

**LETTER OF AGREEMENT
BETWEEN
UNITED AIRLINES, INC
AND
THE FLIGHT ATTENDANTS
IN THE SERVICE OF
UNITED AIRLINES, INC.
AS REPRESENTED BY
THE ASSOCIATION OF FLIGHT ATTENDANTS, CWA**

THIS LETTER OF AGREEMENT is made and entered into in accordance with the Railway Labor Act by and between UNITED AIRLINES, INC. (hereinafter referred to as the "Company") and the ASSOCIATION OF FLIGHT ATTENDANTS, CWA (hereinafter referred to as the "Association").

I NON-DISCIPLINARY ACTIONS, CONTRACT MATTERS AND COMPANY POLICIES

In order to enable the processes of Flight Attendant Agreement Section 26.C. to resolve disputes pertaining to non-disciplinary actions, contract matters and Company policies quickly and effectively, the following procedures will supplement the operation of Section 26.C.

A. Locally-based dispute resolution process

1. A group of Flight Attendants or a Flight Attendant who has an issue concerning any action of the Company which affects her/him, except as may arise out of disciplinary action, and which the Flight Attendant(s) has not been able to resolve satisfactorily, may file a worksheet with the Association, setting forth the basis for the dispute within 60 calendar days after the Flight Attendant(s) reasonably would have knowledge of the dispute.
2. The Association shall review and evaluate every worksheet. If the Association determines that a worksheet reports a potentially valid claim, the Association shall file a Notice of Dispute ("NOD") with designated Company personnel within 30 calendar days of receipt of the worksheet. A NOD will identify a dispute concerning an action by the Company, except as may arise from a disciplinary action.
3. The filing of a NOD obligates the Company and Association to engage in local discussions, utilizing interest-based dispute resolution. Association and Company participants in these discussions will be trained in interest-based dispute resolution, and, to the maximum extent feasible, should

bring relevant expertise to the NOD in terms of factual and subject-matter knowledge, and locale of work or representational assignment. The expectation is that the vast majority of NODs will be resolved during these discussions and within 30 calendar days of filing.

4. Within 30 calendar days after the filing of a NOD, the participants in the dispute resolution discussions shall resolve the NOD or, if those efforts are unsuccessful, file a NOD Submission to the Dispute Resolution Committee, described below. The NOD Submission shall be a document jointly prepared by the primary dispute resolution participants that, at a minimum, contains a complete statement of relevant undisputed and disputed facts, the issues in dispute, and the impediments to resolution.

B. Dispute Resolution Committee

The Dispute Resolution Committee ("DRC") shall be composed of four participants, two appointed by the Association and two by the Company. The mission and purpose of the DRC is to: 1) promote the prompt, effective and local resolution of disputes through the use of interest-based dispute resolution, and 2) preserve traditional arbitration primarily for the timely adjudication of discharge grievances and contractual disputes that have significant and widespread impact among Flight Attendants. The DRC shall meet at least twelve times per year, but may meet more frequently if needed.

With respect to any NOD Submission, the DRC is empowered to: 1) resolve the NOD in whole or in part; 2) remand the NOD, in whole or in part, to the first-level dispute resolution participants for further local resolution efforts; 3) assign the NOD, in whole or in part, to Expedited Arbitration, 4) assign the NOD, in whole or in part, to traditional arbitration, or, 5) where none of the previous options appear appropriate, escalate the NOD to the MEC Grievance Chair and the Managing Director Labor and Employee Relations.

The DRC shall make decisions by majority vote of the whole committee. The expectation is that NOD Submissions will be processed within 60 days of receipt.

C. Expedited Arbitration

Expedited Arbitration is an abbreviated hearing before the UAL/AFA System Board of Adjustment that will be designated the Expedited Arbitration Board of Adjustment and that will be subject to rules and procedures jointly agreed to by the parties. Awards issued by the Expedited Arbitration Board of Adjustment will be final and binding, but will be without precedent and/or prejudice in regard to any other NOD, dispute, grievance, or System Board hearing.

D. Bypass of the process

The MEC Grievance Chair or the Managing Director Labor and Employee Relations may decide that a NOD shall bypass the dispute resolution process contained herein where it is unlikely that that process will achieve a resolution, and proceed to Section 27 of the Flight Attendant Agreement. This right shall be exercised only in cases of disputes having significant widespread impact on Flight Attendants and/or significant financial impact to the Company, and then only after a discussion between the MEC Grievance Chair and the Managing Director Labor and Employee Relations.

E. Non-precedent and non-prejudice

All resolutions of NODs shall be without precedent and prejudice in regard to any other NOD, dispute, grievance, or System Board of Adjustment hearing unless: 1) the resolution clearly states in writing that it is precedent-setting, and 2) the resolution is signed by the MEC President on behalf of the Association and the Managing Director Labor Strategy or Managing Director Labor and Employee Relations on behalf of the Company.

F. Duty to resolve dispute resolution problems

If the Association or the Company receives credible information to the effect that the local dispute resolution process is experiencing problems in a locale or department, the parties will in good faith evaluate the situation and, if a problem exists, take appropriate action. The DRC is authorized to report such problems.

G. The process contained in this Section I shall not apply to MEC Grievances.

H. In a 26.C. NOD, a Flight Attendant's or a group of Flight Attendants' right to retrospective relief shall not exceed 60 days, except where the NOD is pursuant to a LEC Group grievance, in which case retrospective relief shall not exceed 120 days.

II ATTENDANCE POINT VALUES

A. A point system will apply to attendance occurrences covered by Flight Attendant Articles of Conduct ("AOC") 31. The following occurrences shall generate the following points:

OCCURRENCE

POINTS

Illness/Injury:

Over 6 days 2

6 days or less, with no physician's note	2
6 days or less, with physician's note	1.5
DNF	3
Late boarding that delays a flight	2.5
Missed meeting or training	2
Late boarding, no flight delay	1.5
Late check-in	1

B. A "physician's note" as used herein means a written notation from the Flight Attendant's treating physician or a physician affiliated with United Medical that contains:

- a. Date of illness or injury;
- b. Date of examination;
- c. Date of return to work; and
- d. Signature of the physician or physician's designee on a document that contains, at a minimum, the physician's printed name, work address and work telephone number.

On or before the Flight Attendant's next scheduled ID, the Flight Attendant must give the physician's note to her/his supervisor, not to United Medical.

- C. If a Flight Attendant misses an ID, resulting in a DNF and: 1) picks up an ID that departs on the same day as the missed ID, and 2) secures the assignment while physically present at the departure airport of the missed ID, the point assessment will be 2.5, not 3.
- D. Occupational injury or illness occurrences will generate points as set forth in above subparagraph A. but will not trigger new or escalated discipline.
- E. Special circumstances will be handled on an individual basis at the sole discretion of the Company.
- F. Time off pursuant to the Flight Attendant Agreement and/or Company policy is exempt from point assessment.
- G. The method of notifying a Flight Attendant of a point-generating occurrence other than an injury/illness absence shall be by notice in the Flight Attendant's mailbox. Illness/injury absences and related points shall be posted to a Flight Attendant's Work History with no notice in the Flight Attendant's mailbox. Such information may be communicated electronically if an electronic communication process is implemented pursuant to Section 4.Z. of the Flight Attendant Agreement.

- H. It shall be the responsibility of the Flight Attendant to know the status of her/his point accumulation. Upon request, the Company shall provide to the Flight Attendant her/his current point status electronically pursuant to Section 4.Z. of the Flight Attendant Agreement, if implemented, or on paper. A Flight Attendant is at all times free to contact her/his supervisor regarding point accumulation or assessment.
- I. Points will accumulate for occurrences even if Letters of Warning, Letters of Charge or notices of point-generating occurrences have not been sent or received.
- J. If point(s) assessment is deemed unjustified in whole or in part, the Company shall correct the record and adjust any discipline imposed as a consequence of the unjustified assessment.
- K. Unless a Flight Attendant is in Attendance Track discipline, points will be deducted from the Flight Attendant's accumulated point total twelve months after the occurrence for which the points were assessed.

III PROGRESSIVE DISCIPLINE

- A. Progressive discipline under the Articles of Conduct ("AOC") shall operate on two separate tracks, an Attendance Track for AOC 31 and a Performance Track for all other AOC violations subject to progressive discipline. These two tracks merge as set forth below in subsection C. The Attendance Track shall operate as follows:

- 1. Attendance Track progressive discipline steps:

Attendance Letter of Warning ("LOW") Level 1: A Flight Attendant will be assessed an Attendance LOW Level 1 if s/he accumulates 6 or more points in a rolling 12-month period. The LOW Level 1 will remain in effect for 12 months of active service at which time it will be cleared from the record unless the Flight Attendant progresses to Attendance LOW Level 2.

Attendance LOW Level 2: A Flight Attendant will be assessed an Attendance LOW Level 2 if s/he accumulates 12 or more points. Points that triggered the Attendance LOW Level 1 count toward this 12-point threshold. The Attendance LOW Level 2 will remain in effect for 12 months of active service at which time Attendance LOW Levels 1 and 2 will be cleared from the record unless the Flight Attendant progresses to Attendance LOW Level 3.

Attendance LOW Level 3: A Flight Attendant will be assessed an Attendance LOW Level 3 if s/he accumulates 18 or more points. Points

that triggered the Attendance LOW Levels 1-2 count toward this 18-point threshold. The Attendance LOW Level 3 will remain in effect for 18 months of active service at which time the Attendance LOW Levels 1-3 will be cleared from the record unless the Flight Attendant progresses to an Attendance LOW Level 4.

Attendance LOW Level 4: A Flight Attendant will be assessed an Attendance LOW Level 4 if s/he accumulates 24 or more points. Points that triggered the Attendance LOW Levels 1-3 count toward this 24-point threshold. The Attendance LOW Level 4 will remain in effect for 24 months of active service at which time the Attendance LOW Levels 1-4 will be cleared from the record unless the Flight Attendant progresses to an Attendance Letter of Charge --Termination.

Attendance Letter of Charge - Termination: A Flight Attendant will be subject to termination if s/he accumulates 30 or more points. Points that triggered the Attendance LOW Levels 1- 4 count toward this 30-point threshold. Section 26.A. of the Flight Attendant Agreement applies to Attendance Letters of Charge – Termination.

2. Attendance LOWs shall be effective upon the date the triggering points occurred, not the date of issuance of the LOW.
3. A Flight Attendant whose Attendance Track discipline expires shall exit the Attendance Track with zero points.

B. The Performance Track applies to all progressive discipline issued pursuant to certain Articles of Conduct and Company policies and procedures except for AOC 31. The Performance Track shall be as follows:

1. Performance Track progressive discipline:

Performance Letter of Warning ("LOW") Level 1: Duration of 12 months of active service from date of issuance unless progressed to a higher level.

Performance LOW Level 2: Duration of 18 months of active service from date of issuance unless progressed to a higher level.

Performance LOW Level 3: Duration of 18 months of active service from date of issuance unless progressed to a higher level.

Performance LOW Level 4: Duration of 24 months of active service from date of issuance unless progressed to a Performance Letter of Charge – Termination.

Performance Letter of Charge – Termination

2. The Association's agreement to the Performance Track shall not be construed as agreement with the application of the Articles of Conduct in any individual case.
- C. A Flight Attendant cannot simultaneously be on an Attendance LOW Level 4 and a Performance LOW Level 4. If an occurrence, event or combination of occurrences and/or events would result in a combined Attendance LOW Level 4 and Performance LOW Level 4 status, that occurrence, event and/or combination of events instead triggers a Letter of Charge – Termination.

IV SECTION 26.A. AND 26.B. PROCESSES

In order to enable the processes of Section 26 of the Flight Attendant Agreement to resolve disputes pertaining to discipline and discharge, the following procedures will supplement the operation of Section 26.A. and B.

- A. Discipline not involving discharge - 26.B.
 1. For both Attendance Track and Performance Track discipline, the Company shall notify a Flight Attendant by issuing a disciplinary Letter of Warning ("LOW") in compliance with Section 26.B.1.a. of the Flight Attendant Agreement. The LOW will be sent by first-class U.S. Mail or the international equivalent thereof to the Flight Attendant's address of record and a copy will be placed in the Flight Attendant's mailbox. The Company is not required to copy the Association on LOWs.
 2. The effective date of Attendance Track LOWs is the date of the triggering point occurrence. The effective date of Performance Track LOWs is the date of issuance of the LOW.
 3. Pursuant to Section 26.B.1.b. of the Flight Attendant Agreement, a Flight Attendant may request a review of any LOW; the Association may request such a review on behalf of the Flight Attendant only if the Flight Attendant specifically so requests. An LOW that is not timely challenged in the form of a request for review is final and is not subject to later appeal, challenge or review. The thirty-day deadline for requesting review is triggered by the date of the LOW.
 4. The Section 26.B.2. hearing shall be a conference between the Manager Onboard Service and/or designee, the supervisor, the Flight Attendant and Association representative and/or witnesses as applicable. With respect to this conference:

- a. Formal rules of evidence and procedure will not apply.
 - b. Any party may bring to the hearing, documents or other evidence, although this is not required.
 - c. The management representative and the Association representative will be trained in interest-based dispute resolution.
 - d. The parties are encouraged to candidly discuss the merits of the LOW.
5. The Manager Onboard Service or designee will record the result of the hearing on a jointly-created template document, but will not have to issue a written explanation. This result will be distributed pursuant to Section 26.B.2. of the Flight Attendant Agreement.
 6. Where a 26.B.2. hearing results in an LOW being sustained in whole or in part, all arguments are preserved; however, the matter cannot be appealed to the System Board of Adjustment unless the Flight Attendant is later discharged, and then only if the LOW is active at the time of the discharge.
 7. Notwithstanding the above subsection 6, in extraordinary circumstances, the Association, but not an individual Flight Attendant, may appeal the outcome of a Section 26.B.2. hearing to the Managing Director Labor and Employee Relations by providing written notice to the Managing Director within 15 calendar days of the result of the hearing. The Managing Director will then meet with the MEC President and/or the MEC Grievance Chair. If this meeting does not resolve the matter to the satisfaction of the Association, the Association may, within 15 calendar days of the conclusion of the meeting, appeal the hearing result to the System Board of Adjustment. By mutual agreement of the Company and the Association, the parties may assign the dispute to Expedited Arbitration.

B Discharge – 26.A.

1. In the event of any alleged action or inaction by a Flight Attendant, which in the opinion of the Company may result in discharge, Section 26.A. of the Flight Attendant Agreement applies. The Company shall copy the Association on Letters of Charge unless the Flight Attendant has informed the Company that s/he does not want Association representation in the particular matter.

2. The Section 26.A.2. hearing shall be conducted by the Flight Attendant's Domicile Manager. This hearing shall be a conference between the Flight Attendant's Domicile Manager, the supervisor, the Flight Attendant and Association representative and/or witnesses as applicable. The principles set forth in subsection A.4.a-d., above, apply to this hearing. The Manager's decision will be due within 15 days of the hearing, pursuant to Section 26.A.3. of the Flight Attendant Agreement.
 3. If the Domicile Manager determines that discharge is justified, s/he will issue a letter to the Flight Attendant that, at a minimum: advises the Flight Attendant of the termination of employment, confirms the date of the hearing, summarizes the basis for the decision, advises the Flight Attendant of her/his Section 26.A.4. appeal right, and copies the persons identified in Section 26.A.3.
 4. A discharged Flight Attendant has the right to appeal the discharge to the System Board of Adjustment pursuant to Section 26.A.4. of the Flight Attendant Agreement. A discharge that is not timely appealed pursuant to Section 26.A.4. is final and is not subject to later appeal, challenge or review. Where a discharge has been properly appealed to the System Board of Adjustment, the Board has jurisdiction to consider all arguments and objections pertaining to relevant prior discipline that were preserved.
- C. All settlements of Letters of Charge, Letters of Warning, point assessments, and/or potential discharge or discipline shall be without precedent and prejudice in regard to any other dispute, grievance, or System Board of Adjustment hearing unless: 1) the settlement clearly states in writing that it is precedent-setting, and 2) the settlement is signed by the MEC President on behalf of the Association and the Managing Director Labor Strategy or Managing Director Labor and Employee Relations on behalf of the Company.

V CLEARING OF INDIVIDUAL FLIGHT ATTENDANT DISCIPLINARY RECORDS

- A. Effective January 16, 2008 ("Effective Date"), the following Flight Attendants shall have their disciplinary records cleared, to reflect a clean record as of the Effective Date:
1. Flight Attendants who, as of the Effective Date, are at a discipline level of 3-day suspension or less, inclusive of non-disciplinary initial discussions;
 2. Flight Attendants who, as of the Effective Date, have been charged with conduct or occurrences that could not result in discipline more severe than a 3-day suspension; and
 3. Flight Attendants who, as of the Effective Date, are under investigation for conduct that occurred on or before the Effective Date but which could not result in discipline more severe than a 3-day suspension.

- B. If, as of the Effective Date, a Flight Attendant: 1) has been charged with conduct that, individually or cumulatively, may result in discipline more severe than a 3-day suspension, and/or 2) is under investigation for conduct that, individually or cumulatively, occurred on or before the Effective Date and may result in discipline more severe than a 3-day suspension, the process contained in Section 26.A. of the Flight Attendant Agreement shall operate to its conclusion. If the outcome of the Letter of Charge Hearing(s) is the imposition of discipline less than a 10-day suspension, the Flight Attendant's disciplinary record shall be cleared retroactive to the Effective Date. If the outcome of the Letter of Charge Hearing(s) is the imposition of discipline greater than a 3-day suspension, the Flight Attendant's disciplinary record is not affected by this Section V.
- C. This Section V shall not operate to clear or modify any disciplinary record except as specifically provided in subsections A. and B. above.
- D. If the Association serves a notice of termination of this Agreement on or before the one-year anniversary of the implementation of this Agreement (the "Implementation Date" as defined below), the Company shall have the right to reinstate any or all discipline or disciplinary records cleared pursuant to this Section V., which will result in all challenges to such discipline or disciplinary records also being reinstated. If the Company serves a notice of termination of this Agreement, there shall be no right to reinstate discipline or disciplinary records cleared pursuant to this Section V.

VI IMPLEMENTATION AND CONVERSION OF DISCIPLINE

- A. In recognition of the fact that training of relevant Association and Company personnel is essential to the successful implementation of this Agreement, the parties will implement the terms of this Agreement on a mutually agreed-upon date, to be determined, which will occur as soon as practicable after substantially all relevant personnel have been trained. That agreed-upon date is referred to herein as the Implementation Date.
- B. During the period between approval of this Agreement and the Implementation Date, pre-Agreement procedures and processes will govern discipline and dispute resolution.
- C. On the Implementation Date, Flight Attendants who are in active discipline shall convert from their pre-implementation status to their post-implementation status based on whether their pre-implementation status is based on AOC 31 occurrences exclusively, on AOC violations other than AOC 31 exclusively, or on a combination of AOC 31 and other AOC violations.
 - 1. Flight Attendants whose active discipline as of the Implementation Date is based exclusively on AOC 31 occurrences will convert as follows:

Pre-Implementation

Post-Implementation

Initial Discussion

Clear record

Oral Warning

Attendance LOW Level 1 (6 points)

Letter of Warning

Attendance LOW Level 1 (6 points)

3-Day Suspension

Attendance LOW Level 2 (12 points)

10-Day Suspension

Attendance LOW Level 3 (18 points)

30-Day Suspension

Attendance LOW Level 4 (24 points)

2. Flight Attendants whose active discipline as of the Implementation Date is based exclusively on violations other than AOC 31 will convert as follows:

Pre-Implementation

Post-Implementation

Oral Warning

Performance LOW Level 1

Letter of Warning

Performance LOW Level 1

3-Day Suspension

Performance LOW Level 2

10-Day Suspension

Performance LOW Level 3

30-Day Suspension

Performance LOW Level 4

3. Flight Attendants whose active discipline as of the Implementation Date is based on a combination of AOC 31 occurrences and other AOC violations will convert as follows:

Pre-Implementation

Post-Implementation

3-Day Suspension

Performance LOW Level 1 and
Attendance LOW Level 1 (6 points)

10-Day Suspension

Performance LOW Level 2 and
Attendance LOW Level 2 (12 points)

30-Day Suspension

Performance LOW Level 3 and
Attendance LOW Level 3 (18 points)

Flight Attendants who are on an Oral Warning or Letter of Warning as of the Implementation Date based on a combination of AOC 31 occurrences and other AOC violations will be converted to the new system by mutual agreement of the Company and the Association based on individual facts and circumstances.

- D. Flight Attendants converted into the Attendance Track will be assigned the minimum number of points for their level, irrespective of actual attendance records. For example, all Flight Attendants converted into Attendance LOW Level 1 will be assigned 6 points.

- E. For alleged misconduct occurring after approval of this Agreement but before the Implementation Date, the parties will jointly use best efforts to complete applicable hearings before the Implementation Date. If a hearing is not completed before the Implementation Date, the new procedures of this Agreement will govern the administration and application of discipline even if the underlying conduct occurred prior to the Implementation Date, subject to an exception if the Company is at fault in unreasonably delaying the hearing.
- F. Time served in discipline prior to the Implementation Date shall apply to a Flight Attendant's disciplinary status post-implementation.
- G. Prior to the Implementation Date, the timely challenge of discipline pursuant to Section 26.A.4. or 26.B., as applicable, of the Flight Attendant Agreement shall preserve one's right to contest that discipline at a System Board of Adjustment hearing.

VII GRIEVANCE AND SYSTEM BOARD OF ADJUSTMENT APPEAL BACKLOG

With the exception of MEC Grievances, the Company and the Association jointly commit to using best efforts to review and resolve, to the maximum extent feasible, the current backlog of unresolved grievances and appeals to the System Board of Adjustment. This task will commence within 30 calendar days of the acceptance of this Agreement with a goal of completing the task within 90 calendar days of acceptance of this Agreement. In accomplishing this assignment, the parties will apply resolution principles that have been mutually agreed to with an outside mediator.

VIII GENERAL

- A. The counting of months as provided for in this Agreement means to the calendar day. For example, a 12-month period commencing on January 15, 2008 encompasses the period of January 15, 2008 through the end of the day of January 14, 2009.
- B. Within two weeks of the date of this Agreement, the Company and the Association shall create a joint committee to oversee the implementation and operation of the terms of this Agreement for a period of time to be determined jointly by the parties.

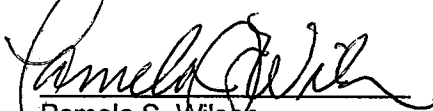
IX TERMINATION RIGHTS

Both the Company and the Association have the unilateral right to terminate this Agreement subject to the following procedure:

- A. The party who wishes to terminate the Agreement will provide written notice of intent to terminate to the Vice President of Labor and Employee Relations or to the MEC President, as applicable.
- B. Such notice will trigger a 60-calendar-day period, during which the Agreement remains in effect. During this period, neither party will reject a request from the other to meet and confer regarding their differences.
- C. After expiration of the 60-day period, but no later than 75 calendar days after issuance of the notice of intent to terminate, either party may serve written notice of termination of the Agreement. Such notice of termination will terminate this Agreement immediately and in its entirety, and all terms contained in this Agreement will be null and void.
- D. If a notice of termination is not served within the applicable 15-day window of opportunity, a party who wishes to terminate the Agreement must begin the process anew by serving a written notice of intent to terminate.
- E. If this Agreement is terminated, the Company and the Association will each possess all rights, authority and powers that they respectively possessed before entering into this Agreement. The negotiating history and any statements made in connection with the negotiation of this Agreement shall not be admissible in any hearing before the System Board of Adjustment or other forum adjudicating a dispute over either party's rights, authority or powers.

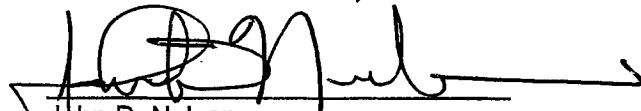
IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this 12th day of February, 2008.

WITNESSES:


Pamela S. Wilson


Elizabeth A. Cavanagh

FOR UNITED AIRLINES, INC.

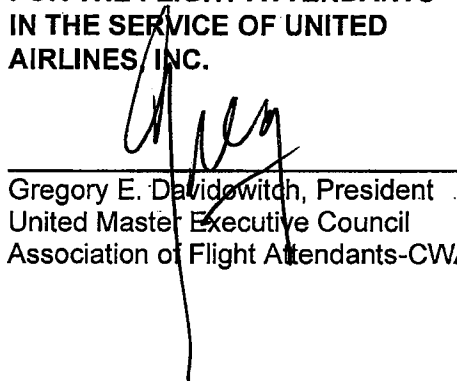

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FOR THE FLIGHT ATTENDANTS
IN THE SERVICE OF UNITED
AIRLINES, INC.


Gregory E. Davidowitch, President
United Master Executive Council
Association of Flight Attendants-CWA, AFL-CIO