

Peggy Gordon
AFA-CWA MEC President
47-228 Hui Aeko Way
Kaneohe, HI 96744

Dear Ms. Gordon,

This letter confirms our discussions regarding the interpretation of the Basic Collective Bargaining Agreement (cba) and the Letter of Agreement titled "Aloha Airlines Reorganization Agreement".

We agree that the interpretations of those provisions are as follows:

1. Section 17, paragraph A9 and A10 of the CBA allows retiring Flight Attendants to utilize their sick leave to either: a) enhance their pension plan, or b) pay for, or offset the medical insurance premiums for those Flight Attendants eligible based on their years of service and sick leave balance.

If an eligible flight attendant elects to use her/his sick leave to pay for retiree medical insurance, the Company will value such sick leave balance as follows: for each month of medical coverage a single employee will use 5 hours of sick leave to pay for her/his medical coverage; 10 hours per month will be used for 2 party coverage and 15 hours per month for family coverage.

2. Paragraph B6 of the Aloha Airlines Restructuring Agreement and Paragraph B5 of the Aloha Airlines Reorganization Agreement are null and void and do not allow for an early Section 6 opener (early reopener) for either the Company and/or the Association. Section 6 negotiations will occur in accordance with Section 31-Duration, as amended by Document 41. The parties agree that if they have not reached an agreement by November 1, 2009, they shall jointly file a request for mediation with the National Mediation Board.

If the above is your understanding of our agreement please sign below.

Sincerely

Albert J. Pattison

Acknowledged and Agreed this ___ day of April 2006.

Peggy Gordon – MEC President
AFA-CWA