

SIDELETTER OF AGREEMENT
between
HORIZON AIR INDUSTRIES, INC.
and
ASSOCIATION OF FLIGHT ATTENDANTS-CWA

Ground-School Training and OE/IOE for the Embraer 175 Jet

This 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 Association of Flight Attendants-CWA (the "Association").

WHEREAS: The Company has been awarded jet flying and has secured aircraft orders for the Embraer 175 Jet (E175); and

WHEREAS: The Company intends to enter the new aircraft into revenue service no later than May 2017;

WHEREAS: The Federal Aviation Administration (FAA) requires flight attendants to attend ground school prior to working on the E175; and

WHEREAS: the FAA requires all flight attendants to have operating experience (OE) or initial operating experience (IOE), as applicable, on a Company operated jet aircraft prior to working on a Company-operated jet aircraft as a required crew member; and

WHEREAS: The parties wish to establish an orderly and operationally logical timetable for ensuring that all flight attendants are trained to fly on the E175,

NOW, THEREFORE: the Company and the Association agree as follows:

I. Flight Attendant Groups

Flight Attendants will be divided into the following groups:

- A. Group A: Management, flight attendant trainers, flight attendant instructors, training specialists and those employees assigned to E175 certification events.
- B. Group B: Flight Attendants who have existing early, base or grace months for recurrent training in February, March, April and/or May 2017 for recurrent training.
- C. Group C: Flight Attendants who have existing early, base or grace months for recurrent training in May 2017 through January 2018.
- D. Group D: Flight Attendants who have previously completed an Initial Operating Experience (IOE) on a Company-operated jet aircraft .
- E. Group E: Flight Attendants who have not completed an IOE on a Company-operated jet aircraft.

II. E175 Ground School and Familiarization Training

All Flight Attendants will be required to attend a sixteen hour (two-day) ground school and familiarization training and to demonstrate proficiency through competency checks before they may perform Flight Attendant duties on the E175. E175 ground school will be scheduled in combination with existing annual recurrent training.

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- A. Assignments to ground school will be awarded in the following order:
1. Flight Attendants in Group A will be assigned by the Company
 2. All Flight Attendants will bid for recurrent/E175 training as provided for recurrent training in Article 8.B (exception for those flight attendants in Group A) of the collective-bargaining agreement, except as provided below. No Flight Attendant will be forced to attend recurrent/E175 training prior to her/his early month
 - a. Group B Flight Attendants will bid for and be awarded recurrent/ E175 ground school. Those with base or grace months will be awarded training in the earliest requested month, according to domicile seniority. Those in their early month may bid a pass in the early month. If a Flight Attendant does not bid a pass, or if insufficient bids are received, she/he may be assigned to recurrent/ E175 training.
 - b. Flight Attendants in Groups C through E may submit bids to attend recurrent/ E175 ground school in any month . The Company will determine the number of slots available per domicile; it is understood that not all domiciles will have slots in every class. Slots will be awarded in domicile seniority order. Subject to FAA approval, those Flight Attendants who attend recurrent prior to their early month will have their base month adjusted to the month in which they attend recurrent/ E175 school.
- B. Flight Attendants who wish to attend training will be required to bid each month in which they wish to attend.
1. Training dates will be bid for and awarded as stated above. Flight Attendants who are not in their early, base or grace months will not be forced to attend training on a date they did not bid.
 2. Flight Attendants may report ill and not attend training. When this occurs:
 - a. Flight Attendants who are scheduled for training in their early, base or grace month will be reassigned training under current practice.
 - b. Flight Attendants who are scheduled for training in a month that is not their early, base or grace month will be removed from the training roster and if they so choose will bid again to attend training in a subsequent month.
 3. Flight Attendants may trade training dates with Flight Attendants who are scheduled for training in the same month, so long as the trade does not create a conflict with existing duty on either Flight Attendant's line. Trades will be submitted and approved using the system currently in use for trading recurrent training dates.
- C. Compensation
- A Flight Attendant shall be credited 4.5 hours of applicable hourly pay for each day she/he attends recurrent and E175 ground school, and 4.0 hours of applicable hourly pay for days on which she/he only travels to or from training.

- D. Training will be held in PDX. PDX-based Flight Attendants who live more than 30 miles' driving distance from Horizon Ops Center will be provided with a hotel room upon request.

III. Initial Operating Experience/Operating Experience

- A. All Flight Attendants who have not previously had an IOE on a Company-operated jet aircraft must perform IOE/OE on the E175 prior to working on that aircraft as minimum crew on a revenue flight. All Flight Attendants with a flight attendant seniority date on or after August 22, 2011, will be required to perform at least five (5) block hours of IOE/OE on the E175.
- B. Observers may conduct IOEs. "Observer" is a special provision created to ensure all flight attendants are qualified to work on the E-Jet. The observer position will cease to exist on January 31, 2018. The Company may use observers to conduct OE and, through August 2017, IOE. After August 2017, only trainers may conduct IOE. Observers will be paid on the same basis as trainers.
- C. IOE/OE
 - 1. OE refers to the operating experience on the E175 of an existing Horizon Air flight attendant who has completed E175 ground school but is not certified to work on a jet aircraft operated by the Company.
 - 2. IOE refers to the initial operating experience on the E175 for a flight attendant who has graduated from initial training.
 - 3. Once the E175 enters revenue service, the Company will conduct OE at twice the rate it conducts IOE on the E175. In other words, provided that there are enough flight attendants who need OE, at least two OE students will be certified for every one IOE student.
- D. The following rules will apply to OE on the E175:
 - 1. Flight Attendants who need OE on the jet will bid for OE dates; bids will be awarded in domicile seniority order. The awarded date, as well as any travel date(s) will appear as a planned absence in the Flight Attendant's PBS calendar.
 - 2. The parties intend that OE will be conducted only on single duty period trips. However, should the marketing schedule change to the extent that qualifying all flight attendants in a reasonable time becomes impracticable, the parties will re-evaluate OE scheduling. The Company will select the actual trip to be assigned to a flight attendant.
 - 3. Observers will conduct OE. No more than two OE student flight attendants will be assigned to an observer.
 - 4. OE students and observers will be in addition to the FAA minimum crew requirement. The FAA-required flight attendants will perform only those duties that the FAA requires to be performed by flight attendants already certified on a jet aircraft. The OE students will perform all other duties.
 - 5. OE students will be paid and credited for the value of the trip as calculated under Article 3.C.2, except that in no case will an OE student receive fewer than five (5) credit hours for her/his OE. For line building purposes only, PBS will assign a value of five (5) credit hours to the OE event.

6. All contractual and regulatory rest and duty provisions will apply to OE students and observers.
- E. The following rules will apply to IOE on the E175 through August 2017:
1. To the extent possible, new hire flight attendants will fulfill the required IOE on the Q-400 prior to doing their IOE on the E175.
 2. Observers may conduct IOE, and no more than two new-hires may perform their IOE on a trip. Beginning in September 1 2017, Collective Bargaining language will govern who provides IOE training and the method of such training.

FOR ASSOCIATION OF FLIGHT
ATTENDANTS-CWA, AFL-CIO

FOR HORIZON AIR
INDUSTRIES, INC.

Sara Nelson
International President

DeeDee Caldwell
Director, Inflight Operations and Labor Relations

Lexie Graham
MEC President

Kimberley Chaput
Senior Staff Negotiator

Originals on file

Note: this cc: attached for reference only. Signed originals on file.