitrate any grievance filed by the other party alleging violation of Article 2 on an expedited basis directly before a neutral arbitrator, selected in accordance with Article 20. The dispute shall be heard no later than thirty (30) days following the submission to the neutral arbitrator, and decided no later than thirty (30) days after close of the hearing. These time limits may be extended by mutual written agreement.
ARTICLE 3

STATUS OF AGREEMENT

A. Successorship

1. The provisions of this Agreement shall be binding upon any successor, assign, assignee, transferee, administrator, executor and / or trustee (a “successor”) of the Company resulting from any transaction that involves transfer (in a single transaction of a multi-step transaction) to such successor of ownership and/or control of all or substantially all of the equity securities and/or assets of the Company. Any transaction wherein a successor emerges shall be deemed as a “Successorship Transaction”. The Company shall also keep the Union members informed of any subsequent material developments relating to such transaction once it becomes public information.

2. No contract or other legally binding commitment involving the transfer of ownership or control pursuant to a successorship transaction, whether by sale, transfer or lease of the Company or substantially all of its assets, will be signed or otherwise entered into, unless it is agreed as a material and irrevocable condition of entering into, concluding and implementing such transaction that the rates of pay, rules and working conditions set forth in this Agreement will be assumed by the successor employer, and employees on the then current system seniority list will be employed in accordance with the provisions of this Agreement. The company shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, or assignee of the operation covered by this Agreement or any substantial part thereof. Such notice shall be in writing with a copy to the Union at the time the seller, transferor, or lessor executes a definitive agreement with respect to a transaction as herein described.

3. In the event of a merger of airline operations between the Company and another air carrier, the Company will require, as a condition of any such operational merger that provisions be included requiring that the surviving carrier provide for fair and equitable integration of the pre-merger system seniority list in accordance with Sections 3 and 13 of the Allegheny Mohawk LPPs.

4. Integration of the mechanic and related crafts or classes shall not occur until the applicable seniority lists are merged pursuant to procedures as described above, and agreement is reached over rates of pay, rules, and working conditions for the post-merger craft or class. Prior to such agreement, the terms and conditions of this Agreement shall continue to apply to the employees whose names appear on the system seniority list.

5. The following additional requirements shall be applicable in the event of a merger, purchase or acquisition involving the Company, regardless of the identity of the surviving carrier or whether formerly separate operations are to be integrated.
6. Unless and until any operational merger is finally effectuated, the Union will continue to be recognized as the representative of the pre-merger Company mechanic and related employees, so long as such recognition is consistent with the Railway Labor Act and any applicable rulings or orders of the National Mediation Board.

   a. Subject to applicable securities and other laws and regulations, the Company will review with the Union the details of any material agreements relating to successorship transactions in a timely manner, provided that no financial or other confidential business information need be disclosed unless suitable arrangements are made for protection the confidentiality and use of such information.

   b. In advance of any operational integration, the Company or surviving carrier, if different than the Company, will accept the integrated seniority list accomplished in accordance with Sections 3 and 13 of the Allegheny Mohawk LPPs.

   c. The maintenance operations of the Company and those of the other air carrier shall be kept separate unless and until the processes described in paragraphs A.3 and A.4, above, are completed. During such time of separate operations, mechanic and related employees shall not be interchanged without the Union’s written consent.

   d. Until the processes described in paragraphs A.3 and A.4, above, are completed, no employee covered by this Agreement shall be furloughed or reduced in status of pay category as an effect of the merger, purchase or acquisition. Further, the Company will not furlough or involuntarily displace employees on the system seniority list in anticipation of a Successorship Transaction in order to deprive them of the protection provided by this Article.

   e. The Company or surviving carrier, if different than the Company, shall meet promptly with the Union upon request to negotiate the implementation of the requirements of this paragraph.

B. Expedited Arbitration

1. Any and all disputes concerning alleged violation of Article 3 of the Agreement shall be resolved by final and binding arbitration. Both parties agree to arbitrate any grievance filed by the other party alleging violation of Article 3 on an expedited basis directly before a neutral arbitrator, selected in accordance with Article 20. The dispute shall be heard no later than thirty (30) days following the submission to the neutral arbitrator, and decided no later than thirty (30) days after close of the hearing. These time limits may be extended by mutual written agreement.
ARTICLE 4

SENIORITY

A. All newly hired employees covered under this Agreement shall be regarded as probationary for the first one hundred eighty (180) calendar days of their employment. During the probationary period the employee shall receive progress reviews by his supervisor on or about the sixtieth (60th), one hundred twentieth (120th) and prior to the one hundred seventy ninth (179th) day. There is only one probationary period for each employee except that an employee who leaves the service of the Company will be treated as a new hire, including the serving of another period of probation. Employees may be discharged during their probationary period without recourse to the grievance procedure. Having once passed the probationary period the employee shall be added to the system seniority roster as of the first day of employment. When two or more employees hold the same classification date their seniority ranking will be established based on their adjusted company service date. When two or more employees hold the same adjusted company service date the seniority ranking will be determined by placing the employees by the last four digits of the employee’s social security number highest number being first.

B. **Company Seniority**

1. Company seniority is the date the employee was placed on the payroll when he was most recently hired by Horizon Airlines. The company service date reflects adjustments for periods of inactive service as defined herein. The adjusted company service date is retained until the employee is separated from Horizon Air employment.

2. Company Seniority shall be used by the Company for computing years of service for determining personal time off accrual rate, total accrued extended leave, for on-line and interline reduced rate travel benefits, and for any other purpose that is not inconsistent with any specific provision of this Agreement.

3. The Company shall not compute Company Seniority (company service) more favorably for any other recognized group of Horizon employees.

C. **Classification Seniority**

Classification Seniority is length of service in a classification covered by this Agreement, determined in accordance with this Agreement.

1. Classification Seniority shall begin to accrue on the first day an employee reports for paid employment in a classification.
2. Classification Seniority shall end on the last day an employee is employed by the Company in a classification covered by this Agreement, unless extended in case of furlough, leave of absence, or as otherwise described in this Agreement. Employees successfully bidding to different classification(s) covered by this Agreement shall retain and accrue seniority in their vacated classification(s). Employees voluntarily bidding to a lower classification shall retain but no longer accrue seniority in the higher classification vacated.

3. Classification Seniority shall be used, as described in other Articles of this Agreement, in the determination of pay rates (step on the scale), bidding shift and day off pattern work schedules, filling of vacancy(s), furlough and recall, shift assignments, promotions, and transfers.

4. The Classifications / Job Titles to be recognized for Seniority purposes shall be as listed below and described in Article 5.

   a. AIRCRAFT TECHNICIAN
      (1) Lead Inspector
      (2) Lead Aircraft Technician
      (3) Inspector
      (4) Aircraft Technician

   b. GROUND SUPPORT EQUIPMENT (GSE) TECHNICIAN
      (1) Lead GSE Technician
      (2) GSE Technician

   c. AIRCRAFT PAINTER
      (1) Lead Aircraft Painter
      (2) Aircraft Painter

   d. MAINTENANCE CLEANER
      (1) Lead Maintenance Cleaner
      (2) Maintenance Cleaner

   e. FLEET SERVICE AGENT
      (1) Lead Fleet Service Agent
      (2) Fleet Service Agent

D. The Company shall maintain Seniority lists showing employee's name, job title, company seniority, and classification seniority of the employees in the Aircraft Technician, Ground Support Technician, Aircraft Painter, Maintenance Cleaner, Fleet Service Agent, and Trax Technician classifications covered by this Agreement. These lists shall be updated quarterly and posted within seven days.
at all locations where employees covered by this Agreement are employed and made available on the Company web site.

E. An Employee may grieve any alleged omission or incorrect posting affecting any Employee’s seniority, within the time limits for filing a grievance. The time shall begin on the date that the Seniority list is posted except that an employee on a Leave of Absence or Vacation shall have such time period begin on the date of return to duty. If corrections are made a new list will be posted within seven days.

F. **SUPERVISORY OR SPECIAL ASSIGNMENT**

1. An Employee, covered by this Agreement who is temporarily promoted/accepts any administrative position or any other position not covered by this Agreement (except for positions as described in F.3 below) will continue to retain and accrue seniority in the classification(s) they vacated, but will accrue such seniority for only the first **one hundred and eighty (180) days** while working in such position. Employees returning to the bargaining unit prior to the **one hundred and eighty (180) days** shall return to their previously held position including shift and days off. If a shift bid takes place during their absence from their bargaining unit position they shall not be allowed to bid but shall assume the same shift and days off of the least senior employee in their previously held work area upon return.

2. The **one hundred and eighty (180) days** referenced above shall be cumulative, and shall not exceed six (6) months in a rolling twelve (12) month period.

3. An employee covered by this Agreement who is temporarily promoted / accepts any management position will continue to retain and accrue seniority in the classification(s) they vacated, but will accrue such seniority for only the first **one hundred and eighty (180) days** while working in such position. Employees returning to the bargaining unit prior to the **one hundred eighty (180) days** shall return to their previously held position including shift and days off. If a shift bid takes place during their absence from their bargaining unit position they shall not be allowed to bid but shall assume the same shift and days off of the least senior employee in their previously held work area upon return.

4. The **one hundred eighty (180) days** referenced above shall be cumulative and shall not exceed **one hundred eighty (180) days** in a rolling **eighteen (18) month period.**

   a. In the event the 180 days has been exceeded, they may use their Classification Seniority to bid an unbidded open position.

   b. In no event will another employee be furloughed or bumped from his location as a result of the return to the unit of a management employee.

   c. Employees covered by this agreement have priority over employees in management positions who chose to return to our crafts.
5. Any time an hourly employee temporarily assumes the duties of a management or administrative position a change in status form shall be generated for tracking purposes and an electronic copy shall be generated and sent to the Chief Stewards office.

6. Upon request the Company shall furnish to the Union the dates that any employee works in a management / administrative position.

7. When an employee(s) accepts a permanent management or administrative position, his seniority shall cease accruing on the date he assumes the position.

8. When an employee(s) accept a management or administrative position on a permanent basis, desire to return voluntarily/ involuntarily to a classification covered by this Agreement, in which they retain seniority, they may use their retained Classification seniority to bid for available unbid vacancies in said Classification.

G. LOSS OF CLASSIFICATION SENIORITY

Classification seniority will be lost and the employees name will be removed from the seniority list for the following reasons:

1. Resignation, or

2. Retirement, or

3. Discharge for just cause, or

4. Failure to return to active service from a leave of absence, unless failure to return was due to verifiable circumstances beyond the control of the employee, or

5. Failure to accept recall from a lay-off within seven (7) calendar days of written notice received by the employee, or failure to report to work within twenty one (21) calendar days after receipt of recall notification. Notice will be sent Certified Mail, Return Receipt Requested, to the last address on record with the company. It shall be the responsibility of the employee to maintain their current address with the company, or

6. The employee does not return from a Medical Leave of Absence within one (1) year or as specified by law.
ARTICLE 5
COVERED CLASSIFICATIONS AND QUALIFICATIONS

CLASSIFICATIONS
For the purpose of this Agreement, the work of recognized Classifications, and job Titles within these Classifications, are as follows:

A. AIRCRAFT TECHNICIAN CLASSIFICATION: shall be comprised of the following job titles (Lead Inspector, Lead Aircraft Technician, Inspector, and Aircraft Technician).

1. LEAD INSPECTOR: The work of a lead inspector will consist of assigning, leading, and directing the work of other inspectors and performing such inspection work as may be required. Lead inspectors must hold valid Federal Airframe and Power plant Certificates.

2. LEAD AIRCRAFT TECHNICIAN: A lead aircraft Technician is an employee who has held the position of technician and who, as a working member of a group, is charged with the responsibility of assigning, leading, directing, and approving the work of Technicians.

3. INSPECTOR: The work of an inspector will consist of performing inspections of Required Inspection Items (RII) and of the work of other technicians when required, including the overall inspection of work performed by Aircraft Technicians, including aircraft overhauls and major repairs of assembled power plant and related systems during and subsequent to major repairs and after installation in aircraft, including inspection work in the Base Maintenance support shops. Inspectors will generally perform General Visual Inspection, Detailed Visual Inspection, Non-Destructive Testing, Bore Scope function, and/or OK to install/close on periodic aircraft checks; all above aircraft check inspections will include initial, buy-back, and package close-out. Duties may also include parts and materials receiving inspections and new progressive inspection technology developed and subsequently implemented by Horizon Air. Inspectors must be capable of performing inspector work in a manner satisfactory to the Company’s approved maintenance program and applicable Federal regulations. No Technician/Lead Technician will be upgraded to perform Required Inspection Item (RII) functions at stations where inspectors are staffed.

4. AIRCRAFT TECHNICIAN: An Aircraft Technician is an employee who repairs, services, or otherwise works on aircraft, aircraft components, or related parts of an aircraft and performs work outlined on applicable work forms, in accordance with GPM procedures, manufacturer's manuals and F.A.A. requirements. The work of technicians shall include all work recognized as Aircraft Technicians work performed in and about Company shops, Maintenance bases, Overhaul bases and other Company buildings. Including, but not limited to; Avionics, aircraft engine run-up, taxi, tow, mechanical work involved in dismantling; overhauling; repairing; fabricating; assembling; welding (including but not limited to, MIG, TIG, oxy-acetylene, Heli-arc), and other tools of the trade; paint removal, preparation, and application; and erecting all parts of airplanes, airplane engines, radio and electronic equipment, avionic systems, electrical systems, hydraulic systems and machine work, including but not limited to, the operation of saws, grinders, milling machines, lathes, rotary table,
boring head machinery, computer numerical control (CNC) machinery, precision measuring equipment, portable tooling, and other tools of the trade, and can fabricate, repair, grind, and machine aircraft parts or tooling in connection therewith.

B. **GROUND SUPPORT EQUIPMENT (GSE) TECHNICIAN CLASSIFICATION:**
   Shall be comprised of the following job titles: Lead GSE Technician, GSE Technician.

1. **LEAD GSE TECHNICIAN:** A lead GSE technician is an employee who, as a working member of a group, is charged with the responsibility of assigning, leading, directing and approving the work of GSE technicians and other employees.

2. **GSE TECHNICIAN:** A GSE technician is an employee who performs repairs and preventative maintenance on the ground support equipment utilized by all classifications covered by this agreement. GSE duties shall include, but are not limited to, servicing, dismantling, overhauling, repairing, fabricating, erecting, assembling, welding, troubleshooting, and maintaining of all parts of vehicles and equipment, engines, subassemblies, ground operations equipment, and other mechanical and electrical devices or parts thereof.

C. **AIRCRAFT PAINTER CLASSIFICATION:** shall be comprised of the following job titles: Lead Aircraft Painter, Aircraft Painter.

1. **LEAD AIRCRAFT PAINTER:** A Lead Aircraft Painter is an employee who has held the position of Aircraft Painter and, as a working member of a group, shall be charged with the responsibility of assigning, leading, directing and approving the work of Painters.

2. **AIRCRAFT PAINTER:** An Aircraft Painter is an employee whose duties include, but are not limited to, paint removal, preparation, and application of paint on all parts of aircraft and aircraft engines.

D. **MAINTENANCE CLEANER CLASSIFICATION:** shall be comprised of the following job titles: Lead Maintenance Cleaner, Maintenance Cleaner.

1. **LEAD MAINTENANCE CLEANER:** A Lead Maintenance Cleaner is an employee who, as a working member of a group, is charged with the responsibilities of assigning, leading, directing and approving the work of Maintenance Cleaners.

2. **MAINTENANCE CLEANER:** A maintenance cleaner is an employee whose duties include, but are not limited to cleaning aircraft, aircraft and engine components and subassemblies, degreasing parts, preparation and cleaning of parts including abrasive and solvent cleaning, and preparation of parts for painting or inspection. Maintenance Cleaners shall not assemble and/or disassemble aircraft components and/or assemblies and/or parts normally recognized as Technicians work.
E. **FLEET SERVICE AGENT CLASSIFICATION:** shall be comprised of the following job titles: Lead Fleet Service Agent, Fleet Service Agent.

1. **LEAD FLEET SERVICE AGENT:** A lead fleet service agent is an employee who, as a working member of a group, shall be charged with the responsibility of assigning, leading, directing and approving the work of Fleet Service Agents.

2. **FLEET SERVICE AGENT:** A Fleet Service Agent is an employee who cleans aircraft (interior and exterior). On a full time basis, but excluding those who perform “touch up” interior and exterior cleaning as an additional duty. A Fleet Service Agent may also perform removal, cleaning, and installation of aircraft carpets and passenger seat covers; receipt and distribution of aircraft service equipment and supplies; and laundering of items such as blankets, napkins, rags, etc.

F. Nothing contained in this Agreement shall prevent the Company from assigning any qualified employee covered by this Agreement to assist other employees covered by this Agreement, in the performance of their job duties on a temporary basis, provided that such assistance does not constitute a preponderance of the employee’s duties over the course of thirty (30) day period. Employees under this agreement who are qualified to perform the work of another classification and who are being cross-utilized in such other classifications shall be paid their normal wage or the wage of the classification in which they are working, whichever is greater.

G. If there are employees to be hired in the Technician and related Classifications during the term of this Agreement, in classifications which are not covered by this Agreement, the parties agree that the rates of pay, rules and working conditions for such employees will be mutually agreed upon prior to the establishment of any new Classification(s).

H. Nothing in this Article shall be construed to alter, diminish, or reinterpret the specific job responsibilities as listed in the Company General Procedures Manual.

**QUALIFICATIONS**

I. Subsequent to the ratification of this Agreement, any employee currently holding a position with qualifications less than those required, shall be “grandfathered” into his current position so long as he remains in that position. If an employee voluntarily moves to another position, and completes his ninety (90) day job trial period, he shall lose the “grandfather” privilege.

J. To be considered fully qualified for a particular position, an employee must meet the requirements listed below, except that any employee, including an employee whose work has been transferred to a recognized or redefined Work Area, who has previously completed the Qualifying period, as provided in Article five (5), will be considered qualified regardless of the qualifications (including license requirements) listed below.

1. All Aircraft Technicians and Inspectors shall be a minimum of eighteen (18) years of age and hold and maintain a High school diploma or equivalent. In addition he must hold a driver’s license, authorization to work in U.S., they shall obtain and maintain
a valid passport within thirty (30) days of job acceptance and own a minimum complement of tools. Any costs to maintain Passports shall be borne by the company.

E. **Job Titles**

a. Lead Inspector
   (1) A & P
   (2) Twelve (12) months as an inspector on Horizon Air fleet type.

b. Line Maintenance Lead
   (1) A & P
   (2) Hold requirements of a Line Maintenance Technician. (J.1.g. of this article)
   (3) Twelve (12) months as Line or Base Maintenance Technician on Horizon Air fleet type or be a current Lead in Line, Heavy chk, Base or Inspection.

c. Base Lead
   (1) A & P
   (2) Twelve (12) months as Line or Base Maintenance Technician on Horizon Air fleet type or be a current Lead in Line, Heavy chk, or Inspection.

d. Heavy Check Lead
   (1) A & P
   (2) Twelve (12) months as an Inspector on Horizon Air fleet type or be a current Lead in Line, Heavy chk, Base or Inspection.

e. All shop Leads
   (1) A & P
   (2) Twelve (12) months as Technician related to the classification or be a lead in another shop.

f. Inspector
   (1) A & P
   (2) Two (2) years experience as a Technician on Horizon Air fleet type.
   (3) Must hold AWR on all Horizon Air fleet types.
   (4) Must hold RII and Inspector qualification on all Horizon Air fleet type within thirty (30) days of job acceptance.
   (5) NDT Inspectors must hold required training and qualifications.

g. Line Maintenance Aircraft Technician
   (1) A & P
   (2) Minimum one (1) year experience on Horizon Air fleet type.
   (3) Currently hold or obtain a Run Taxi License on Horizon Air fleet type within three (3) months.
   (4) Must hold one (1), and should hold all Horizon Air AWR qualifications within twelve (12) months.
   (5) Must hold one (1), and should hold all LLM qualifications for aircraft transiting the Station within twelve (12) months.
   (6) Obtain R.I.I. on all Horizon Air fleet type within three (3) months.
h. Base Maintenance Aircraft Technician
   (1) A & P
   (2) Minimum one (1) year experience on Horizon Air fleet type.
   (3) Must hold one (1), and should hold all Horizon Air AWR qualifications within twelve (12) months.
   (4) Demonstrated understanding of TRAX data base.
   (5) Demonstrated proficiency in MS Office Suite applications including Word, Excel, Power Point and Visio.
   (6) Five (5) years’ experience in the aviation industry.
   (7) Accelerated improvement Workshop (AIW) Facilitator certified or equivalent experience.
   (8) TRAX SME (Subject Matter Expert).

i. Maintenance TRAX Technician
   (1) A & P
   (2) Knowledge of TRAX
   (3) Demonstrated understanding of TRAX data base.
   (4) Demonstrated proficiency in MS Office Suite applications including Word, Excel, Power Point and Visio.
   (5) Five (5) years’ experience in the aviation industry.
   (6) TRAX SME (Subject Matter Expert).

j. Heavy Check Aircraft Technician
   (1) A & P

k. Base Avionics Technician
   (1) A or Repairman’s Certificate
   (2) One (1) year avionics experience
   (3) All QX fleet avionics schools
   (4) LLM qualified on all fleet type

l. Shop Technician – (Accessory, Battery, Composite, Sheet Metal, Wheel & Brake)
   (1) "A" License and must hold one (1), and should hold all Horizon Air AWR qualifications within twelve months.

m. Shop Technician – Avionics
   (1) "A" License or Repairman’s certificate and must hold one (1), and should hold all Horizon Air AWR qualifications within twelve (12) months.

n. GSE Lead
   (1) High school, ASE or equivalent Diploma and Twelve (12) months as a GSE technician.

o. GSE Technician
   (1) High school, ASE or equivalent diploma or six (6) months experience on gas or diesel engines or motorized equipment supporting airport ground handling operations.

p. Paint Shop Lead
   (1) Twelve (12) months as a Horizon Air Paint Shop Technician.

q. Paint Shop Technician
   (1) Six (6) months as an Aircraft/Automotive Painter or has utilized two part paints.

r. Lead Fleet Service Agent

s. Fleet Service Agent / Cleaner
ARTICLE 6

WORKWEEK AND HOURS OF WORK

SECTION I: WORKWEEK

A. The Company, considering, among other factors, the desires of the Employees involved, will determine the basic work week.

B. The basic workweek for full-time employees will consist of forty (40) hours per week, scheduled on a four (4) or five (5) day basis as follows.

   1. Each employee shall work four ten-hour days followed by three consecutive days off.

   2. Each employee shall work five eight-hour days, followed by two consecutive days off.

   3. The foregoing shall not prevent the establishment of 80-hour biweekly work schedules, where special circumstances exist, provided that the two-week period contains no more than 8 workdays, no workday of less than eight hours, and no single days off.

C. The basic workweek for a full-time employee may be decreased to no less than 30 hours for the following reasons:

   1. Mutual agreement between the employee(s), Union and the Company.

   2. Short term reduced work requirements, in lieu of furlough. Before instituting a reduced work requirement, the Company will endeavor to reduce the excess hours by offering voluntary time off (See Article 11 Furlough and Recall). The Company will meet with the Union to mutually agree on the most appropriate means to meet the short term reduced work requirements, taking into consideration the employees' point of view.

D. Part-time Employees: An Employee who is normally scheduled to work at least 20, but not more than 30 hours per week shall be classified as part-time subject to the following limitations:

   1. No more than thirty percent of the Fleet Service Agents may be part-time employees. Only full-time Fleet Service Agents, excluding Leads, shall be included in the calculation for determining the allowable number of part-time Fleet Service Agents.

   2. Mutual agreement between the employee(s), Union and the Company, with respect to other classifications covered by this Agreement.

E. A Fleet Service Agent may be classified as less than part-time (Variable Time) only if he regularly works less than 20 hours per week (excluding voluntary pick-up of work) and only by mutual agreement between the employee, Union and the Company.
SECTION II: WORK DAY

A. The starting time for shifts shall be established in accordance with the needs of the Company at each bid location. There may be multiple starting times within a shift. Shifts shall be defined as follows:

<table>
<thead>
<tr>
<th>Shift Type</th>
<th>Time Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Shift</td>
<td>0400 - 1159 Local Time</td>
</tr>
<tr>
<td>Swing Shift</td>
<td>1200 - 1859 Local Time</td>
</tr>
<tr>
<td>Grave Shift</td>
<td>1900 - 0359 Local Time</td>
</tr>
</tbody>
</table>

B. All employees covered by this Agreement scheduled to work a shift of four hours or more will have an unpaid meal period. The Company will schedule at least 1/2 hour for lunch as close to shift midpoint as practical and consistent with operational needs. Employees who do not receive their scheduled thirty (30) minute meal period, shall be given the opportunity to leave one half hour prior to the end of the shift with pay or receive one half hour overtime pay for the missed lunch and leave work at normal shift end time. All employees shall be given a ten-minute break for resting during the 1st and 2nd half (four hour minimum) of their shift without loss of pay.

D. Starting and ending times of each shift whether eight (8) or ten (10) hours, will be posted at each shift bid and will under ordinary circumstances remain unchanged until the next shift bid. Should the starting/ending times be changed by one (1) hour or more, all shifts in that work area will be re-bid.

E. **General**

1. Employees covered by this agreement shall be permitted shift and day trades subject to rules and restrictions established and posted by the Company.

2. Employees working during daylight savings time changeover shall receive pay for their actual hours worked.
ARTICLE 7

OVERTIME

A. Overtime authorized by management shall be paid under any of the following circumstances to a full-time or part-time Employee:

1. All work in excess of forty (40) paid hours in any one workweek.

2. An Employee scheduled to work a forty (40) hour week shall be paid overtime for all work in excess of his assigned shift (either eight (8) or ten (10) hours).

3. An Employee scheduled to work a forty (40) hour week shall be paid overtime for all work performed at Company request on a scheduled day off.

4. Call-back after leaving Company premises for duty not continuous with the regular shift.

5. Insufficient Rest: An Employee, who has not received eight (8) hours of rest from his previous release of duty, will be paid the applicable overtime rate for all hours worked until such rest is obtained. To obtain the eight (8) hours rest the Company may adjust the employee's next reporting time. If there is less than half of the shift remaining of the employee’s next regular shift after completion of work that partially overlaps the employee’s regular shift, the employee may be given the rest of the shift off without loss of pay. If an Employee remains off-duty during part of his regular shift to obtain the minimum required rest of eight (8) hours, then he will be paid straight-time for the scheduled shift hours missed. Employees, upon returning to their base from an AOG, Rescue Mission, Backfill or Field work assignment, will be provided 10 hours of rest prior to their next scheduled report time.

B. All scheduled day-off, or callback work assignments will be guaranteed a minimum of four (4) hours pay at the applicable overtime rate except in the following instances:

1. An Employee called back to complete documentation of his work needed for further progress or completion of the project he was working on may be paid for only the time needed to complete the documentation requested by the Company.

2. If the Company does not need the Employee for the full four hours of an overtime assignment, and the Employee would rather leave early even if paid for less than the full four hours, the Employee's supervisor and the Employee may, by agreement, shorten the period of work and pay.

C. Overtime shall not be paid for excess hours as a result of voluntary, authorized exchanges of hours or shifts.
D. **Distribution of Overtime**

1. The Company will provide an overtime sign-up sheet (hardcopy or electronic) for employees in each Work Area, on each shift, to indicate their availability for the type of overtime assignments they want to be offered [e.g., after scheduled shift, before scheduled shift, regular day off (RDO), etc.]. If an insufficient number of employees from the overtime sign-up sheet choose to accept the overtime, the company will award the overtime to the required number of employees from those listed on the overtime sign-up sheet in reverse seniority order.

2. Job Continuity, overtime assignments caused by the need to complete a job that is in progress will be made to the Employee(s) already on duty and assigned to the job, but if completion of the job is anticipated to take more than two hours, it will be offered to Employees in accordance with paragraph 3 below.

3. Pre-shift and post-shift overtime work will be offered in seniority order to the qualified Employees in the Work Area who have indicated on the overtime signup sheet they want to be called for such overtime assignments. Preference for Regular day off (RDO) overtime shall be given to those employees normally assigned to the Work Area and shift on which the overtime is needed.

   a. If there are insufficient volunteers in the Work Area the Company may ask any employee already on shift at the station to work post-shift overtime, or those who are scheduled at the station to work the oncoming shift for pre-shift overtime.

   b. RDO overtime for which there are insufficient volunteers from the Work Area, will be offered in seniority order to Employees who are qualified to perform the anticipated work, first to employees at the station on their days off normally assigned to the shift, then to employees at the station from other shifts on their days off, then to employees off shift at the station, then to employees from other stations on their days off, who have indicated they want to be called for such overtime work. No shift shall be involuntarily extended by overtime for more than four hours (except Rescue Missions, see Article 8).

4. When the Company forms a special project crew, overtime for the special project will be offered to employees on the special project crew, then, if more overtime is needed, in seniority order to employees who are qualified for the anticipated work, first, to employees at the station on their days off, then to employees off shift at the station, then to employees from other stations on their days off, who have indicated they want to be called for such overtime work.

5. Employees will not be required to work overtime against their wishes, except in unanticipated circumstances. In such rare and last minute instances, the junior Employee qualified for the assignment will be assigned.

   a. Qualified means having demonstrated the capability of performing the planned work assignment without additional training, instruction, or assistance.
6. The Director of Quality Control may restrict Inspectors from performing Aircraft Technician overtime assignments.

E. The standard overtime pay rate shall be one and a half times (1 1/2 X) the rate the employee would receive if working including any license pay, lead or inspector premium (if worked in that job title), at straight time, and any shift premium applicable to the shift on which the work is performed (in the case of RDO overtime) or the shift that is extended (in the case of pre-shift or post-shift overtime).

F. An employee who has been bypassed in violation of the overtime distribution procedures set forth in this Article will be treated as follows:

1. If the bypass is a deliberate and intentional act, the employee, upon filing a grievance, will be paid the applicable overtime rate for all hours missed by that particular overtime opportunity. For purposes of this paragraph, a bypass that results from repeated instances of administrative and/or clerical errors shall be deemed to be intentional.

2. In all other cases, the employee shall be offered an opportunity to work an amount of overtime equal to the amount of overtime missed, at the overtime rate at which he was bypassed. The employee will be able to work the overtime at his discretion in any Work Area within his qualifications.
ARTICLE 8

FIELD TRIPS AND TRAINING

A. **Field Trips**

A Field Trip is any assignment away from the employee’s home station utilized for restoring and/or maintaining aircraft to a serviceable condition. A Field Trip can be of an unplanned variety (Rescue Mission) or a planned variety (Field Work).

B. **Field Work and Rescue Missions**

1. Field Work is a planned temporary work assignment away from the employee’s base station for which the Company has at least twenty four (24) hours advanced notice. Employees volunteering for, and accepting a field work assignment may have their shift and days off established at the time of assignment. If more than one employee is assigned to Field Work they will have the option of selecting, in seniority order, from the available shifts and days off for the duration of the Field Work assignment. A Rescue Mission is an unanticipated assignment away from the employee’s base station for the purpose of returning aircraft or equipment to service. A Rescue Mission work assignment is continuous until the aircraft or equipment is returned to service, or until the Company converts the project to Field Work.

2. An employee assigned to a Rescue Mission will be paid for all hours away from his base, from the time he is assigned until he returns to base (except for the time he is relieved from duty and provided a hotel room pursuant to paragraph 6, below), or until the Rescue Mission is converted to Field Work, if he remains a member of the Field Work crew.

   a. Hours on a Rescue Mission shall be paid at the applicable rate of pay.

   b. Rescue Mission hours will count as hours toward forty hours in a week for overtime pay purposes.

   c. If an employee’s assignment is converted from Rescue Mission to Field Work, he shall continue to be paid at the Rescue Mission rate for all hours worked until relieved from duty for eight hours rest pursuant to Paragraph 6, below.

3. When employees covered by this Agreement engage in Field Work they shall be paid for such work on the same basis as at their base station. Their scheduled hours for the workweek shall be no less than their scheduled regular shift work hours. However, their scheduled hours of work may be adjusted from their normal work schedule.

   a. While on a Field Work assignment, the overtime pay rate shall apply to all hours worked in excess of eight (8) hours in a workday.
b. When an employee's workday on a Field Work assignment is split the following will apply:

(1) There will be a minimum of two (2) and a maximum of six (6) hours between the split shifts.

(2) In lieu of any other shift premium related to start times of his work periods, he will be paid a split shift premium of $0.75 per hour.

(3) The duration of a split shift schedule will not exceed fourteen (14) hours in a twenty-four (24) hour period which will include the working shifts and the time off between shifts. The employee's twenty-four (24) hour day will begin with the starting time of the first assigned shift at the start of the Field Work assignment and, continue each twenty-four (24) hour period for the duration of the assignment.

4. When two or more employees are assigned to a Field Work assignment or Rescue Mission, the Company may appoint one as Lead in accordance with the upgrade procedures described in Article 9 paragraph J, if no Lead is available in the crew assigned.

5. Subject to the Company's regular staffing needs, an employee, by mutual agreement, may be excused from further regular shift work during the workweek upon completion of a Field Work assignment or Rescue Mission if he has already worked at least forty (40) hours during that workweek without regard to the overtime paid.

6. An Employee will be provided single occupancy lodging at Company expense, at a hotel normally utilized by flight crews for crew rest or equivalent, when relieved of duty for eight hours or more. An Employee may not be assigned to Field Work for more than sixteen consecutive hours without being relieved from duty for eight (8) hours or more. If required to complete a Rescue Mission an Employee, by mutual agreement, may have his duty time extended beyond sixteen hours.

7. When Field Work or a Rescue Mission requires the use of chartered aircraft, the aircraft used shall be multi-engined (Part 135), unless agreed upon between the employee and the Company.

8. For Field Work or Rescue Missions within a three hundred fifty (350) mile radius of the employee's home station, by mutual consent, a company supplied vehicle may be utilized for transportation.

9. For Field Work assignments, the Company will ask for volunteers. The Field Work will be given to the senior qualified and available volunteer(s). In the event there are no qualified volunteers, the Company will assign the Field Work in inverse order of seniority of the qualified and available employees. Individuals may request that they not be assigned to Field Work if such assignment will cause extraordinary hardship. The Company shall consider such requests on a case-by-case basis and will exercise managerial discretion in making the assignment. Individuals involuntarily assigned to Field Work will be limited to fourteen (14) days away from their home base and cannot be involuntarily re-assigned to a Field Work assignment for thirty (30) days.
10. Rescue Mission solicitation will normally be limited to employees currently on duty. In the event there are no qualified volunteers, the Company will assign the Rescue Mission in inverse order of seniority of the qualified and available employees. Individuals may request that they not be assigned to Rescue Missions if such assignment will cause extraordinary hardship. The Company shall consider such requests on a case-by-case basis and will exercise managerial discretion in making the assignment. Individuals involuntarily assigned shall be limited to a (14) day assignment and shall not again be assigned until the entire seniority list from the Work Area is so assigned. If a period of more than thirty (30) days elapses between Rescue Missions, then the next assignment shall be determined by beginning with a new roster.

11. For purposes of this Section, qualified and available is defined in Article 24 Definitions.

12. The Company reserves the right to decide which Work Area(s) shall be utilized for each Field Trip assignment.

a. The Company shall determine the qualifications necessary for a specific field trip assignment. The number of employees required to possess certain special authorizations on any given Field Trip shall be equal to the amount necessary as governed by either the Horizon Air General Procedures Manual (as it relates to paperwork and procedures, airworthiness releases, RII, engine run-up and taxi, LLM, etc.) and/or international law (as it relates to Visas and Passports) and/or any applicable Federal Aviation Regulations (FARs).

b. Whenever it is known that an inspector is required on a Field Trip, an inspector will be selected in accordance with this article from the inspection department if Inspectors are assigned at the station from where the Field Trip will depart. If no Inspector volunteers/is available, then a Technician with RII authority will be solicited in the same manner utilized in soliciting an Inspector. If no Technician with RII authority volunteers then, in inverse seniority order, an Inspector will be assigned if Inspectors are assigned at that station or a Technician with RII authority if no Inspectors are so assigned.

13. For Field Work assignments, selection will be from the seniority list of the Work Area selected without regard to shift, keeping in mind that employee's on their regular days off or at home (off shift) may be eligible for a Field Work assignment.

a. When the Company has at least six (6) days or more advanced notice that a Field Trip will be necessary, the Company shall post the Field Work positions for interested employees.

14. When the need arises to call employees for Field Work, the company will contact a shop steward or his designee at the time of the call-out and begin contacting the employee(s) either in person, or by phone at the number(s) listed by the employee on file with the company. If the company is unable to contact the employee in person or at
the phone number(s) listed, the Union Steward will verify the call and may then redial the number(s) himself verifying the response that was indicated by the management representative, and the employee will be bypassed.

C. Back Fill:

If and when the Company has need to "Back Fill" a station due to shortages of man power or an unexpected work load, the Field Work process for filling the need shall be utilized. However, in the event of continuous shortages where an inadequate number of employees volunteer for the assignment, the Company shall assign the "Back Fill" in inverse seniority. Individuals involuntarily assigned shall be limited to a (14) day assignment and shall not again be assigned for the same shortage until the entire seniority list from the Work Area is so assigned. If a period of more than thirty (30) days elapses between "Back Fill" assignments at a station, then the next "Back Fill" assignment to that station shall not be considered to be a part of the continuous shortage, as described above, at that station.

D. AOG Missions, AOG Team, and AOG Technicians

1. The AOG Team is a pre-selected group of Technicians that perform major repairs, modifications or irregular and atypical significant maintenance, within a station or on the system that requires specific skills and a dedicated team to efficiently return an aircraft to service, or perform the required work. Typical Rescue Missions & Field Work will be handled in accordance with Article 8.
   a. The AOG Team will consist of Technicians with a variety of demonstrated skills, including structural repair, avionics repair, engine repair and inspection.
   b. Each AOG Team member will work in his regular Bid Location and bid shift and days off within that location except when working an AOG mission. The AOG Team is not a "Work Area" as defined in Article 24.
   c. The company will determine the number of AOG Team members system wide and may establish a minimum and maximum number at any station. Inspectors and Technicians are only eligible to bid for AOG Team positions within their station.

2. AOG Team Membership

Any aircraft Technician may apply for the AOG Team, regardless of his or her current position. Personnel desiring to be considered for the AOG Team must indicate their preference by submitting a Standard bid for the posted openings. The openings will be posted system wide in accordance with the Vacancies provisions outlined in Article 9 (Sections B-C). Selection will be made in accordance with the bid awards provisions of Article 9 (Section D). An employee may resign from the AOG Team by submitting a 14-day written notice to his local Manager with a copy to the local Business Representative.
3. Team Selection for an AOG Mission

The manager responsible for the AOG Mission will determine when an AOG team will be utilized and is responsible for ensuring the selection process is conducted in accordance with the following procedure. During the selection process, the manager or his designee will brief the employees of the nature and expected duration of the AOG mission and will inform the employees of any shift worked during the AOG mission. However, no employee will be paid less on an AOG mission that he would have received and he worked his regular shift.

a. In most cases, Technicians selected must be on the AOG Team. However, the AOG Team may be augmented with Inspectors and Technicians. Selection for these positions will be made in accordance with the applicable provisions of Article 8.

b. Employees must be qualified and possess the required skills to accomplish the tasks.

c. Current overtime status will not prohibit an employee from being selected.

d. Those employees who are on leave of absence, vacation, sick leave, jury duty, on the job injury/modified duty, military leave, training, temporary assignments, etc., will not be eligible for consideration for AOG assignments.

e. In the event that Company determines that an AOG mission can be performed with a station, selection for the AOG team will be offered within that station, taking into account any special skill certain Team members may have applicable to the mission. In the event manpower depletion becomes unmanageable, or the Company determines an AOG mission cannot be contained with that station, additional AOG Team members from other stations will be selected by the Company, considered geographical location, special skills and manpower availability.

f. The supervisor will assign employees on the AOG Team to the specific AOG mission based on rotation and assessment of the skills and aptitudes needed for the efficient accomplishment of the particular project. AOG opportunities shall be distributed as equally as possible among those qualified employees who are shown on the AOG list.

g. An employee may decline a particular AOG mission assignment if the assignment presents a conflict with other commitments he or she has made. However, if an employee declines more than three assignments within the previous 12 months he or she may be removed from the AOG Team.

h. Persons on the current and updated AOG Team List will be shared with the union.
4. Once a dedicated team has been assigned to the AOG mission, all overtime related to that project will be handled within that dedicated team first.

Acceptance of an AOG mission constitutes implied acknowledgement that the individual selected possesses the necessary skill(s). Personnel who volunteer and accept an AOG mission are responsible for accurately advising the Company of their level of experience and or qualifications.

E. Training and Company Required Meetings

1. The time an employee is required to spend in training/meetings is considered work time. If the training or meeting is on a regularly scheduled work day, an employee should not be paid for fewer hours (including both travel time and work time) than what he was scheduled for that work day. If the travel or meeting is on an employee’s day off, he will be paid at the applicable overtime rate, unless his work schedule is adjusted for the workweek in which the training/meeting occurs such that his workweek, including training days does not exceed 40 hours.

2. When an employee attends training/meetings away from his station, he shall be provided single occupancy hotel accommodation at a hotel normally utilized by Flight Crews for Crew rest or equivalent if required to stay overnight, and will receive per diem for each day that meals are not provided.

3. Training opportunities shall be posted and seats not assigned by the Company shall be filled in seniority order, subject to the Company’s workload needs.

4. The Company shall keep Technicians and Inspectors currently trained in their skills in order to perform all inspections and work required for their current positions.

5. An employee who has applied for, but not been selected for, training (pursuant to paragraph 3 above) that is, required technical qualification on a job posting, may invoke; right to waive that training requirement. If the waiver results in him being the successful bidder, he shall be prohibited from bidding for another vacancy for a period of twenty four (24) months unless the Company waives the time requirement.

F. Travel

1. Hours spent in traveling, including travel to and from training, meetings and field work, shall be treated as travel time, and, will be paid at the employee’s straight time rate (including all premiums he is normally entitled to) When travel is by air, travel time will be based on published flight time for both departing and returning portions of the trip plus one hour for each portion to allow for shuttle and other miscellaneous wait time. Travel time by ground transportation, (personal automobile, train, or bus,) in excess of travel time by air shall only be paid if such travel mode is required by the Company. Travel time on a Rescue Mission is work time, eligible for overtime pay rate.
2. Employees will not be required to use their personal automobile for Company business. When travel by personal automobile is authorized by the Company, the employee shall be reimbursed for use of personal vehicles in accordance with the mileage reimbursement rate specified by the IRS code.

3. Employees traveling in connection with field work and training shall be provided round trip, positive space travel on Alaska Airlines and/or Horizon Air if direct or connecting routing is available. An Employee traveling for Field Work or training that extends for more than two (2) weeks shall be provided a round trip, positive space pass to return to his home station during one of his off-day periods on Alaska Airlines and/or Horizon Air if direct or connecting routing is available.

G. Travel Expenses

1. Employees will receive per diem pay at a rate of one dollar fifty cents ($1.50) for each hour away from their home station with the following exceptions:
   a. When a Company provided credit card to pay has been used to pay for his meal(s) and sundry expenses.
   b. When the assignment is a one day assignment completed within a time period that does not extend the employee's regular shift hours by more than two hours.

2. A minimum of twelve dollars ($12.00) per diem will be paid for any Rescue Mission in excess of four hours.

3. Advance per diem shall be paid by the Company for any trip over three days at the request of the employee.

4. Any increase in per diem accruals for Management & Non represented employees will be extended to employees covered by this agreement.
ARTICLE 9

VACANCIES

Vacancies

When the Company fills a vacancy, it will do so in accordance with the following procedures:

1. **Bid Procedures**

   a. **Standard Bid**

   All new station vacancies and all Lead or Inspector vacancies, at any station in classifications covered by this Agreement shall be posted where employees covered by this Agreement are assigned. Such posted vacancies shall be referred to as a Standard Bid. Standard Bids will also be posted on the Company’s web site with an electronic copy to the Union so that Employees who are on vacation when a job is posted may have knowledge of, and are able to bid on, the position.

   b. **Preferential Bid Procedure**

2. All covered employees, active or inactive, desiring to express an interest in future vacancies in a Work Area, Classification or Station other than those listed in A.1.(a) above, may submit a Preferential Bid at any time. Bids will remain on file until December 31 of the year in which they are submitted. Bids may be withdrawn or modified at any time before they are awarded. Each bid received will be acknowledged and filed in the Preferential bid file in classification seniority order. When an approved vacancy exists, the senior qualified bidder will be offered the vacancy. That employee shall have 24 hours to respond to the offer. Absent extenuating circumstances, once an employee has been contacted and accepts the Preferential bid the employee must report to the new position or lose all bid privileges for the next six months (180 days). If, when the employee is contacted he declines the vacancy, the preferential bid will be discarded without penalty to the employee. To reapply the employee must submit a new preferential bid.

3. If there are no Preferential bids on file, or the bids have been declined / exhausted, the Company may either post the bid per the Standard bid procedure or pursue a new hire.

**Eligibility**

1. All non-probationary IBT represented Horizon Air employees, including those in layoff status, shall be eligible to bid on posted positions, except those currently assigned to the work area to which the job posting applies. The prohibition from bidding for a position in the Employee’s work area does not apply when the posting is for an upgrade or downgrade (i.e. Lead) position.
2. An Employee who successfully bids to a work area may not bid to another work area for a period of six (6) months unless the work area is new since the Employee's previous bid, or unless the Company waives the six (6) month requirement.

**Job Posting**

1. The posting shall state the number of vacancies at a work area to be filled, position (classification and job title), shift, day off pattern, place where bids are to be sent, and the last date on which they may be submitted. The last date will be a minimum of seven days after the Job Posting.

2. Bids are to be filled out using a two-part bid form supplied by the Company. The original will be delivered or sent by facsimile to the designated Company representative as stated on the Job posting. The copy will be signed by the Company representative and returned to the employee as evidence of submission.

3. Notwithstanding paragraphs 1 and 2 above, postings for Fleet Service Agent positions shall be made in accordance with the Company’s web-based internal applicant process. However, Lead Fleet Service Agent positions will be posted in accordance with the provisions of this Article.

**Bid Awards**

1. All bid awards shall be to the senior qualified bidder(s). When no bidder meets the required qualifications, the Company may elect not to fill the position, or to amend the qualifications and re-post the Job Posting in accordance with 2 below.

2. Provided the same standards for filling the vacancy are used as were listed on the original posting, a vacancy which is not filled may be staffed in succession with:
   
   a. An interested employee from within another classification covered by this Agreement or,
   
   b. A new hire.

3. The bid award will be given to the employee(s) which shall include station, work area, classification of job, job title, day off pattern, report date, shift, start time, and Immediate Supervisor. The Company shall contact any employee that is the successful bidder on two or more Job Postings, closing on the same day, and the employee must then select only one position before the posting of the award. Unsuccessful bidders shall be notified of the Bid Award. All Awarded vacancies will be posted and a copy sent to the union.
Lead/Inspector Selection

The process for filling open Lead and/or Inspector positions is as follows:

1. Persons Eligible to Bid:
   
a. All IBT covered employees meeting the qualifications as described in Article 5 QUALIFICATIONS, shall be eligible to bid for open Lead and/or Inspector positions.

2. Selection Criteria:
   For each open position there shall be three selection criteria, weighted as follows:
   
a. Seniority,
      
      Less than three years = 0 points
      Three to five years = 5 points
      Each full year over five = 1/2 point
   
b. Written test,
      Maximum score 50 points. The Company and Union shall jointly develop a series of multiple choice questions for Lead and/or Inspector positions which will be redefined / adjusted on an as needed basis. The questions will cover the use of the Manuals relevant to their job responsibilities, specific knowledge needed for the particular open position, and, in the case of lead positions, leadership skills. The test will be comprised of fifty (50) questions; each candidate shall receive the same test questions, with candidates receiving one (1) point for each correct answer.

c. Panel interview,
   Maximum score of 40 points. Each candidate shall be interviewed by a four-person selection panel consisting of the IBT Business Agent or his designee, another representative appointed by the IBT Business Agent, the manager responsible for the open position, and the Director of Personnel or the Director’s designee. Each applicant will be asked to answer an identical series of twenty (20) jointly prepared questions relating to the experience, qualifications, skills, ability and work habits required for the position. Following the interview the panel members may discuss their determination as to the candidates’ answers, each panel member shall then secretly vote as to the candidates score giving up to two (2) points for each answer.

d. Candidate selection
   The candidate selected shall be the one with highest number of points totaled from the points earned from each of the three selection criteria. The score for the panel interview shall be determined by dropping the high and low scores from the panel members and taking the average of the two remaining scores.

   (1) The determining factor in case of a tie score between the highest scoring candidates shall be the candidate with the highest seniority.

   (1) Before announcing the name of the successful candidate, the hiring
manager will review the scoring of each candidate with the Business Agent or his designee.

Transfer

1. An employee awarded a position at his station shall be placed in his new position within ten (10) business days from the date of the posting of his award, or within whatever other time period may be mutually agreed upon between the Company and the employee, not to exceed sixty (60) calendar days. If the new position consists of an upgrade and the transfer is delayed, the employee shall receive any increase in wages, during the delay period, he would have been entitled to, had the transfer been made within the ten (10) business days.

2. An employee awarded a position at another station, shall be placed in his new position in not less than ten (10), nor more than fifteen (15) business days from the date of posting of his award, or within whatever time period may be mutually agreed upon between the Company and the employee, not to exceed sixty (60) calendar days. If the new position consists of an upgrade and the transfer is delayed, the employee shall receive any increase in wages during the delay, he would have been entitled to, had the transfer been made within the ten (10) to fifteen (15) days.

3. An employee who, is awarded a vacancy or is displaced into a Work Area or Classification in which he has never worked, will be permitted to hold the new job for a minimum of thirty (30) calendar days and no more than 90 calendar days on a trial basis in order to demonstrate his ability to perform the work required by the job. This trial period will include a written performance review between the Employee and Immediate Supervisor at thirty (30) and sixty (60) calendar days. If during the trial period it is determined that the employee is not making reasonable progress in the new position, management will reclassify the employee to his previous work area, shift and days off.

Temporary Positions

1. In the case of "temporary positions" covered by this agreement, the Company may select an employee who desires to fill this vacancy on a temporary basis. The employee that fills the temporary position shall be paid the higher wages and premiums associated with the temporary position or his previous position whichever is greater. Vacancies in excess of six months will be considered permanent positions.

2. An employee under this Agreement assigned to a temporary job under paragraph G of this Article shall, upon such discontinuance of such temporary job, be returned to the job in his former classification and work area.

3. The Director of Maintenance or his designee shall notify the Union monthly of all current and anticipated temporary assignments and upgrades, including the name of the employee, the location and nature of the assignment, and the anticipated duration. Failure of management to comply may be addressed through the grievance procedure and System Board of Adjustment.
TEMPORARY UPGRDES AND ASSIGNMENTS

1. If the need arises to temporarily upgrade an employee to a Lead position, the temporary vacancy will be filled by offering it to the senior qualified employee in the Work Area, shift and permanent crew. If he refuses the offer, then the next senior qualified and so on. If no employee on the crew volunteers for the position, the temporary vacancy will be filled by the junior qualified employee in that Work Area, shift or permanent crew.
ARTICLE 10

SHIFT REALIGNMENT

A. Semi-Annual Realignment

1. All jobs of all crews (shifts, start times, and days off) shall be re-bid semi-annually by classification seniority in accordance with the procedures set forth in paragraphs 2 through 6 below.

   a. Except as provided in b. below with respect to the Portland Base Maintenance and Heavy Check work areas, the semi-annual realignment bid shall be done for each work area separately.

   b. Employees assigned to the Heavy Check work area at the Portland station are frequently needed to work in the Base Line Maintenance work area, and vice versa, depending on the daily workload and not limited by the temporary assignment provisions in Article 5, Classification of work section F. During the semi-annual realignment bid, positions may be moved between these work areas so that the staffing of the two work areas is more closely matched with the anticipated workloads during the upcoming months.

   (1) When the Company plans to move positions from one of these work areas to the other in a semi-annual realignment, it will post a notice of the number of positions it intends to move no less than two weeks before the start of the realignment process as set forth in paragraph A.2 below, and provide employees in the work area that will be scaled back, the ability to bid for the opportunity to realign with the work area that will be expanding.

   (2) The most senior bidders will be assigned to the expanding work area for the realignment bid; however, if there are less bidders than the number needed in the expanding work area, the most junior employees in the scaled back work area who have completed their probationary periods shall be assigned to make up the deficiency.

   c. In order to provide an opportunity for Technicians in the Base Line Maintenance and Heavy Check work areas to gain additional diversity of work experience, making them more qualified for assignment in either work area, a minimum of four (4) positions will be available for transfer between the work areas at each semi-annual shift realignment. These positions are in addition to the movement positions described in paragraph b. above, and employees will be selected for the move in advance of the shift bid. Selected employees will then participate in the shift bid in their new work area.

   (1) An employee who has transferred work areas pursuant to this paragraph c. shall not be eligible to bid for another transfer pursuant to this paragraph c. for two (2) years. However, if there are fewer than four eligible bidders this restriction will be waived, in seniority order, to allow
the exchange of four employees to take place.

(2) To the limited extent necessary to avoid the loss of a needed qualification, skill or ability in the work area the Company may delay the transfer of employee for the time necessary to train another employee(s), but not more than eight weeks.

2. At least twice a year each Work Area will have a "Rebid for shift and days off". The Company will confer with the Union at each station regarding shift/day off patterns in each work area prior to posting the shift bid.

   a. 14 days prior to posting the shift bid the company will provide the union with a seniority list and all planned bid positions or available slots.

3. Shift bids and current seniority lists for each Work Area will be posted by the Company at least twenty one (21) days before bidding starts in each Work Area. Results of the shift bid will be posted by the Company at least seven (7) days before its effective date. To minimize disruption of work schedules, the effective date of a shift bid will be the first day of the first pay period in April and October.

4. Employees on an assessment period shall be allowed to bid, however, for the remainder of the assessment period the Company may assign them where needed. Upon completion of the assessment period he shall assume the shift and days off he was awarded on the shift bid.

5. Employees scheduled to work more than four (4) or five (5) consecutive days (depending on an eight (8) or ten (10) hour shift), or more than eight (8) or ten (10) hours in a twenty four hour period, during the transition to a new shift/days off schedule will be paid straight time. Conversely, an employee, who, because of a shift bid, is scheduled for less than a forty (40) hour week, will be allowed to work a shift(s) at straight time in order to obtain forty (40) hours of straight time.

6. The Company shall utilize a telephone call-in bidding system with a written backup (Shift/Days off Bid Preference form) as described below:

   a. Prior to the Shift Rebid, each employee should complete a bid preference form and submit it to his designated management representative who will provide the employee written confirmation of receipt.

   b. Each employee will be assigned a five (5) minute call-in time. The Company shall post the designated call in number a minimum of twenty one (21) calendar days prior to the start of the bid. Each employee shall then call by phone at the designated number to indicate his preference for Work Area, shift and days off as applicable. He will be awarded the first available slot of his choosing.

   c. Should an employee not call at their designated time, the Shift/Days off Bid Preference form will be used to determine the employee’s preference.
d. If during the awarding process an employee does not call in during his designated time or does not have a bid preference form on file, the employee will be by-passed and assigned a shift and day off pattern from the remaining slots at the conclusion of the bid.

7. During the duration of a semi-annual shift bid, the senior Technician in the Base Maintenance Work Area, holding a current run-up and taxi license on Horizon Airlines aircraft, on each shift, on each sequence of days off, shall be paid fifty cents ($0.50) per hour for all hours paid, as a premium for holding and using such license.

   a. If the employee allows the run-up and taxi license to lapse during the semi-annual shift bid he shall lose the premium and the premium shall revert to the next senior employee with a license, with that sequence of days off.

   b. If during the course of a shift there is a necessity for additional run-taxi personnel over and above those currently on duty holding the premium positions, the Company may utilize additional qualified employees for the run-taxi and those employees shall be paid fifty cents ($0.50) per hour for the shift.

B. Work Area Balancing Realignments

1. If, due to its operational needs, the Company identifies that it has an excess number of positions in one work area and a deficiency of the same number of positions in another work area at the same station, it may realign Technicians within the affected station. The Company will notify the union of any planned Work Area balance realignment a minimum of 30 days prior to the implementation of said balance realignment. The notification will include the number of Technicians to be affected, and the anticipated duration of the realignment.

2. New (open) positions in a Work Area balancing realignment shall be made available through the Vacancies Job Postings procedure in Article 9, Section C.

3. Bids for the new (open) positions will be limited to Technicians with the same job title and classification at the Station.

4. Selection for the new (open) positions shall be awarded in accordance with the Vacancies Bid Award procedure in Article 9, Section D.

5. To the extent that the new (open) positions are not awarded to Technicians from the work area in which the excess positions existed, the most junior Technicians in such work area may select the positions vacated, in seniority order.

6. The Work Area Balancing procedures described above shall not be applicable to the movement of Aircraft Technicians between the Heavy Check and Base Line Maintenance work areas, as the balancing between those work areas is specifically addressed in Section A. above.
7. There shall be no bidding between full-time and part-time positions on semi-annual realignment shift bids.

8. Working shifts will be scheduled and posted at each station, shop or hangar. There shall be no alterations to an employee’s normally scheduled regular days off, shift, or start times other than that provided for in this Article or Article 6.2.D or by mutual agreement between the employee and his Supervisor.
ARTICLE 11

FURLough AND RECALL

A. Reduction in Force (RIF)

1. When it becomes necessary to reduce the working force, classification seniority shall govern. Reduction in force shall be in inverse seniority order by job title of those in the work area at the station where a reduction is made.

2. The Company shall give at least fourteen calendar days advance notice, or pay in lieu thereof for all workdays less than such advance notice, to employees who are to be laid off by the Company in a reduction in force in a station, and a list of such employees will be furnished to the representative of the Union designated by the Union for this purpose.

   a. The fourteen day notice shall begin on the first succeeding day after notification of layoff is handed to an employee, on duty, in person or

   b. When written notification is sent Certified Mail, (return receipt requested) to the current address on file with the Company, the date following the postmark date shall be considered the date of delivery to the employee and the next succeeding day shall begin the fourteen (14) day notice.

   c. If the notice is served by mail and the date of delivery as defined above falls on a Sunday, Holiday, or other day on which postal deliveries are not provided by the Post Office Department, the date of delivery will be the day following the day on which postal deliveries are not provided and the first day of the fourteen (14) calendar days’ notice will be the next succeeding day.

   d. The above shall apply to all employees covered by this Agreement at all times except employees on vacation or Leave of absence. If an employee scheduled for vacation or Leave of Absence is given notice either by hand directly or by mail prior to the day he begins his vacation or Leave of Absence, he shall be considered under notice as provided in items a, b, and c above. An employee already on vacation or Leave of Absence, however, shall not be given notice of layoff earlier than his first scheduled work day after completion of his authorized vacation or Leave of Absence. If an employee not on vacation or Leave of Absence is laid off under this procedure before an employee junior to him who is on vacation or Leave of Absence, no grievance or wage claim shall be allowed because of the deviation from seniority in the order of layoff.

3. The fourteen (14) days notice or pay in lieu thereof may be waived if the reduction in force is caused by an emergency as described in Article 24.

4. Prior to a reduction in force, the Company will work with the Union to discuss the effects of the reduction on the employees.
B. **Exercise of Current Classification Seniority**

1. Employees that will be affected by the furlough shall, qualifications permitting (see Article 5 QUALIFICATIONS), at their option:
   
   a. Displace the junior employee in any Work Area within his Job Title, at his station, if unable to remain at his station within his job title he may,
   
   b. Displace the junior employee within his job Title at any other station, or
   
   c. Displace the junior employee in any Work Area within his Classification at his current station, if unable to remain at his current station he may choose to,
   
   d. Displace the junior employee within his Classification at any station, or
   
   e. Displace the junior employee in any Work Area in another classification (in which he holds seniority) at his own station or at another station, See #6 below
   
   f. Apply for open positions within the Company.
   
   g. Accept furlough.

2. An Employee desiring to displace another employee or apply for another position (options 1. a-f above) must file a written notice of intent with a designated Company representative within seven calendar days of being notified of furlough.

3. The notice of exercise of seniority will be on a standardized Company supplied form, and the employee shall identify, in order of his preference, the Work Areas, stations, Job Title/classifications that the employee wishes to displace into.

4. An exercise of seniority is final and complete on the date and time that the employee files his notice of exercise of seniority with the Company’s designated representative. However, an exercise of seniority will be voided upon cancellation by the Company of the underlying layoff, or upon acceptance (before his report date) of a system bid award by the employee exercising seniority.

5. The Company will place the employee in the position at the station, in accordance with his preference priorities.

6. The exercise of seniority will displace the most junior employee at the station or in the Job Title, classification and Work Area that the employee exercising seniority has chosen to displace into.

7. The effective date of transfer of an employee who has exercised seniority shall be the effective date of his assignment to his new job. Such transfer shall be accomplished within fifteen business days from the date of his exercise of seniority. The employee will remain on payroll status through the date of assignment to his new job.

8. Employees shall not be allowed to bump or displace into a higher Job Title (i.e. Technician to Lead, Technician to Inspector, Fleet Service to Technician).

9. Employees transferring to another station due to a reduction in force shall be entitled to receive moving expenses in accordance with the transportation section of Article 23.
FOLLOW YOUR WORK

1. If the Company decides to move work from one company location to another on a permanent basis (i.e. sixty days or more), resulting in a net head count loss at the location losing the work, beginning with the most senior employee in the affected Work Area, the net number of affected employees in the affected Work Area shall have the option to exercise seniority to follow that work to the new location or locations to which it is transferred, before vacancies are offered to other employees, including those with recall rights or new hires, at the location or locations. Employees electing to follow their work shall be entitled to moving expenses in accordance with the transportation section of Article 23. An employee who declines to exercise his seniority and becomes excess in the Work Area shall then become surplus within that location and shall be afforded his furlough and recall rights.

Notice to Displaced Employee

1. The Company will, within two business days, of completing the "exercise of seniority" forms notify an employee affected by an exercise of seniority of the fact that he is being displaced and the date of his last shift to be worked. Notice of displacement will be given to an employee in writing.

2. The displaced employee shall be given the same rights and privileges as described in "B" above.

3. An employee who is laid off by the Company or displaced by a senior employee in a reduction in force will not be required to exercise seniority in order to preserve his seniority and may accept layoff at his station.

4. An employee who does not exercise seniority within the seven calendar day time limit set forth in subparagraph B.2 above shall thereby lose his right to exercise seniority and will be placed on layoff status on the date specified in his layoff notice or the date of his last shift worked following his displacement. He shall not again be permitted to exercise seniority to displace a junior employee at some later date. He will, however, be eligible while on layoff status to bid on system wide vacancies and be eligible for recall in accordance with the provisions of this Agreement.

5. An employee who has exercised seniority:

a. To another station and who fails to report to his new station within fifteen business days after the date of his assignment, or

b. Within his station and who fails to report to his new work area within five business days of the date of his assignment; will remain on layoff status at his original station and shall not again be permitted to exercise seniority to displace a junior employee at some later date. He will, however, be eligible while on layoff status to bid on system wide vacancies and be eligible for recall in accordance with the provisions of this Agreement.
E. Recall

An employee will have recall rights to every Job Title/Classification for which he is qualified at each station from which he was involuntarily displaced by application of these RIF rules, provided, he has not declined recall to the same Job Title/classification at the same station since his most recent reduction or displacement from same. During the period he retains seniority, an employee furloughed for lack of work shall be offered recall prior to hiring additional employees at the station from which he was RIF'd. However, an employee will not be recalled to a position that requires a credential (e.g. FAA certificate or license) that he does not have.

1. Employees on furlough may bid for any Vacancy.

2. The Company shall advise furloughed employees of their right to recall by certified mail (return receipt requested) at the current address on file with the Company, with a minimum twenty one (21) calendar days advance notice prior to reporting from the date of receipt.

3. The employee shall have seven (7) days from delivery of his right to recall letter to notify the Company of his desire to return to work.

4. A Furloughed employee must inform the Company (Employee Resources) via certified mail if his address changes. Failure to do so will result in termination of employment if recall notices or recall opportunity notices are returned or not responded to.

5. An Employee will lose recall rights to a vacancy at a station if he refuses recall to the same Job Title he held at the same station he was working at the time he was furloughed. An Employee who is not recalled within 4 years, after his furlough date, will be considered to have resigned from the Company and his name shall be removed from the seniority list.

6. A furloughed employee exercising seniority for recall at a station that is different from the station he is currently working shall be entitled to moving and/or transfer expenses as provided in the Transportation Section of Article 23 Employee Benefits.

7. An employee furloughed for lack of work, but who is recalled within the time limits described in 5 above, shall retain and accrue seniority while on furlough status.

F. Recall to Temporary Work

1. An employee may without penalty decline recall to an open temporary position.

2. An offer of recall to a temporary position will specify its anticipated minimum and maximum duration.
ARTICLE 12

HOLIDAYS

A. The following legal holidays are recognized by the Company for all employees covered by this Agreement:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year's Day</td>
<td>Observed January 1</td>
</tr>
<tr>
<td>Dr. Martin Luther King Jr. Day</td>
<td>Observed the 3rd Monday in January</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Observed the last Monday in May</td>
</tr>
<tr>
<td>Independence Day</td>
<td>Observed July 4</td>
</tr>
<tr>
<td>Labor Day</td>
<td>Observed the first Monday in September</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>Observed fourth Thursday in November</td>
</tr>
<tr>
<td>Thanksgiving Friday</td>
<td>Observed the fourth Friday in November</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>Observed December 25</td>
</tr>
</tbody>
</table>

Legal holidays will be observed the night preceding the holiday by “Graveyard” shift Employees. If Horizon grants an additional Holiday for any other work group (excluding flight crews), the Holiday will be offered to the employees covered by this Agreement.

B. All full-time Employees will receive holiday pay up to a maximum of ten (10) hours at the straight time rate plus shift differential, provided that the employee has worked his last scheduled shift before the holiday and the first scheduled shift after the holiday, unless excused by Management.

1. All such Employees whose work schedule is unaffected by the holiday (i.e. those who were not scheduled to work on the holiday and who did not work the holiday) will receive eight (8) hours of holiday pay if they work an eight (8) hour schedule, and ten (10) hours of pay if they work a ten (10) hour schedule.

2. Any such employee who is excused from working on a holiday on which he normally would have worked and those who work on the holiday will receive holiday pay for the number of hours he was scheduled to work.

3. An Employee may take a compensatory day off with pay in lieu of the holiday pay paid for each holiday worked.

4. When a holiday falls on an employee’s scheduled day off, he may defer the holiday pay and ask to take another day off with pay.

5. Any additional day off must be approved by the Company, on a first come first served basis, and may not be canceled within ninety (90) days of the approved day.
C. Part time Employees shall be paid holiday pay equal to ten percent (10%) of their regular (non overtime) hours worked during the two-week payroll period that includes the holiday.

D. All employees who work the Holiday will receive double time for all hours actually worked on the Holiday. However, there shall be no overtime premium payable for any hours for which the Holiday premium is paid. (i.e. There shall be no compounding of holiday and overtime premiums).

1. For holiday staffing purposes, all employees regularly scheduled for duty will be expected to report for work on their regularly scheduled shift. The Company will endeavor to reduce the work load on a holiday, therefore, a list with the number of employees required per shift and Work Area will be posted by the Company in each Work Area at least twenty one (21) days before the holiday. Within thirteen (13) days of posting, employees must indicate in writing their preference to take the day off by signing the volunteer list. Only those employees assigned to the Work Area and normally scheduled to work on that day will be eligible to sign its respective volunteer list. If the volunteers exceed the staffing requirement for the holiday, and reduced staffing is authorized, awarding of the day off will be in seniority order, beginning with the most senior employee, and will be posted seven (7) days before the holiday. If there are more employees wanting to work than are needed for holiday staffing purposes, assigning of the day off will be in inverse order of seniority, beginning with the most junior employee (including probationary employees).

E. If an employee receives any type of payment (PTO, EL) while on leave (i.e. jury duty, bereavement, etc.), the employee will receive holiday pay in lieu of leave pay so long as the employee receives leave pay on the shift before and after the holiday.
ARTICLE 13

PERSONAL TIME OFF

A. Personal Time Off (PTO) shall be used by Employees to compensate for work hours they would otherwise have been scheduled to work, but do not, due to the following; scheduled vacation, Day-at-a-Time (DAT) time off, absence due to an illness or injury (or a family care leave of absence as described in Article 15.F. under which the Employee is entitled to use sick leave), during the waiting period specified in Article 14 for Extended Leave (EL), an absence for any other reason not covered by other provisions of the Agreement while in an active employment status.

B. Personal Time Off is earned for every paid hour beginning on the first day of the pay period following an employee's date of Hire. The accrual rate and, the maximum accrual per biweekly pay period, and the maximum total accrual for Full-time and Part-time employees increase with the Employees Company Seniority as shown in the table below:

<table>
<thead>
<tr>
<th>Company Seniority</th>
<th>Hours Per Paid Hour</th>
<th>Max Accrual per biweekly pay period (hours)</th>
<th>Max Total Accrual (8 hour days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First five (5) years</td>
<td>0.065375</td>
<td>5.23</td>
<td>208</td>
</tr>
<tr>
<td>After five (5) years</td>
<td>0.084625</td>
<td>6.77</td>
<td>248</td>
</tr>
<tr>
<td>After ten (10) years</td>
<td>0.088500</td>
<td>7.08</td>
<td>256</td>
</tr>
<tr>
<td>After eleven (11) years</td>
<td>0.092250</td>
<td>7.38</td>
<td>264</td>
</tr>
<tr>
<td>After twelve (12) years</td>
<td>0.096125</td>
<td>7.69</td>
<td>272</td>
</tr>
<tr>
<td>After thirteen (13) years</td>
<td>0.100000</td>
<td>8.00</td>
<td>280</td>
</tr>
<tr>
<td>After fourteen (14) years</td>
<td>0.103875</td>
<td>8.31</td>
<td>288</td>
</tr>
<tr>
<td>After twenty (20) years</td>
<td>0.108000</td>
<td>8.64</td>
<td>320</td>
</tr>
</tbody>
</table>

The accrual rate and maximum accrual per biweekly pay period for a Variable-Time Employee are as shown above for the first five years, regardless of Company seniority.

C. An employee shall cease accruing PTO, when an employee reaches his maximum total accrual as shown in the table above. He shall stop accruing PTO until his total accrual falls below the maximum. Employees must use their accrued PTO for time off, and will not be compensated in lieu of time off for unused PTO during the course of their employment. An employee's current PTO accrual shall be displayed on his regular paycheck "pay stub."
D. **Vacation**

1. Employees who have successfully completed their probationary period may schedule vacation each succeeding year.

2. While on vacation, an employee shall be paid from his accrued PTO at his regular rate for the number of straight time hours he would have worked each day up to a maximum of forty (40) hours per pay roll week (Sunday through Saturday). For example, ten-hour shift employees shall take their vacation in four day increments and the employee shall be charged ten hours for each vacation day paid. Vacation hours will be compensated at the employee's base pay, including all premiums and differentials that he would have been entitled to receive if he had worked instead of being on vacation.

E. **Vacation Bidding**

1. For vacation bidding purposes, a vacation period shall be defined as the period from 0001 Sunday to midnight the following Saturday. On November 1 of each year employees will be notified of the amount of vacation they should be entitled to bid during the forthcoming calendar year, the company shall post no less than the total anticipated number of weeks of vacation accrued by the employees as of December 31, and the Company shall post the total weeks of vacation employees will have available to bid. All employees will bid for their vacation preference in weekly increments according to their Company seniority, by classification, work area, and each crew. The shift for bidding purposes will be determined based on the employee's shift on November 15. Bids will commence on November 15, and be completed and posted by December 15. The completed bid shall remain posted throughout the ensuing year to allow for viewing.

2. The Company shall post the bid location and the telephone number of the bid location on November 1, additionally the company shall post notice of where and when each employee will bid their initial round of vacation. Employees shall be given a fifteen (15) minute time slot to peruse the available vacancies and bid. Employees will have three (3) ways to bid: they may show up in person; employees may telephone in their preference; or employees may submit a written pre-bid to the designated management representative prior to any particular bid round. Written confirmation will be provided to employees submitting written pre-bids.

3. Fractional weeks may not be bid. Employees may bid one (1) continuous vacation period, which may include all or any portion of the vacation to which he is entitled, excluding excess vacation.

4. Once each employee has had the opportunity to bid, additional rounds of bidding will be permitted following the same procedure used during the initial round. Bidding is limited to three (3) rounds, with the first two (2) rounds limited to consecutive week bidding. The third round may be bid nonconsecutive and will include any remaining un-bid vacation and excess vacation requested in advance per paragraph E.8.
5. If an employee does not bid during any round, the employee shall not be given the opportunity to bid until the next round. If an employee has submitted a pre-bid, and those week(s) are not available during his bid period, he will have the opportunity to place a bid if he is present or calls in during his scheduled bid time. Otherwise, he will not be given the opportunity to bid until the next round.

6. Employees working in Work Areas that bid vacation by shifts will retain and carry with them their bid vacation week(s) if they move to another Work Area and/or shift during the Calendar year.

7. The number of weeks that an Employee may bid is, not including excess vacation, the lesser of: (1) his anticipated total vacation hours accrued in that year as of December 31 divided by forty, or (2) the number of weeks shown in the table below:

<table>
<thead>
<tr>
<th>COMPANY SENIORITY</th>
<th># OF BIDDABLE VACATION WEEKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>2 weeks</td>
</tr>
<tr>
<td>5 years but less than 15</td>
<td>3 weeks</td>
</tr>
<tr>
<td>15 years or more</td>
<td>4 weeks</td>
</tr>
</tbody>
</table>

8. Any employee desiring to bid vacation in excess of the number of weeks specified in paragraph E.7 above due to accrual carried over from previous years must notify his Supervisor no less than fourteen calendar days prior to November 1 to have excess vacation included on the vacation schedule. Excess vacation greater than that specified in paragraph E.7 above may be bid only during the third round.

F. Vacation Availability

In work areas with workloads that are not anticipated to fluctuate (e.g., line maintenance), the vacation weeks shall be spread evenly throughout the year. However, in work areas with planned peak and valley work periods (e.g., Heavy Maintenance), vacation weeks in excess of the final fifty two (52) week column may be concentrated in the valley periods. Vacation weeks not bid or awarded during the vacation bidding process may be taken in accordance with paragraph G or H.

G. Adjustments to Vacation

1. Holidays - If a holiday falls within the vacation leave, that day will not be charged against the PTO Bank.
2. Days Off, General Rule - An employee's vacation days off will begin on the first scheduled workday of his consecutive block of scheduled workdays (employee's Monday), the majority of which workdays fall within his bid vacation period. If his scheduled workdays are Friday, Saturday, Sunday, Monday, then his first vacation day off shall be Friday. When an employee desires to start his vacation on the calendar Sunday, it shall be requested in writing at least fourteen calendar days prior to the beginning of his scheduled vacation period.

3. Illness - Employees who become ill during their vacation may not change the status of the leave until the pre-arranged vacation leave is liquidated, but the Company will count the period of illness as part of the waiting period for EL if the illness continues and prevents the Employee from working after the end of his vacation and adequate documentation of the illness is provided to the Company's Leave and Disability Administrator. Unless an employee is able to substantiate that he was incapacitated and unable to notify the Company due to an illness or accident, the EL waiting period will not begin before the date of notification.

4. If an employee's accrued PTO will be less than forty (40) hours at the time of a scheduled vacation week, that vacation week will be cancelled.

5. The Company may not cancel scheduled bid vacations, except:

   a. In the case of "emergency" as defined in Article 24 or,

   b. In accordance with paragraph 6 below. If, in the case of an emergency, the Company cancels a vacation of an Employee who has made a non-refundable deposit, bought nonrefundable tickets, converted company authorized "V" class tickets for such travel, etc., in reliance on his established vacation schedule, the Company will reimburse the affected Employee for any documented non-refundable expenses (hotel reservations/airfares/rental car, etc.) that the Employee might have had arranged during the cancelled vacation period. The Company will be entitled to attempt recovery of the deposit, ticket expense, etc. or apply it to some other person or purpose. The affected Employee will also be allowed to re-schedule the cancelled vacation period for any week left within the calendar year or the cancelled vacation may be carried over into the following year.

6. Bid vacations will be taken as bid unless:

   a. employees notify their Supervisor in writing, at least fourteen (14) calendar days in advance of their scheduled vacation, that they wish to cancel the vacation or

   b. the employee does not have the needed accrued PTO to accommodate the vacation and has not made prior arrangements to cover the time off, at which time his vacation will be canceled and made available to other employees within the work group in accordance with paragraph 7 below.
7. When an employee vacates his vacation week(s), employees in the same work area will be allowed to bid the vacated week(s) in order of Company seniority. A notice of the vacated week(s) will be posted, and employees must notify their supervisor in writing of their desire for the vacated week(s) within seven days of the posting. If not selected within seven days, it will be considered as an unbid week(s). Any unbid week on the vacation schedule will be available for employees within the bid group, or those who wish to switch their bid week(s) of vacation. Vacation week(s), which in turn are vacated by this procedure, will remain unbid week(s).

8. An employee wishing to switch his bidded vacation or select an available week(s) must notify his supervisor at least fourteen (14) calendar days prior to the employee's scheduled vacation period or fourteen (14) calendar days prior to the effective date of the vacation period the employee wishes to select, whichever occurs first. The request must be made in writing. Requests will be granted on a first come first served basis.

9. If an employee's planned vacation is outside the USA or Canada, he may receive the pay that would normally be payable on paydays falling within the employee's vacation period on the day prior to the commencement of his vacation, provided that the employee makes a written request fourteen calendar days prior to the commencement of his vacation.

H. **DAT Scheduled Time Off**

1. Employees are expected, but are not required, to schedule the maximum number of vacation weeks that they may bid pursuant to Section E. above. However, an employee may take any accrued PTO on a day-at-a-time (DAT) basis.

2. DAT scheduled time off may be taken singularly or consecutively.


   a. For each classification on each crew in each work area, the company will make available DAT in accordance with the table below.

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>No. of DAT available per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>1</td>
</tr>
<tr>
<td>6-10</td>
<td>2</td>
</tr>
<tr>
<td>11-15</td>
<td>3</td>
</tr>
<tr>
<td>16-20</td>
<td>4</td>
</tr>
<tr>
<td>21-25</td>
<td>5</td>
</tr>
<tr>
<td>26-30</td>
<td>6</td>
</tr>
<tr>
<td>31-35</td>
<td>7</td>
</tr>
<tr>
<td>More than 35</td>
<td>8 plus 1 for each additional 5</td>
</tr>
</tbody>
</table>

   b. When total number of DATs available per week is seven or less, no more than one guaranteed DAT will be available on each day of the week. For example, if the number of employees is 12, and there are 3 days available, employees...
may request any day of the week, but requests are only required to be granted for the first three different requested days.

c. The Company may “black out” up to three weeks per year and make no guaranteed DAT available during those weeks. The “Black Out” weeks shall be posted at the same time and location as the regular bid per paragraph E.1.

d. Requests may be filed up to 12 weeks in advance of the week in which the DAT would occur, but no later than two weeks before the day requested.

e. Approval will be on a first-come-first-served basis except that an employee who has already taken seven DATs during a calendar year shall not be eligible for further Guaranteed DAT Availability Days.

f. Requests will be approved (or disapproved) within seven days of receipt of the request. An employee who has a DAT request pending for more than three days shall contact his senior manager with approval authority to request action upon his request.

4. The above procedures with respect to Guaranteed Availability Days are not a limitation on the granting of additional DAT requests. The Company shall approve additional DAT requests, subject to the Company’s staffing needs. However, requests submitted less than fourteen days in advance are less likely to be approved if staffing adjustments are necessary.

5. DAT time off may also be requested for partial days, in increments of hours. If a holiday falls within the vacation leave, that day will not be charged against the PTO accrual.

6. Once granted, a DAT may only be cancelled in case of an emergency need by the company, or if cancellation is requested by the employee with the approval of his supervisor.

7. DAT hours will be compensated for at the employee’s base pay, including all premiums and differentials that he would have been entitled to receive if he had worked instead of being on scheduled time off.

I. **Unscheduled PTO Time Off**

1. Employees will be paid from their PTO accrual for any hours they were scheduled to work and did not work, unless compensated under another provision of this agreement or unless the time off is requested by the Company and agreed to be uncompensated by the employee (e.g., excused from shift early).

2. Employees should utilize the DAT Scheduled Time Off provisions of Section H above whenever the need for the absence can be anticipated in advance.

3. Payment for the PTO time does not make the absence an “excused” or approved absence if it has not been scheduled and approved.
4. PTO Notifications. An Employee, who is unable to work, shall provide as much advance notice as is possible.

   a. On a day on which the Employee is scheduled to work, notification shall be provided by calling in at least two hours before the Employee’s scheduled reporting time, if possible.

   b. If the Employee does not speak directly with his Supervisor, or his designee, at the time of initial notification (e.g., leaves a voice message), he shall leave the message informing them he will not be at work that day and the anticipated duration of the absence. If the absence will include his next shift, prior to the start of that shift, he shall again call and report the absence. This process shall continue until he is able to either speak directly with his supervisor or designee, or report to work.

   c. When an employee is using his PTO for an illness or medical condition, the Employee shall not be required to divulge information regarding his illness that he considers confidential and any such information that is divulged shall only be shared with others who have a need to know and who also agree to similarly limit any further disclosure of the information.

5. The Company acknowledges the right of the employee to use PTO when the need for an absence cannot be anticipated in advance. Accordingly, no employee will be disciplined for the use of PTO for such purpose. However, excessive use of unscheduled PTO, or the failure of an Employee to comply with the requirements placed upon him pursuant to paragraph 2 above, may be used as a basis for appropriate disciplinary action. Management has the discretion to change UPTO to PTO in extenuating circumstances.

J. Unused PTO will not be scheduled or paid during a labor dispute instigated or supported by the Union.

K. At the time the employee is given a layoff notice, he may notify the Company, in writing, within seven calendar days if he desires to receive a payout of his PTO.

L. Employees who have completed their probationary period will be compensated for unused PTO time at retirement, resignation, or termination (including death).

M. Employees who have completed their probationary period will be compensated for unused PTO time at retirement, resignation, or termination (including death).

N. Employees unused PTO hours may, at the employees’ option:

   1. Be transferred into the employee’s Extended Leave (EL) Bank, or
   2. The employee may elect to donate PTO under the Company’s PTO/vacation Donation program to be used by other employees with a hardship who have no PTO or EL to cover their time missed, or
   3. The employee may elect to donate PTO to another employee of his choice on an hour for hour basis.
ARTICLE 14
EXTENDED LEAVE

A. **Extended Leave (EL)**

Employees covered by this Agreement shall be provided income protection in the form of Extended Leave pay when medically disabled, including time on medical leave of absence, on account of an injury or illness that continues beyond the required waiting period described in Section C below.

1. EL will also be paid, after the required waiting period, when an Employee is on a Recuperative Leave of Absence or an approved FMLA or similar state law leave of absence that entitles the employee to payment for such time from an accrued sick leave or if the legally required leave is to care for a sick family member, even if the law does not mandate access to EL.

2. If the medical disability is the subject of an accepted Workers’ Compensation claim for which the Employee is receiving Temporary Total Disability (Time Loss) payments in an amount equal to the statutory requirements, the Employee will be compensated from his EL leave accrual to bring his combined time-loss and EL compensation to the EL compensation level that would be paid for an injury that is not work related. An Employee who wants EL supplemental payments shall coordinate with the Company’s Workers’ Compensation Administrator after his eligibility for time-loss has been determined.

**EXAMPLE**

Assume:

Employee injured on the job, time loss benefits begin on June 1, 2006, misses all work through August 31, 2006.

The Employee misses 13 complete weeks of work, during which he would have been scheduled to work 40 hours per week. His current rate of pay is $15 per hour.

His total time loss payments for the period June 1 - August 31, 2006 were $4,680.

Calculation of EL pay and EL hours used:

Loss of pay: June 1 - August 31: $15/hr x 40 hr/wk x 13 wks = $7800.00

Value of Time loss payments received: $4680.00

EL pay ($7800.00 - $4680.00) = $3120.00

EL hours used $3120.00/$15 = 208 hours

3. An Employee with more than 480 hours of EL accrued may cover approved intermittent leave time off under state or federal FMLA leave laws from his EL accrual after his PTO accrual is exhausted. The EL waiting period requirement shall not apply in such cases.
B. **EL Accrual**

Employees accrue 0.023125 hours of EL for each hour paid up to a maximum of 1.85 hours for each biweekly period, while on the payroll.

1. Unused EL shall accumulate from one year to the next for duration of employment. The maximum amount of EL leave that may be accrued is 2080 hours (1 year). An employee shall have the right to continue to receive EL during an eligible absence until exhausted irrespective of his eligibility for benefits under the Company's LTD (Long Term Disability) plan. However, an employee may also elect to use only the amount necessary to bridge the waiting period for benefits under the Company's LTD plan (currently 17 weeks) if he prefers; if he so elects, he shall no longer receive EL.

2. Accrued EL leave ceases to exist at the time of furlough, voluntary resignation or discharge; no compensation is made for unused EL leave, but it will be reinstated if the Employee is rehired to a full-time or part-time position, within one (1) year of resignation. Employees who return from furlough with retained seniority shall retain extended leave accrued prior to their furlough.

C. **EL Waiting Period**

EL payments will not begin until the employee has been continuously absent from work on account of the same qualifying condition for the number of scheduled work hours as set forth below. The EL Waiting period above is intended to be per rolling Calendar Year, per condition.

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>Waiting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time Employee</td>
<td>Twenty four (24) hours</td>
</tr>
<tr>
<td>Part-time Employee</td>
<td>Twenty two (22) hours</td>
</tr>
<tr>
<td>Variable-time Employee</td>
<td>Fifteen (15) Hours</td>
</tr>
</tbody>
</table>

D. **EL Payment**

EL will be paid for the hours the Employee would have been scheduled to work had he not been absent.

1. EL will be paid at the employee's base pay rate, including all premiums, that he would have been entitled to receive if he had worked instead of being on EL.

2. If accrued EL is depleted, the Employee has the option to use accrued PTO for EL pay if employed at least six (6) months with the Company.

E. **Increasing EL Accrual from PTO Accrual**

An Employee may transfer hours accrued in his PTO bank to his EL bank.
F. Notification and Approval for Extended Leaves

1. EL approval is contingent upon Employee compliance with the Company's requirements for substantiating the reason. When EL is for an EL eligible Leave of Absence, the requirements for Leave, as outlined in Article 15 will apply. The Employee shall contact the Company's Leaves and Disability Administrator as soon as possible to report the expected duration of the absence and receive instructions with regard to further reporting and/or submission of documentation, including, in the case of employee injury or illness, the need to see a doctor for diagnosis of treatment.
ARTICLE 15

LEAVE OF ABSENCE

A. **General**

1. Leaves of absence made available by the Company to IBT represented employees include the following: Employee Medical, Personal, Recuperative, and Bereavement. In addition, state Workers' Compensation laws, federal and state laws dealing with various aspects of Family Care, and federal laws applicable to those who perform Military service require that certain absences be treated as leaves of absence, and a summary of those leaves are also described in this Article. However, except as the Company expressly waives any eligibility condition or limitation on such leaves, they will be governed by applicable law. Leaves of Absence shall be without pay unless otherwise specified.

2. Once an employee has completed probation, the employee may request a Company leave of absence. The request must be made on the Company's designated form through the employee's immediate supervisor. The request must be made as far in advance as possible, but at least twenty-one calendar days prior to commencement of the leave, unless the need is unforeseeable. A request will be considered as "received" when all information required by the Company for evaluation of the leave request has been provided.

3. Company Leaves of Absence are administered by the Company's leaves and disability action department, which will respond to the employee's request by informing him of the type of leave that will be granted, the length of the leave and return date and any benefits that are available during the leave. A decision regarding the request shall be rendered at least seven days prior to the requested commencement provided the time frames in paragraph 2 above are met by the employee. Copies of the approval shall be forwarded to the employee's manager, and employee, and a record of the approval shall be maintained in the leaves and disability action department during the duration of the leave.

4. Any change to the return date must be approved by the Company. If the employee has not contacted the Company to establish a new return date prior to the last day of his Company Leave of Absence, he may be terminated.

5. An employee covered by this Agreement shall, upon returning from any authorized Leave of Absence or extension thereof, be returned to the work area from which he left and to any position (shift and days off) he could have bid (by seniority) at the time of the last bid prior to his return from Leave of Absence. If his seniority does not enable him to hold any position in his work area, paragraph 6 below will be applicable.

6. An employee whose position was eliminated shall be able to exercise his seniority in accordance with the terms of the Furlough and Recall provisions (Article 11) of the Agreement.
7. Employees on Medical or Workers Compensation leave of absence may request, and the Company may provide on-line travel to the employee or a family member when travel is required for necessary medical treatment.

8. Employees on approved Company leaves of absence are required to maintain current contact information. Employees shall provide address changes and projected return-to-work dates to the company within fourteen days of, or change to, any such information.

B. **Employee Medical Leave of Absence**

A Medical Leave of Absence shall be granted in accordance with Paragraph 1 below to an employee who is unable to work due to illness, injury or any other temporary disabling condition, provided such illness, injury or other disabling condition did not arise out of his employment with the Company.

1. A Medical Leave of Absence will be granted if an employee is expected to be disabled for two consecutive weeks or more. An employee who has not otherwise arranged for a Medical Leave of Absence and who has been out of work due to illness, injury or any other disabling condition for a period of two consecutive weeks or more will be placed on a Medical Leave of Absence, pending receipt of medical documentation, beginning on the fifteenth day.

2. The period of the leave shall coincide with the duration of the disability up to six months or until the employee's extended leave is exhausted (provided he did not start receiving Long Term Disability (LTD) benefits before exhaustion of his extended leave), whichever is greater. Extended leave and PTO shall continue to accrue while the employee remains on the payroll.

3. Written verification from a physician, including the expected period of disability must be submitted. Medical re-certification at reasonable intervals may be required. Horizon Air reserves the right to a second medical opinion at company expense. Medical certification from the employees doctor and concurrence from the company's second medical opinion if requested by the Company, of the employee's ability to perform his job may be required before he returns to work. Should a dispute arise between the findings of the two doctors concerning the employees physical ability or lack thereof to return to work, a third doctor, selected by mutual agreement by the first two doctors will make a third examination, and the decision of the third doctor will be determinative. The expense of the third doctor shall be shared equally by the Company and the Union.

4. A medical Leave of Absence may be extended up to a maximum leave period of one year upon application by the employee and certification by the employees doctor that the employee is expected to be able to return to work without limitation before the end of the extension period.
5. Leaves of Absence for Maternity. A pregnant employee may remain on the job as long as she can safely and satisfactorily perform her work in accordance with Department requirements. She may submit a combined request for a Medical Leave of Absence and a Recuperative Leave of Absence to cover the entire period of time from when she becomes disabled until the time she plans to return to work. The Company will provide a single form for employees to make a combined request for a maternity Leave of Absence. The Company may curtail the length of the Recuperative Leave of Absence if a staffing shortage will exist. The Company will provide a minimum fourteen (14) calendar day notification of an adjusted date of return.

   a. In the case of a combined maternity Leave of Absence, the Company will presume that an employee remains disabled for four weeks after the actual date of childbirth or miscarriage and will treat that period as a Medical Leave of Absence; however, an employee shall be entitled to a Medical Leave for any period, not exceeding the limitations as described in paragraph 4 above, that she is disabled and not medically fit to perform her duties.

6. During an employee Medical Leave:

   a. Extended leave will be paid until it is exhausted (unless the Employee is eligible for, and elects to apply, for Long Term Disability (LTD) benefits). PTO pay will be paid after Extended Leave is exhausted, if requested.

   b. Any bid vacation period scheduled to occur during the leave may be cancelled, or re-bid to another open vacation period if available, or carried over to the next year if the return to work occurs within the last three months of the year.

   c. An employee on Medical Leave of Absence shall continue to be covered by the Horizon Air group insurance plan and may continue dependent coverage, so long as timely payment is made therefore, for up to six months. Thereafter, the Company will process an administrative payroll separation and the employee may continue group insurance coverage to the extent provided by COBRA, provided he complies with all COBRA requirements. When more than one Medical Leave of Absence is granted for the same condition, within one year after the employee returns from the prior leave, the six months’ of group insurance coverage referenced above shall be cumulative and will not start anew with a subsequent related Medical Leave of Absence. "Same condition" includes a related condition, treatment for a condition, a complication arising out of the condition, or an aggravation of the condition.

   d. Company seniority and classification seniority for bidding, pay and benefit purposes shall be retained and accrued during the leave.

C. Personal Leave of Absence

1. Where a reason exists and the requirements of the service permits, a Personal Leave may be approved, solely at Company discretion, for a period not in excess of ninety days. Personal leaves may be extended for additional periods not to exceed thirty days up to a total maximum of six months in one calendar year.

2. When more than one employee requests a personal leave of absence over the same period of time and the reasons for requesting the leaves are similar, and the Company plans to deny one or more of the requests because these leaves being requested at the same time present an operational difficulty, classification seniority shall apply. Once granted, the leave of absence will not be rescinded due to a request by a more senior employee.
3. Company seniority shall be retained and classification seniority for bidding shall be retained and accrued during the leave. Classification seniority for pay purposes shall be retained but shall not accrue during the leave.

D. Recuperative Leave of Absence

An employee who has been granted a Medical Leave of Absence may be granted a Recuperative Leave of Absence for a period not to exceed 90 days for the purpose of rest or recuperation, after a disabling medical condition such as pregnancy. A request for a Recuperative Leave of Absence must be submitted at least 21 calendar days in advance of the intended start date for approval. An employee shall continue to accrue seniority while on a Recuperative Leave of Absence.

1. Any accrued Extended leave available after the preceding Medical leave will be paid during a Recuperative Leave of Absence until it is exhausted. PTO pay will be paid after exhaustion of Extended Leave if requested.

2. Any portion of the six (6) months of continued coverage under the Horizon Air Group insurance plan that has not been used during the preceding medical leave of absence, including dependent coverage so long as timely payment is made therefore, shall be provided to an employee on a Recuperative Leave of Absence.

E. Worker’s Compensation Leave of Absence

1. When an illness or injury arises out of his Company employment, an employee will be placed on worker’s compensation leave if he is unable to return to work after the statutory waiting period.

2. A Workers Compensation Leave shall be granted to an employee for the period of time that he receives temporary total disability (time-loss) payments under a worker’s compensation statute up to a maximum of seventy-two months.

3. Worker’s compensation Leaves are administered by the Company’s Safety and Health department. Copies of the documentation shall be forwarded to the employee’s personnel file, and the employee.

4. During a workers compensation leave:

   a. Company seniority and classification seniority for bidding, pay and benefit purposes shall be retained and accrued during the leave.
ARTICLE 16

MANAGEMENT RIGHTS

A. The Company retains discretion and authority to manage its operations and direct its workforce. To the extent not inconsistent with provisions of the Agreement, such rights include, but are not limited to, the right to; hire, promote, demote, transfer, lay-off and recall; assign and reassign duties, schedules, and hours of work; maintain good order and efficiency; discipline and discharge employees for just cause; establish and amend rules, regulations and procedures; establish and amend Company policies and procedures; determine initial employment qualifications; determine qualification for continued employment or promotion; contract and subcontract; determine the quality of service; determine the means of providing services to customer, including the size, type and number of aircraft to be utilized in providing services; determine the methods of administering and selling services; determine the size and composition of the workforce; establish new routes; discontinue all or part of Company operations; transfer equipment from one base of operations to another base of operation; and determine whether to purchase aircraft or to lease, sell or otherwise dispose of all or any part of its equipment.

B. The Company’s not exercising rights, powers, authority and functions reserved to it or its exercising them in a particular way shall not be deemed a waiver of such rights, power, and authority.
ARTICLE 17

UNION BUSINESS

A. Union Business Leave (UBL)

1. The Unions duly authorized representatives who are absent from work, to perform Union business duties shall have their regular straight time pay, premiums, differential, and benefits, including seniority and travel benefits, continued as if they had remained on active payroll. The Union will reimburse the Company for the full amount of such pay continuance (including base wages, premiums, and differentials) plus a forty five (45%) percent override for benefit related expenses. Such expenses would include, for example, the cost of PTO, Extended leave, FICA (social security, and Medicare), FUTA (federal unemployment insurance), SUI (state unemployment insurance), Company paid insurance, LTD benefits, 401(k) matching contribution, etc.

2. Employees covered under this agreement will submit their requests for Union Business time off on a UBL form supplied by the Union, approved by the Company in accordance with the following.

   a. The Business Agent, Chief Steward or designee(s) shall be designated as the Union Representative(s) authorized to request time off for Union Business.

   b. Time off requests must indicate the number of days or hours requested and the general nature of the union business to be attended to.

   c. All time-off requests made in a timely manner shall, subject to the operational needs of the Company, be approved by the Director of Maintenance Operations, or the person he designates for such purpose.

3. The Company will process the submitted time records of the employees covered by UBL so as to treat them as if they had been on active payroll on the scheduled work days they were actually absent for the purpose of performing approved Union business. Regularly scheduled and authorized payroll deductions will continue to be taken from each paycheck.

4. The Company will send a monthly, itemized statement to the Union (address provided by the Union) setting forth the computation and amount of the reimbursement due the Company from the Union for each employee covered by UBL. The Union will make reimbursement in full and return its payment to the Company not later than thirty days after receipt of the Company's billing.

6. The above-described reimbursement procedure is for short-term (less than thirty (30) days) Union business time off requirements only, not for long term union business leaves of absence.
B. **Paid Time Off for Contract Negotiations**

1. Employees covered under this article who are members of the Union Negotiating Committee with respect to an amendable contract under the Railway Labor Act shall be considered to be on day shift during periods of contract language preparation, actual negotiations or voting in conjunction with negotiations. If a negotiation meeting is held on such an employee’s scheduled day(s) off he will be provided compensating day(s) off, if requested. Compensating day(s) off arrangements must be made by the employee with his supervisor in advance of the negotiation meetings with the conflict. Negotiating Committee members will be paid, and the company shall be reimbursed, in accordance with the UBL provisions of this Article.

C. **Union Business Leaves of Absence**

1. Upon request of the Union, an employee covered by this agreement shall be granted an unpaid Union Business Leave of Absence to hold a full-time Union position. An employee on a Union Business Leave for this purpose shall retain Company and continue to accrue Classification seniority in the Classification they vacated. The Union shall pay the wages or salary, inclusive of fringe benefits, of an employee on extended Union Leave.

2. An employee must advise the Company at least twenty one (21) days in advance of his intention to return from a Union Leave of Absence. Upon his return he shall be reinstated to the position he held when the leave was granted. If the position is no longer available he may choose to fill any other open position in his work area. If there are no open positions within the employee’s work area he may exercise his seniority in accordance with Article 11 of this agreement.

D. **Meetings with the Company**

1. Union members will be permitted reasonable time to attend meetings conducted by mutual agreement or requested by the Company during the members regular working hours without loss of pay. The member will notify his supervisor before leaving his work area to attend the meeting.

2. A Union member will not be required to attend a meeting outside his regular working hours without mutual agreement.

E. **Union Business Travel**

1. The Chief Steward, Business Agent and IBT Officers may request free positive space, bumpable if over sold, service charge waived travel over Alaska Air Group’s (AAG) system for employees covered by this agreement for purposes of Union Business with the Company. Such travel shall require approval of the Director of Maintenance Operations based on his assessment of the reasons for the travel.
2. Employees officially representing the Union, as a member of the Contract Negotiating Committee, will be provided free positive space, bumpable if over sold, service charge waived passes over Alaska Air Group’s (AAG) system upon request, for the purpose of traveling to and from negotiating sessions conducted in the vicinity of the Company’s main maintenance facility (PDX), or to the vicinity of another station if the location is by mutual agreement.

3. If an employee covered by this Agreement is designated by the National Transportation Safety Board (NTSB) as a party to an NTSB investigation involving a Company aircraft accident or incident and excused from work to participate pursuant to the Health, Safety and Standards Article 21 of the Agreement, Section J, he will be provided positive space, service charge waived passes, upon request and subject to projected flight load, for travel from his station to and from the airport served by AAG that provides the most convenient access to the site.

4. Pleasure passes ("XI") priority may be used for other Union business trips by employees covered by this agreement.

F. **Apparel**

On individually purchased, non-uniform items of apparel approved by the company for wear with, or in lieu of, Company prescribed uniform items, employees covered by this Agreement may attach a Union logo patch that has been approved by the Company with respect to its size and color and its placement on the item of apparel.

G. **Union Activity**

No employee covered by this Agreement will be discriminated against by the Company, its officers or agents because of membership in, or lawful activity on behalf of, the Union that is expressly permitted by this Agreement.

H. **Bulletin Boards**

1. Glass enclosed lockable bulletin boards (approximate dimensions 3' x 4') will be provided by the Company at each station where at least 25 Union members are employed. In addition, the company shall designate a suitable wall space and provide a bulletin board at each other station where Union personnel are employed. All bulletin boards shall be identified as Teamsters Bulletin Boards. The Union and Company shall determine the location of the bulletin boards by mutual agreement. Keys shall be issued to the Chief Steward at PDX and the Steward at all other stations.

2. Union notices of interest to the employees may be posted on the bulletin boards including meetings, election results, minutes of meetings, Airline Division updates, etc. No political messages, material with controversial, vulgar, profane or obscene language and messages that disparage the Company or any of its employees are prohibited.
ARTICLE 18

UNION SECURITY AND REPRESENTATION

A. The International Brotherhood of Teamsters introduction to new employees: The Company will make available a sixty (60) minute period during the Company’s initial orientation training for new hire Technicians or related for the Business Representative, Chief Steward or designee to communicate information and answer questions concerning the Union.

B. It shall be a condition of employment that all current employees of the Company covered by this Agreement, shall on the effective date of this Agreement, become and remain members in good standing of the Union or, in the alternative, render the Union a monthly “Service Fee” as determined by the Union.

C. It shall be a condition of employment that all employees of the Company covered by this Agreement hired on or after its effective date shall on or before the sixtieth (60th) day following the beginning of the initial seniority date, become and remain members in good standing in the Union, or, in the alternative, render the Union a monthly “Service Fee” as determined by the Union.

D. The Company will deduct from the wages of any employee who chooses to become a member of the Union any initiation fees and dues as a member of the Union upon receiving the employee’s voluntary and individual written authorization for the Company to make such deductions. The written authorization must be signed by the employee and the authorization form will be provided by the Union. The Company will pay over to the proper officers of the Union the wages withheld for such initiation fees and/or dues. The amount withheld shall be deducted from the first two paychecks of the month, reported and paid to the Union monthly. The employee’s employee number, full name, dues rate, rate of pay and status of employment will be transmitted with the monthly fees/dues. The Company shall transfer all dues to the Union prior to the tenth (10th) day of the month following the month in which the deductions were made.

E. Employees not retained during their probationary period shall have their initiation fees returned upon request.

F. The Union agrees that it shall indemnify the Company and hold the Company harmless from any and all claims, which may be made by the employee or employees against the Company by virtue of the wrongful application or misapplication of the terms of this Article.

G. In the event of termination of employment, there shall be no obligation upon the Company to collect dues until all other deductions have been made.
H. The Company will advise the Union of the name(s), social security numbers, hire dates, and addresses of any new hires and the name(s), employee numbers and dates of all other employees covered by the Agreement who have been terminated, laid off, retired, transferred, changed status, or recalled at the time the Company turns over the monies to the Union in accordance with Section D of this Article.

I. It shall be the responsibility of any employee who is a member of the Union and not on a dues deduction program to keep the employee’s membership current by direct payments of monthly dues to the Union.

J. The Union shall give the Company at least thirty (30) days written notice before requesting the removal of employees from employment for failure to maintain membership in good standing in the Union in accordance with Section B or C of this Article. The company shall then take proper steps within fifteen (15) days of said notification to discharge such employee from the services of the company. Such discharge shall be for just cause.

K. The Company agrees to admit to its bases the officially designated representatives of the Union to transact business as is necessary for the administration of the Contract. Such business shall be transacted in as short a time as possible and shall not interfere with the operations of the Company. The Union will give the Company twenty-four (24) hours notice when practical if they plan to conduct a sizeable group meeting with employees covered by this Agreement. The Company shall sponsor a reasonable number of union officials for any necessary airport security badges to access the hangar and line work areas, at no cost to the Union.

L. The Union shall select Business Representatives and shall notify the Vice President of Maintenance or the Company’s designee at the time of their appointment or removal. The Vice President of Maintenance or the Company’s designee shall notify the Union of the appropriate Company representative.

M. The Union shall elect or appoint a primary shop steward(s) and alternate(s) as required to conduct Union business and shall notify the Company in writing of their election, appointment, or removal.

1. Time spent in handling grievances during the steward’s regular working hours shall be considered hours worked for all purposes. It is understood that if a steward voluntarily chooses to handle a grievance on other than Company time, the employee may not claim overtime pay for the non-Company time spent handling such grievance. This provision, however, shall not be construed as affecting an employee’s overtime pay for time spent handling grievances while at work on authorized overtime. A Union Steward may not conduct Union business while working overtime unless it is requested by management. If Management calls a Union Steward during their off duty hours, the Company will pay a minimum of one (1) hour straight-time pay at the employees current rate of pay.
N. The Union will provide the Company with the names, addresses and phone numbers of its official Business Representatives at each base.

O. Any employee covered by this Agreement who is required to be present at a Company hearing or investigation involving the employee will be entitled to Union representation at such hearing or investigation.

P. Effective upon signing of this Agreement, the Company shall supply permanent suitable office space for the Union's use, on the property at the Portland Maintenance Base (PDX) where the employees are located, and easily accessible by the employees.

Q. The union shall elect or appoint a Steward for the Portland Base who will fill the Chief Steward position in order to increase efficiency and communication between the IBT and Management. The Chief Steward shall have a schedule with day off pattern and hours to be determined between the parties and will be placed on a separate bid list. At times the Chief Steward may be utilized where needed at Portland Base Operations. This agreement will commence on date of ratification and may be reviewed by the parties every two years.
ARTICLE 19

NO STRIKES OR LOCKOUTS

It is the intent of the parties to this Agreement that the provisions set forth herein shall serve as a means of resolution of disputes that may arise between them and that disputes involving employees not covered by this Agreement shall not disrupt the work of Employees covered by this Agreement, and therefore:

A. **No Lockouts**  The Company shall neither cause nor permit a lockout during the life of this Agreement; and

B. **No Strikes**   During the term of this Agreement, there shall be no strikes, concerted work stoppages, concerted slow downs, picketing (other than informational picketing), honoring of picket lines, sympathy strikes, or other concerted interference with the operation of the Company by the Union, its agents or representatives or by AMFA Technicians.
ARTICLE 20

GRIEVANCE PROCEDURE AND SYSTEM BOARD OF ADJUSTMENT

A. Introduction

1. The procedures described in this Article shall be the mandatory and an exclusive mechanism for the resolution of all grievances concerning an action of the Company affecting an employee or group of employees, including, without limitation, any and all grievances arising from discipline, discharge, or the interpretation or application of the express terms of this Agreement.

2. A grievance must contain a reference to the provision(s) of the Agreement alleged to have been violated and a statement of the facts involved, sufficiently detailed to allow investigation of the incident.

B. General, Procedural Rules and Time Limits

1. Employees of the Company who are on duty and are called as witnesses for any of the proceedings described in this Article will suffer no loss of pay. An employee summoned to serve as a Union witness (not including the grievant) will be paid by the Union (in accordance with Article 17 A(1) - "Union Business" of this Agreement) and an employee summoned to serve as a Company witness will be paid by the Company. Employees summoned to serve as a witness outside of their normal working hours shall have their start time(s) adjusted to accommodate his witness service. All meetings and System Board hearings shall be held as close as possible to the employees normally scheduled shift. If an employee is required to fly in order to return home following his witness service, release from duty shall be the actual time he clocks out at his home station. The number of witnesses summoned at any one time shall not be greater than the number that can be spared from the operation without interference with the services of the Company.

2. The failure of a company representative to issue a decision within the deadlines prescribed by this Article shall be deemed a denial of the grievance or appeal, and such grievance or appeal shall be deemed to have been immediately and automatically appealed to the next step unless the Union indicates that it wishes to withdraw the appeal.

3. The failure of the employee or the Union to comply with any of the time limits set forth in this Article shall be deemed an immediate, automatic, and final withdrawal of the grievance or appeal.
4. Compliance with all time limits specified in this Article shall be determined by date of hand delivery, as established by the initialed copy, or by the date of the signed receipt when sent by mail, registered, return receipt requested.

a. The time periods established in this Article for hearings, decisions and appeals shall be considered as maximum periods, and therefore settlements or adjudications may occur earlier than the established time period. Furthermore, the time limits specified in this agreement may be waived by mutual written consent of the parties.

5. A Union representative shall be permitted a reasonable amount of time during working hours to: represent employees, attend disciplinary meetings or, to present and research grievances without loss of pay provided they first notify their Supervisor and their relief from duty does not disrupt work.

6. The parties will notify one another of the persons designated to file and answer grievances. In the event of permanent change of the person(s) responsible for answering grievances at any step of this grievance procedure, the parties will notify the other as soon as possible.

7. The Company recognizes the right of the Union to file a group grievance when the issue is common and identical to those employees in the group.

8. All grievances resolved at any step of the Grievance Procedure prior to the System Board of Adjustment shall be on a non-precedential basis unless mutually agreed otherwise.

9. In the case of discharge, the System Board of Adjustment and arbitration hearing shall convene in the city where the discharged employee worked unless the parties mutually agree to another location.

C. **Grievances Steps**

1. **Step 1**

   Except in the case of discharge, suspension, or discipline resulting in loss of pay. (All instances of which begin at step three (3) of the grievance procedure) the aggrieved employee will first present the complaint to his supervisor for discussion and possible solution within fourteen (14) calendar days after the employee or his representative could reasonably have knowledge of the incident upon which the complaint is based. During this discussion, the employee will have the right, but not the obligation, to be represented by his shop steward or Local Business Representative. It is understood and agreed that decisions made at the first step of the grievance procedure by the supervisor, employee and/or his representative shall not constitute a precedent of any kind unless otherwise agreed to by the Union and the Company.
2. **Step 2**

   a. If the complaint cannot be resolved through a discussion, the grievance shall be reduced to writing by the employee or his representative, signed by the employee or his representative, and presented to his supervisor within fourteen (14) calendar days after the date of the discussion described in paragraph B above.

   b. The grievance will be answered in writing by the supervisor, who will present a copy to the grievant, the shop steward and the Union Representative, within fourteen (14) calendar days after he receives the written grievance.

3. **Step 3**

   a. If the decision of the supervisor is not satisfactory, the employee or his Union Representative may appeal the grievance directly to the Director of Maintenance or his designee, provided such appeal is presented in writing within fourteen (14) calendar days after the written decision of the supervisor has been presented to the grievant, the shop steward, and the Union Representative.

   b. The Director of Maintenance or his designee will meet to hear the grievance(s) within fourteen (14) calendar days following the receipt of the written appeal. The grievant, the shop steward and the Local Union Business Agent shall be entitled to attend this meeting, and shall be allowed a reasonable opportunity to present relevant testimony and information. The Director of Maintenance or his designee shall issue his decision in writing within fourteen (14) calendar days after the presentation of such relevant testimony and information.

   c. Within fourteen (14) calendar days after the receipt of the written decision of the Director of Maintenance or his designee, if the decision is not satisfactory to the grievant and/or his Union Representative, the Union may appeal such grievance to the System Board of Adjustment by serving a written notice to the System Board of Adjustment in accordance with Step 4 paragraph 4.a below.

4. **Step 4**

   **System Board of Adjustment**

   a. An appeal to the System Board shall be filed in writing to the System Board Chairman with copies to the Vice Chairman, within thirty calendar days after the final decision in the third (3rd) step of the grievance procedure. The grievant’s appeal to the System Board shall include:

      1). The question(s) at issue

      2). The statement of the facts
3). Position of the grievant(s) and the relief requested

4). Position of the Company and/or the Union

5). Copy of the grievance

b. The System Board of Adjustment shall be composed of one (1) member designated by the Company and one (1) member designated by the Union, neither of which shall have answered the grievance at a lower level of the grievance process. The Board shall meet in Portland unless another city is mutually agreed upon. The Board shall meet as needed and in no case later than sixty (60) calendar days subsequent to the proper submission of a case to the Board. In the case of a discharge or a suspension resulting in loss of pay, the Board shall convene within thirty (30) calendar days of the date that the discharge or suspension is appealed to the Board.

c. A majority vote of the Board shall be competent to make a finding or decision with respect to any dispute submitted to it in accordance with this Agreement. Such finding or decision shall be final and binding upon the parties to the dispute.

d. The System Board shall render a written decision no later than thirty (30) calendar days after it has closed the record in the hearing of the case. If the Board is unable to agree upon a finding or decision, it shall forthwith provide written notification to the company and Union. In such event, the Union may appeal the grievance to Arbitration.

e. The Company and Union members of the Board shall continue to serve until such time as the party selecting the members shall select a successor, which may be done at any time except during the consideration of the case.

f. The Company and Union members of the Board shall alternate as Chairman and Vice-Chairman of the Board on a yearly basis with the Chairman position being held by the Union member in even-numbered years.

g. Each Board member shall be free to discharge his duty in an independent manner, without fear that his individual relations with the company, the Union, or the employee may be affected in any manner by any action taken by him in good faith in his capacity as a Board member.

5. Step 5

**Board of Arbitration**

a. After receipt of the intent to arbitrate, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree on a neutral arbitrator, they shall submit a request to the National Mediation Board for a list of nine (9) persons qualified to act as the impartial arbitrator. Company and Union representatives shall meet within five (5) days of the receipt of the list and shall alternately strike four (4)
names from the list, with the party to strike first to be determined by lot. The remaining ninth (9th) person shall then be selected as the impartial arbitrator. The Board of Arbitration shall consist of one (1) member selected by the Union and one (1) selected by the Company, and the impartial Arbitrator. By mutual agreement, the company and Union members of the Board may appoint the neutral Arbitrator to hear the case alone and render the final and binding decision of the Board.

b. The impartial arbitrator shall be advised that the parties request his draft be rendered within thirty (30) days after the close of the hearing or submission of briefs. The decision of the impartial arbitrator shall be final and binding.

c. The Board and/or Arbitrator shall have jurisdiction only over any dispute which arises out of a grievance concerning either (1) discipline (including discharge) of the grievant(s), or (2) an alleged breach of the terms of this Agreement, including an interpretation or, application of any of the terms of this Agreement, as it affects the grievant(s) when such grievance has been processed pursuant to the procedures set out in this Agreement.

d. The jurisdiction of the Board shall not extend to establishing or changing hours of employment, rates of compensation, or working conditions, nor shall the Board have the authority to modify, amend, revise, add to, subtract from, or otherwise change the terms of this Agreement or any other written Agreement between the Company and the Union.

e. Upon request of either party, the parties agree to exchange the documents that are then intended to be introduced as evidence and witness lists at least fourteen (14) calendar days before the date of the arbitration hearing.

f. Each party shall bear its respective expenses in the presentation of any case to the Board and Arbitrator.

g. Witnesses who are employees of the Company, and grievants who are employed by the Company shall receive free positive space bumpyd if oversold service charge waived passes over the AAG system from their point of duty or assignment to the point at which they must appear before the Board and return.

h. When it is mutually agreed that a stenographic transcript is to be made of a hearing, the costs shall be borne equally by each party. Should only one of the parties have a stenographic transcript made, that party shall pay the complete cost of the transcript. The other party shall, however, be provided with a copy of the transcript upon request by paying one half of the costs.

i. Costs associated with a hearing (e.g. room rental, arbitrator fees and expenses), other than cost related to the production of a stenographic transcript, shall be borne equally by the parties.
D  **Discipline and Discharge**

In the case of action involving discharge, suspension, or discipline to the extent of loss of pay the following shall apply:

1. A non-probationary employee will not be disciplined or discharged without just cause. An employee will be notified in writing with a copy to the Union of discipline or discharge and the facts on which the discipline or discharge is based.

2. Once the Company learns of an incident that may result in the discipline or discharge of an employee, it will commence and complete an investigation of the incident and determine the course of action in a timely manner. An employee will not be disciplined or discharged prior to a meeting between the Company's representative, the employee, and his Union Representative. Medical plan Benefits will be continued if an employee is withheld from service pending the outcome of the investigation. An employee will not be withheld from service without pay with the exception of investigations of potential unlawful activity (for example, theft, intoxication, fighting, etc.) or situations that pose a threat to the safety of the workplace.

3. If an employee is withheld from service without pay pending investigation and is subsequently exonerated of the charges, he will be paid for scheduled hours missed and reinstated without loss of seniority, longevity and benefits.

4. Employees will not be disciplined or discharged without just cause. Additionally, the Company and Union agree that progressive discipline will be used when reprimanding employees, except for situations requiring immediate suspension or termination (i.e. workplace violence, harassment, alcohol and/or drug use, theft, fraud, serious safety or security violations, etc.)

5. The Company will institute disciplinary action within fourteen (14) calendar days of the date it knows, or reasonably should have known of the facts upon which the discipline is based.

6. In the event an employee feels he has been unjustly disciplined or discharged, the employee may appeal the Company's decision by filing a written grievance on a standard form provided by the Union, within fourteen (14) calendar days of the date that the discipline was imposed with a copy to the Union.

7. Grievances filed by an employee as a result of that employee being discharged, or those filed by employees that have been suspended or disciplined resulting in a loss of pay, will be entered at the 3rd Step of the Grievance Procedure as described in Article 20.C.3.

E.  **Employee Personnel Files**

1. Employee personnel files are the Company's permanent record of work related matters pertaining to its employees. Prior letters of reprimand and other disciplinary letters in an employees personnel file will not be referred to in disciplinary actions if:

   a. The kind of conduct is unrelated to the prior incident; or
b. The prior incident occurred more than eighteen (18) months prior to the current incident.

2. An employee will be offered the opportunity to acknowledge and respond to the existence of any letter of reprimand or other disciplinary record before it is placed in his personnel file and a copy of the document will be provided to the employee if he so requests. The employee written response will become a permanent part of the employee's record.

3. The employee will be offered the opportunity to respond to any document regarding his work performance or conduct that is retained in his personnel file, including any entry made to his HA-115 Supervisors record of discussion and action (Green Sheet) or like form. The employee's written response will become a permanent part of the employee's record.

4. Employees shall have access to their employee file, and an employee may grant access of their file to their Union representative. The employee shall be entitled to copies of their file at a cost borne by the employee.

F. **Protections under the Railway Labor Act**

Nothing herein shall be construed to restrict the right of an employee who may face discipline or discharge by the Company from requesting and having a Union representative present, in person, during any meeting with officials concerning the discipline or discharge of such Employee. The Company shall make a good faith effort to remind a grievant of his opportunity to have a Union representative present. With prior notice to the Vice President of Maintenance and Engineering or his designee, the Union shall be entitled to have more than one (1) representative present at a meeting with the Company. However, the Company shall not be required to delay any meeting with an employee to facilitate the participation of any specific Union representative.

G. **Company Grievance**

The Company has the right to file a grievance over any dispute arising under this Agreement. Company grievances shall be handled in accordance with Paragraph “C” of this Article, except that such grievances shall be presented to the Union, who shall issue a written decision within fourteen (14) calendar days of the date the grievance was filed. If the decision of the Union is not satisfactory, the Company may appeal this decision to the System Board of Adjustment in accordance with paragraph C.4 of this Article.
ARTICLE 21

HEALTH, SAFETY AND STANDARDS

A. Safety is the most important priority and, accordingly, the responsibility of both management and each employee. The Company and employees hereby agree to maintain safe, sanitary, and healthful working conditions in all work areas, shops and facilities. The Union and the Company agree to cooperate in encouraging employees to observe all safety regulations prescribed by the Company and to work in a safe manner.

B. In order to eliminate, as far as possible, accident and illness, a joint Safety Committee shall meet monthly and be maintained at the Portland maintenance facility. The joint safety committee shall consist of no less than two Company management representatives and two bargaining unit members. The Union may add a representative from a work unit for a particular meeting dealing with a subject germane to that work unit. At each line station or other work location, a safety representative designated by the Union shall participate in the Company's station safety committee meetings, unless the Company establishes a separate Aircraft Maintenance Division safety committee at that location.

1. The Safety Committee:

   a. is responsible for recommending safety and health improvements in the workplace. The committee is also responsible for identifying hazards and unsafe work practices, and removing obstacles to accident prevention. Safety Committee members shall be given the necessary time during their working hours to investigate and review working conditions and areas to prevent unsafe working conditions investigate all complaints regarding unsafe and unsanitary working conditions. Time used as described above shall be coordinated with the appropriate management representative.

   b. Shall meet on a monthly basis to make recommendations concerning such complaints.

   c. Shall Receive copies and review all accident reports. Personal medical/privacy information shall, as required by law, be redacted.

   d. Shall receive copies of and review all OSHA investigations and inspections.

   e. Shall keep accurate records of committee activities and recommendations.

C. Failure of an employee to adhere to Company safety rules and procedures of which he has been made aware may subject him to disciplinary action.

D. The Company shall provide all required safety and protective devices (e.g. respirators, hearing protection, proper fitting harnesses, safety glasses/goggles, aprons)
except protective footwear and prescription safety glasses, which, when required shall be provided by the individual employee.

E. No employee will be required by the Company to work on an aircraft unless there is another individual in the vicinity to come to the assistance of the employee if an accident occurs. An employee may request the presence of another individual while working alone on Ground Service Equipment.

F. No employee shall be required to perform his job duties in the presence of a known credible threat that could cause injury to the employee. The Company shall immediately notify all affected employees when it becomes aware of such a threat.

G. Employees injured while at work shall be given prompt medical attention. The Company shall secure round trip transportation for any initial emergency medical attention required. Additionally, the Company shall, on all shifts, maintain first aid equipment at a designated first aid station. Furthermore, the Company will designate an emergency care facility for employees requiring medical attention.

H. The company shall up-date its repair manuals and work cards on a timely basis, and maintains the special tools and equipment that it makes available to employees for the performance of their duties.

I. Any company or FAA self disclosure programs which would require, or encourage employees to report potential employee regulatory compliance failure (such as ASAP Aviation Safety Awareness Program) shall require Union approval prior to company adoption.

J. Upon receipt of notice by the Company that a bargaining unit member will be designated by the National Transportation Safety Board (NTSB) as a party to an NTSB investigation involving a Company aircraft accident or incident, such employee will be excused from work to participate at no loss of pay.

K. The Union will be notified in a timely manner in the event of an NTSB reportable Horizon Air aircraft accident or incident. The Union will specify the telephone contact number for inclusion in the Company's notification procedure for NTSB reportables.

L. Employees working as Painters, Cleaners, Sheet Metal, and NDT Inspectors shall, at their request, take annual physical examination/health screens which shall include urinalysis & blood tests with the cost of the examinations borne by the company.
M. Employees are not required nor expected to work in unsafe areas or under unsafe conditions. Employees are expected to report unsafe areas, conditions, tools and equipment to their immediate Supervisor.

N. No employee will be disciplined for reporting safety concerns to the company.

O. **FITNESS FOR DUTY EXAMS**

1. The Company may require a doctors written statement before the Employee is allowed to return to work after an illness or injury. The note must indicate that the employee is able to work and perform his full range of job duties without restriction.

2. The Company also reserves the right to require an independent examination at its own expense prior to reinstating the employee.

3. Should a dispute arise between the findings of the two doctors concerning the employee’s ability to return to work, a third doctor selected by mutual consent of the first two doctors will make a third examination, and the decision of the third doctor will be determinative upon the parties. The cost of the third doctor shall be borne equally by the disputants. If the third doctor’s findings confirm the employee is fit for duty, the employee shall be paid for all lost time from the original (1st) doctor’s findings.

P. **LIGHT DUTY**

1. If the Company determines, in its discretion, that Light Duty assignments are available, such assignments shall be made available on a first-come, first-served basis to employees capable of performing such assignments who are unable to return to full duty after a workplace injury or illness under the following conditions:

   a. The employee must provide a treating or consulting physician’s statement stating that the employee’s physical limitations are not expected to restrict him from regular work duties for more than ninety (90) days. However, thirty (30) day extensions may be allowed with the treating or consulting physician’s approval and the mutual agreement between the Company and Union.

   b. Once the employee is released to return to work, an employee on Light Duty must return to his normal job duties immediately.

      a. An employee on Light Duty will be paid at his normal hourly pay rate, and shall continue to receive all company benefits and privileges including pass and reduced rate travel.
2. An employee on a Light Duty assignment will continue to retain and accrue seniority.

3. Overtime is not available to employees on Light Duty.

4. Employees shall not be allowed to bid on open positions while on light duty.
ARTICLE 22

GENERAL AND MISCELLANEOUS

A. All orders to, and requests from an Employee involving transfers, promotions, demotions, layoff, recall, leaves of absence or anything affecting his pay or status, shall be in writing.

B. Any Employee leaving the service of the Company will, upon written request, be furnished with a letter setting forth the Company’s record of the Employee’s classification, training record, and job summaries stating his length of service and rate of pay at the time the Employee leaves the service of the Company.

C. Any qualified Employee, upon request, shall be furnished with a certificate by the Company for presentation to the proper government agency for procuring FAA licenses.

D. When any new equipment is put into service by the Company, Employees covered by this Agreement will be given an opportunity to become familiar with such new equipment, without change in classification or rate of pay.

E. The Union shall print sufficient copies of the Agreement to provide a copy to each existing Employee and each new hire Employee and shall provide the Teamsters Airline Division one hundred (100) copies and the Company 50 of same. The Company will share equally with the Union the cost of printing and shall provide copies to all Employees from the supply provided by the Union. Each Employee will be required to sign a receipt for his copy of the Agreement. The Company will also provide the Union an electronic copy of the Agreement.

F. The Company’s General procedures manual (GPM), and Personnel Policy Manual shall be available to all employees at all stations on the system.

G. The Company shall furnish and launder any uniforms employees are required to wear on the job. The Company shall prescribe the uniform items and quantity, and replacement criteria for worn items.

H. The Company will provide insurance coverage against fire, theft, or serious damage of an individual’s roll-a-way or tote box and the contents, while it is on Company premises or accompanying the technician on an authorized field assignment or during shipment to a new assignment for use in connection with the employee’s work. Wherever reasonably possible the Company will provide a secured area assessable to each Work Area for the purpose of stowing roll-a-ways and/or tote boxes. If the Company is unable to supply such a secured area, the tote box must be locked to the roll-a-way toolbox or a secured object provided by the Company, when being stored.
1. All Technicians are required to have a compliment of personal tools necessary to perform the Technician function. The Company will repair, if necessary, required or authorized personal power tools used on the job under the following conditions:

   a. They / it are contained on the employees inventory list and,

   b. The serial number(s) are listed and,

   c. The tool has not been misused

   d. That the tool is in good working order at the time of registration or,

   e. Unless the cost of repair is more than one half of the employee’s replacement cost, in which case the Company will reimburse the employee one half of the replacement cost of the tool.

2. Employees should execute and maintain an inventory list of all personal tools verified by their Supervisor, kept on file with the Company, with a personal copy kept with the Employee.

3. In the event of loss, the Employee must report the loss to his Supervisor and must file a police report. Losses under this policy will be settled directly with the Employee based on the replacement value of the roll-away and/or tote box and contents. The insurance claim will not be honored if the inventory list is not on file with the Employee’s Supervisor at the time of loss or if the tote-box was not properly stored as provided above.

4. Employees with no inventory list on file will be limited to a replacement value of:

   a. $2,500.00 for loss of a roll-away

   b. $1,000.00 for the loss of a “tote” box

5. As an alternative to cash payment, the Company may issue Employee’s vouchers redeemable by one or more of the Company’s tool vendors for the purchase of replacement tools of like quality with the employee’s approval.

I. The Company recognizes Jury Duty as a civic responsibility and therefore, employees who are required to perform jury duty shall be excused from work as necessary for required attendance without loss of pay. Employees may retain payment received for jury service upon proper evidence that they were called and actually served such duty. An employee who gets a jury summons must submit a copy to his Supervisor. If an Employee serves four hours or more of time on jury duty, he shall be excused from all work on that day. Employees normally scheduled to work graveyard will receive the night off prior to jury service with pay and will report to their next scheduled graveyard shift following release from jury service unless scheduled for five days or more of jury duty. Employees, who are selected for jury duty and are scheduled
to serve five days or more, will be assigned to a Saturday and Sunday off schedule beginning with the Sunday preceding such duty and the Saturday following the week in which he is released from jury service.

J. Employees who appear as a witness in a legal proceeding at the request of the Company will be paid during witness service. Procedures shall be the same as those for jury service.

K. An employee who serves as a witness in other legal proceedings will not be paid.

L. In the event that free or Company provided parking is not available for employees covered hereunder at the facility where the employee is assigned or working, the Company will assume the expenses associated with the employees parking.

M. Employees may wear their Union pin on their uniform.

N. Each month the Company will provide the IBT Airline Division with a list of new hires, including the date of hire, the Classification, Work Area, station into which they were hired, and the employees' addresses, as well as a list of all employees covered hereunder who have terminated from the Company, giving the date of termination.

O. Where a special security license/badge is required as a condition of employment, the Company will permit and schedule the necessary time to obtain such security license/badge without loss of pay. The fee, if any, for obtaining or renewing such security license/badge will also be paid by the Company, except in the case of loss.

P. It is understood wherever employees or jobs are referred to in the male gender in this Agreement; it shall be recognized as referring to both male and female employees, unless the context indicates otherwise.

Q. Individuals have the right to request that they not be assigned to an operational check flight. Management shall consider any employee request not to be assigned on a case-by-case basis, and will exercise managerial discretion in making assignments.

R. The Company will maintain in effect policies of insurance that, within the limits of coverage and in accordance with the terms of such policies, provide coverage for the liability of an Employee with respect to judgments, settlements, and awards for bodily injury or property damage arising out of maintenance work performed at the direction of the Company, on aircraft or components of aircraft that are not on the Company's Operating Certificate issued by the Federal Aviation Administration, so long as the work was performed in good faith pursuant to instructions, policies, procedures, or manuals provided by the Company.
S. The Company shall update its repair manuals and work cards on a timely basis, and maintain the special tools and equipment that it makes available to employees for the performance of their duties.

T. Any Company or FAA self-disclosure programs which would require, or encourage employees to report potential employee regulatory compliance failures (e.g., ASAP Aviation Safety Awareness Program) shall require Union approval prior to Company adoption.
ARTICLE 23

EMPLOYEE BENEFITS

A. Health and Welfare
The Company shall provide each of the following benefits to Employees covered by this Agreement on the same terms, conditions and employee cost as it does to its non-management non-represented employees, so long as it provides such benefit to such employees.

1. Group Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance.
2. Medical, Dental and vision Care Benefits (for employees and dependents).
3. Long Term Disability (LTD) Insurance (for full-time employees only).
4. IRC Section 125 (Cafeteria) Plan.

B. Retirement Savings
Employees covered by this Agreement shall be eligible to participate in the Horizon Air Savings Investment (401K) Plan in accordance with the terms of the plan.

C. Transportation
Employees covered by this Agreement shall have all the air travel privileges that are made available to the employees in any other Company employee group by Company policy or interline agreement, including, but not limited to:

1. Travel on the Company’s scheduled flights;
2. Pass and reduced rate travel on other airlines;
3. Post-employment travel as a retiree, including the retiree’s spouse;
4. The ability to sponsor pass travel for relatives and friends, both while an employee and after employment ceases.
5. The ability to ship personal effects on Company aircraft.
6. The cockpit jumpseat of Company aircraft is, by regulation, limited to use by those on the Company’s FAA approved jumpseat list. Employees on the jumpseat list may request jumpseat travel through the gate agent in control of the flight. The Captain may authorize any person assigned to the jumpseat who is not required to be in the jumpseat in order to accomplish his purpose for being on the flight (such as an FAA inspector, line check airman or dispatcher maintaining currency) to utilize a cabin seat, if one is available. Aircraft Technicians covered by this Agreement shall be named on the jumpseat list as permitted by the FAA.
7. The Company shall provide Company identification, as may be required for any air travel, including jumpseat travel.
D. **Moving Expenses**

1. The Company shall pay moving related expenses in connection with involuntary bid relocations as described below:

   a. Truck or trailer rental plus necessary moving accessories, pads, hand carts and fuel costs. The Company may specify the Company from which the equipment will be rented.

   b. Automobile mileage for one (1) vehicle used by the employee and/or his immediate family for the distance between the Stations, at the rate specified by the U.S. Internal Revenue Service for job related moves. In establishing the mileage the Company may use the shortest highway distance specified via "MapQuest" or other similar mileage source.

   c. A relocation allowance of $200.00 to cover miscellaneous incidental to moving

2. Employees shall be allowed up to three (3) days off without loss of pay if needed in connection with an involuntary move described above. The Company’s Employee Resources Department is responsible for administration of the Company’s moving expense reimbursement policy; in order to protect against pay loss, the employee should obtain pre-approval of his moving plans.
ARTICLE 24

DEFINITIONS

A. **Introduction**
   The definitions contained in this Article are provided for the convenience of the parties and are intended to facilitate a quick reference to different terms used in this Agreement. They are not intended to add to, delete from, or otherwise alter or affect the terms and conditions of employment provided for in this Agreement. Those terms and conditions are contained in the substantive Articles of this Agreement. Certain Articles may refer to this Article for the purpose of defining specific terms.

B. **AOG**
   The AOG is a work assignment for a pre-selected group of Technicians that perform major repairs, modifications or irregular and atypical significant maintenance, within a station or on the system that requires specific skills and a dedicated team to efficiently return an aircraft to service, or perform the required work. This is typically a mission with a maintenance length of more than 24 hours.

C. **Award**
   “Award” is a computerized notice and hard-copy notice to the successful bidder(s) for an open position(s). Within three (3) days of the bid award, the Company shall post at each job location and on the Company web site, with an electronic copy sent to the Union, a notification showing the name of the employee(s) awarded the position or announce if there were no successful bidders.

D. **Back fill**
   The term “Back fill” is the placement of personnel at either ones home station or an away station to alleviate a shortage of manpower or unexpected workloads.

E. **Base Station**
   The city in which you are regularly assigned.

F. **Business Representative**
   The term “business Representative” means not only persons holding the title but also any other person(s) properly designated and appointed by such official to act in his stead.

G. **Crew**
   A crew is a subgroup of employees on a shift, within the Work Area, assigned to a specific task (i.e. engine change crew) a crew may be a single employee.

H. **Day**
   The term “Day” as used herein means calendar day unless otherwise noted.
I. **Day Off**
   A "Day Off" is a day which is not a work day.

J. **Emergency**
   The term "Emergency" means "Acts of God", "Acts of war" (as declared by Congress), national emergency, natural disaster, revocation of the company's operating certificate, the grounding of a significant portion of the company's fleet, a shutdown of any substantial portion of the air transportation system, danger posed by the elements of weather, or any other unexpected circumstances posing significant danger to persons, property or business.

K. **Employee**
   The term "Employee" means all persons covered by this Agreement.

L. **Excess Vacation**
   Unused vacation carried over from year to year.

M. **Facilities**
   Facilities may encompass any and all Maintenance Bases, Shops and Line Stations throughout the system at which employees covered hereunder are stationed or assigned.

N. **Field Trip**
   A "Field Trip" is any assignment away from the employees home station used for restoring and/or maintaining aircraft to a serviceable condition. A Field Trip can be of an unplanned variety (Rescue Mission) or a planned variety (Field Work).

O. **Field Work**
   Field Work is a planned temporary work assignment away from the employee's base station for which the Company has at least twenty four (24) hours advanced notice.

P. **Hours of Service**
   Hours of Service are an employee's scheduled shift, days off, work days, starting time, meal period and rest period(s).

Q. **Job**
   "Job" means a specific position or daily assignment within a Work Area.

R. **Job Posting**
   "Job Posting" is a computerized notice and hard-copy notice issued by the company announcing an open position.

S. **License**
   The term "License" as used herein shall mean the certificate of competence which is now (i.e. A, P, ASE) or may in the future, be required by the Company or a regulatory body for the type of work to be undertaken by employees covered under the Agreement.
T. **Management Representative**
   The term "Management Representative" means not only persons holding the term Manager, but also any other person(s) properly designated and appointed by such official to act in his stead.

U. **Open Position**
   "Open Position" is a new or vacant position, whether temporary or permanent, that has been approved by the Company for filling.

V. **Permanent Position**
   "Permanent Position" is a position an employee(s) has held for more than six months.

W. **Position**
   "Position" is a job title within a job classification, in a Work Area at a station.

X. ** Preferential Bid**
   "Preferential Bid" is a bid on future anticipated vacancies other than those listed for a standard bid that may be filled during a calendar year.

Y. **PTO**
   Paid Personal Time Off that has been scheduled.

Z. **Rescue Mission**
   A Rescue Mission is an assignment away from the employee's base station for the purpose of returning aircraft or equipment to service for which the Company has less than twenty four (24) hours advanced notice.

AA. **Shift**
   A "Shift" is the scheduled period of work during the twenty four (24) hour work day. The shifts are described in Article six (6) Workweek and hours of Service.

BB. **Shift Bid**
   A "Shift Bid" is a realignment of job's and positions within the work force. A minimum of two (2) Shift Bids (generally held in the spring and fall) will be utilized to realign the work force.

CC. **Station**
   "Station" means an airport, or facility not at an airport location, where the Company has permanently placed a covered employee.

DD. **Standard Bid**
   "Standard Bid" is a posting for upgrade positions or vacancies requiring special requirements.
EE. **Temporary position**
   "Temporary Position" is a position, the duration of which is six months or less.

FF. **UPTO**
   Unscheduled Paid Personal Time Off.

GG. **Vacancies**
   "Vacancies" are positions, either permanent or temporary, that the Company seeks to fill, including positions in newly established Work Areas. Vacated positions due to a temporary position reassignment will be held open for the duration of the current shift bid.

HH. **Week**
   The term "Week" as used herein means a calendar week beginning at 0001 Sunday and ending at 2359 the following Saturday. Weeks are used for pay periods, vacation bidding, etc.

II. **Work Area**
   The specific work location to which an employee is assigned when hired and/or bids to through the vacancy bidding process and generally reports to for job assignments on a daily basis.

JJ. **Work Day**
   A "Work Day" is a twenty four (24) hour period during which an employee is regularly scheduled to work, beginning with the employee’s regular starting time.

KK. **Work Week**
   The term "Work Week" refers to the number of regularly scheduled consecutive work days followed by regularly scheduled consecutive days off. The types of Work Weeks are described in Article 6, Workweek and Hours of Service.
ARTICLE 25

WAGES, PREMIUMS AND SHIFT DIFFERENTIAL

A. General Hourly Pay Rates (Base Pay) effective the Date of Signing of the Agreement (DOS) are:

<table>
<thead>
<tr>
<th>Service</th>
<th>Aircraft Technician</th>
<th>Maintenance Cleaner &amp; Fleet Service</th>
<th>Maintenance Shop Equip. Technician &amp; Painter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>$14.91</td>
<td>$10.05</td>
<td>$15.66</td>
</tr>
<tr>
<td>After six (6) months</td>
<td>14.91</td>
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<td>After one (1) year</td>
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<td>After two (2) years</td>
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<td>After three (3) years</td>
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<td>11.96</td>
<td>18.26</td>
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<tr>
<td>After four (4) years</td>
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<td>After five (5) years</td>
<td>20.43</td>
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<tr>
<td>After six (6) years</td>
<td>21.53</td>
<td>13.58</td>
<td>20.87</td>
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<tr>
<td>After seven (7) years</td>
<td>22.64</td>
<td>14.12</td>
<td>21.46</td>
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<tr>
<td>After eight (8) years</td>
<td>24.29</td>
<td>14.75</td>
<td>22.09</td>
</tr>
<tr>
<td>After nine (9) years</td>
<td>25.95</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Effective the Pay Period nearest December 2015 (Amendable +1 Year)

<table>
<thead>
<tr>
<th>Service</th>
<th>Aircraft Technician</th>
<th>Maintenance Cleaner &amp; Fleet Service</th>
<th>Maintenance Shop Equip. Technician &amp; Painter</th>
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</thead>
<tbody>
<tr>
<td>Start</td>
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<td>$10.20</td>
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<tr>
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<td>15.13</td>
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<td>17.07</td>
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<td>After 2 years</td>
<td>17.38</td>
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<td>After 3 years</td>
<td>19.05</td>
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<tr>
<td>After 4 years</td>
<td>19.62</td>
<td>12.73</td>
<td>19.42</td>
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<tr>
<td>After 5 years</td>
<td>20.74</td>
<td>13.26</td>
<td>20.60</td>
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<tr>
<td>After 6 years</td>
<td>21.85</td>
<td>13.78</td>
<td>21.18</td>
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<tr>
<td>After 7 years</td>
<td>22.98</td>
<td>14.33</td>
<td>21.78</td>
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<tr>
<td>After 8 years</td>
<td>24.65</td>
<td>14.97</td>
<td>22.42</td>
</tr>
<tr>
<td>After 9 years</td>
<td>26.34</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C. Effective the pay period nearest December 2016 (Amendable +2 Years)

<table>
<thead>
<tr>
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<th>Aircraft Technician</th>
<th>Maintenance Cleaner &amp; Fleet Service</th>
<th>Maintenance Shop Equip. Technician &amp; Painter</th>
</tr>
</thead>
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<td>After 2 years</td>
<td>17.64</td>
<td>11.71</td>
<td>17.92</td>
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<tr>
<td>After 3 years</td>
<td>19.34</td>
<td>12.32</td>
<td>18.81</td>
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<tr>
<td>After 4 years</td>
<td>19.91</td>
<td>12.92</td>
<td>19.71</td>
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<td>After 5 years</td>
<td>21.05</td>
<td>13.46</td>
<td>20.91</td>
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<td>After 6 years</td>
<td>22.18</td>
<td>13.99</td>
<td>21.50</td>
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<td>After 7 years</td>
<td>23.32</td>
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<td>22.11</td>
</tr>
<tr>
<td>After 8 years</td>
<td>25.02</td>
<td>15.19</td>
<td>22.76</td>
</tr>
<tr>
<td>After 9 years</td>
<td>26.74</td>
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D. Effective the pay period nearest December 2017 (Amendable +3 Years)

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<tr>
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<tr>
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<td>17.59</td>
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<tr>
<td>After 2 years</td>
<td>17.90</td>
<td>11.89</td>
<td>18.19</td>
</tr>
<tr>
<td>After 3 years</td>
<td>19.63</td>
<td>12.50</td>
<td>19.09</td>
</tr>
<tr>
<td>After 4 years</td>
<td>20.21</td>
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<td>20.01</td>
</tr>
<tr>
<td>After 5 years</td>
<td>21.37</td>
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</tr>
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<td>After 6 years</td>
<td>22.51</td>
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<td>After 7 years</td>
<td>23.67</td>
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<td>25.40</td>
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<tr>
<td>After 9 years</td>
<td>27.14</td>
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E. Effective the pay period nearest December 2018 (Amendable +4 Years)

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</thead>
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<tr>
<td>After 6 months</td>
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<tr>
<td>After 1 year</td>
<td>17.07</td>
</tr>
<tr>
<td>After 2 years</td>
<td>18.26</td>
</tr>
<tr>
<td>After 3 years</td>
<td>20.02</td>
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<td>After 4 years</td>
<td>20.61</td>
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<tr>
<td>After 5 years</td>
<td>21.80</td>
</tr>
<tr>
<td>After 6 years</td>
<td>22.96</td>
</tr>
<tr>
<td>After 7 years</td>
<td>24.14</td>
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<td>After 8 years</td>
<td>25.91</td>
</tr>
<tr>
<td>After 9 years</td>
<td>27.68</td>
</tr>
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</table>

F. Effective the pay period nearest December 2019 (Amendable +5 Years)

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</thead>
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<tr>
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</tr>
<tr>
<td>After 6 months</td>
<td>16.22</td>
</tr>
<tr>
<td>After 1 year</td>
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<td>After 2 years</td>
<td>18.63</td>
</tr>
<tr>
<td>After 3 years</td>
<td>20.42</td>
</tr>
<tr>
<td>After 4 years</td>
<td>21.02</td>
</tr>
<tr>
<td>After 5 years</td>
<td>22.24</td>
</tr>
<tr>
<td>After 6 years</td>
<td>23.42</td>
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<td>After 7 years</td>
<td>24.62</td>
</tr>
<tr>
<td>After 8 years</td>
<td>26.43</td>
</tr>
<tr>
<td>After 9 years</td>
<td>28.23</td>
</tr>
</tbody>
</table>

G. A lump sum payment equal to 1% of year 2014 W-2 earnings shall be paid to all employees covered by this Agreement on the first pay period in February 2015.
H. A premium of fifty cents ($0.50) per hour shall be paid to all Technicians, Lead Technicians and/or Inspectors assigned to or working in a Line Maintenance Work Area.

I. **Lead and Inspector Premiums:**

1. Lead/Inspector/NDT in any Classification $1.00 per hour.

2. Lead Inspector $1.50 per hour above the applicable two license Technician rate.

J. **License Premiums**

1. Technicians with current valid FAA licenses shall receive premiums as follows up to a maximum of two licenses ($2.00):

2. Airframe, Powerplant, FCC or Repairman's Certificate $1.50 per hour

3. Airframe and Powerplant (A&P) $2.00 per hour

4. Repairman's Certificate in conjunction with any other license $1.50 per hour

5. Repairman's Certificate applicable only to aircraft technicians who regularly perform work requiring exercise of such license.

K. **Shift differential:**

Employees covered by this agreement who work a swing shift or graveyard shift will be paid additional wages no less than as follows:

1. Swing Shift $0.20 per hour

2. Graveyard Shift $0.75 per hour

L. The General Hourly Pay Rates are minimum rates, and the Company may pay any Employee more than that shown in the schedule. For example, a new Employee with prior relevant experience may be paid more than the “start” rate.

M. In the computation of Overtime, Holiday premium, Training, Field trips or any time the Employee's pay rate is calculated, the rate shall include his General Hourly Pay Rate (base pay) and all premiums/differentials he is entitled to (All in Rate).

N. Longevity Pay: Employees covered by this agreement with 20+ years seniority shall receive an additional premium of $.25 cents per hour.
ARTICLE 26

EFFECTIVE DATE, DURATION, AND SAVINGS CLAUSE

A. This Agreement shall become effective when signed and shall continue in full force and effect until, December 15, 2020 and shall renew itself without change each succeeding December 15th thereafter, unless notice of intended change is served, in accordance with Section 6 title I of the Railway Labor Act, as amended, by either-party hereto, not sooner than one hundred eighty (180) days nor later than thirty (30) days prior to December 15, 2020, or any subsequent December 15th.

B. Should any part or provision of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof and they shall remain in full force and effect. In the event of any invalidation, either party may, upon thirty days notice, request negotiations for modification or amendment of this Agreement with regard to only the invalidated parts or provisions directly or indirectly affected.

C. This Agreement may be added to, deleted from or modified only through the voluntary mutual consent of the parties, and any agreement reached shall be reduced to writing and signed by the parties as an amendment to this Agreement.

D. The parties acknowledge that, during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter appropriate for collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

E. During the life of this Agreement, however, the parties may bargain collectively about the terms of a successor collective bargaining agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement this 4th day of September, 2014.

HORIZON AIR INDUSTRIES, INC.  

Yvonne Daverin,  
Vice President, Maintenance & Engineering

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Clacy Grishwold  
Teamster Airline Division Rep.
Chris Lewless
Managing Director, Labor Relations

George Knobloch
Managing Director, Maintenance Operations

Dave Saucedo
Local 986 Business Representative

Charles Clum
Chief Steward

Curtis Bernier
Steward

Brian Mason
Steward

Marcus McPherson
Member At Large
AGREEMENT

between

HORIZON AIR INDUSTRIES, INC.

and

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

WHEREAS, the International Brotherhood of Teamsters ("IBT") desires to preserve the work of and establish job security for the members of the craft or class of Mechanics and Related Employees, and

WHEREAS, Horizon Air Industries, Inc. (the "Company") desires to reassure its employees that it has no present plans that would threaten such work or job security;

NOW, THEREFORE, the parties agree:

1. Effective on the date of signing of this Letter of Agreement, and continuing through December 13, 2020, the Company will not furlough any IBT represented employee as a result of subcontracting any work subject to Article 2.B.1 of the Agreement. Further, the Company agrees that it will not transfer IBT represented employees to other stations, titles, or classifications, or otherwise downgrade or reduce Employees' pay, benefits or working conditions as a result of subcontracting work subject to Article 2.B.1 of the Agreement.

2. The above limitation on furlough shall not apply to circumstances over which the Company does not have control. The term "circumstance over which the Company does not have control" includes a natural disaster; an act of terrorism; work disruption or stoppage that prevents the Company from operating its planned schedule; grounding of a substantial number of the Company's aircraft by or through the actions of a government agency or an equipment manufacturer; reduction in flying operations because of the unavailability of an adequate fuel supply; revocation of the Company's operating certificate; or military action or a national emergency that prevents the Company from operating its planned schedule.

This Letter of Agreement shall become effective on the date of signing. It shall remain in full force and effect according to its terms as above-stated.

Signed this 27th day of June, 2014.
FOR Horizon Air Industries, Inc.  

FOR International Brotherhood of Teamsters  

[Signatures]
AGREEMENT

between

HORIZON AIR INDUSTRIES, INC.

and

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

WHEREAS, the INTERNATIONAL BROTHERHOOD OF TEAMSTERS ("IBT") desires to limit the use of foreign maintenance repair & overhaul (MRO) facilities, and

WHEREAS, Horizon Air Industries, Inc. (the "Company") desires to reassure its employees that it has no present plans to utilize any MRO facility outside of the United States or Canada;

NOW, THEREFORE, the parties agree:

1. Effective on the date of signing of this Letter of Agreement, and continuing through October 15, 2020, the Company will not utilize any MRO facility for Q400 heavy maintenance that resides outside of the United States or Canada.

2. The above limitation on furlough shall not apply to circumstances over which the Company does not have control. The term “circumstance over which the Company does not have control” includes a natural disaster; an act of terrorism; work disruption or stoppage that prevents the Company from operating its planned schedule; grounding of a substantial number of the Company’s aircraft by or through the actions of a government agency or an equipment manufacturer; reduction in flying operations because of the unavailability of an adequate fuel supply; revocation of the Company’s operating certificate; or military action or a national emergency that prevents the Company from operating its planned schedule.

This Letter of Agreement shall become effective on the date of signing. It shall remain in full force and effect according to its terms as above-stated.

Signed this 15 day of October, 2014.

FOR Horizon Air Industries, Inc. FOR International Brotherhood of Teamsters
HEAVY CHECK SETTLEMENT AGREEMENT

This confirms the terms of the settlement reached by the parties after engaging in good-faith negotiations.

Whereas: Horizon Air timely notified IBT on August 2nd, 2010 of its intent to subcontract heavy aircraft maintenance work and furlough IBT-represented maintenance personnel; and

Whereas, Horizon has advised the IBT and Local 986 that its decision to outsource such work is not attributable to the quality of work or productivity of its IBT-represented maintenance personnel, but that the sole reason for outsourcing such work is attributable to fleet size, lengthy gaps between heavy check maintenance work on its aircraft, and heavy-check maintenance schedule.

Whereas, Horizon Air offered IBT opportunity to bargain over the decision and effects of its intent to subcontract subject to and in accordance with the terms and previous set forth in the current collective bargaining agreement (CBA); and

Whereas, IBT elected to negotiate pursuant to Article 2 of the CBA and:

Whereas, Horizon and IBT engaged in good faith negotiations, which resulted in the agreement as described herein;

Accordingly, the parties hereby agree as follows:

1. This Settlement Agreement (the “Agreement”) shall constitute the entire agreement of the parties, the International Brotherhood of Teamsters (the “IBT”) and Horizon Air, Inc., (the “Company”), concerning the decision of the Company to outsource certain maintenance work.

2. Neither the execution of this Agreement, nor any of its terms and conditions, shall constitute evidence of or be construed as an admission of any contractual liability under the CBA on the part of the company, and the IBT shall not make any statements or other representations which suggest to the contrary. The parties agree that any announcement of this Agreement to the employee/members shall include a statement indicating that “both sides reached a mutually satisfactory agreement on all terms resolving any potential grievance associated with the company’s announced plan to outsource heavy maintenance to a duly certified FAA-complaint MRO.”

3. The IBT and Local 986, upon request, will be provided access and a reasonable number of days to inspect and review all relevant information and document (subject to appropriate confidentiality agreements required by the Company) to determine whether such work might be performed more efficiently by IBT-represented maintenance personnel. Such inspections, when request, will be limited to no more than once every twelve months, normally in June, and costs associated with such inspections will be shared equally between the Company and the IBT. Upon completion of the above-described inspections and reviews, the Company will promptly meet with the IBT and Local 986 to fully discuss the findings and whether the Company should consider bringing heavy aircraft maintenance that is the subject of this agreement in-
house to be performed by the Company’s IBT-represented maintenance personnel. The Company will not unreasonable reject suggestions, recommendations and alternatives proposed by the IBT and Local 986 during such discussions. The Company and Union recognize that there are many factors which will change over time that make such an evaluation complex, and the Company shall retain the sole authority on whether to bring the heavy maintenance work back in-house, subject to whatever limitations to such authority may otherwise be agreed upon by the Company and Union.

4. In exchange for the consideration listed in Paragraph 3, the IBT and Local 986, in their own behalf and on behalf of the Company’s employees the IBT currently represents, hereby agrees not to file any grievances with respect to the subcontracting that is the subject of this Agreement and announced on August 2, 2010, nor will they file any grievances relating to any layoffs directly attributable to said subcontracting. Furthermore, the IBT will not sponsor any new grievances that challenge the subcontracting announced on August 2, 2010 or any associated layoffs (nor is it aware of any outside of the subject grievance). Furthermore, IBT and Local 986 will not sponsor, participate in, or approve any publicity campaign directed solely at Horizon Airlines regarding the subject of outsourcing of the aircraft heavy check maintenance work that is the subject of this Agreement.

5. In exchange for the consideration listed in Paragraph 4, the Company shall:

a) Provide each qualified maintenance employee (as defined in Attachment A) the option to participate in the VSI package according to the terms reflected in Attachment A. A partial year of service shall be prorated.

b) The Company shall offer the VSI package to the employees covered by this Paragraph 4(b) in accordance with the promulgated timeline in Attachment A.

6. The parties agree that any dispute over the interpretation or application of this Agreement may be presented to the System Board of Adjustment, which shall have exclusive jurisdiction over the dispute and the authority to render final and binding decisions thereon.

7. This Agreement may be modified only by written amendment, signed and dated by an officer of the IBT and an officer of the Company.

8. This settlement is made on a non-precedential basis. Except as described in Paragraph 3, above, no party, employee or grievant shall suffer any diminished of rights, benefits or prerogatives secured under law or contract, by operation of the terms of this Agreement.

9. Unless specifically expressed herein, no term is to be implied into this Agreement, and this Agreement shall be strictly construed against any proposed term which is not expressly stated herein.
October 26, 2010

Mr. Jim Dekay
Business Representative
International Brotherhood of Teamsters Local 986
1198 Durfee Ave.
South El Monte, CA 91733

Subject: Medical Benefits and 401K

Dear Mr. Dekay:

During the course of negotiations regarding amendments to the Agreement of November 30, 2008 between Horizon Air Industries, Inc. (the Company) and the International Brotherhood of Teamsters (the Union), the issue of changes to medical benefits and the Company 401K match was discussed. In order not to delay negotiations further it is hereby agreed:

That employees covered by the Agreement will receive the same medical benefit plan options and Company 401K match as do Horizon’s IBT represented Pilots.

Please indicate your acceptance with the foregoing by signing the copy of this letter and returning it to me.

Very Truly Yours,

Christopher Lewless
Managing Director, People & Labor Relations

Agreed:

By: __________________________ Date: ________________
October 28, 2010

Mr. Jim Dekay  
Business Representative  
International Brotherhood of Teamsters Local 986  
1198 Durfee Ave.  
South El Monte, CA 91733

Subject: Performing Maintenance Work for Other Carriers

Dear Mr. Dekay:

During the course of negotiations regarding amendments to the Agreement of November 30, 2008 between Horizon Air Industries, Inc. (the Company) and the International Brotherhood of Teamsters (the Union), the issue of mechanics performing maintenance work on other carrier’s airplanes while the other carrier’s mechanics are on strike was discussed. In order not to delay negotiations, it is agreed that during the term of this Agreement, Horizon mechanics will not be forced to perform maintenance work for another carrier(s) while the employees of said carrier(s) are on strike. In addition it shall not be cause for discharge, permanent replacement or any other disciplinary action for any employee refusing to do such “struck work”.

Please indicate your acceptance with the foregoing by signing the copy of this letter and returning it to me.

Very Truly Yours,

Christopher Lewless  
Managing Director, People & Labor Relations

Agreed:

By: ____________________  Date: ____________________
October 26, 2010

Mr. Jim Dekay
Business Representative
International Brotherhood of Teamsters Local 986
1198 Durfee Ave.
South El Monte, CA 91733

Subject: Incentive Pay Programs

Dear Mr. Dekay:

During the course of negotiations regarding amendments to the Agreement of November 30, 2008 between Horizon Air Industries, Inc. (Company) and the International Brotherhood of Teamsters (Union), the Company has stressed the importance of maintaining the competitiveness of Horizon's mechanic labor costs with others in the regional airline industry. However, to provide a real opportunity for employees to share in the Company's success, we are offering an incentive pay program that is potentially far more rewarding than the profit sharing plan in which Mechanics currently participate. The program we are offering is Performance Based Pay (PBP) as approved by the Alaska Air Group Board of Directors.

The Company has always regarded its mechanics as making an important contribution to the financial performance of the Company and recognizes that the dedication of these employees to "getting the job done" helped in attaining the profits that were available for profit sharing. PBP has an AAG profitability target as one component, but also has targets that measure the Company's success in keeping employees fully engaged in serving our customers, safe from on the job injuries, and successful in reducing unit costs. When targets are met in all areas, Mechanic participants will receive a payout equal to 5% of their pay earned during the year. In a completely successful year, it is possible to double that payout amount. The opportunity offered to participate in PBP recognizes the important role that Mechanics have at Horizon Air.

Therefore, in each year during the term of the 2010 negotiated Agreement, employees covered by the Agreement shall be eligible for Performance Based Pay unless, during any such year, the employees covered by the Agreement participate in concerted activity that significantly detracts from the Company's profitability and performance for that year. In addition, employees covered by this Agreement shall participate in any other monetary incentive programs related to the Company's performance that are applicable to all non-management non-represented employees, such as the Shared Rewards program.
Performance Based Pay and other incentive plans are reviewed annually by the Company's Board of Directors, and I can give no assurance that PBP, shared rewards, or any other program that may be adopted, will be offered every year during the term of the Agreement. Please indicate your agreement with the foregoing by signing the copy of this letter and returning it to me.

Sincerely,

__________________________________________
Christopher Lewless  
Managing Director, People & Labor Relations

Agreed:

By__________________________ Date:__________________________
July 1, 2014

Mr. Dave Saucedo  
Business Representative  
International Brotherhood of Teamsters Local 986  
1198 Durfee Ave.  
South El Monte, CA 91733

Subject: Location Position Differential

Dear Dave,

As you are aware, the labor market in a number of California cities is extremely competitive. Therefore, A&P licensed mechanics stationed at SJC and/or LAX will receive a $3.00 per hour differential. The differential is in addition to the mechanics hourly wage and premiums, and will be included in the computation of overtime and Holiday premium pay.

Our plan is for the location/position differential to remain in effect indefinitely with periodic evaluations. Please contact me with questions.

Very truly yours,

Christopher Lewless  
Managing Director, People & Labor Relations  
Horizon Air
June 27, 2014

Mr. Dave Saucedo
Business Representative
International Brotherhood of Teamsters Local 986
1198 Durfee Ave.
South El Monte, CA 91733

Subject: Location Position Differential

Dear Dave,

As you are aware, the labor market in Seattle is extremely competitive. Therefore, A&P licensed mechanics stationed at SEA will receive a $3.00 per hour differential. The differential is in addition to the mechanics hourly wage and premiums, and will be included in the computation of overtime and Holiday premium pay.

Our plan is for the location/position differential to remain in effect indefinitely with periodic evaluations. Please contact me with questions.

Very truly yours,

Christopher Lewless
Managing Director, People & Labor Relations
Horizon Air
HORIZON AIR
AVIATION SAFETY ACTION PROGRAM (ASAP)
FOR
MECHANICS
MEMORANDUM OF UNDERSTANDING

1. GENERAL. Horizon Air (QX) is a Title 14 of the Code of Federal Regulations (14 CFR), air carrier operating under Part 121 engaged in Air Carrier within U.S., Canada, Mexico. QX operates 48 aircraft, and employs approximately 277 mechanics. The mechanics are represented by the International Brotherhood of Teamsters (IBT).

2. PURPOSE. The Federal Aviation Administration (FAA), QX, and the IBT are committed to improving flight safety. Each party has determined that safety would be enhanced if there were a systematic approach for mechanics to promptly identify and correct potential safety hazards. The primary purpose of the QX Aviation Safety Action Program (ASAP) is to identify safety events, and to implement corrective measures that reduce the opportunity for safety to be compromised. In order to facilitate flight safety analysis and corrective action, QX end the IBT join the FAA in voluntarily implementing this ASAP for mechanics, which is intended to improve flight safety through mechanic self-reporting, cooperative follow-up, and appropriate corrective action. This Memorandum of Understanding (MOU) describes the provisions of the program.

3. BENEFITS. The program will foster a voluntary, cooperative, nonpunitive environment for the open reporting of safety of flight concerns. Through such reporting, all parties will have access to valuable safety information that may not otherwise be obtainable. This Information will be analyzed in order to develop corrective action to help solve safety issues and possibly eliminate deviations from 14 CFR. For a report accepted under this ASAP MOU, the FAA will use lesser enforcement action or no enforcement action, depending on whether it is a sole-source report, to address an event involving possible noncompliance with 14 CFR. This policy is referred to in this MOU as an "enforcement-related Incentive".

4. APPLICABILITY. The QX ASAP applies to all mechanic employees of QX and only to events that occur while acting in that capacity. Reports of events involving apparent noncompliance with 14 CFR that is not inadvertent or that appears to involve an intentional disregard for safety, criminal activity, substance abuse, controlled substances, alcohol, or Intentional falsification are excluded from the program.

a. Events involving possible noncompliance with 14 CFR by QX that are discovered under this program may be handled under the Voluntary Disclosure Policy, provided that QX voluntarily reports the possible noncompliance to the FAA and that the other elements of that policy are met. (See the current version of AC 00-58, Voluntary Disclosure Reporting Program end FAA Order 2150.3B, Compliance and Enforcement Program, Chapter 5).

b. Any modifications of this MOU must be accepted by all parties to the agreement.

5. PROGRAM DURATION. This is a Continuing program subject to review and renewal every two years by the FAA. This ASAP may be terminated at any time for any reason by QX, the FAA, or any other party to the MOU. The termination or modification of a program will not adversely effect anyone who acted in reliance on the terms of a program in effect at the time of that action; i.e., when a program is terminated, all reports and investigations that were in progress will be handled under the provisions of the program until they are completed. Failure of
any party to follow the terms of the program ordinarily will result in termination of the program. Failure of QX to follow through with corrective action acceptable to the FAA to resolve any safety deficiencies ordinarily will result in termination of the program.

6. REPORTING PROCEDURES. When a mechanic observes a safety problem or experiences a safety-related event, he or she should note the problem or event and describe it in enough detail so that it can be evaluated by a third party.

a. ASAP Report Form. At an appropriate time during the workday (e.g., after the trip sequence has ended for the day), the employee should complete QX ASAP Form (Form Not Applicable) for each safety problem or event and submit it by WBAT to the Director of Flight Safety, ATTN: ASAP Manager. If the WBAT system is not available to the mechanic at the time he or she needs to file a report, the employee may contact the ASAP manager's office and file a report via telephone within 24 hours after the end of the duty shift, absent extraordinary circumstances. Reports filed telephonically within the prescribed time limit must be followed by a formal report submission within three calendar days thereafter.

b. Time Limit. Reports that the ERC determines to be sole-source will be accepted under the ASAP, regardless of the timeframe within which they are submitted, provided they otherwise meet the acceptance criteria of paragraphs 11a(2) and (3) of this MOU. Reports which the ERC determines to be non sole-source must meet the same acceptance criteria, and must also be filed within one of the following two possible timeframes:

(1) Within 24 hours after the end of the duty shift, absent extraordinary circumstances. For example, if the event occurred at 1400 hours on Monday and a mechanic completes the duty shift for that day at 1900 hours, the report should be filed no later than 1900 hours Tuesday. In order for all employees to be covered under the ASAP for any apparent noncompliance with 14 CFR resulting from an event, they must all sign the same report or submit separate signed reports for the same event.

(2) Within 24 hours of having become aware of possible non-compliance with 14 CFR provided the following criteria are met: If a report is submitted later than the time period after the occurrence of an event stated in paragraph 8b(1) above, the ERC will review all available information to determine whether the mechanic knew or should have known about the possible noncompliance with 14 CFR within that time period. If the ERC determines that the employee did not know or could not have known about the possible noncompliance with 14 CFR until informed of it, then the report would be included in ASAP, provided the report is submitted within 24 hours of having become aware of possible noncompliance with 14 CFR, and provided that the report otherwise meets the acceptance criteria of this MOU. If the employee knew or should have known about the possible noncompliance with 14 CFR, then the report will not be included in ASAP.

c. Non-reporting employees covered under this ASAP MOU. If an ASAP report identifies another covered employee in an event involving possible noncompliance with 14 CFR and that employee has neither signed that report nor submitted a separate report, the ERC will determine on a case-by-case basis whether that employee knew or reasonably should have known about the possible noncompliance with 14 CFR. If the ERC determines that the employee did not know or could not have known about the apparent possible noncompliance with 14 CFR, and the original report otherwise qualifies for inclusion under ASAP, the ERC will offer the non-reporting employee the opportunity to submit his/her own ASAP report. If the non-reporting employee submits his/her own report within 24 hours of notification from the ERC, that report will be afforded the same consideration under ASAP as that accorded the report from the original reporting employee, provided all other ASAP acceptance criteria are met. However, if the non-reporting employee fails to submit his/her own report within 24 hours of notification from the ERC, the possible noncompliance with 14 CFR by that employee will be referred to an
appropriate office within the FAA for additional investigation and reexamination and/or enforcement action, as appropriate, and for referral to law enforcement authorities, if warranted.

d. Non-reporting employees not covered under this ASAP MOU. If an ASAP report identifies another QX employee who is not covered under this MOU, and the report indicates that employee may have been involved in possible noncompliance with 14 CFR, the ERC will determine on a case-by-case basis whether it would be appropriate to offer that employee the opportunity to submit an ASAP report. If the ERC determines that it is appropriate, the ERC will provide that employee with information about ASAP and invite the employee to submit an ASAP report. If the employee submits an ASAP report within 24 hours of notification from the ERC, that report will be covered under ASAP, provided all other ASAP acceptance criteria are met. If the employee fails to submit an ASAP report within 24 hours of notification from the ERC, the possible noncompliance with 14 CFR by that employee will be referred to an appropriate office within the FAA for additional investigation and reexamination and/or enforcement action, as appropriate, and for referral to law enforcement agencies, if warranted.

7. POINTS OF CONTACT. The ERC will be comprised of one representative from QX management; one representative from the IBT; and one FAA inspector assigned as the ASAP representative from the Certificate Holding District Office (CHDO) for QX; or their designated alternates in their absence. In addition, QX will designate one person who will serve as the ASAP manager. The ASAP manager will be responsible for program administration, and will not serve as a voting member of the ERC.

8. ASAP MANAGER. When the ASAP manager receives the report, he or she will record the date and time of any event described in the report and the date and time the report was submitted through the WBAT system. The ASAP manager will enter the report, along with all supporting data, on the agenda for the next ERC meeting. Reports should be provided to all ERC members prior to the scheduled ERC meeting in accordance with guidance contained in Advisory Circular 120-66, as amended. The ERC will determine whether a report is submitted in a timely manner or whether extraordinary circumstances precluded timely submission. To confirm that a report has been received, the ASAP manager will send a written receipt through the WBAT system to each employee who submits a report. The receipt will confirm whether or not the report was determined to be timely. The ASAP manager will serve as the focal point for information about, and inquiries concerning the status of, ASAP reports, and for the coordination and tracking of ERC recommendations.

9. EVENT REVIEW COMMITTEE (ERC). The ERC will review and analyze reports submitted by the mechanics under the program, identify actual or potential safety problems from the information contained in the reports, and propose solutions for those problems. The ERC will provide feedback to the individual who submitted the report.

a. The ASAP manager will maintain a database that continually tracks each event and the analysis of those events. The ERC will conduct a 12-month review of the ASAP database with emphasis on determining whether corrective actions have been effective in preventing or reducing the recurrence of safety-related events of a similar nature. That review will include recommendations for corrective action for recurring events indicative of adverse safety trends.

b. This review is in addition to any other reviews conducted by the FAA. If an application for renewal of the continuing program is anticipated, the ERC will prepare and submit a report with the certificate holder's application to the FAA 60 days in advance of the termination date of the existing continuing program.

10. ERC PROCESS.

a. The ERC will meet as necessary to review and analyze reports that will be listed on an
agenda submitted by the ASAP manager. The ERC will determine the time and place of the meeting. The ERC will meet at least twice a month, and the frequency of meetings will be determined by the number of reports that have accumulated or the need to acquire time-critical information.

b. The ERC will make its decisions involving ASAP issues based on consensus. Under the QX ASAP, consensus of the ERC means the voluntary agreement of all representatives of the ERC. It does not require that all members believe that a particular decision or recommendation is the most desirable solution, but that the result falls within each member's range of acceptable solutions for that event in the best interest of safety. In order for this concept to work effectively, each ERC representative shall be empowered to make decisions within the context of the ERC discussions on a given report. The ERC representatives will strive to reach consensus on whether a reported event is covered under the program, how that event should be addressed, and the corrective action or any enforcement action that should be taken as a result of the report. For example, the ERC should strive to reach a consensus on the recommended corrective action to address a safety problem such as an operating deficiency or airworthiness discrepancy reported under ASAP. The corrective action process would include working the safety issue(s) with the appropriate departments at the airline and the FAA that have the expertise and responsibility for the safety area of concern. Recognizing that the FAA holds statutory authority to enforce the necessary rules and regulations, it is understood that the FAA retains all legal rights and responsibilities contained in Title 49, United States Code, and FAA Order 2150.3B. In the event there is not a consensus of the ERC on decisions concerning a report involving an apparent violation(s), a qualification issue, or medical certification or medical qualification issue, the FAA ERC representative will decide how the report should be handled. The FAA will not use the content of the ASAP report in any subsequent enforcement action, except as described in paragraph 11a(3) of this MOU.

c. It is anticipated that three types of reports will be submitted to the ERC: safety-related reports that appear to involve a possible noncompliance with 14 CFR, reports that are of a general safety concern, but do not appear to involve possible noncompliance with 14 CFR, and any other reports: e.g., involving catering and passenger ticketing issues. All safety-related reports shall be fully evaluated, to the extent appropriate, investigated.

d. The ERC will forward non-safety reports to the appropriate QX department head for his/her information and, if possible, internal (QX) resolution. For reports related to flight safety, including reports involving possible noncompliance with 14 CFR, the ERC will analyze the report, conduct interviews of reporting mechanics, and gather additional information concerning the matter described in the report, as necessary.

e. The ERC should also make recommendations to QX for corrective action for systemic issues. For example, such corrective action might include changes to QX flight operations procedures, aircraft maintenance procedures, or modifications to the training curriculum for mechanics. Any recommended changes that affect QX will be forwarded through the ASAP manager to the appropriate department head for consideration and comment, and, if appropriate, implementation. The FAA will work with QX to develop appropriate corrective action for systemic issues. The ASAP manager will track the implementation of the recommended corrective action and report on associated progress as part of the regular ERC meetings. Any recommended corrective action that is not implemented should be recorded along with the reason it was not implemented.

f. RESERVED

g. Any corrective action recommended by the ERC for a report accepted under ASAP must be completed to the satisfaction of all members of the ERC, or the ASAP report will be excluded from the program, and the event will be referred to the FAA for further action, as appropriate.
h. Use of the QX ASAP Report: Neither the written ASAP report nor the content of the written ASAP report will be used to initiate or support any company disciplinary action, or as evidence for any purpose in an FAA enforcement action, except as provided in paragraph 11a(3) of this MOU. The FAA may conduct an independent investigation of an event disclosed in a report.

11. FAA ENFORCEMENT.

a. Criteria for Acceptance. The following criteria must be met in order for a report to be covered under ASAP:

(1) The employee must submit the report in accordance with the time limits specified under paragraph 5 of this MOU;

(2) Any possible noncompliance with 14 CFR disclosed in the report must be inadvertent and must not appear to involve an intentional disregard for safety; and,

(3) The reported event must not appear to involve criminal activity, substance abuse, controlled substances, alcohol, or intentional falsification. Reports involving those events will be referred to an appropriate FAA office for further handling. The FAA may use the content of such reports for any enforcement purposes and will refer such reports to law enforcement agencies, if appropriate. If upon completion of subsequent investigation it is determined that the event did not involve any of the aforementioned activities, then the report will be referred back to the ERC for a determination of acceptability under ASAP. Such referred back reports will be accepted under ASAP provided they otherwise met the acceptance criteria contained herein.

b. Administrative or Informal Action. Notwithstanding the criteria in Chapter 5 of FAA Order 2160.3B, as amended, possible noncompliance with 14 CFR disclosed in a non-sole-source ASAP report that is covered under the program and supported by sufficient evidence will be addressed with administrative action (i.e., a FAA Warning Notice or FAA Letter of Correction, as appropriate for administrative action) or informal action (i.e., oral or written counselling). Sufficient evidence means evidence gathered by an investigation not caused by, or otherwise predicated on, the individual's safety-related report. There must be sufficient evidence to prove the violation, other than the individual's safety-related report. In order to be considered sufficient evidence under ASAP, the ERC must determine through consensus that the evidence (other than the individual's safety-related report) would likely have resulted in the processing of a FAA enforcement action had the individual's safety-related report not been accepted under ASAP. If the ERC determines that sufficient evidence supports a violation for an accepted non-sole-source report, before informal action can be used to close an ASAP case, there must be ERC consensus that the apparent violation does not indicate a lack of qualification, as listed on the E-EDP worksheet, Step two, Criterion three in FAA Order 6900.10, Volume 14, Chapter 1, as amended. In addition, as determined by applying E-EDP worksheet steps three, four, and five, the violation must be determined by consensus of the ERC to be low risk. Accepted non sole-source reports for which there is not sufficient evidence will be closed with a FAA Letter of No Action.

c. Sole-Source Reports. For the purposes of FAA action, a report is considered a sole-source report when all evidence of the event available to the FAA is discovered by or otherwise predicated on the report. Apparent violations disclosed in ASAP reports that are covered under the program and are sole-source reports will be addressed with an ERC response (no FAA action required). It is possible to have more than one sole-source report for the same event.

d. Reports Involving Qualification Issues. QX ASAP reports covered under the program that demonstrate a lack, or raise a question of a lack, of qualification of a certificate holder employee will be addressed with corrective action, if such action is appropriate and recommended by the
ERC. If an employee fails to complete the corrective action in a manner satisfactory to all members of the ERC, then his/her report will be excluded from ASAP. In these cases, the ASAP event will be referred to an appropriate office within the FAA for any additional investigation and reexamination and/or enforcement action, as appropriate.

e. Excluded from ASAP. Reported events involving possible noncompliance with 14 CFR that are excluded from ASAP will be referred by the FAA ERC member to an appropriate office within the FAA for any additional investigation and re-examination and/or enforcement action, as appropriate.

f. Corrective Action. Employees initially covered under an ASAP will be excluded from the program and not entitled to the enforcement-related incentive if they fail to complete the recommended corrective action in a manner satisfactory to all members of the ERC. Failure of an employee to complete the ERC recommended corrective action in a manner satisfactory to all members of the ERC may result in the reopening of the case and referral of the matter for appropriate action.

g. Repeated Instances of Noncompliance with 14 CFR. Reports involving the same or similar possible noncompliance with the Regulations that were previously addressed with administrative or informal action under ASAP will be accepted into the program, provided they otherwise satisfy the acceptance criteria in paragraph 6 above. The ERC will consider on a case-by-case basis the corrective action that is appropriate for such reports.

h. Closed Cases. A closed ASAP case including a related enforcement investigative report involving a violation addressed with the enforcement-related incentive, or for which no action has been taken, may be reopened and appropriate enforcement action taken if evidence later is discovered that establishes that the violation should have been excluded from the program.

12. EMPLOYEE FEEDBACK. The ASAP manager will publish a synopsis of the reports received, as well as pertinent data and trend information derived from the mechanics reports, in the ASAP section of the On Your Horizon publication quarterly. Specific event summaries contained in the synopsis will not include employee names. Any employee who submitted a report may also contact the ASAP manager to inquire about the status of his/her report. In addition, each employee who submits a report accepted under ASAP will receive individual feedback on the final disposition of the report.

13. INFORMATION AND TRAINING. The details of the ASAP will be made available to all mechanics and their supervisors by publication in the QX Mechanics ASAP Guide. Each QX mechanic and manager will receive written guidance outlining the details of the program at least two (2) weeks before the program begins. Each mechanic will also receive additional instruction concerning the program during the next regularly scheduled recurrent training session, and on a continuing basis in recurrent training thereafter. All new-hire mechanic employees will receive training on the program during initial training.

14. REVISION CONTROL. Revisions to this MOU shall be documented using standard revision control methodology.

15. RECORDKEEPING. All documents and records regarding this program will be kept by the QX ASAP manager and made available to the other parties of this agreement at their request. All records and documents relating to this program will be appropriately kept in a manner that ensures compliance with 14 CFR and all applicable laws. IBT and the FAA will maintain whatever records they deem necessary to meet their needs.
16. SIGNATORIES. All parties to this ASAP are entering into this agreement voluntarily.

[Signature] 1/24/13
IBT Business Agent, Local 986, International Brotherhood of Teamsters

[Signature] 1/24/13
Vice President of Maintenance and Engineering, Horizon Air

[Signature] 2/6/13
Manager, FAA CHDO for Horizon Air
October 26, 2010

Mr. Jim Dekay  
Business Representative  
International Brotherhood of Teamsters Local 986  
1198 Durfee Ave.  
South El Monte, CA 91733

Subject: Drug & Alcohol Testing

Dear Mr. Dekay:

During the course of negotiations regarding amendments to the Agreement of November 30, 2008 between Horizon Air Industries, Inc. (Company) and the International Brotherhood of Teamsters (Union), the issue of Drug & Alcohol testing was discussed. Employees covered by this Agreement are subject to the Horizon Illegal Drug Use and Alcohol Misuse Policy (Policy) as well as the Horizon Air Drug & Alcohol Program (Program). The Policy and Program are Company controlled documents that are subject to change. The Union will be notified of changes to either the Policy or Program.

Please indicate your acceptance with the foregoing by signing the copy of this letter and returning it to me.

Very Truly Yours,

Christopher Lewless  
Managing Director, People & Labor Relations

Agreed:

By: _______________________________   Date: ____________________
May 21, 2014

Mr. Dave Saucedo
Business Representative
International Brotherhood of Teamsters Local 986
1198 Durfee Ave.
South El Monte, CA 91733

Subject: PTO

Dear Mr. Saucedo:

During the course of negotiations regarding amendments to the Agreement of December 16, 2010 between Horizon Air Industries, Inc. (the Company) and the International Brotherhood of Teamsters (the Union), the issue of changes to the Company PTO policy was discussed. In order not to delay negotiations further it is hereby agreed:

If Horizon makes enhancements to the Company PTO policy for any work group (excluding flight crews), those enhancements will be offered to the employees covered by this Agreement.

Please indicate your acceptance with the foregoing by signing the copy of this letter and returning it to me.

Very Truly Yours,

Christopher Lewless
Managing Director, People & Labor Relations

Agreed:

By:             Date: June 27, 2014
PROTOCOL AGREEMENT FOR FINAL AND BINDING INTEREST ARBITRATION

by and between

HORIZON AIR INDUSTRIES, INC.

and the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS,
LOCAL UNION NO. 986

This Protocol Agreement is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between Horizon Air Industries, Inc. (the "Company") and the Airliner Mechanics and Related Employees in the service of the Company as represented by the International Brotherhood of Teamsters, Local Union No. 986 (the "Union"), hereinafter referred to collectively as "the parties."

WHEREAS, the parties, on May 21, 2014 agreed to renegotiate their collective bargaining agreement dated December 16, 2010;

WHEREAS, the parties have tentatively agreed to all amendments to the collective bargaining agreement; and

WHEREAS, the parties desire to enter into a Protocol Agreement that sets forth the optional process, available to either party to exercise in lieu of the negotiated pay rates, to be followed in final and binding interest arbitration over rates of pay through two (2) separate interest arbitration hearings;

NOW, THEREFORE, the parties hereby agree as follows:

1. The issue of rates of pay in the collective bargaining agreement covering the craft or class of Airliner Technicians and Related Employees of the Company as represented by the Union may be submitted to two (2) final and binding interest arbitrations.

2. If either party elects to forgo the negotiated wage rates in the CBA and to instead arbitrate the wages, the electing party must notify the other party in writing of their intent to arbitrate wage rates no later than 5:00 PM Pacific Time on March 31st of the applicable year (2016 or 2018).
3. The first arbitration, if chosen by either party, will start no sooner than July 20, 2016, and shall be concluded no later than August 28, 2016, with the effective term of the pay rates determined by the first arbitration decision being December 2016 through December 2018. The second arbitration, if chosen by either party, will start no sooner than July 17, 2018 and shall be concluded no later than August 25, 2018, with the effective term of the pay rates determined by the second arbitration decision being December 2018 through December 2020.

4. The issue presented to the Arbitrator in the first arbitration will be as follows: “What are the appropriate wage rates for Airline Technicians and Related Employees employed by Horizon Air under the terms and conditions of the Collective Bargaining Agreement entered into on __________, 2014 for December 2016 through December 2018 of the agreement.” The issue presented to the Arbitrator in the second arbitration will be as follows: “What are the appropriate wage rates and license premiums for Airline Technicians and Related Employees employed by Horizon Air under the terms and conditions of the Collective Bargaining Agreement entered into on __________, 2014 for December 2018 through December 2020.”

5. **Arbitrator Selection.** First, the parties shall attempt to mutually agree on an arbitrator. In the absence of mutual agreement, the parties shall request a panel of seven (7) arbitrators from the American Arbitration Association ("AAA"); **provided,** all arbitrators on the panel shall be members of the National Academy of Arbitrators with experience arbitrating labor disputes involving airlines and airline employees. The arbitrator shall be selected from the panel using the alternate strike method, with the winner of a coin toss making the second strike.

6. The arbitration hearings will be held in Seattle, Washington, or at a neutral location mutually agreed upon by the parties.

7. Each arbitration will be scheduled for three (3) hearing days, with each party having one day to conduct their presentation and one half (½) day to respond to the other parties’ presentation. If in the arbitrator’s determination additional days are required to complete the arbitration hearings, such additional hearing days shall be held on continuous days, to the fullest extent possible, so that the arbitration hearings are completed in an efficient and expeditious manner.

8. The arbitration hearing will be conducted as a “presentation-conference style” proceeding in a manner that provides the parties with the opportunity to explain their positions fully, provide the arbitrator and the other party with relevant and helpful background information, and discuss their positions with the arbitrator. Upon conclusion of each presenter’s presentation, the other party shall have an opportunity to pose questions to that presenter and/or witness. Witnesses shall be under oath and may be cross-examined. The parties will use their best efforts to reach agreement on and provide to the arbitrator ground rules for the conduct of the arbitration in this manner; **provided,** that the arbitrator shall determine the
ground rules in the absence of such agreement and shall expeditiously resolve any disputes arising between the parties as to such ground rules.

9. **Exchange of Offers.** No later than 30 days in advance of the hearing, each party shall submit to the arbitrator the party’s last best and final offer for consideration at the arbitration. Upon receipt of the last best and final offers from each party, the arbitrator shall promptly serve the offers on the parties, so that each party is aware of the other party’s last best and final offer.

10. The parties will provide final witness (lay and expert) and exhibit lists to each other and the arbitrator no later than seven (7) days before the arbitration hearing date. Witness lists must also include a short summary of what the party intends the witness to testify about. The parties will comply with all reasonable requests for relevant documents made by the other party in advance of the hearing, and, in light of the Company being in the unique position to produce relevant financial information, the Company will make all relevant financial information requested by the Union available in both hard and electronic form (fully usable Excel document format and PDF document format that can be manipulated and or sorted, where applicable).

11. The arbitrator will have full jurisdiction to hear the issue and will have the authority to resolve any disputes over discovery and procedural matters. The arbitrator shall also have the authority to issue subpoenas (for documents and for testimony), decide arbitrability issues, preserve order and privacy in the hearings, rule on evidentiary matters, and determine the close of the hearing.

12. **“Baseball Style Decision.”** The arbitration award shall be issued as a baseball arbitration award. This means the arbitrator’s jurisdiction is limited to issuing an award that adopts without modification, one of the party’s last best and final offers as submitted to the arbitrator 30 days in advance.

13. The fees and expense of the arbitrator shall be split evenly between the parties. At the request of either party, a transcript shall be made of the arbitration hearing. If both parties request a copy of the transcript, the cost of the transcript will be split evenly between the parties.

14. The parties shall submit their respective post-hearing briefs to each other and to the arbitrator thirty (30) days after receipt of the transcripts of the hearing, if any, or thirty (30) days after the final day of arbitration, whichever is later. The Arbitrator shall issue a final written decision within thirty (30) days of receiving both briefs.

15. Nothing in this Protocol Agreement precludes the parties from seeking and reaching a consensual agreement on rates of pay either prior to, during or after the close of the arbitration hearings.
16. The arbitrator's decisions shall be final and binding on the parties and shall be incorporated into the collective bargaining agreement.

IN WITNESS WHEREOF, the Company and the Union have executed this Protocol Agreement effective this ____ day of ____, 2014.

For Horizon Air Industries, Inc.       For the International Brotherhood of Teamsters

Christopher Lewless                  Dave Saucedo
May 21, 2014

Mr. Dave Saucedo
Business Representative
International Brotherhood of Teamsters Local 986
1198 Durfee Ave.
South El Monte, CA 91733

Subject: Scope of Work

Dear Mr. Saucedo:

During the course of negotiations regarding amendments to the Agreement of December 16, 2010 between Horizon Air Industries, Inc. (the Company) and the International Brotherhood of Teamsters (the Union), Scope of Work was discussed. In order not to delay negotiations further it is hereby agreed:

IBT represented mechanics will have work scope falling under this Agreement in new Horizon stations in the Lower 48 states where there are no Alaska Airlines maintenance technicians. Scope of work includes scheduled line checks.

This letter will remain in effect for the term of the Agreement and expire on December 13, 2020.

Please indicate your acceptance with the foregoing by signing the copy of this letter and returning it to me.

Very Truly Yours,

[Signature]

Christopher Lewless
Managing Director, People & Labor Relations

Agreed:

[Signature] Date: June 27, 2014
May 22, 2014

Mr. Dave Saucedo  
Business Representative  
International Brotherhood of Teamsters Local 986  
1198 Durfee Ave.  
South El Monte, CA 91733

Subject: Ratification Agreement

Dear Mr. Saucedo:

During the course of negotiations regarding amendments to the Agreement of December 16, 2010 between Horizon Air Industries, Inc. (the Company) and the International Brotherhood of Teamsters (the Union), the following ratification incentives were discussed. Employees on the IBT seniority list as of the date of ratification are eligible for the following:

- Any employee required to obtain a passport in the course of their duties will have the costs of obtaining such passport borne by the Company.
- No later than 10 days after the ratification vote, eligible employees (defined above) will receive a $5000 ratification bonus.

This letter will remain in effect for the term of the Agreement and expire on December 13, 2020.

Please indicate your acceptance with the foregoing by signing the copy of this letter and returning it to me.

Very Truly Yours,

Christopher Lewless  
Managing Director, People & Labor Relations

Agreed:

Date: June 27, 2014
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