

*Tentative Agreement  
IAM District 141M  
04/10/03*

UAL Corporation and United Air Lines, Inc.

Mr. Scotty Ford  
President and Directing General Chairman  
International Association of Machinists  
and Aerospace Workers, AFL-CIO – District 141M

Dear Scotty:

Attached hereto are the following documents negotiated by and between UAL Corporation ("UAL"), United Air Lines, Inc. (the "Company") and the International Association of Machinists and Aerospace Workers – District 141M ("District 141M") collectively referred to as the "Restructuring Agreement"):

Term Sheet setting forth the elements of the Restructuring Agreement, together with Attachments A through, inclusive, further detailing the agreements reached.

I write to confirm that UAL, the Company and District 141M will reduce these agreements to contractual language and, following satisfaction of the following conditions, implement them as of the effective date (May 1, 2003):

1. Approval of the UAL Board of Directors Labor Committee;
2. Ratification by the District 141M United Airlines membership; and
3. Approval of the Bankruptcy Court.

In addition, since the ratification vote will not take place until after the April 14 date set for the hearing of the Company's 1113(c) motion, the Company will ask the Court not to rule on that motion unless any of the agreements are not ratified. Upon ratification of each of the 141M agreements by the District 141M United Airlines membership, the Company will withdraw its pending motion for rejection of the District 141M collective bargaining agreements.

In the event these conditions are not all satisfied by April 30, 2003, this letter will terminate and will become null and void in its entirety, and none of UAL, the Company or District 141M will have any obligation to implement the Restructuring Agreement in whole or in part and the Company may implement any determination by the Court granting a Motion under 1113(c).

If this letter accurately reflects our understanding, please sign and return two (2) copies for our files.  
Sincerely,

Glenn F. Tilton  
Chairman, President and Chief Executive Officer  
UAL Corporation and United Air Lines, Inc.

Accepted and agreed to this \_\_\_ day  
of April, 2003:

\_\_\_\_\_  
Scotty Ford  
President & General Chairman  
IAMAW - District 141M

UAL Corp., United Air Lines, Inc. and the International Association of Machinists, District 141M ("IAM 141M") will enter into a Restructuring Agreement ("Restructuring Agreement") to enable the successful reorganization, restructuring and transformation of United and UAL upon the following terms and conditions. Unless otherwise stated, all terms of the Collective Bargaining Agreements between the parties (the "141M Agreements")<sup>1</sup> remain in full force and effect, provided the 141M Agreements will be modified as necessary to enable and to reflect the terms of this Restructuring Agreement together with its Attachments A through G, inclusive, further detailing the agreements reached.

<b>Duration</b>	Effective date of May 1, 2003; amendable date of May 1, 2009.
<b>Duration Clause</b>	<p>Revise the duration clause set forth in the Effective Date and Duration Article in each of the 141M Agreements to provide:</p> <p>"This Agreement shall become effective May 1, 2003, shall continue in full force and effect until May 1, 2009 and shall thereafter renew itself yearly without change unless written notice of intended change is served in accordance with Title I, Section 6 of the Railway Labor Act, by either party at least thirty (30) but not more than two hundred and seventy (270) days prior to May 1, 2009 or May 1 of any year thereafter upon written notice by either party thereto."</p>
<b>Wage Rates</b>	<p>Eliminate the base hourly pay rate increases scheduled for March 14, 2003 and May 1, 2004, as set forth in Schedule A to the Mechanics' Agreement and all future increases set forth in each of the other 141M Agreements.</p> <p>For mechanics, eliminate the license premium increases provided in Article XXII-O, sub-paragraph 1 scheduled to take effect on March 14, 2003.</p> <p>Reduce the base hourly pay rates in effect on December 31, 2002, as well as the following premium pay rates in effect on that date: shift premium, license premium, skill premium and the Hawaii Differential by 13% for all classifications.</p> <p>For all classifications, increase the base hourly pay rates, as well as the following premium pay rates: shift premium, license premium, skill premium and the Hawaii Differential by 1.5% each year effective on the anniversary of the Effective Date, commencing May 1, 2004 through May 1, 2008. New Schedule A is reflected in Attachment A.</p>

<sup>1</sup> The 141M Agreements include the Mechanics' Agreement ("Mechanics"), the Maintenance Instructors Agreement ("MI") and the Fleet Technical Instructors and Related Agreement ("FTI").

<b>Other Compensation Issues</b>	For the Utility classification in the Mechanics' Agreement, establish a 10-year pay progression as provided in Attachment A. All utility employees will be placed in the pay progression corresponding to their years of service as currently defined for pay purposes.
<b>Variable Benefits</b>	Compensation-based welfare benefits (e.g. life insurance, disability, and pension) shall be based on reduced actual wage rates (No Book Rates).
<b>Retirement Plan Benefits</b>	No change to current contracts.
<b>Active Health Benefits</b>	IAM 141M will participate in the medical and dental program described in Attachment B - Benefits.
<b>Retiree Health Benefits</b>	As described in Attachment B - Benefits.
<b>Other Benefits</b>	As described in Attachment B - Benefits.
<b>Work Rules and Productivity</b>	<p>For the Mechanics' Agreement:</p> <p>Delete Letters 91-7 and 91-8.</p> <p>Delete Letters 75-1M and Letter 61-1 and revise Article II-C (sixth sentence relating to receipt and dispatch) to read: <u>Any IAM-represented employee</u> may be used for receiving and dispatching of aircraft, fueling, oiling and related servicing of aircraft and occasional supplementary maintenance or service work not involving mechanical work on ground equipment, facilities or aircraft.</p> <p>Revise Article V-A to increase maximum number in a lead group from 12 (1:11) to 15 (1:14) and modify requirement for a lead when 3 mechanics are on a shift to a requirement that there be a lead when 5 are on a shift.</p> <p>Revise Article VI-A to eliminate the provision for 15 minutes pay for the</p>

	meal period.
<b>Job Security and Scope</b>	<p>Revise Article II-D (restriction on contracting out no more than 20% of all maintenance work) to provide that (a) the Company may contract out the work of heavy maintenance visits<sup>2</sup> without restriction and (b) the Company may contract out up to 20% of all remaining maintenance work as currently measured by the sum of the annual budget. Article IV-B will also be revised to provide that IAM inspectors will perform oversight inspection at any location where United's heavy maintenance is performed, applying Company standards and subject to Company review.</p> <p><b>Revise Article II-D to read:</b></p> <p><u>D. The Company may contract out the work of heavy maintenance visits (as defined by current Company practices consistent with AOP and MOP guidelines) without restriction. Additionally, the Company may contract out up to 20% of all remaining maintenance work annually as measured by the sum of the Maintenance Operations Division's gross annual budget, excluding the cost of heavy maintenance visits, plus those portions of stations' total gross annual budgets attributable to building maintenance and ground equipment maintenance, provided however this percentage may be exceeded in the event the Company has fully utilized its existing equipment or facilities.</u></p> <p>Eliminate Articles II-E (Mechanics and FTI) and Article II-D (MI) that restrict the outsourcing of work that results in the layoff of any IAM-represented employee.</p> <p>Revise Article II-F to allow the Company to dispose of its Oakland and Indianapolis maintenance facilities while preserving the protection of the San Francisco Maintenance Center. Add language permitting a joint venture with a third party to provide capital improvements.</p> <p><b>Revise Article II-F to read:</b></p> <p><u>F. The Company will not sell, lease or otherwise transfer or dispose of its maintenance facility at the San Francisco Maintenance Center. This includes the Company's engine maintenance facility located in San Francisco. The Company is permitted to enter into sale/lease back arrangements for financing reasons and/or a joint venture with a third party to provide necessary capital improvements. Notwithstanding the above, the Company may a) sell, lease or otherwise transfer the above facilities as</u></p>

<sup>2</sup> Attachment H further addresses heavy maintenance visits.

part of a sale, lease or transfer, within a twelve month period, of all or substantially all the Company's assets, and b) sell, lease or otherwise transfer portions of the above facilities to the extent such portions constitute unused capacity. In the event the facilities specified in this paragraph become unavailable due to the loss of lease (or other circumstances beyond the Company's control), or become uninhabitable due to a natural disaster, the Company agrees to make every reasonable effort to replace such facility unless it is not financially reasonable to do so.

Delete Letters 94-4 (code share), 91-4 (Change of Control - Rights Agreement), 02-13 (Cabotage) and 94-2 ("U-2").

Revise Letter 94-5M by changing the current seniority protection from 1/26/94 to 1/1/90 to allow for layoffs necessary for implementation of the Company's business initiatives. Add paragraph with additional location protection for utility employees.

**Revise Letter 94-5M to read:**

Letter 94-5M

Revised April , 2003

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty

This will confirm the following understandings reached regarding job security during the recent negotiations:

No employee on the payroll or on leave of absence as of January 1, 1990 and no employee currently on furlough with right of recall as of January 1, 1990 who is subsequently recalled, shall be laid-off during the term of this agreement.

To the extent that, between May 1, 2003 and June 30, 2003, inclusive, the total number of retirements and separations by active employees on the mechanic classification seniority list who are senior to January 1, 1990 falls short of 600, the protected date will be revised to exclude that number of mechanic positions. This adjustment to the protected date will take effect

on July 15, 2003.

Additionally, no utility employee protected by the provisions in the two preceding paragraphs, who is located at BOS, ORD, DEN, LAX, SFO, WAS or NYA points, shall be laid off or displaced to a different area seniority point as a result of outsourcing the work currently being performed by utility employees at those stations.

This provision does not apply under the following circumstances:

1) to an employee who fails to exercise his seniority in his classification on the system in filling a permanent vacancy or bumping an employee not protected by this paragraph, except as provided above, in a job he is qualified to perform, or refuses to fill a permanent job in a higher classification that the employee is qualified to perform.

2) to part-time or temporary employees;

3) to employees who are being laid-off as a direct result of:

(a) an act of nature;

(b) a strike or labor dispute;

(c) a reduction of the Company's operations because of a decrease in available fuel supply or other critical materials due to either governmental action or commercial supplier being unable to meet the Company's demands;

(d) a revocation of the Company's operating certificate(s) or the grounding of a substantial number of the Company's aircraft by government action;

(e) a declared or undeclared war or national emergency;

(f) compulsion by a government agency, legislative or court action.

This letter shall remain in full force and effect through the 2003-2009 Agreement.

If this conforms to your understanding, please date and sign in the space provided below.

**For FTI:**

Revise Article II-F that prohibits the layoff of any employee who has successfully completed their probationary period.

**Revise Article II-F to read:**

F. No fewer than 50% of active employees in each classification as of March 11, 2003, except as provided in paragraph 4 below, will be protected in their classification and shall not be laid off during the term of this agreement. This paragraph F shall remain in full force and effect through the **2003-2009** Agreement. This paragraph F does not apply under the following circumstances:

1. Unchanged
2. Unchanged
3. Unchanged.
4. To employees in the Flight Training Graphic Designer, Flight Training Audio Tech or Program Support Coordinator job classifications.

These job security provisions will be reviewed upon exit from bankruptcy in conjunction with training requirements. Affected employees will be considered for other positions for which they may be qualified.

Delete Letter 00-8T regarding protections in for Fleet reductions.

**For MI:**

Revise Article II-E that prohibits the layoff of any employee hired before December 20, 2000 to reflect a minimum ratio of 1:125 (1 maintenance instructor for every 125 aircraft mechanics).

Revise Article II-F to provide that Maintenance Instructors will be located at ORD, DEN and SFO.

Revise Article VI-E to eliminate the 5 day notice requirement for local training assignments

Revise Article VI-E to reflect a minimum of 7 calendar days notice for travel assignments.

Revise Article VI-E to eliminate the 33 days per quarter maximum on classroom instruction and the 10 consecutive working days maximum.

	<p>Replace with a provision providing for a maximum of 15 days classroom instruction per calendar month. 15 day assignments in 2 consecutive calendar months will be separated by an interval of 5 calendar days</p> <p>Delete Letter 00-14I that extends Mechanics' Agreement job security provisions to Maintenance Instructors.</p>
<b>Low Cost Operation ("LCO")</b>	The parties will implement the solution described in Attachment C.
<b>Successorship and LPPs</b>	<p>Revise Article III for all agreements as set forth in Attachment D.</p> <p>Delete Letters 94-3I (Substantial Asset Sale) and 02-14M (Section 6 and contract extension rights).</p>
<b>Success Sharing</b>	IAM 141M members will participate in the success sharing programs described in Attachment E.
<b>IAM 141M Equity</b>	See Attachment F.
<b>Corporate Governance</b>	The Restructuring Agreement will provide for one designee from the IAMAW (District 141 and 141M combined) as a member of the Board of Directors.
<b>Review Committee</b>	A standing review committee, consisting of two (2) District 141M representatives and two (2) Company representatives (plus additional representatives if deemed appropriate by the District and the Company) shall be maintained by the parties for the purpose of evaluating the possibility of bringing maintenance work in house and reviewing whether the Company has the necessary facilities and equipment to perform such work. The committee shall meet on a continuing basis, but no less than quarterly, and the Company shall provide to the Committee all necessary information for the Committee to perform this function.
<b>Further Events</b>	The parties agree in concept to negotiate under the following principles with respect to any further revisions to the IAM 141M Agreements in connection with hostilities in Iraq: (i) any such revisions will take the form of temporary wage rate reductions for all employee and management groups in



	connection with the Company's attempt to secure government assistance and relaxation of lending covenants and (ii), if IAM 141M and the Company agree on such revisions, the value of the revisions will be repaid to the IAM 141M members out of profits subsequent to the Company's emergence from Chapter 11. Specific terms and conditions to be developed in connection with the negotiation of such revisions.
<b>Utility Part-Time Rules</b>	Permit part-time utility work, per Attachment G.

## ATTACHMENT A

### SCHEDULE A

	Current <u>03/14/02</u> <u>05/01/07</u>		<u>05/01/03</u> <u>05/01/08</u>		<u>05/01/04</u>		<u>05/01/05</u>		<u>05/01/06</u>
<b>Lead Mechanic</b>	\$30.46		\$26.50	\$26.90	\$27.30		\$27.71	\$28.13	\$28.55
<b>Aircraft Inspector</b>	\$30.46		\$26.50	\$26.90	\$27.30		\$27.71	\$28.13	\$28.55
<b>Lead Flight Simulator Tech/SFORQ</b>	\$32.80		\$28.54	\$28.97	\$29.40		\$29.84	\$30.29	\$30.74
<b>Flight Simulator Tech/SFORQ</b>									
Thereafter	\$30.94		\$26.92	\$27.32	\$27.73		\$28.15	\$28.57	\$29.00
1 <sup>st</sup> 6 mos	30.28		26.34	26.74	27.14		27.55	27.96	28.38
<b>Lead GCT</b>	\$5,763		\$5,014	\$5,089	\$5,165		\$5,242	\$5,321	\$5,401
<b>GCT</b>									
Thereafter	\$5,437		\$4,730	\$4,801	\$4,873		\$4,946	\$5,020	\$5,095
2 <sup>nd</sup> 6 mos	5,296		4,608	4,677	4,747		4,818	4,890	
4,963									
1 <sup>st</sup> 6 mos	5,229		4,549	4,617	4,686		4,756	4,827	4,899
<b>Shop Inspector</b>	\$29.67		\$25.81	\$26.20	\$26.59		\$26.99	\$27.39	\$27.80
<b>Mechanic</b>									
Thereafter	\$28.74		\$25.00	\$25.38	\$25.76		\$26.15	\$26.54	\$26.94
Next 6 mos	25.30		22.01	22.34	22.68		23.02	23.37	23.72
3 <sup>rd</sup> 18 mos	22.95		19.97	20.27	20.57		20.88	21.19	21.51
2 <sup>nd</sup> 18 mos	21.60		18.79	19.07	19.36		19.65	19.94	20.24
1 <sup>st</sup> 18 mos		18.98	16.51	16.76	17.01	17.27		17.53	
17.79									

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<b>Lead CT</b>	\$5,304	\$4,614	\$4,683	\$4,753	\$4,824	\$4,896	\$4,969
<b>CT</b>							
Thereafter	\$5,004	\$4,353	\$4,418	\$4,484	\$4,551	\$4,619	\$4,688
Next 6 mos	4,405	3,832	3,889	3,947	4,006	4,066	4,127
3 <sup>rd</sup> 18 mos	3,996	3,477	3,529	3,582	3,636	3,691	3,746
2 <sup>nd</sup> 18 mos	3,758	3,269	3,318	3,368	3,419	3,470	3,522
1 <sup>st</sup> 18 mos	3,304	2,874	2,917	2,961	3,005	3,050	3,096
<b>Metrologist</b>							
Thereafter	\$31.37	\$27.29	\$27.70	\$28.12	\$28.54	\$28.97	\$29.40
Next 6 mos	30.96	26.94	27.34	27.75	28.17	28.59	29.02
Next 6 mos	30.68	26.69	27.09	27.50	27.91	28.33	28.75
1 <sup>st</sup> 3 mos	30.44	26.48	26.88	27.28	27.69	28.11	28.53
<b>Seamer</b>							
Thereafter	\$22.26	\$19.37	\$19.66	\$19.95	\$20.25	\$20.55	\$20.86
Next 6 mos	19.57	17.03	17.29	17.55	17.81	18.08	18.35
3 <sup>rd</sup> 18 mos	17.80	15.49	15.72	15.96	16.20	16.44	16.69
2 <sup>nd</sup> 18 mos	16.76	14.58	14.80	15.02	15.25	15.48	15.71
1 <sup>st</sup> 18 mos		16.04	13.95	14.16	14.37	14.59	14.81
15.03							
<b>Mechanic Helper</b>							
Thereafter	\$20.55	\$17.88	\$18.15	\$18.42	\$18.70	\$18.98	\$19.26
Next 6 mos	16.08	13.99	14.20	14.41	14.63	14.85	15.07
3 <sup>rd</sup> 18 mos	12.69	11.04	11.21	11.38	11.55	11.72	11.90
2 <sup>nd</sup> 18 mos	10.54	9.17	9.31	9.45	9.59	9.73	9.88
1 <sup>st</sup> 18 mos		9.62	8.37	8.50	8.63	8.76	8.89
9.02							
<b>Lead Utility Employee</b>	\$17.86	\$18.13	\$18.40	\$18.68	\$18.96	\$19.24	

**Utility Employee 10-Year Scale**

	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
1st year	\$8.06	\$8.18	\$8.30	\$8.42	\$8.55	\$8.68
2nd year	8.38	8.51	8.64	8.77	8.90	9.03
3rd year	8.72	8.85	8.98	9.11	9.25	9.39
4th year	9.07	9.21	9.35	9.49	9.63	9.77
5th year	9.52	9.66	9.80	9.95	10.10	10.25
6th year	10.00	10.15	10.30	10.45	10.61	10.77
7th year	10.50	10.66	10.82	10.98	11.14	11.31
8th year	11.34	11.51	11.68	11.86	12.04	12.22
9th year	12.25	12.43	12.62	12.81	13.00	13.20
10th year	14.15	14.36	14.58	14.80	15.02	15.25
Thereafter	16.85	17.10	17.36	17.62	17.88	18.15

**Fleet Technical Specialist  
Program Support Specialist  
Emergency Procedures Specialist  
Flight Training Program Specialist**

Current

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	<u>04/13/02</u>	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
Step 1	4,797	4,173	4,236	4,300	4,365	4,430	4,496
Step 2	5,035	4,380	4,446	4,513	4,581	4,650	4,720
Step 3	5,485	4,772	4,844	4,917	4,991	5,066	5,142
Step 4	5,723	4,979	5,054	5,130	5,207	5,285	5,364
Step 5	5,960	5,185	5,263	5,342	5,422	5,503	5,586
Step 6	6,198	5,392	5,473	5,555	5,638	5,723	5,809
Step 7	6,436	5,599	5,683	5,768	5,855	5,943	6,032
Step 8	6,674	5,806	5,893	5,981	6,071	6,162	6,254
Step 9	6,912	6,013	6,103	6,195	6,288	6,382	6,478
Step 10	7,176	6,243	6,337	6,432	6,528	6,626	6,725

**Program Support Coordinator**

	Current <u>04/13/02</u>	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
Step 1	4,581	3,985	4,045	4,106	4,168	4,231	4,294
Step 2	4,819	4,193	4,256	4,320	4,385	4,451	4,518
Step 3	5,268	4,583	4,652	4,722	4,793	4,865	4,938
Step 4	5,506	4,790	4,862	4,935	5,009	5,084	5,160
Step 5	5,744	4,997	5,072	5,148	5,225	5,303	5,383
Step 6	5,982	5,204	5,282	5,361	5,441	5,523	5,606
Step 7	6,220	5,411	5,492	5,574	5,658	5,743	5,829
Step 8	6,458	5,618	5,702	5,788	5,875	5,963	6,052
Step 9	6,696	5,826	5,913	6,002	6,092	6,183	6,276
Step 10	6,960	6,055	6,146	6,238	6,332	6,427	6,523

**Fleet Technical Instructor  
Emergency Procedures Instructor**

	Current <u>04/13/02</u>	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
Step 1	4,164	3,623	3,677	3,732	3,788	3,845	3,903
Step 2	4,380	3,811	3,868	3,926	3,985	4,045	4,106
Step 3	4,789	4,166	4,228	4,291	4,355	4,420	4,486
Step 4	5,006	4,355	4,420	4,486	4,553	4,621	4,690
Step 5	5,222	4,543	4,611	4,680	4,750	4,821	4,893
Step 6	5,438	4,731	4,802	4,874	4,947	5,021	5,096
Step 7	5,655	4,920	4,994	5,069	5,145	5,222	5,300
Step 8	5,871	5,108	5,185	5,263	5,342	5,422	5,503
Step 9	6,087	5,296	5,375	5,456	5,538	5,621	5,705
Step 10	6,327	5,504	5,587	5,671	5,756	5,842	5,930

**Flight Simulator Draftsman**

	Current <u>11/11/02</u>	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
Step 1	2,513	2,186	2,219	2,252	2,286	2,320	2,355
Step 2	2,638	2,295	2,329	2,364	2,399	2,435	2,472

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Step 3	2,763	2,404	2,440	2,477	2,514	2,552	2,590
Step 4	2,888	2,513	2,551	2,589	2,628	2,667	2,707
Step 5	3,012	2,620	2,659	2,699	2,739	2,780	2,822
Step 6	3,155	2,745	2,786	2,828	2,870	2,913	2,957
Step 7	3,297	2,868	2,911	2,955	2,999	3,044	3,090
Step 8	3,439	2,992	3,037	3,083	3,129	3,176	3,224
Step 9	3,581	3,115	3,162	3,209	3,257	3,306	3,356
Step 10	3,727	3,242	3,291	3,340	3,390	3,441	3,493

**Flight Training Audio Technician**  
**Flight Training Media Producer**  
**Flight Training Electronic Media Designer**  
**Flight Training Graphic Designer**

	Current						
	<u>11/27/02</u>	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
Step 1	3,033	2,639	2,679	2,719	2,760	2,801	2,843
Step 2	3,215	2,797	2,839	2,882	2,925	2,969	3,014
Step 3	3,397	2,955	2,999	3,044	3,090	3,136	3,183
Step 4	3,579	3,114	3,161	3,208	3,256	3,305	3,355
Step 5	3,761	3,272	3,321	3,371	3,422	3,473	3,525
Step 6	3,943	3,430	3,481	3,533	3,586	3,640	3,695
Step 7	4,125	3,589	3,643	3,698	3,753	3,809	3,866
Step 8	4,307	3,747	3,803	3,860	3,918	3,977	4,037
Step 9	4,489	3,905	3,964	4,023	4,083	4,144	4,206
Step 10	4,680	4,072	4,133	4,195	4,258	4,322	4,387

**Flight Training Senior Media Producer**

	Current						
	<u>11/27/02</u>	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
Step 1	3,215	2,797	2,839	2,882	2,925	2,969	3,014
Step 2	3,408	2,965	3,009	3,054	3,100	3,147	3,194
Step 3	3,601	3,133	3,180	3,228	3,276	3,325	3,375
Step 4	3,794	3,301	3,351	3,401	3,452	3,504	3,557
Step 5	3,987	3,469	3,521	3,574	3,628	3,682	3,737
Step 6	4,180	3,637	3,692	3,747	3,803	3,860	3,918
Step 7	4,373	3,805	3,862	3,920	3,979	4,039	4,100
Step 8	4,566	3,972	4,032	4,092	4,153	4,215	4,278
Step 9	4,759	4,140	4,202	4,265	4,329	4,394	4,460
Step 10	4,961	4,316	4,381	4,447	4,514	4,582	4,651

**Lead Maintenance Instructor**

	<u>03/14/02</u>	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
Ld Mech	\$30.46	\$26.50	\$26.90	\$27.30	\$27.71	\$28.13	\$28.55
License	\$4.50	\$3.92	\$3.98	\$4.04	\$4.10	\$4.16	\$4.22
Skill	<u>\$1.50</u>	<u>\$1.31</u>	<u>\$1.33</u>	<u>\$1.35</u>	<u>\$1.37</u>	<u>\$1.39</u>	<u>\$1.41</u>
	\$36.46	\$31.73	\$32.21	\$32.69	\$33.18	\$33.68	\$34.18
* 2080 / 12	\$6,319.73	\$5,499.87	\$5,583.07	\$5,666.27	\$5,751.20	\$5,837.87	\$5,924.53

*Tentative Agreement*  
*IAM District 141M*  
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5% override	<u>\$315.99</u>	<u>\$274.99</u>	<u>\$279.15</u>	<u>\$283.31</u>	<u>\$287.56</u>	<u>\$291.89</u>	<u>\$296.23</u>
	\$6,635.72	\$5,774.86	\$5,862.22	\$5,949.58	\$6,038.76	\$6,129.76	\$6,220.76
6% Lead pay	<u>\$398.14</u>	<u>\$346.49</u>	<u>\$351.73</u>	<u>\$356.97</u>	<u>\$362.33</u>	<u>\$367.79</u>	<u>\$373.25</u>
<b>Pay Rate</b>	<b>\$7,034</b>	<b>\$6,121</b>	<b>\$6,214</b>	<b>\$6,307</b>	<b>\$6,401</b>	<b>\$6,498</b>	<b>\$6,594</b>
<b>Maintenance Instructor</b>							
Current							
	<u>03/14/02</u>	<u>05/01/03</u>	<u>05/01/04</u>	<u>05/01/05</u>	<u>05/01/06</u>	<u>05/01/07</u>	<u>05/01/08</u>
Ld Mech	\$30.46	\$26.50	\$26.90	\$27.30	\$27.71	\$28.13	\$28.55
License	\$4.50	\$3.92	\$3.98	\$4.04	\$4.10	\$4.16	\$4.22
Skill	<u>\$1.50</u>	<u>\$1.31</u>	<u>\$1.33</u>	<u>\$1.35</u>	<u>\$1.37</u>	\$1.39	<u>\$1.41</u>
	\$36.46	\$31.73	\$32.21	\$32.69	\$33.18	\$33.68	\$34.18
* 2080 / 12	\$6,319.73	\$5,499.87	\$5,583.07	\$5,666.27	\$5,751.20	\$5,837.87	\$5,924.53
5% override	<u>\$315.99</u>	<u>\$274.99</u>	<u>\$279.15</u>	<u>\$283.31</u>	<u>\$287.56</u>	<u>\$291.89</u>	<u>\$296.23</u>
<b>Pay Rate</b>	<b>\$6,636</b>	<b>\$5,775</b>	<b>\$5,862</b>	<b>\$5,950</b>	<b>\$6,039</b>	<b>\$6,130</b>	<b>\$6,221</b>

**Attachment B  
Mechanics' Agreement Benefits<sup>3</sup>**

<b>Active Employees</b>	
<b>Medical <sup>4</sup></b>	
<b>Preferred Provider Option (PPO)</b>	
<b>In-network</b>	\$250 single/\$500 family deductible
	80/20 coinsurance
	\$1,500 single \$3,000 family out-of-pocket limit
	Out patient mental health and substance abuse treatment payable at 80% after the deductible and the employee share does not apply to out-of-pocket limits.
	Unlimited lifetime maximum
<b>Out-of-network</b>	Deductibles and out of pocket limits are the same as In-Network amounts
	60/40 co-insurance. Employees or their dependents that receive pre-approved covered treatment will receive in-network benefits for those expenses if within 30 miles of their home there is no in-network specialist or in-network primary care physician as applicable to the treatment in question. A 6 month transition plan will be developed for those individuals who as of the Effective Date are receiving treatment from an out-of-network provider for scheduled surgery, inpatient treatment in a hospital, dialysis, chemotherapy, treatment as a follow-up to an accident or injury occurring before the Effective Date, terminal illness, or as a follow-up to a surgery performed before the Effective Date. The transition period for those employees or their eligible dependents that are receiving treatment from an out-of-network provider for their pregnancy shall be the lesser of nine months or the pregnancy.
	All out of network covered expenses limited to Reasonable and Customary as currently defined in the Medical Plan

<sup>3</sup> Benefits described herein are applicable to Mechanics' Agreement only except for sick leave, which also applies to the Maintenance Instructors Agreement. All other benefit provisions in the MI and FTI Agreements remain tied to the management plan.

<sup>4</sup> The management medical benefits described in the draft SPD provided to the Union and as further modified in this Attachment are the underlying basis for the medical benefits under this Restructuring Agreement.

	Inpatient mental health and substance abuse treatment limited to 30 days per calendar year per person, out patient payable at 50% after the deductible and the employee share is not applied to the out-of-pocket limit.
	\$500,000 lifetime maximum for expenses incurred on or after May 1, 2003.
Covered expenses would include necessary care and treatment of illness, injury, and pregnancy as well as expenses for certain preventive care, e.g., pap smears, PSA tests and certain routine physicals. The PPO Incentive check will be discontinued.	
Prescription drugs at retail subject to deductible and co-insurance as described above for in-network. Mandatory use of mail after 90 days at retail. Mail order prescription drug employee co-payment \$15 for generic medication for up to 90 day supply and \$45 for brand medication for up to a 90 day supply. Employee co-pay increases annually at the same rate as the cost of the mail order prescription drug plan increases (cost to be determined using active employees and pre-Medicare retirees). Any increase in the co-payment for any year will not exceed 7% of the prior year's co-payment, rounded to the nearest dollar. Strong management to ensure consistency with medical necessity and generally accepted practice.	
Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits.	
Full right of reimbursement.	
Employee contribution would equal 20% of the cost of the plan (cost to be determined using active employees and pre-Medicare retirees). Any increase in the employee contribution for any year will not exceed 7% of the prior year's contribution, rounded to the nearest penny. The contributions would be based on a 4-tier rate structure. For example, the 2003 employee medical contribution for one adult would be \$50.48 per month. With the 2004 increase (not to exceed 7% per year) the 2004 rate would be up to \$54.01 per month; the 2005 rate would be up to \$57.79 per month; and so on.	
Offer HMO options as appropriate. Employee contribution will be the cost of the HMO option less the Company contribution to the cost of the PPO option.	
<b>Dental</b>	Provide current PPO dental plan
	Deductible \$50 per person \$100 per family (doesn't apply to preventive)
	100% Preventive
	80% Restorative
	50% major and orthodontia
	Annual non-orthodontia max - \$2,000
	Lifetime orthodontia max \$2,000

Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits	
Employee contribution would equal 20% of the cost of the plan. The cost will not increase more than 7% per year, rounded to the nearest penny. The contributions would be based on a 4-tier rate structure.	
Offer Dental Health Maintenance Organization (DHMO) coverage. Employee contribution will be the cost of the DHMO less the Company's contribution to the cost of the PPO option.	
<b>Active Employee Survivors Medical Benefits</b>	No change from current contract.
<b>Flexible Spending Account</b>	No change from current contract.
<b>Life Insurance</b>	Company Paid: No change from current contract. Contributory: Management and Salaried GUL effective 1/1/04
<b>Accidental Death and Dismemberment</b>	No change from current contract.
<b>Short Term Disability</b>	Loss of Time – Eliminate
<b>Sick Leave</b>	No change from current contract.
<b>LTD</b>	No change from current contract.
<b>EIS</b>	No change from current contract.
<b>Defined Benefit Pension Plan</b>	No change from current contract.
<b>401(k)</b>	No change from current contract
<b>Vacation Accrual</b>	No change from current contract.



<b>Retired Employees (Who Retire on or after July 1, 2003)</b>											
<b>Retiree Medical</b>	<p><b><u>Pre Medicare</u></b></p> <p>Provide the same PPO option as active employees. Employee must be at least age 55 with at least 10 years of service and retire from active status or illness leave of absence. Employee contribution based on length of service at retirement as follows:</p> <table> <tr> <th colspan="2">PPO Option</th></tr> <tr> <th>Years of Service</th><th>% of Cost</th></tr> <tr> <td>Fewer than 20</td><td>80%</td></tr> <tr> <td>20 thru 24</td><td>60%</td></tr> <tr> <td>25 and over</td><td>40%</td></tr> </table> <p>The cost to the retiree will increase annually as the cost of the coverage increases.</p>	PPO Option		Years of Service	% of Cost	Fewer than 20	80%	20 thru 24	60%	25 and over	40%
PPO Option											
Years of Service	% of Cost										
Fewer than 20	80%										
20 thru 24	60%										
25 and over	40%										
	<p><b><u>Post Medicare</u></b></p> <p><b>For employees who retire prior to January 1, 2006:</b></p> <p>Employee must be at least age 55 with at least 10 years of service and retire from active status or illness leave of absence. One or more supplemental plans to Medicare will be offered with the retiree paying 50% of the full cost of the coverage and the Company paying 50% of the full cost of the coverage.</p> <p>The cost for the post-Medicare option will not increase after the employee retires.</p> <p><b>For employees who retire on or after January 1, 2006:</b></p> <p>Employee must be at least age 55 with at least 10 years of service and retire from active status or illness leave of absence. One or more supplemental plans to Medicare will be offered with the retiree paying the full cost of the coverage minus a company contribution of \$90 per month.</p> <p>The cost to the retiree will increase annually as the cost of the coverage increases.</p>										
<b>Retired Employee Survivors Medical Benefits</b>	No change from current contract.										
<b>Retiree Life</b>	Employees must be at least age 55 with at least 10 years of service and retire from active status or illness leave of absence. The benefit is \$10,000.										

**Attachment C**  
**Establishment of a Low-Cost Operation**

<b>Mutual Establishment of Terms for LCO</b>	The parties agree that it is essential to the Restructuring Agreement that a Low Cost Operation ("LCO") be developed in order to permit UA and UAL Corp. ("UAL") to more effectively compete against both low cost carriers and other network carriers. It is the parties' intention to work together to identify and resolve any on-going issues with respect to maintaining the competitiveness of this LCO. "LCO" is a contract term and is not intended to restrict in any way the Company's sole discretion with respect to branding.
<b>LCO Mechanic Work Performed by UA at Line Maintenance Locations</b>	UA will perform ground handling in or for the LCO, utilizing IAM 141M employees on the UA IAM 141M seniority lists, at designated maintenance locations under the terms and conditions of the Mechanics' Agreement (which may, at UA's option, include an LCO Side Letter of Agreement that reflects the terms of this Attachment C). Successor and transfer rights associated with the LCO shall be governed by Article III of the Mechanics' Agreement (as revised herein).
<b>Optional Separate Subsidiary</b>	If UAL or UA establishes a separate majority-owned subsidiary of UAL or UA to house the LCO contemplated by this Attachment C, UAL and UA agree that such subsidiary will remain a majority-owned subsidiary of UAL or UA as applicable, so long as it continues as a corporation. Nothing in this paragraph limits or restricts in any way the Company's right, in its sole discretion, to establish any other subsidiary at UA or UAL except an LCO subsidiary, which remains covered by the first sentences of this paragraph.
<b>Work Rules in Basic Agreement Modified</b>	All of the contractual rules and procedures for the mainline will apply in the LCO except as noted herein:  Any work covered by the Mechanics' Agreement performed at non-maintenance stations may be contracted out and will be subject to the restrictions in Article II-D.

**ATTACHMENT D**

**ARTICLE III**

**Status of the Agreement**

- A. It is expressly understood and agreed that when this Agreement is accepted by the parties and signed by their authorized representatives, it will supersede any and all agreements existing or previously executed between the Company and any Union or individual affecting the craft or class of employees covered by this Agreement.
- B. Successorship Transactions
1. The Company and any Parent shall require any successor, assign, assignee, transferee, administrator, executor and/or trustee of the Company or of a Parent (a "Successor") resulting from the transfer (in a single transaction or in multi-step transactions) to the Successor of the ownership and/or control of 50% or more of the equity of the Company or Parent or 50% or more of the value of the assets of the Company for the purpose of this paragraph, including the Low Cost Operation ("LCO") as described in Attachment C whether or not such operation is in a subsidiary of UAL or UA or contained within UA (a "Successorship Transaction") to employ or cause the Company to continue to employ the employees represented by the IAM in accordance with the provisions of the Agreement and to assume and be bound by the Agreement. "Parent" refers to UAL Corp. ("UAL") or any entity that has a majority control of the Company, whether directly or indirectly through the majority control of other entities that have majority control of the Company.
  2. In order for a Successor to be required to employ or to cause the Company to continue to employ any of the employees covered by the Agreement in accordance with the provisions of the Agreement at any air carrier other than the Company, the Successor must be engaged in the operation of an air carrier.
- C. The Company and its Parent shall not conclude any agreement for a Successorship Transaction unless the Successor agrees in writing, as an irrevocable condition of the Successorship Transaction, to assume and be bound by the Agreement, to recognize the Union as the representative of the Successor's employees, and to guarantee that the employees represented by the IAM under the Agreement will be employed by the Successor in accordance with the provisions of the Agreement.
- D. In the event of a Successorship Transaction in which the Successor is an air carrier or entity that controls or is under the control of an air carrier, the Successor shall provide employees represented by the IAM under the Agreement immediately prior to the transaction with seniority integration rights provided in Sections 2, 3 and 13 of the Labor Protective Provisions specified by the Civil Aeronautics Board in the Allegheny-Mohawk merger ("Allegheny-Mohawk LPPs").
- E. The Company will join the IAM in strongly opposing any changes in U.S. law that would permit Foreign Air Carriers to engage in cabotage. However, if cabotage is permitted, the Company shall not be prohibited from code sharing with any Foreign Air Carrier code share partner who engages in it.

### Attachment E Success Sharing

IAM 141M members will participate in the following incentive program and profit sharing program:

<b>I. Incentive Program</b>	
<b>Program</b>	All domestic employees (including all employees represented by IAM 141M) will participate in an annual incentive program that aligns the interests of management and other employees.
<b>Annual Performance Incentive Program</b>	<ol style="list-style-type: none"> <li>1. Prior to each calendar year beginning with 2004, the Compensation Committee of the Board of Directors will establish a performance incentive formula (the "Annual Incentive Formula") that will provide a threshold or minimum incentive payment, a target or average incentive payment and a maximum incentive payment for senior management, other management, and other employees.</li> <li>2. The Annual Incentive Formula will be based on the following performance measures as reasonably weighted by the Committee. Each business unit (e.g., United Airlines<sup>5</sup>, ULS) may have its own incentive plan measures. For example: financial performance (e.g., EBITDAR margin, pre-tax margin), operational performance (e.g., on-time performance), customer satisfaction (e.g., intent to repurchase), employee engagement, safety performance (e.g., lost time injuries) and reasonably comparable measures as adopted by the Committee.</li> </ol> <p>A significant cash portion of the target cash compensation of management employees is payable through the Annual Performance Incentive Program. It is understood that the Compensation Committee of the BOD will, from time to time, review and adjust the target compensation levels, cash compensation levels and the portion of cash compensation at risk, provided that such compensation at risk remains a significant portion of the target cash compensation of management employees.</p>
<b>Employee</b>	Non-management employees will receive the following cash incentive

<sup>5</sup>The LCO (if established) may have separate measures for its own employees. UA employees providing services to the LCO will have UA measures.

<b>Incentive Payments</b>	<p>payments based on United's actual performance under the annual incentive program (with linear interpolation between the performance points):</p> <p>Threshold Performance: 2.5% of Wages</p> <p>Target Performance: 5% of Wages</p> <p>Maximum Performance: 10% of Wages</p>
<b>Wages</b>	Base pay, overtime, holiday pay, longevity, sick pay, vacation pay, shift differential, overrides and premiums but excluding expense reimbursement, incentive or profit sharing payments, pension payments, imputed income or other similar awards or allowances.
<b>Payment Date</b>	On the same date as incentive payments are made to management employees.
<b>Benefits</b>	Incentive payments will be pensionable under the final average earnings pension plans applicable to IAM 141M members.
<b>Duration</b>	The incentive plan will cover each calendar year beginning in 2004.
<b>Distribution Option</b>	Cash, subject to 401(k) deferral.
<b>Dispute Resolution</b> (As to both incentive and profit sharing programs)	The Company will provide any information requested by the IAM 141M to audit calculation of UAL's performance under the incentive plan and under the profit sharing program below. The parties agree that expedited arbitration shall be available for any disputes over incentive payment and profit sharing calculations.
<b>II. Profit Sharing Program</b>	
<b>Program</b>	All domestic employees (including all employees represented by IAM 141M) will participate in a pre-tax profit sharing program with respect to calendar years beginning in 2005.

<b>Pretax Profit</b>	Consolidated UAL pre-tax earnings as calculated under U.S. generally accepted accounting principles and reported in regulatory filings but excluding (i) unusual, special or extraordinary charges or (ii) charges with respect to grant or exercise of employee equity or options or (iii) charges with respect to payments under this profit sharing program.										
<b>Annual Profit Sharing Pool</b>	15% of the excess of (i) annual Pretax Profit over (ii) the Annual Plan Threshold, but in no event more than the pool cap.										
<b>Annual Plan Threshold</b>	The product of (i) net UAL revenues and (ii) the following percentages (which represent net pretax profit margins): <table data-bbox="377 776 662 1018"> <tr> <td>2005</td><td>8%</td></tr> <tr> <td>2006</td><td>10%</td></tr> <tr> <td>2007</td><td>10%</td></tr> <tr> <td>2008</td><td>10%</td></tr> <tr> <td>2009</td><td>10%</td></tr> </table>	2005	8%	2006	10%	2007	10%	2008	10%	2009	10%
2005	8%										
2006	10%										
2007	10%										
2008	10%										
2009	10%										
<b>Pool Cap</b>	8% of Wages of all participating employees.										
<b>IAM 141M's Share</b>	____% of the Profit Sharing Pool.*										
<b>Employee Allocation</b>	As determined by IAM 141M.										
<b>Payment</b>	May 1 <sup>st</sup> of the year following each program year.										
<b>Distribution Option</b>	Cash, subject to 401(k) deferral.										

\*IAM 141M's share subject to further review upon completion of other labor group agreements.

**Attachment F**  
**IAM 141M/UAL Distribution Agreement**

UAL Corporation ("UAL"), United Airlines, Inc. (the "Company") and the International Association of Machinists, District 141M ("IAM 141M"), hereby agree as follows (the "Distribution Agreement"):

1. UAL, the Company, and IAM 141M are committed to the principle that the employees represented by IAM 141M should receive equity, securities, and/or other consideration under a plan of reorganization in an amount that fairly reflects the value of the IAM 141M members' contribution to the reorganization of UAL and the Company.
2. In consideration for the IAM 141M members' contributions given in connection with the consensual Section 1113 Restructuring Agreement reached between UAL, the Company, and IAM 141M effective May 1, 2003 (the "2003 Restructuring Agreement"), which modifies the parties' various collective bargaining agreements (the "141M Agreements"), any plan of reorganization proposed or supported by UAL and the Company as proposed and/or amended from time to time (the "Plan"), shall provide that, upon the effective date of such Plan, the IAM 141M members' will receive a percentage distribution of the equity, securities and/or other consideration provided to general unsecured creditors under the Plan (the "Distribution") calculated by the following formula:  
  
A/A+B, where:  
  
A is the dollar value of 30 months of average cost reductions under the 2003 Restructuring Agreement as reasonably measured under Labor Model 1.1a (the "IAM 141M Amount"); and  
  
B is the total amount of all other allowed prepetition general unsecured claims against the Debtors (UAL and its 27 debtor subsidiaries).
3. In addition, any Plan proposed or supported by UAL and/or the Company will provide the IAM 141M members with at least \_\_\_\_%<sup>6</sup> (subject to review of the IAM 141M members portion of the total agreed-upon labor cost savings from the 2003 Restructuring Agreement through April 30, 2009) of the common equity, securities and/or other consideration provided to all Company employees under the Plan in connection with employee cost reductions (the "Allocation").
4. If, for any reason, a confirmed plan of reorganization in UAL or the Company's Chapter 11 cases does not provide for both the Distribution and the Allocation, then IAM 141M on behalf of the IAM 141M members will be entitled to a stipulated and allowed nonpriority prepetition general unsecured claim equal to 110% of the IAM 141M Amount (the "Alternative Distribution"). This

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<sup>6</sup> IAM 141M's share subject to further review upon completion of other labor group agreements.

Distribution Agreement in no way converts any such claim into an administrative claim or any other claim with priority superior to a prepetition general unsecured claim. IAM141M agrees that it will neither assert, support, nor solicit any assertion in any proceeding before the Bankruptcy Court or any other tribunal that any claims allegedly arising from this Distribution Agreement constitute administrative claims (or any other claims with priority superior to a prepetition general unsecured claim) under Sections 503, 507 or any other Section of the Bankruptcy Code.

5. Prior to the effective date of the Plan, IAM 141M will provide the Company with a reasonable allocation of the Distribution or the Alternative Distribution as applicable (which allocation will distribute all of the Distribution or the Alternative Distribution to the IAM 141M members).
6. The equities, securities and other consideration provided for, received and to be received under this Distribution Agreement and the other consideration provided for, received and to be received under this Restructuring Agreement, will be the sole and exclusive remedy for IAM 141M for a claim arising under the bankruptcy code with respect to the modifications made to the 141M Agreements by this Restructuring Agreement.



**Attachment G  
Utility Part-time Rules**

Revise paragraph VI-M, X-O, 2 to provide as follows:

Allow the use of a 4 and 6 hour utility part time shift, Part time utility shifts will be scheduled for (4) four hours or six (6) hours per day in a 24 hour period, exclusive of a thirty (30) minute meal period for employees scheduled for or who actually work in excess of four hours and one half (4-1/2) hours. A part time workweek shall consist of a minimum of twenty (20) hours and a maximum of thirty (30) hours in a workweek.

At no time will there be less than 1 hour from the end of one part time shift and the start of another part time shift.

In the event of a dramatic increase or decrease of (fifteen percent) 15% of the flights into a station, the company may rebid the shifts as the needs of service require.

Allow for the reduction of full time utility employees while maintaining the total amount of part time employees.

Allow for full time utility employees to displace part time utility employees with out the loss of seniority during a reduction in force.

Part time utility will be no more than 50% of the total amount of full time employees at a station with the exception of IAD, which will be no more than 75% part time.

Part time utility employees will accrue company and classification seniority from date of signing of this agreement.

Part time utility employees can be used without restrictions in the following stations BWI, CLE, DCA, DTW, LGA, OMA, PDX, PHL, PIT, SLC, MIA.

*Tentative Agreement  
IAM District 141M  
04/10/03*

**Attachment H**

Letter 03-01M

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty,

This letter will confirm the understanding reached during the negotiations of the 2003 Restructuring Agreement regarding the application of the revision to Article II-D concerning the outsourcing of heavy maintenance.

The reference to heavy maintenance visits as defined by current Company practice consistent with AOP and MOP guidelines is not intended to allow the Company to dramatically redefine or expand the definition of heavy maintenance visits beyond those changes which have traditionally arisen in the ordinary course of business, e.g. in response to the introduction of new equipment or procedures or in response to FAA or manufacturer suggestions or directives.

It was also agreed that, in conjunction with the outsourcing of heavy maintenance, IAM inspectors employed under this agreement shall perform oversight inspection at any location where United's heavy maintenance is performed, applying Company standards and subject to Company review.

Sincerely,

Peter B. Kain  
Vice President – Labor Relations

Accepted and Agreed to this  
\_\_th day of \_\_\_\_, 2003

/s/ Scotty Ford \_\_\_\_\_  
Scotty Ford  
President & General Chairman  
IAMAW - District 141M