MEMORANDUM OF UNDERSTANDING

BETWEEN

ALLEGIANT AIR

AND THE

AIRLINE PROFESSIONALS ASSOCIATION,
TEAMSTERS LOCAL UNION NO. 1224

LTD Buy-Up Continuation

This Memorandum of Understanding (hereinafter "MOU") is made and entered into accordance with the provisions of the Railway Labor Act, as amended, by and between Allegiant Air (hereinafter the "Company") and the Airline Professionals Association Teamsters Local Union No. 1224, affiliated with the International Brotherhood of Teamsters, Airline Division (hereinafter the "Union"). The Company and the Union are referred to collectively hereinafter as the "Parties."

WHEREAS, as required by paragraph C (Long Term Disability) of the Contract Implementation Letter of Agreement to the Collective Bargaining Agreement ("CBA"), the Company and the Union have met and conferred concerning the continuation of the Long Term Disability ("LTD") Buy-Up Plan;

WHEREAS, the Parties have agreed to continue the LTD Buy-Up Plan, as is, for at least twelve (12) additional months (i.e., through December 31, 2019); and

WHEREAS, as part of that Agreement, the Parties have also clarified their understanding of the CBA provisions concerning the LTD Buy-Up Plan and what will occur after those twelve (12) months have elapsed.

NOW, THEREFORE, the Parties agree as follows:

1. The Company will continue to pay the incremental cost associated with the LTD Buy-Up Plan through December 31, 2019. The incremental cost is defined as the difference between the cost of the Core LTD Plan and the cost of the Buy-Up LTD Plan. The Parties acknowledge that the CBA does not require the Company to continue to pay the incremental cost, and that by doing so, the Company is exceeding its contractual obligations on a non-precedent setting basis.

2. Before November 1, 2019, the Parties shall meet and confer on the continuation of LTD Buy-Up Plan based on participation and cost. Should the LTD plan be continued as is, effective January 1, 2020, the Company will pass on the costs of the LTD Buy-Up Plan as follows:

a. The costs will be passed on to the Pilots participating in the LTD Buy-Up Plan via payroll deduction; and

b. The "costs" to be passed on to the participating Pilots shall be the entire incremental cost (as defined above) associated with the LTD Buy-Up Plan; provided, however, that if the Company is paying for LTD insurance for other Company employees with own occupation coverage in excess of twenty-four (24) months, then the "costs" to be passed on shall be the difference between: (A) the incremental cost associated with the LTD Buy-Up coverage for the Pilots and (B) any Company contribution toward the cost of LTD insurance for the other Company employees for own occupation coverage in excess of twenty-four (24) months.

3. Should the LTD Plan be terminated, the Company shall consider another option for buy-up LTD plans.

IN WITNESS WHEREOF, the Company and the Union have executed this MOU effective this 1st day of November, 2018.

For the Company:

Eric Gust
Vice President Operations

For the Union:

Andrew Robles
Executive Council Chairman