

SECTION 6

RELOCATION EXPENSES

Definitions:

BASE

An aircraft specific operational work location (FDA, temporary vacancy or domicile).

DOMICILE

An airport or co-terminal airports, designated by the Company, to which pilots are permanently assigned. A domicile is aircraft and base specific. A pilot's base is his domicile, except for pilots assigned to an FDA or temporary vacancy.

A. General Eligibility Criteria

Except as otherwise provided in this Section, the Company shall provide relocation benefits in accordance with the schedule below:

1. Domicile Closure

A pilot whose permanent domicile is closed shall be eligible for a relocation package #1, as described in Section 6.C.

2. Excess

A pilot who is excessed from his crew position shall be eligible for a relocation package #1; provided, however, that a pilot excessed from an FDA location shall be eligible for a relocation package #2, as described in Section 6.D. A junior pilot who is assigned an unfilled permanent vacancy pursuant to Section 24.C.3.b. (inverse assignment) shall be considered to have been excessed. The application of this paragraph shall not result in a relocation package for a new hire pilot.

3. Bidding to Relieve an Excess

A pilot who bids to relieve an excess shall be eligible for a relocation package #1; provided, however, that a pilot who bids to relieve an excess from an FDA location shall be eligible for a relocation package #2, subject to Section 6.A.7. and E.

4. New Domicile

A domicile shall remain a new domicile for a period of 12 months commencing with the activation of the first pilot assigned to that domicile, subject to Section 6.A.7. (establishment of an FDA). A pilot who is awarded a vacancy at a new domicile shall be eligible for a relocation package #2, except as provided in Section 6.A.2. and A.3. (above).

5. Different Domicile When Returning From Furlough

A pilot recalled from furlough to active service as a pilot to a domicile in a different geographic location than the domicile to which he was last previously assigned, shall be eligible for relocation package #2.

6. Return From Leave of Absence

A pilot returning from a leave of absence, who would have been eligible for a relocation package but for his being on leave of absence, shall be afforded an opportunity to relocate and receive the applicable relocation package. In no event shall a pilot be entitled to more than one relocation package upon his return from a leave of absence.

7. Foreign Duty Assignments (FDA)

A pilot assigned to or returning from an FDA location shall be eligible for relocation benefits in accordance with Section 6.E. The establishment of MEM as the permanent domicile for all pilots on an

FDA assignment shall not constitute the establishment of a new domicile for purposes of Section 6 and a pilot shall not become eligible for relocation benefits on the basis of his assignment into or out of his Memphis FDA domicile.

8. Eligibility For Benefits Prior To Activation

A pilot may receive relocation benefits prior to being activated into his new crew position, but shall reimburse the Company for expenditures related to his relocation if he is not activated into his new crew position for reasons other than death.

9. Crash Pad Eligibility

- a. A pilot eligible for a relocation package may apply for and shall receive a relocation package #2.a. (i.e., crash pad move) as described in Section 6.D.2. or D.3.
- b. Except as specifically provided otherwise, a pilot who receives a relocation package #2.a. shall be treated as if he had received the full relocation package for which he was eligible.

10. Anchorage based MD-11 pilots, who received a Company paid relocation package to the ANC MD-11 domicile as a result of any posting prior to posting 96-01, shall be provided with a Company paid relocation to their first domicile assignment subsequent to their assignment to the ANC MD-11 domicile. Such pilot is entitled to relocation package #2. In the case of retirement or resignation incident to retirement while assigned to the ANC domicile, the pilot shall be eligible to receive a relocation package #2 when leaving ANC, provided, however, that:

- a. Such pilot shall not be eligible for the relocation allowance described in Section 6.C.2.; and
- b. the cost of transporting his household goods shall be limited to the actual cost of transporting those goods to his pre-ANC residence or pre-ANC domicile, whichever is less.

B. Limitations

1. First Crew Position

No benefits under this Section are payable to a pilot for relocation to his first crew position with the Company, except as provided in Section 6.E.1.c. (new hire assigned to FDA). Basic Indoctrination and Initial New Hire Training are not considered a first crew position for purposes of this Section.

2. Distance Limitations

A pilot shall not be entitled to a move package unless:

- a. the domicile (or base in the case of an FDA) to which he is moving is more than 50 nautical miles from his current domicile (or base in the case of an FDA); and
- b. the permanent residence to which he is moving is more than 50 nautical miles from his current permanent residence; and
- c. the domicile (or base in the case of an FDA) to which he is moving is more than 50 nautical miles from his current permanent residence; and
- d. the residence to which he is moving is within 100 nautical miles of the domicile (or base in the case of an FDA) to which he is moving; and
- e. the residence to which he is moving is in the same country as the base.

3. Limitation Based On Location of Current Residence

The following limitations apply to a pilot eligible for a relocation package, and whose current permanent residence is not located within a radius of 100 nautical miles from his current domicile (or base, in the case of an FDA) and who previously has received a Company relocation package as a pilot, which included a relocation allowance:

- a. The cost of transporting his household goods shall be limited to the lesser of:
 - i. the actual cost of transporting those goods from his current permanent residence; or
 - ii. the cost of transporting those goods from his current domicile (or base, in the case of an FDA).
- b. The cost of any air transportation benefits for housing searches for the pilot or his spouse pursuant to Section 6.C.12. (below), shall be limited to the lesser of:

- i. the actual cost of the airline travel from his permanent residence; or
 - ii. the cost of air transportation from his current domicile.
 - c. Any cost for the transportation of household goods that is the responsibility of the pilot pursuant to Section 6.B.3.a. (above) shall be paid by the pilot to the commercial carrier at the time those goods are transported, and shall not be billed to the Company.
4. Package #1, 12 Month Limitation
- A pilot shall reimburse the Company for 100% of the allowance specified in Section 6.C.2. (below) that was paid under the relocation package #1 if:
- a. the pilot receives a relocation package #1; and
 - b. he subsequently bids and is awarded a new crew position for which the projected training date or projected activation date, whichever is earlier, falls within the period of 12 months following his activation into his current crew position; and
 - c. he is not entitled to a relocation package for his new crew position; and
 - d. he is not covered by Section 6.B.5. (excess and bid to relieve excess).
5. Ineligibility For Relocation In Multiple Bid To Relieve Excess Situations
- A pilot shall not be eligible for a relocation package in conjunction with a subsequent bid to relieve an excess award if:
- a. He receives a relocation package in accordance with Section 6.A.3. (Bidding to Relieve an Excess); and
 - b. he is subsequently awarded another bid to relieve an excess; and
 - c. the projected training date or activation date for the crew position to which he is excessed, whichever is earlier, falls within 12 months following completion of his prior relocation.
6. Package #2, 18 Month Limitation
- a. A pilot shall reimburse relocation expenditures paid by the Company for his relocation package #2, if:
 - i. He receives a relocation package #2 pursuant to Section 6.A.4. (New Domicile); and
 - ii. he subsequently bids and is awarded a crew position for which the projected training date or projected activation date, whichever is earlier, falls within the period of 18 months following his activation into his current crew position; and
 - iii. he is not eligible for a relocation package for his new crew position.
 - b. The reimbursement shall be prorated as described in Section 6.B.9. (Reimbursement Schedule). Expenditures incurred pursuant to Section 6.C.8. (Marketing Assistance) shall not be reimbursed.
7. Package #1, or #2, 18 Month Limitation
- a. A pilot not covered by Section 6.B.4., B.5. or B.6., shall be required to reimburse relocation expenditures paid by the Company, if:
 - i. within 18 months after completion of his relocation, he moves outside a radius of 100 nautical miles from his domicile (or base, in the case of an FDA); or
 - ii. within 18 months after completion of his relocation, he leaves the Company, provided, however, that:
 - (a) a pilot who leaves the Company due to retirement or resignation incident to retirement shall not have any reimbursement obligation unless he retired or resigned within 12 months after having completed his relocation; and
 - (b) there shall be no reimbursement obligation by a pilot's estate due to his death.
 - b. The amount of reimbursement shall be prorated as described in Section 6.B.9. (Reimbursement Schedule). Expenditures incurred pursuant to Section 6.C.8. (Marketing Assistance) shall not be reimbursed. Reimbursement of expenses incurred pursuant to Section 6.C.12. shall be limited to

the cost of airline tickets in excess of 2 round trips for the pilot and 2 round trips for the pilot's spouse.

8. Failure To Complete Relocation

If a pilot fails to complete his relocation within 18 months following his activation, he shall reimburse the Company 100% of relocation expenditures paid by the Company, other than expenditures for benefits received pursuant to Section 6.C.8. (Marketing Assistance). Reimbursement of expenses incurred pursuant to Section 6.C.12. (below) shall be limited to the cost of airline tickets in excess of 2 round trips for the pilot and 2 round trips for the pilot's spouse.

9. Reimbursement Schedule

A pilot who is required to reimburse the Company for relocation expenses as provided in Section 6.B.6. and B.7. shall reimburse the Company on a prorated basis in accordance with the following schedule:

Time When Obligation to Reimburse Arises	Percentage of Relocation Benefits Reimbursable
before completion of the 12th month of the applicable time frame	100%
during the 13th month of the applicable time frame	33%
during the 14th month of the applicable time frame	28%
during the 15th month of the applicable time frame	22%
during the 16th month of the applicable time frame	17%
during the 17th month of the applicable time frame	11%
during the 18th month of the applicable time frame	6%

10. Additional Benefits Withheld While Reimbursement Pending

Relocation benefits to which a pilot is entitled may be withheld pending the pilot's full reimbursement of amounts that he is obligated to reimburse in accordance with Section 6.B.4., B.6., B.7. or B.8. (above), with respect to a prior relocation. Application of this paragraph shall not extend the period during which a pilot must complete his relocation, as provided in Section 6.B.8. (above).

11. Relocation to Property Already Owned by Pilot

If the residence to which the pilot is moving is already the property of the pilot, he shall not be entitled to a relocation allowance or the benefits provided in Section 6.C.12. (air transportation for housing searches). This paragraph shall not prevent a pilot, who is otherwise eligible for a relocation allowance as part of a return move from an FDA, from receiving such allowance.

C. Relocation Package #1

Relocation package #1 shall include the following:

1. Household Goods

- a. Transportation of household goods from former residence to new permanent residence (qualified commercial carrier to be selected by the Company). The Company shall make best efforts to ensure that the household goods are delivered to the new permanent residence within 30 days following the receipt of the pilot's goods for shipment. If the household goods have not been delivered within 45 days following the receipt of the pilot's goods for shipment, the pilot shall be entitled to reimbursement for reasonable expenses occasioned by the delayed shipment (e.g., rental charges for basic household goods). A pilot shall coordinate with Human Resources, AOD, to arrange reimbursement under this paragraph. The move shall be limited to 16,500 maximum allowable pounds for household goods, not including any automobiles, and payment due over the maximum pounds shall be the sole responsibility of the pilot and shall be paid at the time of the move.
- b. Although not all inclusive, the following cannot be handled by the carrier: transportation of pets, boats (or other water vehicles), snowmobiles, all terrain vehicles, trailers, aircraft, auxiliary buildings, excessive hobby equipment, arcade games, juke boxes, jewelry, alcohol, guns, livestock, perishables, plants, shrubs, trees, campers, firewood, fences, flammables, hazardous materials, excessive lawn furniture, shop equipment, family heirlooms, antiques, coins, stamps, china of great value, paintings, photographs, slides; piano tuning, dismantling and setting up swing sets; disconnecting and reconnecting stereo equipment; storage of automobile; other unreasonable transportation expenses.

2. Relocation Allowance

In order to help defray the cost of relocation, an eligible relocating pilot shall be paid a relocation allowance of \$10,000, or 79 credit hours (CH) multiplied by the pilot's new hourly rate of pay, whichever is greater, subject to the following:

- a. Twenty-five per cent (25%) of the relocation allowance shall be forwarded to the pilot after receipt and approval of the relocation request form. The allowance shall not be issued more than 30 days prior to the pilot's activation date.
- b. Another twenty-five per cent (25%) shall be forwarded to the pilot after verification by the Company's transportation department of the relocation of the pilot's household goods to his residence address within the 100 nautical mile radius of his new domicile.
- c. The final fifty per cent (50%) payment shall be forwarded to the pilot upon verification of the pilot's having completed all aspects of the move, provided the move is made within the time limits (or authorized exceptions thereto) specified in this Section.
- d. If a pilot's spouse is an employee of the Company and both are eligible for a Company relocation allowance, only the greater of the 2 allowances shall be paid.

3. Insurance for replacement cost of furnishings up to \$250,000.

4. Maximum of 90 days of temporary storage.

5. Reimbursement of rental fee for truck/trailer and fuel when pilot moves himself, in lieu of being moved by commercial carrier. Original receipts must be submitted to the Company within 60 days of incurring the expenses in order to be eligible for reimbursement.

6. Movement of household goods shall include transportation of 1 automobile if the move is more than 750 miles except that 2 automobiles may be moved to U.S. domiciles outside the contiguous 48 states.

7. One pickup at current residence and one delivery at new residence.

8. Marketing Assistance

The purpose of marketing assistance is to provide an estimate of the property value and to facilitate sale of the pilot's primary residence. The pilot must own the home from which he is moving and for which this assistance is provided. This benefit must be used before initiation of the third party home purchase plan. Marketing assistance includes the following:

- a. Counseling on home sale issues with a marketing assistance expert.
- b. Assignment of a sales associate for the pilot.
- c. Inspection of the property by the sales associate.
- d. Completion of a detailed marketing analysis by the sales associate.
- e. Review of the analysis with the pilot to determine a list price.

9. Reimbursement of Costs Associated with Sale of Current Residence

Sale of residence must occur within 18 months of the pilot's activation. The residence sold must be the permanent residence of the pilot and his family. A pilot must provide to the relocation department a signed copy of the settlement statement within 18 months of his activation date. The property must be a single family dwelling or individually owned condominium or cooperative. The sale of residence benefits are limited to the following:

- a. Realtor's commission not to exceed 6 percent of the sale price of the residence, unless a higher percentage is authorized by the designated Company official, based on prevailing market conditions.
- b. Title search and title insurance.
- c. Abstract continuation fees.
- d. Reasonable attorney fees excluding fees for correcting title defects, etc.
- e. Escrow agent settlement fee, not to include monies placed in escrow.
- f. Deed preparation fee.
- g. Notary fee.
- h. Legally required inspection fee and termite inspection (not treatment).
- i. Transfer tax, document stamps and recording fees.
- j. One appraisal fee if legally required.
- k. Loan transfer fees.
- l. Maximum of \$2,500 in discount points if required (Veteran loan).

10. Reimbursement of Costs Associated with the Purchase of New Permanent Residence

The purchase must be made within 18 months of the pilot's activation date. The residence purchased must be the permanent residence of the pilot and his family and must be a single family dwelling or individually owned condominium or cooperative. The pilot shall furnish the relocation department with a signed copy of the settlement statement within 18 months following his activation date. Reimbursable costs do not include property taxes, interest, hazard insurance or mortgage insurance. This provision does not apply to mobile homes or boats. The purchase of residence benefit is limited to the following:

- a. Reimbursement of reasonable attorney fees related to the sale and closing of a new residence, but not to include payment of attorney fees for alleged breaches of a contract to purchase same.
- b. Reimbursement of 1 appraisal fee.
- c. Reimbursement of credit report fee.
- d. Reimbursement of title insurance (this does not include optional coverage).
- e. Reimbursement of loan application/origination/assumption fee, up to 1% of loan amount.
- f. Reimbursement of loan commitment fee.

- g. Reimbursement of notary fee.
- h. Reimbursement of document preparation fee.
- i. Reimbursement of discount points with a \$3,000 maximum.
- j. Reimbursement of tax service fee.
- k. Reimbursement of amortization schedule.
- l. Reimbursement of VA funding fee.
- m. Reimbursement of federal and local transfer fees, stamps and recording fees.
- n. Reimbursement of applicable survey fees.
- o. Reimbursement of lender's inspection fee.
- p. Reimbursement of reasonable inspection fees including fees for the detection of radon.

11. Third-Party Home Purchase Plan

- a. This benefit is provided to assist a pilot in the sale of his current residence. A pilot is required to use the marketing assistance program before this benefit is utilized. A pilot must request the third-party purchase plan within 4 months of his activation date. The property must be a single family dwelling or a condominium, located in the United States, which the pilot owns and which is his permanent residence, and which is not a mobile home or boat. The property must not contain unacceptable levels of radon gas (EPA guidelines used). The Company shall determine the eligibility of the property to be purchased for purposes of the application of this paragraph; and that determination shall not be unreasonable.
- b. This plan shall provide two independent, professional appraisals to determine the current market value of the property, which shall become the purchase price of the home. Current market value shall be determined by averaging the 2 appraisals. If, however, the 2 appraisals differ by more than 5% of the lower appraisal, the third party relocation company shall obtain a third appraisal and market value shall then be determined by averaging the 2 closest appraisals. The appraisers shall be selected by the pilot from a list of 5 provided by the Company. The Company shall notify the pilot of the purchase amount, and the pilot shall have 45 days from notification to accept the purchase price. If the pilot accepts that price, the third party company shall purchase the residence at the values established herein and handle all paperwork related to the closing. The pilot and his family must be prepared to vacate their residence within 60 days after accepting the offer.
- c. The Company shall pay the pilot 2% of the lower of the contract sales price or the appraised value if:
 - i. the pilot secures a buyer; and
 - ii. the third party company closes the transaction; and
 - iii. the Company's overall costs do not exceed 12% of the lesser of the contract sales price or the appraised value (not including the 2% bonus paid to the pilot).
- d. Other Limitations
 - i. A pilot may not sign a real estate listing agreement without first advising the relocation department.
 - ii. Synthetic stucco homes are ineligible for third party home purchase.
 - iii. Except when specifically waived by the Company, the Company will not pay more than 1.25 million dollars for a home under the third party home purchase program.
 - iv. Homes in which a part is used for commercial (non-residential) purposes.
 - v. Historical home sites.
 - vi. Cooperative homes.
 - vii. Homes in such poor condition that appraisers, realtors, and other service providers refuse the assignment.

viii. Residences that are not complete.

12. Air Transportation for Housing Searches and Relocation to Domicile

Air transportation for a pilot and his spouse shall be provided to the new domicile for housing searches and relocation to such domicile. Travel request(s) shall be processed through the Relocation Department. A pilot eligible for this benefit shall use the Company designated travel group or department or Company jumpseats. If a pilot or eligible spouse chooses to use Company jumpseats, the jumpseat priority shall be business travel. A pilot shall be eligible for 7 round trips/14 one-way trips, including business jumpseats, at the pilot's election (or any combination thereof) for housing searches/relocation to domicile, which he may distribute among his immediate family (pilot, spouse and eligible dependents) in any manner that will facilitate the housing search/relocation to the new domicile.

13. Lease Cancellation Reimbursement

A pilot who incurs a lease cancellation penalty on his residence shall be reimbursed for such penalty, up to a maximum of 6 months rent. The pilot shall provide the relocation department with a copy of the lease at the time he submits a request for reimbursement. The leased or rented residence must be the pilot's permanent residence. Cleaning fees and loss of deposit due to damage are not reimbursable.

14. Income tax gross up benefits as provided in the Personnel Policy and Procedure Manual (3-86) dated October 2003.

D. Relocation Packages #2 and #2.a.

1. Relocation package #2 includes all benefits associated with relocation package #1 with the exception of Section 6.C.9., C.10., C.11., C.12. and C.13. (above).
2. Relocation package #2.a. consists only of the movement of household goods, as described and limited in Section 6.C.1. A pilot who fails to complete a relocation and is required to reimburse the Company package #2.a., shall do so in accordance with Section 6.B.9. (Reimbursement Schedule). A pilot who receives a relocation package #2.a. is not required to change his permanent residence or relocate his family. A pilot who is eligible for a relocation package #1 or #2 may elect a relocation package #2.a. in lieu thereof.
3. An eligible pilot who chooses not to move household goods under a relocation package #2.a. but who nevertheless establishes a secondary home or apartment (a "crash pad") within 30 miles of his domicile/base, may apply for and shall receive an allowance of 16 CH, except that an FDA crash pad move shall receive an allowance of 32 CH multiplied by the pilot's hourly rate of pay. In cases of special circumstances, a pilot may request that Human Resources, AOD approve a larger acceptable radius for his crash pad. A pilot may apply for and shall receive this allowance following his activation into his new crew position and establishment of the crash pad. If a pilot fails to provide documentation that he has occupied the crash pad for a continuous period of 12 months, the pilot shall reimburse the Company 100% of the allowance paid by the Company.

E. Foreign Duty Assignment (FDA)

A pilot assigned to or leaving an FDA shall be eligible for relocation benefits as follows:

1. Assignment to an FDA

- a. A pilot assigned to an FDA as a result of an excess or bid to relieve an excess shall receive a relocation package in accordance with Section 6.A.1., A.2. or A.3. (above), as applicable. However, if he receives a relocation package #1, he shall not be entitled to the provisions of Section 6.C.10. (costs pertaining to purchase of new residence) or C.12. (air travel for housing searches).
- b. A pilot assigned to an FDA location shall be eligible for a relocation package #2 to that location except:
 - i. the cost of transporting that pilot's household goods shall be limited to the lesser of:
 - (a) the actual cost of transporting those goods from the pilot's current permanent residence, or
 - (b) the cost of transporting those goods from the pilot's current domicile (or base in the case of an FDA); and

- ii. Any cost for the transportation of household goods that is the responsibility of the pilot pursuant to Section 6.E.1.b.i., shall be paid by the pilot to the commercial carrier at the time those goods are transported, and shall not be billed to the Company.
 - iii. This paragraph shall not apply to a pilot whose FDA assignment is his first crew position, or a pilot described in Section 6.E.1.a. (above).
- c. A pilot assigned to an FDA as his first crew position shall be eligible for the relocation package described in Section 6.E.1.b. (above), excluding the relocation allowance described in Section 6.C.2. The pilot, however, shall be eligible for an allowance of \$2,000. That allowance shall be payable upon the completion of the pilot's probationary period, provided he has not voluntarily bid out of the FDA prior to completion of his probationary period. The cost of moving his household goods shall be limited to the lesser of the cost of moving those goods from his current residence or from MEM.
- d. A pilot may receive relocation benefits prior to being activated into his new FDA crew position in accordance with Section 6.A.8. (Eligibility for Benefits Prior to Activation).
- e. In addition to the relocation allowance provided in Section 6.C.2., a pilot, other than a pilot assigned to an FDA location as his first crew position, may be eligible for an FDA bonus as follows:
 - i. The amount of the bonus, if any, shall be determined by the Company after consultation with the Association.
 - ii. In no case shall an FDA bonus exceed \$20,000 for each Captain or \$15,000 for each First and Second Officer.
 - iii. The Company may condition a pilot's eligibility to receive or retain the bonus on his activation at the FDA location and/or his service at the FDA location for a minimum period of time. In no case, however, shall the service requirement at any FDA exceed 4 years. The minimum period for the FDA in Subic Bay shall remain 3 years.
 - iv. If the Company and the Association disagree as to the amount of an FDA bonus, if any, the disagreement may be submitted for resolution to the System Board. The System Board shall lack jurisdiction to establish FDA bonuses in excess of the maximums established in Section 6.E.1.e.ii. (above).
 - v. A pilot shall not be eligible for an additional FDA bonus as a result of a change of crew status within the same FDA location.
- f. A pilot shall be eligible for a total of two round trip/four one-way airline tickets for the purpose of housing searches.

2. Leaving An FDA Assignment

a. Reimbursement Obligations

- i. If a pilot receives a relocation package in accordance with Section 6.E.1. (Assignment to an FDA), he shall be subject to the reimbursement provisions of Section 6.B.6. through B.10.
- ii. If a pilot receives a relocation package in accordance with Section 6.E.1., and subsequently bids to relieve an excess at the FDA location, the following shall apply:
 - (a) he shall be subject to the provisions of Section 6.B.6., as if he had received a relocation package for a new domicile.
 - (b) Section 6.B.6. shall apply notwithstanding his entitlement to a relocation package for his new crew position.
 - (c) If the number of pilots to be excessed from the FDA exceeds the number of pilots who have been activated in the FDA position for 18 months or more, then this paragraph may be waived in seniority order for a number of pilots bidding to relieve the excess not to exceed the difference between the number of pilots to be excessed from the FDA and the number of pilots who have been activated in the FDA position for 18 months or more.

Example:

- 20 pilots in a crew position to be excessed.

- 15 pilots in that crew position have been activated at FDA for 18 months or more.
- 8 pilots bid to relieve the excess, 2 of whom have been activated at the FDA for 18 months or more.

The 2 pilots who had been activated for 18 months or more have no obligation. Of the remaining 6 pilots, the reimbursement obligation is waived for the 5 most senior pilots. The least senior of those 6 pilots has an obligation under this paragraph.

b. Paid Relocation When Leaving FDA

- i. A pilot who remains at the FDA location in the same crew position for a minimum of 3 years shall be eligible to receive a relocation package #2 when leaving the FDA location, provided he relocates, at his option to:

- (a) his last domestic pre-FDA residence, or a different location involving no greater cost to the Company; or
- (b) his new base.

However, if he upgrades to a new crew status at the same FDA location, his 3 year commitment shall be increased by the period of time the pilot is unavailable for line flying due to his training for the new crew status. If a pilot chooses a location which exceeds the cost to the Company described above, his relocation benefit shall apply provided he pays the difference in cost.

- ii. A pilot who is furloughed from an FDA, shall be eligible for relocation package #2, excluding the relocation allowance described in Section 6.C.2., or 6.E.1.c., provided he relocates to his last pre-FDA residence or to MEM, at his option. If a furloughed pilot is recalled to an FDA base, he shall be eligible for the relocation package provided in Section 6.E.1.c., excluding the FDA bonus, if any, provided in Section 6.E.1.e. However, he shall be eligible for an allowance of \$2,000. If the pilot recalled from furlough is still a probationary pilot, the original payment of that allowance shall continue to be deferred until completion of his probationary period and no allowance shall be paid for the relocation back to an FDA location.
- iii. Notwithstanding the provisions of Section 6.A.2. and A.3., a pilot who is excessed from an FDA, or who bids to relieve an excess, shall be eligible for a relocation package #2, subject to the provisions of Section 6.E.2.a.ii. (above).
- iv. A pilot who retires, resigns incident to retirement, or who is terminated (other than for an act involving drugs, violence, or moral turpitude, that would be felonious under either a U.S. statute or the State of Tennessee) shall be eligible for the movement of household goods, including one automobile, and one, one-way ticket for himself, and (if applicable), his spouse and eligible dependents, back to his last domestic pre-FDA residence or his previous domestic base, at his option. If a pilot fails to meet the eligibility standards due to his termination, and the Company does not otherwise grant such, the pilot's spouse and eligible dependents shall be provided the movement of household goods, including one automobile, and each shall be provided the one-way ticket. The same restrictions that apply to other FDA move backs (e.g., time limitations and documentation requirements) apply to moves under this paragraph with time limits being measured from the date of the pilot's termination.

3. Reimbursement Obligations

- a. A pilot shall reimburse the Company for the relocation expenses incurred for his prior relocation package if:
- i. he received a relocation package for his current crew position (i.e., his prior relocation package); and
 - ii. he receives an FDA award for which the projected training or projected activation date, whichever is earlier, falls within the period of 18 months following his activation into his current crew position.
- b. A pilot covered by Section 6.E.3. (this paragraph), shall reimburse the Company according to the proration schedule set forth in Section 6.B.9. He shall also be subject to the provisions of Section 6.B.10. (withholding of relocation benefits).

4. Additional Weight Limitations

Notwithstanding the weight limit established in Section 6.C.1.a. (above), transportation of household goods shall be limited as follows:

- a. A single pilot shall be limited to 7,500 maximum allowable pounds for household goods plus one automobile.
- b. A married pilot shall be limited to 12,500 maximum allowable pounds for household goods plus one automobile.
- c. A pilot shall be entitled to an additional 1,500 pounds of household goods per non-spousal dependent.
- d. The Company may limit the weight to be shipped by air to 2,500 pounds.
- e. A pilot entitled to a paid relocation upon return from FDA as provided in Section 6.E.2.b. (above) shall be entitled to an increase in the weight limit originally shipped of 10% per year of international residence not to exceed a total increase of 40%.
- f. Notwithstanding the provisions of Section 6.E.4.a. through E.4.e. (above), the weight limitation for a pilot leaving an FDA shall not be less than the amount originally shipped to the FDA plus the increase provided in Section 6.E.4.e. (above).
- g. The Company shall reimburse a pilot (if goods were stored by the pilot without the Company's assistance) or pay the cost for the storage (if the goods were handled by the Company or its vendor) of a reasonable amount of household goods for the duration of the FDA assignment, plus 90 days. The payment of storage costs shall end if the pilot no longer holds a vacancy at the FDA or if the pilot relocates outside the acceptable radius for that base (even if he still holds a vacancy at the FDA).
- h. The Company shall allow up to three additional space-available personal shipments over the course of the FDA assignment from the storage facility to the residence at the FDA; provided, however, that one of the additional shipments (not to exceed 1,000 pounds) may be from a location other than the storage facility. Goods shipped from the storage facility must be goods that have been stored at that facility at the Company's cost, whether directly, or by reimbursement to the pilot. Additional shipments may not exceed a total weight of 3,000 pounds, cumulative. Eligibility for the additional shipments commences on the first anniversary of the completion of the relocation to the FDA at 1,000 pounds with each additional 1,000 pounds accruing on the second and third anniversaries, respectively. In addition, the Company shall also allow a personal shipment of up to 100 pounds per month over the course of the FDA assignment, with the ability of the pilot to rollover any unused monthly shipment(s) in previous months to subsequent months up to a total of 1,200 pounds; provided, however, that the shipping limit shall be reset to zero on January 1 of each year. A pilot shall have until January 31 to use the accrued, but unused, balance from the previous year.
- i. A pilot shall be responsible for all customs charges associated with his move to and from the FDA.
- j. The Company shall reimburse a pilot up to a cumulative total of \$1,000 for the transportation of pets.

F. Relocation Days Off

1. Any pilot eligible for and exercising a Company paid relocation shall be entitled to a certain number of days off in order to assist in that relocation. The number of days off is based on the following formula:
 - a. For domestic moves (including Anchorage, Hawaii, and Puerto Rico):
 - i. time off is equal to the lesser of the distance between the old and new domicile or actual residence and new domicile, divided by 400 if driving, or 800 if flying; and
 - ii. the result is rounded to the next highest whole number, if applicable.
 - b. For FDA moves, either to or from the FDA, the pilot shall receive 7 days off.
2. The total number of days off provided by the formula may be split into 2 periods.

3. The pilot shall be compensated an R-day value for each trip day or R-day that is dropped (without pay) as a relocation day under Section 6.F. Relocation days that occur on days off shall not be compensated.
4. Credit Hours lost from a pilot's BLG/RLG as a result of Section 6.F. shall be eligible for make-up.
5. A pilot eligible for a relocation package shall coordinate in advance with his ACP the days off for relocation.
6. Days off for relocation also apply to pilots taking either of the crash pad move options as provided in Section 6.D.2. or D.3.
7. A pilot changing to a geographically different base, who is not entitled to a relocation package, shall request and coordinate with his ACP any schedule that involves dropping activities without pay to facilitate such change of base.

G. General

1. A relocation request form shall be submitted to Human Resources, AOD, to initiate benefit eligibility.
2. A pilot shall advise Human Resources, AOD, in writing of the completion of his relocation. His relocation is complete when he has established a new permanent residence for himself and, if applicable, his spouse and/or dependent children within the acceptable radius of his base within 18 months following his activation date. The Company shall verify completion of a pilot's relocation based on objective factors.
3. In extenuating circumstances, Human Resources, AOD, may deem that a pilot has completed his relocation even though some of the factors ordinarily establishing a completed relocation are absent. If the pilot subsequently fails to complete his relocation, as provided in Section 6.G.2., the pilot shall be deemed never to have relocated and shall be obligated to reimburse the Company in accordance with Section 6.B.8.
4. The Company may request documentation to establish that a pilot has completed a relocation, as provided in Section 6.G.2. The documentation may include, but is not limited to, settlement statements relating to the purchase and/or sale of residences, verification of the movement of household goods and automobile(s) to the new location, verification of the permanent relocation of a pilot's spouse and/or dependent children under the age of 18 years, if applicable, establishment of a pilot's residence at the new location for purposes of applicable property or state income taxes, driver's license, automobile registration and voter's registration. A pilot shall submit documentation requested by the Company in accordance with this paragraph.
5. If a pilot becomes obligated to reimburse the Company for expenditures related to relocation, he may request of Human Resources, AOD, a repayment schedule based on a mutually agreeable per pay check amount. If the parties are unable to agree on an amount to be deducted per pay check, the Company is authorized to initiate a payroll deduction as provided in Section 3.E.1.a.vi. Unless mutually waived by both the pilot and Human Resources, AOD, the maximum period allowed for repayment under this provision shall not exceed nine (9) months.
6. Notwithstanding the provisions of Section 6.G.5. (above), if a pilot's obligation to reimburse the Company for expenditures related to relocation becomes the subject of a grievance filed pursuant to Section 20, the period contained in Section 6.G.5. shall not commence until final resolution of that grievance pursuant to Sections 20 and 21.
7. A pilot's eligibility for staging jumpseat travel status as a pilot commuting to and from work at his new base expires 30 days following his receipt of the full relocation allowance provided in Section 6.C.2.
8. The Company may extend any of the time limits contained in Section 6 on a non-precedential basis. A pilot's request for such extension shall be submitted in writing to Human Resources, AOD, and shall contain a complete description of the reasons for which the extension is requested. The request shall be made prior to the expiration of the applicable time limit and shall not be unreasonably denied.
9. Notwithstanding other provisions in this Section, if a pilot is forced to leave his current geographic domicile (or base in the case of an FDA), due to legal restrictions, furlough, or involuntary excess such pilot shall not incur any reimbursement obligations pursuant to this Section.