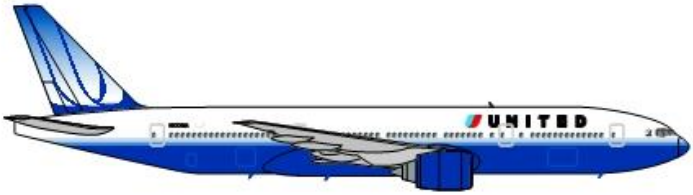
2005 - 2009
AGREEMENT

Between

United Air Lines, Inc.

and

Aircraft Mechanics Fraternal Association (AMFA)



UNITED

MECHANICS' AGREEMENT

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Aircraft Mechanics Fraternal Association (AMFA)

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Underlining indicates paragraph revision as result of last negotiation.

AGREEMENT

Between

UNITED AIR LINES, INC.

And

AIRCRAFT MECHANICS FRATERNAL ASSOCIATION

This agreement is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between United Air Lines, Inc., hereinafter referred to as the `Company', and Aircraft Mechanics Fraternal Association, hereinafter referred to as the `Union', representing the employees composing the craft or class of Mechanics and Related Employees as certified by the National Mediation Board in Case R-6933 on July 15, 2003. (For purposes of identification, this Agreement shall be know as the `Mechanics' Agreement'.)

ARTICLE I
PURPOSE OF AGREEMENT

A. The purpose of this Agreement is, in the mutual interest of the Company and of the employees, to provide for the operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency of operation, and the continuation of employment under conditions of reasonable hours, proper compensation, and reasonable working conditions. It is recognized by this Agreement to be the duty of the Company and of the employees to cooperate fully, both individually and collectively, for the advancement of that purpose.

B. No employee covered by this Agreement will be interfered with, restrained, coerced, or discriminated against by the Company, its officers or agents, because of membership in or lawful activity on behalf of the Union.

C. It is understood wherever in this Agreement employees or jobs are referred to in the male gender, it shall be recognized as referring to both male and female employees.

D. There shall be no harassment and/or discrimination between employees covered by this Agreement based on race, color, sex, age, religion, national origin, disability, veteran status or sexual orientation.

ARTICLE II
SCOPE OF AGREEMENT

A. The Company hereby recognizes the Union as the sole and exclusive bargaining agent for all classes and grades of Mechanical Inspectors, Mechanics, Mechanic's Helpers, Seamers, Apprentice Mechanics, Utility Employees, Ground Communications Technicians, Flight Simulator Technicians, Computer Terminal Technicians, and Metrologists employed by the Company.

B. The Company's General Policy, Operating and Maintenance Regulations shall be available to all employees at all points, and employees covered by this Agreement shall be governed by such Regulations and by all applicable rules, regulations and orders issued by properly designated authorities of the Company not in conflict with the terms of this Agreement. The Company shall cause to be compiled and issued to each present and new employee, a convenient sized book containing all applicable rules, regulations and orders and shall furnish each employee with amendments or changes from time to time as amendments or changes are made. This book of rules shall be supplementary to but shall not supersede the aforementioned regulations.

C. All work performed directly by the Company involving the making, assembling, erecting, dismantling and repairing of machinery of all description including aircraft and component parts thereof, and including installation and maintenance of ground communication equipment, servicing of aircraft and ground equipment with fuel and lubricant, cleaning and polishing of aircraft (interior and exterior), the cleaning of aircraft parts, all cleaning and janitorial work, the operation of heating plants, keeping of grounds, and other utility work, is recognized as coming within the jurisdiction of the Union and is covered by the Agreement. It is understood that employees in the mechanical classifications covered by this Agreement may be assigned to perform any maintenance or service work including electrical maintenance and repair work that employees are able to perform. It is further understood that at locations where no employees covered by this Agreement are assigned, any employee may be used to perform occasional utility, maintenance and repair work not involving Mechanic's work on aircraft. When Mechanics are assigned to Class III stations primarily for ground equipment and building maintenance, the employees assigned shall perform all ground equipment and building maintenance work they are qualified, equipped, and reasonably available to perform, and may be assigned to perform minor routine checks and/or minor non-routine aircraft repairs. Employees in the Mechanic classification at such stations who are awarded vacancies which specify an FAA Mechanics' certificate with an Airframe and Power Plant rating as a qualification shall be entitled to license pay although they do not work primarily on aircraft or aircraft components. Any IAM-represented employee 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. It is further understood that the Company reserves the right to contract for the construction or installation of new facilities, equipment or machinery; or to return equipment parts or assemblies to the manufacturer for repair or replacement; or to purchase necessary parts, equipment or facilities. Subject to the limitation set forth in Article II, Paragraph D, it is further understood that the Company reserves the right to contract for building maintenance or repair work when the Company's personnel or facilities are not sufficient or available; or to continue to contract out the types of work heretofore customarily contracted out; or to contract out any work when its facilities or personnel are not sufficient or available. Subject to the limitation set forth in Article II, Paragraph D, the Company reserves the right to contract out other work but if such work comes within the scope of this Agreement, notice will be served on the Union before such contracting takes place. After receipt of notice by the Union of intent to contract out such work, if such contracting indicates that any employee covered by this Agreement will be reduced, laid off, or transferred as a result, either party to this Agreement may serve notice of a desire to negotiate for the procedure to be followed and the protection to be afforded employees involved. Actual negotiations under this provision will be initiated within ten (10) days from receipt of a notice of desire to negotiate the matter and no employee affected will be reduced, laid off or transferred in less than forty (40) days after receipt of such notice.

D. 1. Upon providing evidence to the Union of the execution of one or more service contract(s) requiring the vendor(s) to provide for Company use a total of at least $30 million in hardware and/or software upgrades, replacements, or improvements, the Company shall have the unrestricted right to outsource all Computer Technician (CT) work systemwide and to furlough all Computer Technicians. The Company will use reasonable efforts to place furloughed Computer Technicians with the vendor(s) to which Computer Technician work is outsourced. Computer Technicians who are furloughed shall be entitled to severance and other benefits pursuant to Letter 05-1M, provided, however, that Computer Technicians who accept employment with the vendor(s) will not be eligible for benefits pursuant to Letter 05-1M.

2. The Company shall have the unrestricted right to outsource all fueling work systemwide.

3. The Company will have the unrestricted right to outsource all Utility work systemwide and to furlough all Utility employees. Utility employees who are furloughed shall be entitled to severance and other benefits pursuant to Letter 05-1M.

4. 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.

Commencing in 2006, the Union shall be permitted to perform an annual audit for the purpose of verifying compliance with the outsourcing limits set forth in the preceding paragraph. Such audits shall begin no later than July 1 following the year to be audited. The Company shall reimburse the Union for the cost of retaining a mutually acceptable outside independent auditor to perform the audit, up to an annual maximum reimbursement by the Company of $75,000. The Company shall provide access to documents reasonably deemed necessary by the auditor for performing the audit. Prior to gaining access to such documents, the auditor shall execute a confidentiality and non-disclosure agreement satisfactory to the Company. Reimbursement shall be made to the Union within 30 days following the Company's receipt of the auditor's final report and proper documentation of the costs incurred in preparing the report.

5. Effective with the ratification date of the 2005-2009 Mechanics' Agreement, no line aircraft mechanic shall be furloughed from any then-existing point as a direct result of the outsourcing of then-existing non-routine or routine line aircraft maintenance work performed at that point by mechanics covered under this Agreement. The Company shall retain in full its traditional discretion to move maintenance work within the Company, provided, however, that should the Company's exercise of this discretion at a point directly result in the furlough, subsequent to ratification, of line aircraft mechanics at that point, no additional outsourcing of non-routine or routine line aircraft maintenance work shall occur at that point until any such furloughed mechanics are offered recall. This paragraph shall not apply to emergency on-call maintenance.

6. Effective with the ratification date of the 2005-2009 Mechanics' Agreement, the three "C" check lines of work currently performed by Company employees in-house at the San Francisco Maintenance Center will not be outsourced. This provision shall not apply under the following circumstances:

a. an act of nature;

b. a strike or labor dispute;

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

d. a revocation of the Company's operating certificate(s), the grounding of a substantial number of the Company's aircraft by governmental action, or a significant reduction in the size of the Company's fleet or schedule beyond current levels;

e. a declared or undeclared war or national emergency;

f. compulsion by government agency or legislative or court action.

7. Effective with the ratification date of the 2005-2009 Mechanics' Agreement:

a. If the flight schedule at a hub station (ORD, SFO, DEN, IAD, LAX) as of the date of ratification is thereafter reduced by more than 25%, there shall be no additional outsourcing of ground equipment or building maintenance work at that station until recall is offered to mechanics who (i) have been furloughed at that station as the direct result of said flight schedule reductions, and (ii) have the skills and ability to perform the additional work to be outsourced.

b. The foregoing paragraph (a)

(i) shall not apply to work that the Company has traditionally outsourced, and

(ii) shall cease to apply if the flight schedule at a hub station is reduced to less than 50% of the flight schedule in effect at that station as of the date of ratification.

c. For purposes of this paragraph 7, "flight schedule" shall mean the schedules of the mainline and the LCO as defined in Article III.B.1 (currently known as "Ted").

8. AMFA-represented employees covered under this Agreement agree to fully participate in Lean and cooperate in implementing, executing, and maintaining Lean initiatives and goals. In return for this commitment, the Company commits that effective with the ratification date of the 2005-2009 Mechanics' Agreement, no mechanic shall be furloughed from the San Francisco Maintenance Center shops listed below as a direct result of outsourcing from those shops of maintenance work currently performed at the San Francisco Maintenance Center by mechanics covered under this Agreement: Pneumatics, Avionics, Landing Gear, APU, Engine Accessories, Engine Disassembly, Assembly and Test, Reversers, Nose Cowls and Radomes, Wire Harnesses, Heat Transfer Units, Tire Shop, Plant Maintenance, and Flight Controls. The Company shall retain in full its traditional discretion to move maintenance work within the Company.

9. AMFA will cooperate with the Company and use its best efforts in exploring and implementing effective cost savings and productivity and efficiency improvements in connection with plant, facilities, and ground equipment maintenance and Ground Communication Technician (GCT) work.

E. 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 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.

F. The Company shall not perform any regularly scheduled heavy maintenance, with the exception of only B777 and B747 fleets, in a non U.S. location without the Union's approval.

ARTICLE III
STATUS OF 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 I 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 Union 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 Union 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 Union 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 Union 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.

ARTICLE IV
CLASSIFICATIONS OF WORK AND QUALIFICATIONS

For the purpose of this Agreement the recognized classifications of work and employee qualifications will be as hereinafter defined.

A. Lead Mechanic

A Lead Mechanic shall be a Mechanic who, as a working member of a group, is charged with the responsibility of leading, directing, and approving the work of other employees. Lead Mechanics may be required to sign for their own work and the work of others in their group, provided, however, that such signing shall not relieve any other member of his group from responsibility for the work he performed or from being required to sign appropriate Company work records. Lead Mechanics must hold valid Federal licenses as required for this assignment as set forth in Article V of this Agreement and may be required to give instruction and training to employees of any classification covered by this Agreement except Aircraft Inspectors.

B. Aircraft Inspector

An Aircraft Inspector shall be an employee assigned at Maintenance Bases to the work of over-all inspection of aircraft in connection with major repairs and overhauls, and assigned at line stations to the work of preliminary and final inspection in connection with heavy maintenance checks. Additionally, Aircraft Inspectors shall perform "required item inspection" at line stations. Aircraft Inspectors may be required to inspect, approve or reject materials, parts, and sub-assemblies as necessary, and when assigned to major Line Service Stations may be required to perform Mechanic's work during those hours when there is no work for an Aircraft Inspector. In addition, Aircraft Inspectors may be required to give instruction and training to other Aircraft Inspectors and instructions and training not involving work direction concerning maintenance regulations and procedures to employees of any classification covered by this Agreement. Aircraft Inspectors must hold valid Federal licenses for their assignment as set forth in Article V of this Agreement and must fulfill their duties as Aircraft Inspectors in a satisfactory manner and must have satisfactorily passed the Company's Aircraft Inspector's Examination prior to the date of promotion and the results of any Aircraft Inspector Examination shall be open to inspection by the Local Committee. An employee may not retake the Examination until ninety (90) days from the date of his previous Examination. Aircraft Inspectors will not supervise or direct the working force.

C. Shop Inspector

AShop Inspector shall be an employee assigned at Maintenance Base shops to the inspecting, approving or rejecting of materials, parts, sub-assemblies and complete assemblies including engines where such inspection is not performed by other employees as provided for in this Agreement, but shall not include inspection of complete aircraft. Shop Inspectors must hold valid Federal licenses for their assignment as set forth in Article V of this Agreement and must fulfill their duties as Shop Inspectors in a satisfactory manner and must have satisfactorily passed the Company's Shop Inspector Examination applicable to the shop in which the Shop Inspector is to be assigned prior to the date of promotion and the results of any Shop Inspector Examination shall be open to inspection by the Local Committee. An employee may not re-take the Examination until ninety (90) days from the date of his previous examination. Shop Inspectors may be required to perform Mechanics' work to the extent necessary to complete the inspection of parts and assemblies and to fill out their work schedule when inspection work is not available.

D. Mechanic

A Mechanic shall be an employee classified as a `Mechanic' on the effective date of this Agreement and thereafter any employee of the Company hired as a Mechanic, reclassified to Mechanic from a lower classification or graduated to Mechanic from Apprentice or Helper Apprentice classification and assigned to the work of a Mechanic. The work of Mechanics shall include all work generally recognized as Mechanics' work performed by the Company in and about Company shops, Maintenance Bases, Line Service Stations, Company buildings or equipment including, but not limited to, periodic aircraft service checks, dismantling, overhauling, repairing, fabricating, assembling, welding and erecting all parts of aircraft, aircraft engines, radio equipment, instruments, electrical systems, heating systems, hydraulic systems, and machine tool work in connection therewith. In addition, it shall include all mechanical maintenance work when performed by the Company including, but not limited to, the dismantling, repairing, fabricating, welding, altering and maintaining of all Company machinery and mechanical devices, automotive equipment, ramp equipment, buildings, hangar and fuel storage or dispensing equipment. Mechanics will not be required to test and inspect parts, sub-assemblies or completed assemblies, including Company aircraft, except to the extent necessary to determine, accomplish and approve their own work. A Mechanic will be held responsible for the work he performs and he may be held responsible for the work performed by other employees assigned to him; provided, however, that a Mechanic will not be held responsible for directing the work of more than three (3) other employees (three (3) Helpers or two (2) Helpers and one (1) Apprentice). A Mechanic who has completed his probationary period may, in addition to his work and responsibilities as a Mechanic, be required to break in an employee of the same or lower classification on jobs, but shall not perform the work of a Lead Mechanic in leading and directing the work of other employees. Mechanics will not be required to sign the aircraft log book following a No. 2 or No. 3 aircraft service check (heavy maintenance checks) except in emergency.

Mechanics working airframe overhauls at Maintenance Bases and heavy maintenance checks will not be assigned to write up job cards requiring other Mechanics to do the work so written up. This provision does not preclude Mechanics from completing partially worked job cards because of unavailability of manpower, time or parts, or unanticipated work requiring more than one (1) Mechanic.

E. Mechanic's Helper

Employees classified as Mechanic's Helpers on the date of this Agreement at Maintenance Bases will continue to perform the work to which Helpers were assigned prior to that date or to work requiring similar skill. Additional Helpers shall not be hired or used except to act as actual Helpers to building and maintenance, automotive, or ground equipment Mechanics, or to act as Sandblasters for cleaning purposes (including blasting with materials other than sand) or Tool Room Attendants, or the following specific assignments: cleaning of docks after aircraft dedocking; mutilating scrap parts; cleaning blades and vanes using a SWECO machine or similar equipment; removal of heat shields and brake keys from scrap wheels; disassembling chillers, refrigerators and ovens as needed for cleaning; flushing CSD housings and mechanical connectors; removing and replacing seat covers; and sorting hardware. Sandblasting shall be performed by employees in the Mechanic Helper or higher classifications.

F. Apprentice Mechanic

An Apprentice Mechanic shall be a person who is engaged by the Company to serve a maximum of three (3) years (6000 hours) and related instruction in learning the aircraft or any other Mechanic's trade under the Apprentice Standards hereinafter provided for.

G. Lead Ground Communications Technician

A Lead Ground Communications Technician shall be a Ground Communications Technician who, as a working member of a group, is charged with the responsibility of leading, directing and approving the work of other employees of lower classifications and may be required to give instruction and training to employees of the same or lower classifications covered by this Agreement.

H. Ground Communications Technician

A Ground Communications Technician shall be a qualified employee assigned to the installation and maintenance of ground radio transmitters and receivers, control equipment, and related apparatus used in the operation of a Ground Communications System and Passenger Screening Security Equipment as assigned by the Company. Ground Communications Technicians may be required to make necessary arrangements for installation of Ground Communications stations and Passenger Screening Security Equipment as assigned by the Company. Ground Communications Technicians must hold valid Federal licenses as set forth in Article V of this Agreement. Ground Communications Technicians shall be subject

to call at any time and shall be required to travel to the extent necessary to accomplish their work. A Ground Communications Technician who has completed his probationary period may, in addition to his work and responsibilities as a Ground Communications Technician, be required to provide on the job training to an employee of the same classification, but shall not perform the work of a Lead Ground Communications Technician in leading and directing the work of other employees.

I. Lead Utility Employee

A Lead Utility Employee shall be an employee in the classification of Utility Employee who, as a working member of a group, is charged with the responsibility of leading, directing and approving the work of other employees in the classification of Utility Employee. Lead Utility Employees may be required to give instruction and training to other employees in the Utility Employee classification. Where Lead jobs are established for a job title within the Utility Employee classification, such jobs will be bulletined on a local basis by job title, and assignment shall be made on the basis of seniority in the Utility Employee classification, provided the employee is qualified to perform the work required of that job title.

J. Utility Employee

The work of the classification of Utility Employee shall consist of the cleaning and polishing of aircraft (interior and exterior), interior cabin cleaning and setup and other cabin servicing duties in accordance with the Letter of Agreement dated October 27, 1969, the cleaning of aircraft parts, all janitorial work, operating of heating plants unless otherwise agreed to, keeping of grounds, and other utility work. The classification of Utility Employee shall apply to and include employees with the job titles of Airplane Cleaner, Parts Cleaner, Grounds Keeper, Janitor, Utility Man, Cabin Serviceman, and may include a Lead job title for each, and such other job titles as the Company and the Union may agree upon. Job titles shall be assigned to employees in the Utility Employee classification in accordance with the work performed. However, any employee in the Utility Employee classification may be required to perform any utility work. A Utility Employee who has completed his probationary period may, in addition to his work responsibilities as a Utility Employee, be required to break in another employee in the Utility Employee classification.

K. Seamer

The work of Seamer shall consist of the use of sewing machines in the performance of the types of machine sewing work heretofore performed by Mechanic's Helpers. Seamers may be required to perform Mechanic's Helpers' work to fill out their work schedules when Seamer work is not available. Seamers shall be selected under the provisions of Article XI from employees covered by this Agreement, provided that qualified employees are available, with preference being given to employees classified as Mechanic's Helpers.

L. Flight Simulator Technician

A Flight Simulator Technician shall be a qualified employee assigned to the trouble-shooting, maintenance, modification from engineering prints and technical orders, repair and overhaul, (including adjustment of integrally associated control cables, hydraulic and linkage systems) of any type of electronic or mechanical devices used for training flying personnel under simulated flying conditions, including Flight Simulator visual systems and Cockpit Procedure Trainers. Additional duties include maintenance of simulated aircraft systems and computer based training, currently being performed at the flight training centers, in training flying personnel. The work of a Flight Simulator Technician shall also include the test and inspection of such equipment in connection with maintenance, repair and overhaul. The loading of programs for maintenance purposes, diagnostic purposes, and the final loading of up-dated programs following engineering evaluation in any type computer attached to a Simulator shall be performed by Flight Simulator Technicians.

Flight Simulator Technicians shall also be assigned to obtain maintenance information from program readouts or other types of readout devices whether automated or otherwise on Flight Simulators and associated computers. In addition, Flight Simulator Technicians may be required to give instruction and training to other Flight Simulator Technicians, and instruction and training concerning Flight Simulator maintenance regulations and procedures to employees of any classification.

Flight Simulator Technicians shall be subject to call at any time, but shall be considered as assigned to Line Service Stations for the purposes of work schedules and other provisions of this Agreement. Flight Simulator Technicians must hold an F.C.C. General RadioTelephone Operator's License.

M. Lead Flight Simulator Technician

ALead Flight Simulator Technician shall be a Flight Simulator Technician who, as a working member of a group, is charged with the responsibility of leading, directing, and approving the work of other employees of lower classifications and may be required to give instruction and training to employees of the same or lower classifications covered by this Agreement.

N. Computer Technician

A Computer Technician shall be a qualified employee assigned to the installation, troubleshooting, modification, and repair of stand-alone and specified networked computers, including desktops, laptops, and hubs along with legacy equipment. Computer Technicians may also be assigned the installation of software and associated activities as determined by the Company. Computer Technicians install, troubleshoot, modify and repair stand-alone and networked peripheral equipment including, but not limited to, boarding pass readers, magnetic swipe readers, ticket

printers, bagtag printers, scanning equipment, laser printers, impact printers, modems, and other electronic devices as assigned by the Company. Computer Technicians assist with the installation of various network devices, by installing servers, routers and switches, and verifying pre-installed software. Computer Technicians work with distributed Systems Support groups to provide initial cursory troubleshooting of network servers, routers and switches. Computer Technicians shall not perform any work presently performed by Ground Communications Technicians. Computer Technicians shall be subject to call at any time and shall be required to travel to the extent necessary to accomplish their work. A Computer Technician who has completed his probationary period may, in addition to his work and responsibilities as a Computer Technician, be required to provide on the job training to an employee of the same classification on jobs, but shall not perform the work of a Lead Computer Technician in leading and directing the work of other employees.

O. Lead Computer Technician

A Lead Computer Technician shall be a Computer Technician who, as a working member of a group, is charged with the responsibility of leading, directing, and approving the work of other employees in the Computer Technician classification and may be required to give instruction and training to such employees.

P. Metrologists

A Metrologist shall be a qualified employee assigned at the Company's Maintenance Base Dimensional Metrology Laboratory to measuring, guaging, testing and calibration of precision measuring and test equipment, machines, tooling, fixtures and parts; and to providing technical assistance on production, inspection, and engineering problems.

Metrologists may perform accuracy and repeatability checks to determine product and process capabilities, acceptability and compliance with applicable specifications, regulations, and user requirements.

ARTICLE V
PROGRESSION, EXAMINATIONS, AND LICENSE REQUIREMENTS

A. Lead Employees

1. Lead Mechanics

The Company shall determine the number of Lead Mechanics which its services require at Maintenance Bases and Line Service Stations and select them under the procedures of Article XI of this Agreement from the Mechanics or higher classification with due consideration for their ability to handle men and accept responsibility. It is understood that at all points or Line Service Stations except Maintenance Bases, where it is found necessary to maintain five (5) or more Mechanics on a shift, one (1) employee will be designated as Lead Mechanic on the shift. A Lead Mechanic's group may consist of any number of employees, but in no case shall there be included within his group more than fifteen (15) employees.

2. Lead Flight Simulator Technicians

The Company shall determine the number of Lead Flight Simulator Technicians which its services require at Training Centers and select them under the procedures of Article XI of this Agreement with due consideration for their ability to handle men and accept responsibility. Preference in the filling of Lead Flight Simulator Technician vacancies shall be given to Flight Simulator Technicians who bid on such vacancies. It is understood that at all Training Centers where it is found necessary to maintain five (5) or more Flight Simulator Technicians on a shift, one (1) employee will be designated as Lead Flight Simulator Technician on the shift. ALead Flight Simulator Technician's group may consist of any number of employees, but in no case shall there be included within his group more than fifteen (15) employees.

3. Lead Ground Communications Technician

The Company shall determine the number of Lead Ground Communications Technicians which its services require and select them under the procedures of Article XI of this Agreement with due consideration for their ability to handle men and accept responsibility. Preference in the filling of Lead Ground Communications Technician vacancies shall be given to Ground Communications Technicians who bid on such vacancies.

4. Lead Computer Technician

The Company shall determine the number of Lead Computer Technicians which its services require and select them under the procedures of Article XI of this Agreement with due consideration for their ability to handle men and accept responsibility. It is understood that at locations where it is necessary to maintain five (5) or more Computer Technicians on a shift, one (1) employee will be designated as Lead Computer Technician on the shift. A Lead Computer Technician's group may consist of any number of employees, but in no case shall there be included within his group more than fifteen (15) employees. Preference in the filling of Lead Computer Technician vacancies shall be given to Computer Technicians who bid on such vacancies. Lead Computer Technician vacancies of sixty (60) days or longer shall be bulletined at the point where the vacancy exists and, if not filled locally, shall then be bulletined at all locations where Computer Technicians are located.

5. Lead Utility Employees

The Company shall determine the number of Lead Utility Employees which its service requires and select them under the procedures of Article XI of this Agreement with due consideration for their ability to handle people and accept responsibility. A Lead Utility Employee's group may consist of any number of employees. However, the ratio of Utility Employees to Lead Utility Employees, at the station, may not exceed fourteen (14) to one (1).

B. License Requirements

1. Lead Mechanics and Mechanics

a. Lead Mechanics and Mechanics assigned to Line Service Stations and Maintenance Operations Centers Airframe Maintenance Ramp crews must possess valid F.A.A. Airframe and Powerplant (A&P) Licenses and a restricted Radio Telephone Operator's Permit, or if assigned to a Radio Shop or group, a valid F.C.C. General Radio Telephone Operator's License.

b. Lead Mechanics and Mechanics assigned to the Airframe Maintenance Division at Maintenance Operations Centers must possess either a valid F.A.A. Airframe (A) License, or if assigned to a Radio or Electrical group a valid F.C.C. General Radio Telephone Operator's License.

c. Lead Mechanics and Mechanics assigned to the Engine Maintenance Division at Maintenance Operations Centers must possess a valid F.A.A. Powerplant (P) License except that no license will be required in the Plating, Welding, Metal Spray and Machine Shops.

d. Lead Mechanics and Mechanics assigned to the Radio Shop at Maintenance Operations Centers must possess a valid F.C.C. General RadioTelephone Operator's License.

e. Mechanics hired on or before October 31, 1981 will not be restricted from working in the Airframe and Engine Maintenance Divisions because they do not possess the license specified in sub-paragraphs b and c above. The Company may, at its option, also extend this provision to Mechanics hired after that date.

f. The bid of an employee who does not possess a required license(s) will be considered in the event a vacancy is not filled by the bidding, transfer or employment of a Mechanic possessing the required license(s). An employee awarded a vacancy or assigned to a position for which he does not hold a required license(s) must obtain the necessary license(s) within the specified time period from the date assigned to such position or the date of acquiring the necessary experience, if any, required for the license, whichever is later, as follows:

1) A maximum of twelve (12) months each for a required F.A.A. Airframe (A) or Powerplant (P) License, and

2) A maximum of twenty-four (24) months for an F.C.C. General Radio Telephone Operator's License.

g. Mechanics referred to in this paragraph may be required to use and exercise licenses they hold.

h. Employees covered by this Agreement will be allowed one shift off without loss of regular pay for the purpose of taking FAA and/or FCC examinations, provided the employee passes the examination(s) and is granted the certificate or license. One shift off work will be granted for each FAAAirframe and Powerplant (A&P) and/or FCC General Radio Telephone Operator license or certificate.

2. Aircraft Inspectors must possess valid F.A.A. Airframe and Powerplant (A&P) Licenses.

3. Shop Inspectors must possess the same license as required for Lead Mechanics in the shop to which assigned.

4. Lead Ground Communications Technicians, Ground Communications Technicians, Lead Flight Simulator Technicians, and Flight Simulator Technicians must possess a valid F.C.C. General RadioTelephone Operator's License.

C. In the event that Federal requirement or work organization are changed, the Company and the Union will meet and make such changes in the license requirement provisions as become necessary.

ARTICLE VI
HOURS OF SERVICE

A. Eight (8) consecutive hours of service, exclusive of meal period, will constitute a work shift.

B. At Maintenance Bases, except for the Boiler Room and the Plane Overhaul Ramp Crew, the standard work week will consist of five (5) consecutive eight (8) hours days worked within six (6) consecutive days, Monday to Saturday, both inclusive, and every reasonable effort will be made to arrange working schedules to allow Saturday and Sunday off. When it becomes necessary to schedule Saturday as a regular work day for employees, arrangements will be made with the Local Committee for proper work schedules. At Line Service Stations, and the Boiler Room at Maintenance Bases, the standard work week will consist of five (5) eight (8) hour days worked within seven (7) consecutive days, midnight Saturday to midnight Saturday. The Maintenance Base Plane Overhaul Ramp Crew may be scheduled for five (5) eight (8) hour days worked within seven (7) consecutive days, midnight Saturday to midnight Saturday. All employees will have two (2) regularly scheduled days off each week which will be consecutive except where a rotating days off schedule provides other than consecutive days off in order to maintain the schedule of rotated days off.

Employees at Line Service Stations or assigned to the Maintenance Base Plane Overhaul Ramp Crew or Boiler Room may be assigned to fixed days off during the work week, or to a standard rotating days off schedule provided that when at least two (2) but not more than twelve (12) employees in a classification are assigned on a shift in a group customarily treated together for shift bidding purposes, not more than two-thirds (2/3) of such employees, and in such groups of more than twelve (12) employees, not more than one-half (1/2) will be so assigned to pairs of fixed days off which are within Monday through Friday of each work week. When assigned to a specific fixed day off schedule, no employee will work more than five (5) consecutive days at the straight time rate. If employees at any location are regularly scheduled each week to have Saturday and Sunday as their consecutive days off, and if a Saturday and Sunday falling together are both worked, the first day will call for time and a half for the first eight (8) hours and double time thereafter, and the second day for double time for all hours worked.

C. When only one (1) shift is employed at a Maintenance Base Shop, the starting time of the shift, except for special shifts as herein provided, will be not earlier than 7:00 a.m. and not later than 8:00 a.m. A lunch period of thirty (30) minutes will be scheduled on a local basis within the fourth and fifth hours of the shift.

D. When two (2) shifts are employed in a Maintenance Base Shop the first shift will start not earlier than 7:00 a.m. and not later than 8:00 a.m. and the second shift will start immediately following the first shift or between 11:00 p.m. and midnight, and special shifts may be scheduled as herein provided. A lunch period of thirty (30) minutes will be scheduled on a local basis within the fourth and fifth hours of each shift.

E. When three (3) shifts are employed in a Maintenance Base Shop the first shift will start not earlier than 7:00 a.m. and not later than 8:00 a.m. and the second shift will start immediately following the first shift and the third shift will start eight (8) hours prior to the first shift and special shifts may be scheduled as herein provided. A lunch period of thirty (30) minutes will be scheduled on a local basis within the fourth and fifth hours of each shift.

F. Line Service Station Shifts

1. At Line Service Stations where No. 2 and No. 3 aircraft service checks (heavy maintenance checks) are regularly scheduled to be performed, the first shift shall be scheduled to start between 6:00 a.m. and 8:00 a.m. and the second and third shifts will not overlap by more than thirty (30) minutes. In addition, two (2) additional shifts may be scheduled to meet the needs of the service for any classification of employees for a work area at a Line Station. Effective January 1, 1980, a maximum of seven (7) shifts may be scheduled to meet the needs of the service for any classification of employees for a work area at a Line Station. Work areas at Lines Stations shall be: (1) Hangar area, (2) Ramp area, and (3) Line area. When Mechanics or higher classified employees are assigned to such additional shifts, a minimum of three (3) such employees will be assigned. Shifts for support shops may be established with starting times different from those in aircraft maintenance by agreement between the Local Committee and Local Management. Lunch periods at Line Service Stations will be scheduled by mutual agreement on a Local basis as close to the midpoint of the shift as the needs of the service will permit.

2. At Line Service Stations where No. 2 and No. 3 aircraft checks (heavy maintenance checks) are not regularly scheduled to be performed, the starting time for shifts shall be established in accordance with the needs of the service at each station, but in accordance with the provisions of Paragraphs A and B of this Article, provided that there shall not be more than five (5) starting times within a twenty-four (24) hour period for any classification of employees for a work area at a Line Station. Effective January 1, 1980, the five (5) shift starting times limitation shall be increased to seven (7). Work areas at Lines Stations shall be: (1) Hangar area, (2) Ramp area, (3) Line area. Shifts for support shops may be established with starting times different from those in aircraft maintenance by agreement between the Local Committee and Local Management. Lunch

periods at Line Service Stations will be scheduled by mutual agreement on a local basis as close to the midpoint of the shift as the needs of the service will permit.

G. It is understood that special shifts to expedite production schedules may be scheduled at Maintenance Bases with starting times at irregular hours by agreement with the Local Committee. Such special shifts shall consist of eight (8) consecutive hours, exclusive of meal period. The straight time rate of the closest regular shift which could be established under this Agreement (based upon the actual starting time for existing shifts) shall be paid for all time worked which coincides with the hours of said closest shifts which could be established. Overtime rate of time and one-half of said straight time rate shall be paid for all hours worked on said special shift which do not coincide, and for the hours worked on one of the two (2) regularly scheduled days off each work week for which straight time rate would be paid on scheduled work days. Overtime rate of double said straight time rate shall be paid for the hours worked on one of the two (2) regularly scheduled days off each work week for which time and one-half is paid on a regular scheduled work day, for all time worked on the second regularly scheduled day off in a work week if the first scheduled day off has been worked, for all work on holidays, and for work in excess of twelve (12) hours in any day. All jobs established on special shifts will be bulletined on a local basis as premium jobs.

H. 1. The regular starting and stopping time for all shifts will be scheduled and posted at each Maintenance Base and Line Service Station and shall not be changed without five (5) calendar days notice to employees affected by such change. Any change of one and one half (1 fi) hours or more in the starting time will call for a bulletin of all jobs affected for local bids.

2. The Company shall give five (5) calendar days notice to employees required involuntarily to change shift or to change regular days off when no shift change is involved.

3. For the purpose of this paragraph, the first day of the five (5) calendar days notice shall be the day following the calendar day notice is given.

I. All employees covered by this Agreement will be granted a ten (10) minute rest period during the first half of a work shift and ten (10) minute rest period during the second half of the work shift without loss of time, for the purpose of relaxation. The time for the rest period will be regularly scheduled and posted by the Company at Maintenance Bases.

An employee who works four (4) hours overtime shall be granted a ten (10) minute rest period, and an employee who works eight (8) hours overtime shall be granted two (2) ten (10) minute rest periods.

J. Recall/Call-In/Reporting Pay

No regular or laid off employee, excluding part-time employees, will be required to report for a work shift of less than eight (8) hours, or pay therefor except under the following circumstances:

1. In a recall situation after a regular shift the minimum pay shall be three (3) hours at the applicable overtime rate.

2. In a call-in situation on the employee's regularly scheduled day off the minimum pay shall be four (4) hours at the applicable overtime rate.

3. In a situation wherein there is temporarily no work because of an Act of God or other circumstances over which the Company has no control, including strikes by employees of the Company curtailing flight operations by fifty percent (50%) or more systemwide, the minimum reporting pay shall be four (4) hours pay at the regular hourly rate unless notified that there will be no work at the close of the last shift he worked, or sixteen (16) hours before the start of his regular shift, whichever period is the shorter.

4. Notwithstanding Paragraph 3 above, the following provision will apply in the event of a natural disaster or governmental warning thereof. Employees who report for their regularly scheduled shift and are subsequently released from duty, due to lack of aircraft maintenance activity, will be compensated for the balance of the shift.

K. Employees who, because of the requirements of the service are requested to start their lunch period more than thirty (30) minutes in advance of, or one (1) hour after the starting time of their regularly scheduled lunch period, shall be allowed a thirty (30) minute lunch period as close to the regular lunch period as possible and paid for same at straight time rate in addition to their regular compensation.

L 1. The Company will establish as necessary the number of Lead Mechanics, Aircraft Inspectors, Shop Inspectors, Lead Ground Communications Technicians, Ground Communications Technicians, Lead Flight Simulator Technicians, Flight Simulator Technicians, Lead Computer Technicians, Computer Technicians, Metrologists, Mechanics, Mechanic's Helpers, Seamers, Apprentices, and jobs in the Utility Employee classification for the needs of the service on each shift at any Maintenance Base Shop, Line Service Station, or other place where employees covered by this Agreement are located. There shall be no rotation of shifts except the necessary rotation of relief men as required by the shift schedules. The rotating relief employees shall not rotate between more than two (2) shifts in a week.

2. Employees on vacation relief assignment will be scheduled on a basic or "home" shift and other shifts as necessary for vacation relief in accordance with a schedule published at intervals of three (3) months or longer. Vacation relief employees may also be assigned to relieve employees who are absent due to Company training, military reserve duties or jury duty where such absences are anticipated to be at least five (5) but not more than thirty (30) days. Five (5) days notice will be given to an employee of changes in his schedule.

M. M. Part-time Utility Employee Shifts

Part-time shifts may be established at locations where employees in the Utility Employee classification covered by this Agreement are located. The use of Part-time Utility Employees will be subject to the provisions of Article X-O of this Agreement.

1. Part-time shifts will be scheduled for a minimum of four (4) hours per day and a maximum of six (6) hours per day, exclusive of a thirty (30) minute meal period for employees scheduled for, or who actually work in excess of, four 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.

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

3. Employees who work four (4) hours or more shall be granted a ten (10) minute rest period. Employees who work more than six (6) hours shall be granted two ten (10) minute rest periods.

4. Part-time work schedules will be governed by operational needs and will be rebid one (1) time per calendar year unless otherwise agreed to locally by the Company and Union.

ARTICLE VII
OVERTIME

A. Overtime Pay

1. Overtime rate of time and one-half computed on an actual minute or one one-hundredth (1/100th) of an hour basis with a minimum of one (1) hour overtime shall be paid for all work performed in excess of eight (8) hours in any one day, for all work performed either in advance of or after regularly scheduled hours, and for all time worked on the regularly scheduled days off each work week.

2. There shall be no pyramiding of overtime rates provided for in this Agreement and no employee shall receive more than double the straight time rate for any hours worked.

3. The rate of straight time shall be paid for work performed by Part-time Utility Employees beyond their scheduled hours up to a maximum of forty (40) hours in a work week except that the overtime rate of time and one-half shall be paid for work in excess of eight (8) hours in a twenty-four (24) hour period.

B. Overtime Equalization

Base station overtime opportunities (including overtime at alternate airports within the same metropolitan area) shall be distributed as equally as possible among those available qualified employees who are shown on an overtime list as having accrued the least number of overtime hours. Employees will not be required to suspend work during regular working hours to absorb overtime. An employee temporarily transferred to a position not covered by this Agreement shall be charged on the overtime list at the applicable rate for overtime hours he would have been offered had he not been reassigned and will not be considered as available for overtime work until he has reported for two consecutive regular scheduled shifts.

The following equalization rules are to be followed:

1. Overtime hours worked or declined by an employee will be recorded as equivalent straight time hours paid or offered, in one-hour increments, rounded to the nearest full hour. No charge will be made if overtime is cancelled.

2. Employees who are physically restricted from working overtime or are absent from work shall not be called for overtime work or charged. Employees who are physically restricted from working overtime or are absent for forty-five (45) consecutive days or more shall, upon their return, be charged the average overtime hours of the employees on their overtime list or their own overtime hours, whichever is greater.

3. Overtime opportunities of one (1) hour or less will not be charged.

4. Refused overtime opportunities when less than one (1) hour advance notice is given will not be charged.

5. Holiday work, one (1) hour minimum overtime payments, short turn arounds, premium rate training, pay for inadequate notice, etc., while paid at premium rates, are not subject to these overtime distribution rules.

6. Employees without a phone number listed for overtime contact will automatically be charged when they would have been called.

7. Employees who are absent a scheduled shift shall not be considered available for overtime work until they have reported for a regular scheduled shift.

8. Overtime balances shall be posted in places accessible to all employees affected except by local agreement between the Union and the Company. Overtime balances shall not be zeroed. Overtime balances will be reduced periodically by subtracting the same number from all totals on an overtime list.

9. When an employee is placed on a different overtime list, he shall be charged with the average hours of the employees on the list. During his probationary period, an employee will not be placed on the overtime list and will not be considered for overtime work unless qualified employees on the overtime list are not available. Overtime worked by employees during their probationary period will be added to their average hours when placed on the overtime list.

10. An employee who is bypassed in violation of these overtime distribution procedures shall be paid and charged at the applicable rate for the overtime hours missed. Overtime bypass payments will be included in the paycheck for the pay period immediately following the pay period in which the award was granted. Should such payment be delayed, for any reason, an explanation will be provided upon request.

11. When an employee performs emergency field service away from his base station, hours worked beyond eight (8) hours at straight time on a scheduled work day and all hours worked on a regular day off will be recorded as overtime and charged on his overtime list.

12. When employees in premium and basic classifications are on the same overtime list and an overtime opportunity in the premium classification is to be offered, the qualified employee with the lowest overtime balance, regardless of classification, will be offered the overtime work unless the Union Local Committee and the Local Management agree such offer shall be made to the qualified employee in the premium classification who has the lowest overtime balance.

13. Nothing herein shall require the establishment of a formal procedure for overtime distribution for groups where local management and the Local Committee determine that no such procedure is necessary.

14. Nothing herein shall prohibit Local Management and the Local Committee from agreeing to assign Shop Stewards or other designated local Union members to make offers of overtime opportunities to employees.

C. Overtime Scheduling

1. Except in emergency situations, an employee will not be required to work overtime against his wishes. It is agreed that the servicing of late flights, the performance of work necessary to meet flight schedules, or the protecting of Company property against the elements will be considered an emergency. Application of this paragraph will be initiated only after the procedures for regular overtime covered in Article VII have been followed.

   a. If overtime needs are not met, the overtime will be assigned to the junior qualified available employee in that classification on the overtime balance list. However, no employee will be mandated to work emergency overtime on more than two consecutive shifts.

   b. No employee will be forced to work emergency overtime for more than twelve (12) hours for an eight (8) hour shift or fourteen (14) hours for a ten (10) hour shift within a twenty-four (24) hour period.

   c. Except in a situation for weather emergencies, a natural disaster, or a circumstance in which the Company has no control, the Company will notify the Local Committee at least five (5) days prior to scheduling emergency overtime.

d. Following each occurrence of emergency overtime, the local manager will provide written notification, outlining the circumstances surrounding the occurrence, to the chairman of the Local Committee and the Director of Labor Relations.

2. Employees will be given four (4) hours advance notice of contemplated overtime whenever possible.

3. Overtime shall not be worked except as directed by the Company unless an emergency exists and proper authority cannot be obtained.

4. No employee will be offered overtime which would require him to work (including his regular shift) in excess of sixteen (16) hours in any period of twenty-four (24) consecutive hours. Additionally, no employee will be offered or charged for overtime opportunities in excess of sixteen (16) hours within the twenty-four (24) hour period from the starting time of his regular shift.

5. Overtime shall be assigned as follows:

a. Overtime anticipated to be four (4) hour or less which is continuous following a scheduled shift will be offered to employees working on that shift.

b. Overtime anticipated to be four (4) hours or less in advance of and continuous with a scheduled shift will be offered to employees on regular work days on the oncoming shift.

c. Overtime anticipated to be four (4) hours or less and not continuous with a work shift will be offered to employees on regular work days.

d. Overtime anticipated to be more than four (4) hours will be offered to employees on a regular day off with preference to employees regularly on the shift on which the overtime is needed, except that by agreement of the Union and the Company overtime at line stations anticipated to be more than four (4) hours may be offered on a station or work function basis.

D. Lunch Periods - Overtime

Employees who work overtime on a regularly scheduled day off will receive a regular lunch period.

E. Training

The straight time rate shall be paid to employees required to attend formal educational classes held locally on their regular work days, with the applicable overtime rate paid if attendance is required on an employee's regular day off. Classes held before or after a regular shift shall be paid at the straight time rate and limited to two (2) hours unless locally agreed otherwise. Training opportunities shall be offered as equally as possible among eligible employees.

When an employee's shift or regular days off are changed for training purposes, the Company will give him five (5) calendar days' notice of such change if possible. If this shift change results in a combination of work and training that exceeds eight (8) hours in a twenty-four (24) hour period, the employee shall be paid at the applicable overtime rate for hours in excess of eight (8) except where an employee voluntarily changes his shift for that day in lieu of the Company's changing his regular days off.

ARTICLE VIII
HOLIDAYS

A. Employees covered by this Agreement will observe the following holidays:

New Year's Day
Easter Sunday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
The Day After Thanksgiving Day
Christmas Day

Beginning on January 1, 2006, the number of Company-paid holidays at the base and on the line shall be eight, consisting of six fixed holidays and two floating holidays for all employees. The employee's Birthday and his Date of Employment as reflected on his most recent UG-100 will be observed as his two floating holidays. Fixed holidays will be the following:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

All Federal holidays listed above will be observed as designated by Federal Pronouncement except that New Year's Day will continue to be observed on January 1, and Christmas Day will continue to be observed on December 25. Employees at Maintenance Bases and Executive Offices assigned to a Monday-Friday schedule shall observe a holiday falling on Saturday on Friday and a holiday falling on Sunday on Monday and employees at Maintenance Bases whose regular work schedule is Tuesday through Saturday will observe holidays falling on Sunday or Monday on Tuesday, and further, employees at Executive Offices and Training Centers shall observe the day designated by the Company for holiday observance at their work location. The Company will reduce the number of employees required to work on holidays to those needed to meet the requirements of its operation. If the Company expects the requirements of its operation will require employees at a location to work on a holiday, it will minimize the number of employees required to work insofar as practical by work arrangements and/or overtime prior to the holiday.

Except at Maintenance Bases, when less than the total number of employees within a work function, shift and classification who are scheduled to work are not required to work on the holiday, senior employees will be given preference to work or be off, and junior employees may be required to work. Employees who work hours other than their regular scheduled shift will be selected from the overtime list (even though it is not considered overtime work). Employees who work hours corresponding to the hours of their scheduled shift on a holiday will be charged for time and one-half. Employees who work hours other than their scheduled shift hours will be charged for time worked at the applicable rate. Employees who refuse holiday work for hours other than their regular shift will be charged in the same manner for the work offered except that no employee will be charged more than sixteen (16) straight time hours for hours refused on any one holiday.

Employees selected for holiday work in accordance with these procedures shall be notified seven (7) calendar days in advance of a holiday whether it is anticipated that their services will be required on the holiday, and notice of adjustments in planned holiday coverage required by the needs of the service will be made by the end of the employee's last shift worked prior to the holiday.

B. 1. An employee will observe his Birthday and Date of Employment Holidays on the actual date except that the employee may observe these holidays on any other day other than another holiday after the employee has given not less than ten (10) days' notice in writing of his intention of doing so, and no other employee on the same assigned shift for that day is scheduled to observe one of these holidays. Any exceptional operating problems will be worked out on a local basis. Less than ten (10) days' notice of change may be accepted if operational requirements allow.

An employee may also observe one or both of these holidays by connecting it (them) with his scheduled vacation provided he does so at the time he selects his vacation as provided in this Agreement.

2. In the event an employee's birthday falls on February 29, March 1 shall be considered as his birthday for purposes of this Paragraph, and, if the employee's birthday falls on another of the holidays specified above, his next following work day shall be considered as his birthday.

C. 1. A regular employee required to work on any of the holidays as observed shall be compensated at the rate of double time for all hours worked and shall receive no additional time off.

2. Regular employees in active service who do not work on the above-mentioned holidays shall be compensated for the day for eight (8) hours at the straight time rate and shall receive no additional time off.

3. Effective with the ratification date of the 2005 Mechanics' Agreement, when a holiday falls on an employee's regular day off he shall no longer have the option to move the holiday to the next scheduled work day in lieu of receiving pay as outlined above.

4. An employee who receives holiday pay will not also receive sick leave pay.

5. A regular employee who works on a holiday which is also one of his regularly scheduled days off will be compensated at the double time rate for all hours worked and, additionally, will be paid holiday pay at the straight time rate for the hours which coincide with his regularly assigned shift and are not worked. This provision shall not change the computation of overtime pay or minimum overtime guarantees in any other respect.

6. Temporary employees (not including Regular employees temporarily assigned to another Agreement-covered job or status) required to work on any of the holidays as observed shall be compensated at the straight time rate for all hours worked and shall receive no additional time off. Temporary employees who do not work on a holiday will receive no pay.

ARTICLE IX
TRAVEL PAY

A. When employees covered by this Agreement engage in emergency field service away from their base station to restore Company airplanes or equipment to service or are assigned to a charter flight they shall be paid for such work on the same basis as at their base station, with a minimum of eight (8) hours at straight time rate for each twenty-four (24) hour period. Based on the local time of the point at which the emergency field service work is performed or the charter is located, all hours of emergency field service or charter flight:

1. Which fall within the hours of his regular assigned shift shall be paid at the straight time rate.

2. Which fall outside his regular assigned shift shall be paid at applicable overtime rates.

All employees required to travel by air in conjunction with emergency field service will be flown on multi-engine aircraft of sufficient gross weight to safely carry passengers, tools, parts, and equipment. Two qualified pilots will fly the aircraft used to transport personnel. When the existing charter service contract comes up for renewal, the Union will be advised and a Union representative will participate in the selection process.

B. 1. All the time spent in traveling or waiting in connection with emergency field service as defined in Paragraph A above including hours in excess of eight (8) hours in any one day will be paid for at straight time rate, unless an employee is required to travel on regular days off, in which event he will be paid for all hours traveling or working at the overtime rate applicable for the day. If such travel is interrupted for any reason and the employee is released by an agent of the Company for a period of seven and one-half (7) consecutive hours or more, he shall not be paid for the time released, but in no event shall any employee receive less than eight (8) hours pay at straight time rate for any twenty-four (24) hour period while away from his base station. It is understood the Company may schedule an employee to take his regular days off without compensation except for the reasonable and necessary expenses provided for in this Article.

2. When an employee only travels to or from the point where the charter begins or ends or waits within a twenty-four (24) hour period from the starting time of his regular assigned shift he shall be paid only at the straight time rate, whether the hours traveling or waiting fall within or outside his regular assigned shift based on the local time of the point at which the charter is located.

C. Employees required to work after traveling in connection with emergency field service shall be paid at the overtime rate applicable for all hours worked in excess of eight (8) hours travel, waiting, and working time for the day in question.

D. Upon completion of such emergency field work, an employee shall return to his home station in accordance with the orders received at the time he left his home station, or in accordance with the orders he receives from the person to whom he was ordered to report in the field, and shall be compensated for the return trip in accordance with the provisions of Paragraphs B and C above. Upon return to his home station, he shall, if he has not had a rest period of at least seven and one-half (7) hours within the preceding sixteen (16) hour period, be entitled to a rest period not less than seven and one-half (7) hours before the starting time of his next regular scheduled shift. In the event there is not sufficient time to permit such a seven and one-half (7) hour rest period prior to the starting time of his next regular scheduled shift, the Company shall release him from duty until he has had a seven and one-half (7fi) hour rest period, in which case he shall be paid at his regular straight time rate for the hours coinciding with his regular shift which were not worked in addition to his regular pay for the hours of his regular shift which are worked.

E. The following examples of pay for traveling or waiting and emergency field service represent proper application of this Article.

An employee regularly assigned to the 7:30 A.M. - 4:00 P.M. shift Monday through Friday, performs the following emergency field service assignments. How shall he be paid?

EXAMPLE 1

Employee travels on scheduled work days on which he performs no work. Performs emergency field service only during hours of his regular shift.

	PAY
Travel or waiting 7:30 A.M. - 6:00 P.M.	Monday 10:30 Hours ST

Emergency field service Tuesday
7:30 A.M. - 4:00 P.M. 8 Hours ST

Travel or waiting Wednesday
7:30 A.M. - 6:00 P.M. 10:30 Hours ST

EXAMPLE 2

Employee works at domicile, travels to emergency field service, performs emergency field service, and returns to domicile on same work day.

Work at domicile Monday
7:30 A.M. - 1:00 P.M. 5:00 ST (7:30 A.M. - 1:00 P.M.)

Travel or waiting
1:00 P.M. - 4:00 P.M. 3:00 ST (1:00 P.M. - 4:00 P.M.)

Emergency field service
4:00 P.M. - 12:00 M. 4:00 1fi T
(4:00 P.M. - 8:00 P.M.)
4:00 DT (8:00 P.M. - 12 M.)

Travel or waiting
12:00 M. - 3:00 A.M. 3:00 DT (12 M. - 3:00 A.M.)

EXAMPLE 3

Employee travels to emergency field service on day he does not work. Performs emergency field service during and after hours of regular shift. Travels from emergency field service on day he performs emergency field service.

Travel or waiting Monday
7:30 A.M. - 6:00 P.M. 10:30 Hours ST

Emergency field service Tuesday
1:00 P.M. - 9:00 P.M. 3:00 ST (1:00 P.M. - 4:00 P.M.)
5:00 1fi T
(4:00 P.M. - 9:00 P.M.)

Travel or waiting
9:00 P.M. - 7:00 A.M. 4:00 1fi T
(9:00 P.M. - 1:00 A.M.)
6:00 DT
(1:00 A.M. - 7:00 A.M.)

EXAMPLE 4

Employee travels to and from emergency field service on scheduled work days he does not work, performs emergency field service all outside hours of regular shift.

Travel or waiting	Monday
9:00 A.M. - 7:30 P.M.	10:30 ST
Emergency field service	Tuesday
5:00 P.M. - 7:00 A.M.	12:00 1fi T
	2:00 DT
Wait	Wednesday
7:00 A.M. - 7:30 A.M.	:30 DT
Wait	
7:30 A.M. - 10:00 A.M.	2:30 ST
Travel or waiting	
10:00 A.M. - 8:30 P.M.	10:30 ST.

EXAMPLE 5

Employee travels to emergency field service on a scheduled work day on which he does not work, performs emergency field service during and after his regular shift and travels on the same work day, and then continues travel on the next work day.

Travel or waiting	Monday
7:30 A.M. - 6:00 P.M.	10:30 ST
Emergency field service	Tuesday and Wednesday
3:00 P.M. - 2:00 A.M.	1:00 ST
	10:00 1fi T
Travel or waiting	Wednesday
7:00 A.M. - 7:30 A.M.	:30 1fi T
7:30 A.M. - 6:00 P.M.	10:30 ST

EXAMPLE 6

Employee begins travel before start of regular shift, travels and performs emergency field service in the following work day, and continues emergency field service into the next work day, and begins travel in the same work day and continues travel into the next following work day.

Travel or waiting	Tuesday
6:00 A.M. - 4:00 P.M.	1fi Hours 1fi T* (6:00 A.M. - 7:30 A.M.) 8fi Hours ST (7:30 A.M. - 4:00 P.M.)

*Double time if employee exceeded 12 hours work within 24 hour period ending 7:30 A.M. Tuesday.

Emergency field service	Wednesday
6:00 A.M. - 6:00 P.M.	1fi Hours 1fi T (6:00 A.M. - 7:30 A.M.) 8 Hours ST (7:30 A.M. - 4:00 P.M.) 2 Hours 1fi T (4:00 P.M. - 6:00 P.M.)

Travel or waiting	Thursday
6:30 A.M. - 4:30 P.M.	1 Hour 1fi T (6:30 A.M. - 7:30 A.M.) 9 Hours ST (7:30 A.M. - 4:30 P.M.)

EXAMPLE 7

Employee travels on a regular work day for less than eight hours and performs no work.

Travel or waiting	Monday
7:30 A.M. - 9:30 A.M.	8 Hours ST

F. Employees who travel on Company business will receive per diem at the rate of $1.85 per hour, to cover meal and incidental expenses, while away from their base station. Effective July 12, 2002, this hourly rate will be increased to $1.90. Where the Company does not provide transportation and lodging, actual expenses will be reimbursed in addition to the above stated per diem. Where overnight lodging is approved by the Company for employees away from their home station, single

room accommodations will be provided where available. Upon application an employee will be given an advance by the Company to cover his expenses while away from his base station. Within five (5) days after returning to his home station, or at the close of each week in the event the employee is away for a period longer than one week, the employee shall submit an expense account in accordance with Company regulations, and if the employee has returned to his home station it shall be accompanied by the balance of any expense money advanced but not accounted for on the expense account.

G. Employees who are temporarily transferred from their home station to fill temporary vacancies shall be paid in accordance with Paragraphs B and C of this Article for the time necessary to travel in connection with such temporary transfer, and they shall receive necessary and reasonable expenses for transportation, laundry meals and lodging in accordance with Paragraph F of this Article.

H. When an employee is away from his home station filling a temporary vacancy he shall be paid straight time and overtime in accordance with the provisions of this Agreement based on the shifts as scheduled at the location of the temporary vacancy, but in no event shall he receive less than eight (8) hours pay for each day. It is understood the Company may schedule an employee to take his regular days off without compensation except for the reasonable and necessary expenses provided for in this Article.

I. Employees called from home for emergency field service after completing their regular shift assignment, or on a regular day off, will be allowed one (1) hour as preparatory time at overtime rate and in all possible cases will be given two (2) hours or more notice before departure time.

J. When an employee covered by this Agreement receives a special assignment to attend training classes pertaining to his work, or to fulfill other special assignments not constituting emergency field service or the filling of temporary vacancies, he shall receive compensation not to exceed eight (8) hours per day for time spent in traveling or waiting at the applicable rate. If such special assignment involves traveling after completion of his regular work for the day, he shall receive the applicable overtime rate for the first succeeding eight (8) hours of traveling and waiting. When employees are assigned to training at points other than their home station, they shall be paid for the travel and training on the following basis:

1. The employee is considered, for pay purposes, to remain on his normal 24-hour period for overtime purposes until such time as he actually begins training. The start of his training begins a new cycle of 24-hour periods which is continued until such time as he resumes work at his home station. Pay for travel is computed in accordance with his normal schedule of 24-hour periods for the travel to training, and travel returning to his home station is based upon the 24-hour periods established by his training schedule.

2. If the employee is scheduled to travel to training on a normal workday, he may work his normal work shift or he may not, depending upon circumstances involved in his travel. If he works any part of his normal work shift, he is paid for those hours at straight time rates and additionally for travel time, whether in or out of his normal work shift at the applicable rate with a maximum of eight hours travel pay for that 24-hour period.

3. The employee never receives less than eight hours straight time pay for any 24-hour period constituting a scheduled workday. As provided above, he receives compensation not to exceed eight hours per day for time spent in traveling or waiting at the applicable rate.

4. Additionally, the employee's regular days off may be rescheduled if circumstances warrant so that he travels on his days off and is trained on his scheduled workdays.

K. When an employee covered by this Agreement voluntarily accepts an invitation but is not required to participate in any educational program sponsored or given by the Company for the development of its employees, he shall receive his normal compensation and reasonable and necessary expenses as provided in Paragraph F above but shall not be paid additional pay for travel or waiting time.

ARTICLE X
SENIORITY

A. 1. Seniority shall be by work classification and shall accrue from the date of entering the classification. The work classifications to be recognized for seniority purposes shall consist of Lead Mechanic, Aircraft Inspector, Shop Inspector, Mechanic, Mechanic's Helper, Seamer, Apprentice Mechanic, Lead Ground Communication Technician, Ground Communication Technician, Lead Flight Simulator Technician, Flight Simulator Technician, Lead Computer Technician, Computer Technician, Metrologist, Lead Utility Employee, Utility Employee and, effective May 1, 2003, Part-time Utility Employee.

a. For bulletined jobs, the classification seniority date of the successful bidder or bidders will be the day following the last day for bidding on the job or jobs.

b. In all other instances, the classification seniority date will be the first day actually worked in the classification except that the classification seniority date of a Company employee shall be established as the date he is notified that he is awarded an open vacancy. The probationary period and pay in the new classification of such Company employees, however, will begin with the first day actually worked in the new classification.

2. For seniority purposes under this Paragraph, the Kennedy International Airport, LaGuardia Field and Newark Municipal Airport shall be jointly identified as the New York point; the Washington National Airport, Baltimore/Washington International Airport and Dulles International Airport shall be identified as the Washington point; the Chicago Midway Airport, O'Hare Field and EXO shall be jointly identified as the Chicago point; the Los Angeles Airport, Lockheed Air Terminal in Burbank, Long Beach Municipal Airport, John Wayne Airport at Santa Ana, and Ontario International Airport shall be jointly identified as the Los Angeles point; the San Francisco Airport and Oakland Airport shall be jointly identified as the San Francisco point; the Honolulu International Airport, the General Lyman Airport at Hilo, Hawaii, the Kahului Airport at Maui, Hawaii, the Keahole Airport at Kona, Hawaii and the Lihue Airport at Kauai, Hawaii shall be jointly identified as the Hawaiian point; the Miami International Airport and the Fort Lauderdale-Hollywood International Airport shall be jointly identified as the Miami point; the Houston Intercontinental Airport and Hobby Airport at Houston shall be jointly identified as the Houston point; and the Denver International Airport and the Colorado Springs Airport shall be jointly identified as the Denver point. There shall be no distinction made between airports at a point for seniority purposes.

B. Seniority plus the ability to satisfactorily perform the work required for the job in question shall govern all employees covered by this Agreement in preference of shifts, in case of lay off, re-employment after lay off, and in all promotions, demotions, or transfers within or between classifications covered by this Agreement. Preference of fixed days off schedules within a shift in work groups, which have more than one work schedule, and, for employees entering a work group, preference of rotating days off schedule vacancies within a shift shall be similarly governed.

C. 1. In the event of the geographical relocation in whole or in part of the work performed by employees in classifications covered by this Agreement, which would result in a layoff of such employees at the point from which the work is moved (herein called old point) and the creation of additional jobs at the point to which the work is relocated (herein called new point) employees to be laid off at the old point shall be offered, in order of seniority, an opportunity to transfer and fill such additional jobs at the new point. If no employees are to be laid off at the old point, no transfers shall be made under this provision. Employees accepting such offers shall be transferred at Company expense. Employees refusing such offer of transfer shall be laid off at the old point with no further rights under this provision. It is understood that if employees to be transferred under this provision have less seniority than any employee laid off at the new point who would be entitled to recall, the employee at the old point will be laid off at the old point and not transferred pursuant to this provision. It is further understood that if such relocation does not require additional employees at the new point the employees at the old point shall have no right to relocation unless it is determined within four (4) months after the work is relocated that additional employees covered by this Agreement are needed at the new point to perform the relocated work in order to maintain established work standards or to avoid excessive overtime which would make a job for an additional employee or employees in connection with the relocated work, in which event the provisions of this paragraph shall be used to effect transfers as of the time of such determination during said four (4) months. Overtime at the new point unrelated to relocated work shall not be a reason for transferring employees under this provision.

2. The remaining employees at the old point may:

a. Accept lay off at that point with no further rights under this provision of the Agreement;

b. Exercise the rights available to them under Article X, Paragraph J.

3. In the event of a geographical relocation of work the Company and the Union will meet prior to the effective date of such relocation to determine as nearly as possible the number of jobs to be created at the new point and the time limits to govern the move, considering the circumstances of the relocation.

D. Except as otherwise provided in this Agreement, all newly hired or transferred employees covered under the Mechanics' Agreement shall be regarded as probationary employees for the first one hundred eighty (180) days of their employment or transfer. Employees may be discharged at any time during such probationary periods without hearing. If retained in the service of the Company after the probationary period, the names of such employees shall then be placed on the seniority list for their respective classifications in the order of their classification seniority date. An employee's probationary period may be extended in appropriate cases (such as the employee's extended absence because of accident or illness) by local agreement between the Union and the Company.

E. 1. a. Master seniority lists by basic classifications for the system showing the name, classification, classification seniority date, and date of entering the Company's service of each employee covered by this Agreement shall be posted in a convenient place April 1 each year at each point. It shall be the responsibility of the employee to immediately protest if such list is in error. Such claims may be processed by the Union directly to Step Three of the Grievance Procedure. In the event an employee fails to protest the list within sixty (60) days after his seniority date and position on the seniority list is first established or adjusted there shall be no monetary liability or other retroactive application for subsequent seniority adjustments. In addition, a juniority list showing each employee's current job code shall be produced no later than May 1 of each year. A copy of each list will be furnished to the designated Local Union Representative and the Union ACAC.

b. Ties in classification seniority date on the master system seniority list will be broken first by Company seniority date and then by giving preference to the employee with the lower number comprised of the last four digits in his Social Security number. This procedure will not be used to disrupt established relationship of employees already appearing on a seniority list based upon the last point at which the employee worked or is working in that classification.

c. Employees whose adjusted seniority (for example, an employee returning from a leave of absence in excess of ninety (90) days) results in a tie with other employees will be placed ahead of such other tied employees on a seniority list. When two or more employees with adjusted seniority are tied in classification seniority date, their relative position will be determined as provided in subparagraph b. above.

2. Seniority lists for classifications higher than basic classifications containing only the names, classifications, and Company service dates of employees holding higher classification seniority at the point shall be posted at the same time as the basic system classification seniority lists at each point. Protests of omissions or incorrect listings shall be made in the same manner and under the same conditions as protests relating to seniority on the system seniority lists by basic classification. When two or more employees are placed on a higher classification seniority list with the same higher classification date, they shall appear in the order of their position on the basic seniority list. This procedure shall not be used to disrupt the established relationship of employees already appearing on a higher classification seniority list.

F. An employee covered by this Agreement shall lose his seniority status and his name shall be removed from the seniority list under the following conditions:

1. He quits or resigns;

2. He is discharged for cause;

3. He is absent from work for two consecutive work days without properly notifying the Company of the reason for his absence and not then if a satisfactory reason is given for not notifying the Company;

4. He does not inform the Company in writing or by telegraph of his intention to return to service within seven (7) days of sending notice offering to re-employ him;

5. He does not return to the service of the Company on or before a date specified in the notice from the Company offering him re-employment, which date shall not be prior to fifteen (15) days after sending such notice; provided, however, that subdivisions 4 and 5 of this Section shall not apply to offers of temporary work.

G. All notices required to be sent under Paragraph F shall be sent by certified mail, return receipt requested, or by telegraph to the employee at the last address filed by him with the Company. There shall be no duty on the part of the Company to send a notice to a laid off employee unless the employee, when laid off, filed his address with his Local Manager and thereafter promptly advised that Local Manager of any change in address.

H. When it becomes necessary to lay off employees at any location on the Company's system, any temporary employees at the point will be terminated first and then system seniority in the basic classification (or station/area seniority point seniority for part-time Utility Employees) plus ability to perform the available work will govern. In any such layoff, the ratio of Apprentices as provided for in this Agreement will be maintained.

I. 1. When it becomes necessary to lay off employees due to a reduction in force, at least twenty (20) calendar days' notice of such layoff or normal pay in lieu of such notice will be given all employees to be laid off except temporary employees.

a. When notice of layoff is handed to an employee in person, the day this is done shall be considered the date of delivery of notice. The first day of the twenty (20) calendar days' notice period is the day following delivery.

b. When notice is given an employee by means of U.S. Mail or by telegraph, the day following the postmark date or the day following the date the telegram is accepted by the telegraph company shall be considered the date of delivery to the employee. The first day of the twenty (20) calendar days' notice period is the day following the date of delivery.

c. If the notice is served by mail and the date of delivery as defined above falls on a Sunday, holiday, or other day on which postal deliveries are not provided by the Post Office Department, the date of delivery will be the day following the day on which postal deliveries are not provided, and the first day of the twenty (20) calendar days' notice will be the next succeeding day.

2. The above shall apply to all employees covered by the Agreement at all times excepting employees on vacation. If an employee scheduled for vacation is given notice either by hand directly or by mail or telegraph prior to the day he begins his vacation, he shall be considered under notice as provided in Items a, b, and c above. An employee already on vacation, however, shall not be given notice of layoff earlier than the first scheduled work day after completion of his authorized vacation. If an employee not on vacation is laid off under this procedure before an employee junior to him who is on vacation, no grievance or wage claim shall be allowed because of the deviation from seniority in the order of layoff.

3. Surplus full-time Utility Employees, who are not placed in the point shakedown process, may also elect the following part-time options at their station/point:

   a. May fill a part-time vacancy in their current job classification at their current station/point.

   b. If there are no part-time vacancies, the employee may displace the most junior part-time employee in the same job classification at their station/point.

   c. When a surplus full-time employee fills a part-time position, the employee will continue to accrue seniority and maintain recall rights to a full-time position at their station/point.

   d. If options a or b are not exercised, the employee may: 1) accept layoff with severance pay and recall rights to the station/point, or 2) request system full-time placement options with recall rights to their station/point.

4. Surplus part-time Utility Employees, who are not placed in the station/point shakedown process, may also elect the following options:

   a. May fill a full-time vacancy in their current job classification at their current station/point prior to employees transferring into the classification under Article XI-N of this Agreement.

   b. If option a is not exercised or is not available, the employee will be laid off with severance pay and recall rights to: 1) a part-time vacancy at the station/point, or 2) a full-time vacancy at the station/point after all laid off full-time employees have been offered recall.

J. 1. The Company will furnish to full-time employees to be laid off a list of available permanent vacancies, probationary employees, or junior employees on the system, whichever is applicable, at the time the employees are notified of layoff. The employee will have three calendar days after notification of layoff and the furnishing of this information to him to decide whether he will accept layoff or fill a vacancy or, if no vacancies are available, displace a probationary employee or the junior employee on the system, whichever may be applicable. Temporary vacancies (vacancies of a known, limited duration) shall not be considered vacancies for the purpose of this entire Paragraph and subdivisions thereof.

2. A full-time employee being laid off in a basic seniority classification because of a reduction in force may:

a. Accept layoff with right of recall at his point, or

b. exercise his seniority to transfer to any other point on the system where vacancies exist for which he is qualified with the privilege of returning to his home station when the force is increased and he is entitled to be recalled.

c. If unable to fill a vacancy under b above, he may submit an order of preference among stations where probationary employees are located, and will be permitted in the order of his station preference to displace a probationary employee whose work he is qualified to perform. He shall have the privilege of returning to his home station when the force is increased and he is entitled to be recalled.

d. If unplaced through the operation of subparagraphs b or c he may exercise system seniority in his basic seniority classification to displace the junior employee on system whose work he is qualified to perform. He shall have the privilege of returning to his home station when the force is increased and he is entitled to be recalled. If two or more employees are to be laid off at the same time, the most senior employee will indicate his intention to displace the most junior employee in his basic seniority classification whose job he can perform, after which the next most senior employee to be laid off will indicate his intention to displace the most junior employee in his basic seniority classification whose job he can perform, et cetera.

e. An employee may limit his willingness to displace to only a given location or locations from among several locations listed by the Company in application of subparagraphs c and d above. No employee may choose to displace a junior employee at another location so long as he is able to displace a probationary employee at any location on the system. Such employee, if unable to displace at the locations he has indicated, will be placed on lay off.

f. Full-time Utility Employees may also exercise options in accordance with paragraph I.3 of this Article.

3. When an employee is offered recall to his old point, regardless of the length of time he has been at the new point, he must elect either to return to his old point with no further entitlement to seniority in any classification at the new point, or to remain at the new point with no further entitlement to recall or seniority in any classification at his old point.

4. The temporary assignment of an employee filling a temporary vacancy shall be terminated before the layoff of any employee filling a permanent vacancy. Further, an employee who fills a temporary vacancy which is terminated for any reason shall not be entitled to be recalled to the point to which he temporarily transferred.

5. Employees transferring under this Paragraph shall receive moving expenses as provided under Company policy as of November 12, 1993 for salaried employees, except that during the first two hundred seventy (270) days following transfer under this Paragraph, or until the employee's actual household move, whichever occurs first, the employee shall be entitled to unlimited non-revenue space available (NRSA) business passes between the point to which transferred and his former point.

6. The Company will notify the ACAC of all employees' names, stations involved, and effective dates of all transfers under this Paragraph.

K. Employees, except temporary employees, laid off by the Company who desire to seek employment elsewhere will, upon application within twelve (12) months from the date of their layoff, be granted on one occasion free one-way contingent air transportation on the Company's planes to any point on the system within the continental limits of the United States.

L. Employees who have given long and faithful service in the employ of the Company and who have become unable to handle their normal assignments, will be given preference for such other available work as they are able to handle within their classification at the rate of pay for the job to which they are assigned.

M. 1. An employee whose transfer request to a different classification represented by the Union is accepted by the Company shall retain and continue to accrue seniority in his former classification for two (2) years. If the employee does not complete his probationary period in his new classification and after the Company confers with the Local Committee, the employee shall be returned to his previous assignment. If returned, the employee shall lose seniority in the classification from which returned. In the event an employee exercises his seniority to return to a lower-rated classification, he must return to the highest lower-rated classification in which he holds seniority or forfeit all seniority held in that or any other classification higher than the classification to which he returns.

2. Employees promoted to supervisory positions or to other positions (not covered by this or any other Agreement unless otherwise agreed upon) will retain and continue to accrue seniority in the classification from which promoted for a period of six (6) months following promotion, except that employees in such positions on November 1, 1969, shall retain and continue to accrue seniority for a period of six (6) months from that date. At the expiration of the six (6) months period, employees in promoted positions shall retain but shall no longer accrue seniority. ``Promoted" as used herein shall mean assignment to a position in which the salary received is higher than that paid the highest classification in the promoted employee's general seniority classification. Employees who transfer to such positions but are not in "promoted" status shall retain and accrue seniority for a maximum of one (1) year.

3. If an employee is temporarily assigned to a promoted position (as defined in subparagraph 2 above) for combined periods which exceed one hundred eighty-three (183) days in any period of twelve (12) consecutive months, the employee will retain seniority but will accrue no more than one hundred eighty-three (183) days seniority during that twelve (12) month period.

4. Any employee covered by this Agreement transferring to the position of Second Officer (formerly Flight Engineer) shall retain and continue to accrue all seniority held under this Agreement for the duration of his basic Second Officer training.

N. Employees holding seniority in premium classifications who bid to other points shall lose all seniority in their premium classifications at the point from which they bid. In the case of a reduction in force affecting premium classifications, the employees reduced shall exercise their basic classification seniority or other seniority held at the point at which reduced.

1. When the number of employees in any type of job in the Lead Mechanic or Shop Inspector classifications is to be reduced, the surplus junior employee or employees in the classification in that type of job at the work location where the reduction in force is to occur will be notified of layoff from the classification. After notification, the employee must displace the junior employee in any of the types of jobs in his classification at his point in which he has had successful experience on a permanent basis. If he does not, he shall lose all seniority in the classification.

2. If unable to remain in his classification through exercise of seniority under subparagraph 1 above, the employee may, but shall not be required to, displace the junior employee in any other type of job in the classification at his point, provided he has both greater classification seniority and

greater Mechanic seniority and has the ability to satisfactorily perform the work required for the job in question. An employee whose displacement right is denied by the Company may file a grievance.

3. An employee laid off from his classification will be offered reemployment in order of Lead Mechanic or Shop Inspector classification to those types of jobs in his classification at his point in which he has had successful experience on a permanent basis. He must accept such offer of reemployment or lose all seniority in the classification.

4. A laid off employee who did not displace under subparagraph 2 above or who was unable to exercise his seniority to hold a job in his classification at the time of layoff shall have seniority rights in the classification from which laid off only for the purpose of reemployment as specified in subparagraph 3 above. He may, however, bid on any bulletined vacancy in the classification from which laid off based on his Mechanic seniority.

5. The procedure specified in subparagraphs 1 through 4 above is confined solely to layoffs, exercise of seniority after layoff, and reemployment after layoff in the Lead Mechanic and Shop Inspector classifications.

O. 1. Temporary employees may be hired to perform specific jobs by agreement between the Company and the Union. Under such agreements, temporary employees will not accrue seniority but will be subject to the wage and hour provisions governing other employees covered by this Agreement and such other employee benefits as may be agreed upon at the time.

2. When the needs of the service require, regular part-time employees in the Utility Employee classification may be employed. The number of parttime utility employees will not exceed 50% of the total number of full time Utility and Lead Utility employees (rounded to the nearest whole number) at a station/point with the exception of IAD, which will not exceed 75%. Part time utility employees in the following stations are not subject to the above percentage restrictions: BWI, CLE, DCA, DTW, HNL, LGA, OMA, PDX, PHL, PIT, SEA, SLC and MIA.

The Company will notify the ACAC, on a quarterly basis, beginning with January, of the names and locations of all part-time Utility Employees and the reasons for their employment. If any permanent full-time jobs become available while part-time employees are on the payroll at the location, such employees will be offered such jobs in the Utility classification before outsiders are hired, provided they have given the Company advance notification in writing of their desire to be considered.

All part-time Utility Employees are subject to all provisions of this Agreement except that classification seniority will be limited to their station/point for purposes of layoff and recall. Employees hired on a part-time basis will be subject to the hours of service provisions of this Agreement as specified for part-time employees in Article VI-M. Effective May 1, 2003, regular part-time employees shall progress through each step of the 10-year wage scale, specified for the Utility Employee classification in Schedule A of this Agreement, based on elapsed calendar months without regard to the number of hours worked. Employees will move to the next step of the wage scale with the pay period closest to the anniversary of their Longevity Seniority Date or Adjusted Longevity Seniority Date.

P. 1. Except as provided in Paragraph J hereof, an employee who transfers or is transferred for any reason to another point shall not be entitled to displace any employee at the new point upon his arrival at the point. He shall be entitled to exercise his seniority at the new point to preference shift vacancies which become available after his arrival at the new point when such vacancies are not filled by employees at the point more than thirty (30) days. After an employee has completed thirty (30) days service at the new point, he shall be entitled to exercise his seniority to bid job vacancies in premium classifications or in his classification. If such vacancies have not been filled from among employees with more than thirty (30) days service at that point, the bid of a transferred employee with less than thirty (30) days service at the new point shall be considered. For the purposes of this Paragraph the thirty (30) days of service at the new point shall be considered to commence the day following the date bids are closed on a bulletined vacancy or the day following the date a vacancy filled through a permanent bid procedure is declared.

2. An employee accepting assignment to a temporary vacancy at another point shall be allowed to exercise his seniority at the new point to preference shift vacancies in the same manner as if he were filling a permanent vacancy. So long as he fills the temporary vacancy, however, he will not be entitled to exercise his seniority to bid local job vacancies at his temporary point except vacancies at that point which are filled from the system. At the termination of his temporary assignment he will exercise his seniority at his point of permanent assignment.

3. For transfers under this Paragraph, free non-revenue space available (NRSA) air transportation on the Company's system will be furnished to the employee to report to his new location.

Q. New regular employees will normally establish their permanent shift within the first sixty (60) days of employment. For good and sufficient reasons employees may be retained on a shift beyond sixty (60) days but in no event will employees be retained on a shift out of normal shift preference order beyond the first ninety (90) days of employment except as otherwise agreed. Temporary employees may

be assigned to shifts out of normal shift preference order for a period not to exceed sixty (60) days unless otherwise agreed between Local Management and the Local Union Committee.

In addition, during periods of rapid hirings of large numbers of new Mechanic and higher classification employees, the Company may retain new Mechanics on a shift beyond such ninety (90) day period after the Company's Divisional Senior Vice President and General Manager has advised the Union of the necessity to do so. In no event shall employees be retained on a shift out of normal shift preference order beyond their probationary period.

ARTICLE XI
VACANCIES

A. 1. Employees desiring transfer within their basic classification at their point may file a local permanent bid with their local management on forms to be provided by the Company and must give a copy to the Local Union. Such bids shall specify the shop and branch of the trade to which the employee desires to be transferred as vacancies may occur. Bids will be valid through January 15th of the year following the calendar year in which bids are received by the Company. Prior to filling vacancies under this Paragraph, the Local Union will be notified of the number of vacancies, the qualifications for the job and the duties to be performed and the names of the successful bidders, when selected. Vacancies will be filled from among employees having bids on file as of the day preceding the date the Local Union is notified of the vacancy provided qualified employees are available. When a permanent job opening occurs at a point at which employees are on layoff, such vacancy will be filled by the senior employee who has the ability to satisfactorily perform the work required for the job in question and who is (a) on layoff, or (b) is in active service and has a local permanent bid on file, or (c) is in active service and is surplus in a work function at that point.

2. Vacancies in basic classifications at a point of sixty (60) days or longer not filled in accordance with Paragraph A-1 shall be filled, when no layoff is in progress, from among active or laid-off employees at other locations with system permanent bids on file. Such bids must have been received by the Company as of the preceding Friday.

a) Part-time Utility Employees may file a system permanent bid for part-time and full-time vacancies at other locations. Such bids will be considered after all bids from regular full-time Utility Employees and before other transfer requests under Article XI-N of this Agreement..

3. Vacancies of sixty (60) days or longer in classifications higher than Mechanic shall be bulletined at the point where the vacancy exists and, if not filled locally, shall then be bulletined at all shops and service stations where employees covered by this Agreement are located, except that vacancies in the Ground Communications Technician and Lead Ground Communications Technician classifications shall not require such initial bulletining at the point where the vacancy exists. Bulletins shall state whether the vacancy is temporary, the number of vacancies to be filled, the classification of the job involved, the station or location, the qualifications for the job, duties to be performed, compensation to be paid, the place where bids are to be sent, and the last date on which they will be received.

Such date will be a minimum of seven (7) days after the date the bulletin is posted. Any employee selected to fill such a vacancy shall be available to begin the assignment within a maximum of ten (10) days after being released from his job. The first vacancies at any new point of sixty (60) days or longer in the Mechanic classification shall be similarly bulletined at all shops and service stations where employees covered by this Agreement are located. An employee who fills a bulletined job in a Lead classification and subsequently resigns from it within a period of six (6) months from the date he is declared successful bidder shall not be entitled to exercise his basic classification seniority to displace to the shift and/or bid area of his choice, but shall return in his basic classification to his former shift and bid area.

B. A Mechanic will be eligible to bid on a vacancy in the Mechanic or higher classification after twelve (12) months of continuous service with the Company as a Mechanic. When a vacancy is not filled through the bidding procedure, the Company may, but will not be required to, consider the transfer request of a Mechanic with less than twelve (12) months of service.

C. Any employee bidding for a bulletined job must file his bid in writing with the Company as provided in the bulletin and may file a copy of the bid with the Union.

D. 1. In filling jobs under the bidding procedures provided in this Agreement, seniority plus ability to satisfactorily perform the work required for the job in question will be considered. Any person aggrieved by the action of the Company in filling such vacancies may file a grievance pursuant to the procedure set forth in the Agreement.

2. In cases where a vacancy in a higher classification bulletined under Article XI, Paragraph A-3, above is filled by bids from employees in a lower classification and the successful bidder is later displaced by a decision in the grievance procedure or by an award of the System Board of Adjustment, the following procedure shall govern:

a) The employee in the vacancy awarded the senior bidder by the System Board's award or the grievance decision shall lose all seniority in the higher classification and be returned to the job held at the time of promotion except under the following conditions:

If the employee's seniority in the lower classification would have entitled him to a vacancy in the higher classification with substantially the same qualifications and duties which was bulletined and awarded while he was working in the higher classification, he

shall be entitled to remain in the higher classification and his seniority shall be adjusted as though he had bid on and been awarded that vacancy. The same procedure shall be followed with all other employees in the higher classification who were awarded vacancies subsequent to the vacancy awarded the senior bidder by the System Board award or a grievance decision.

E. An employee bidding for more than one (1) vacancy shall indicate the order of preference on each bid. When the Company has selected an employee to fill a bulletined job, it shall post immediately at each shop or location where the vacancy was announced a bulletin showing the name of the employee selected to fill the job and his seniority date. The Company will not be required to consider bids submitted by an employee within six (6) months after the date on which he was notified that he was a successful bidder, except that an employee whose permanent bid at this point has been successful shall not lose the right to bid at any time on bulletined jobs or for shift preference within his classification or for the initial establishment of vacancies in a new skill or classification at a point.

F. If the applicant whose application for a bulletined job is accepted is stationed at a location other than the location of the bulletined job, the Company will furnish contingent air transportation on its system for the employee affected and for the members of his immediate family to the extent permitted by law from the location from which he is transferring to the location of the bulletined job. All other expenses incident to such transfer will be borne by the employee. The employee will be allowed a reasonable period between the time he is relieved of his duties until he is required to report at the new location. Such a period shall be established in advance and be dependent upon the means of travel.

G. An employee whose bid for a job is accepted shall hold the job for a reasonable period but not to exceed ninety (90) days on a trial basis in order to demonstrate his ability to perform the work required by the job. An employee's trial period may be extended in appropriate cases (such as the employee's extended absence because of accident or illness) by local agreement between the Union and the Company. During such trial period, if the employee is unable to demonstrate ability to perform the work required by the job and after the Company confers with the Local Committee, the employee shall be returned to his previous assignment but he shall not, for a period of six (6) months, be permitted to bid for a vacancy in the same or a higher classification of work in which he was unable to demonstrate ability. The return to his former station shall be without expense to the Company, except that the Company will furnish contingent air transportation on its system for the employee and his immediate family to the extent permitted by law, and the employee will be allowed a reasonable period from the time he is relieved of his duties until he is required to report for work at his previous station established as aforementioned.

H. During the interim required to bulletin a vacancy, the Company may select an employee to fill the vacancy temporarily. Employees temporarily transferred from their regular work to the work of any other classification covered by this Agreement shall receive their regular rate of pay or the minimum rate of the classification, plus longevity, whichever is the higher, for performing such work.

I. In the case of vacancies not expected to exceed sixty (60) days, the Company may select an employee to fill such vacancy on a temporary basis without bulletining the job. In case of vacancies in higher classifications, the selection will be based on seniority insofar as practical and wage claim will be paid where deviation from normal selection practice for temporary assignments is due to Company convenience. At the end of sixty (60) days the vacancy will be filled as otherwise provided in this Agreement.

Exclusive of vacation requirements, when a Lead job in a work group for a full shift is regularly filled each work week by temporarily upgrading an employee more than half time (more than 20 hours per week) for sixty (60) days, a permanent Lead vacancy will be bulletined and awarded.

J. An employee under this Agreement assigned to a temporary job under Paragraphs H and I of this Article shall, upon such discontinuance of such temporary job, be returned to his former job and status.

K. No employee will be compelled to accept a permanent transfer against his wishes.

L 1. In the event a vacancy in the classifications covered by this Agreement exists at any location on the Company's system and no qualified employees bid, the Company shall have the right to select to fill such position the junior qualified employee at any location willing to accept transfer at the Company's expense and the employee may be transferred to the new location and given credit for all of his classification seniority at the new point.

2. In the event there are no eligible bidders for a vacancy in a Mechanic or higher classification at any location on the Company's system, the Company may fill such vacancy by assigning any Mechanic willing to accept the assignment or by assigning the junior qualified Mechanic at the location to fill the vacancy.

M. It shall be the policy of the Company to promote its own men, and only when competent employees cannot be found in the ranks, or when competent employees will not accept vacancies or new positions in the supervisory force, will it be the disposition of the Company to vary from this policy.

N. All transfer requests to the Utility Employee classification not filled in accordance with other provisions of the Mechanics' Agreement shall be filled, in order of Company seniority by regular IAM-represented employees who have transfer requests on file and who have the ability to satisfactorily perform the work required for the job in question, ahead of other transfer requests and outside hires.

O. At least sixty-seven percent (67%) of all permanent vacancies in the following classifications not filled in accordance with other provisions of the IAM Agreements shall be filled by regular IAM-represented employees who have the appropriate transfer documents on file and who have the ability to satisfactorily perform the work required for the job in question. Vacancies for which no qualified regular IAM-represented employee has a transfer document on file shall not be counted in this calculation. This requirement will be measured by classification on an annual basis. The classifications are: mechanic, seamer, mechanic's helper, ramp serviceman, storekeeper, and vehicle driver.

ARTICLE XII
LEAVE OF ABSENCE

A. An employee covered by this Agreement, upon proper application to the Company, may be granted, on a one (1) time basis, a leave of absence in writing for a period not in excess of two (2) years, and the local designated representative of the Union will be notified of all such leaves granted. An employee requesting a leave of absence who is required to maintain Union membership in accordance with the provisions of the Union Security Article of this Agreement shall present written evidence that his Union dues are paid up at the time he requests a leave of absence. An employee granted leave of absence shall retain and continue to accrue seniority during the first ninety (90) days of any such leave of absence. For leaves of absence in excess of ninety (90) days, the employee shall retain but shall not accrue seniority after ninety (90) days, except where the leave has been granted because of health, injury, pregnancy, service in the Peace Corps or special assignment by the Company, or election to Federal, State or Local Office and such leave may be extended beyond two (2) years. An employee applying for an educational leave of absence must specify the entire period of time he plans to remain on such leave in order to obtain the desired education and, if the leave is granted, he shall have no right to reemployment until the entire educational leave specified has elapsed.

B. Employees accepting full-time employment with the Union as representatives of the employees covered by this Agreement shall be granted an indefinite leave of absence by the Company. An employee on leave of absence for this purpose shall retain and continue to accrue seniority but, with the exception of the employees selected by the Union as System General Chairman, Assistant System General Chairman, and District Secretary-Treasurer, shall have no other employee benefits. The employees selected as System General Chairman, Assistant System General Chairman, and District Secretary-Treasurer, shall have all employee benefits that can reasonably be continued in effect during their leaves of absence.

C. Employees covered by this Agreement must advise the Company and the Union ten (10) days in advance of their intention to return from a leave of absence or extension thereof. Upon their return, they shall be returned to the job held when leave was granted; provided, however, that if they fail to meet the qualifications and performance requirements of the job within thirty (30) days of the date of their return, they may be assigned to such other job for which they can qualify. If the job held prior to the leave of absence no longer exists, the employee may be assigned to any other job in his classification for which he can qualify.

D. Any employee covered by this Agreement who engages in gainful employment for another air carrier, while on leave of absence, in a position similar to those covered by this Agreement, shall be deemed to have resigned from the Company's service and his name will be stricken from the seniority roster.

E. An employee who enters military service and has reemployment rights under applicable federal law and regulations thereunder shall be considered on military leave of absence and shall retain and continue to accrue seniority during such leave of absence. In the event the employee does not return to service with the Company during the period he has reemployment rights, his leave of absence shall automatically terminate and he shall lose all seniority.

F. In accordance with the Company's Family Medical Leave Policy, an eligible employee may request family leave due to the serious health condition of the employee, spouse, child or parent or for the birth or placement of a child. Leave terms and conditions, eligibility criteria and administrative procedures are contained in Company policy, as exists at the time the leave is requested. In the administration of the Company Family Medical Leave policy for employees, an employee may designate complete current year vacation period to run concurrently with a Family Medical Leave. Such vacation will commence on the first day of the Family Medical Leave. Use of accrued sick leave shall only be in cases of actual illness, including maternity or injury of the employee. The Company shall not require an employee to use either his/her vacation or sick leave in any instance.

ARTICLE XIII
VACATIONS

A. The calendar year will be used for computing vacation allowances and scheduling vacations. Vacations will be taken during the calendar year following that in which accrued and will be paid at the employee's regular rate of pay in effect at the time the vacation is taken.

B. Vacation Accrual - New employees will accrue six and two-thirds (6 2/3) hours vacation for each calendar month of active service during the remainder of the calendar year. The first vacation will be taken during the following calendar year. Thereafter, vacation accrual for each full year of active service will be based on the employee's length of service as determined by the employee's Date of Employment as follows:

Length of Company Service	Vacation Accrual Weeks	Hours
1 year	2	80
4 years	3	120
9 years	4	160
16 years		5200
24 years	6	240
29 years	7	280

C. An employee taking a leave of absence or leaves of absence in excess of thirty (30) calendar days, except in case of sickness or injury on the job, shall have his vacation hours and pay reduced by one-twelfth (1/12) for each month or part thereof that he is on leave of absence in excess of thirty (30) days.

D. Holidays recognized by this Agreement at the beginning or end of a vacation period or falling within a vacation period will not be considered as part of the vacation. Holidays falling within a vacation period will be taken by extending the vacation period one day for each such holiday.

E. Employees who leave the Company, regardless of their length of service with the Company, shall be paid for all accrued but unused vacation credit for the preceding calendar year regardless of the reason for leaving the Company. In addition, an employee having a full year or more of service with the Company at the time of leaving will receive all accrued vacation credit in the current year up to the end of the month preceding the separation, if: (1) he gives the Company ten (10) calendar days notice of intent to quit; (2) he is not discharged for cause. Employees laid off in a reduction of force and employees granted an indefinite leave of absence as full time representatives of the Union shall be granted vacation pay for all unused vacation time accrued to the end of the month preceding the layoff or leave of absence.

In the event of the death of an employee after one (1) year of service, pay for any unused vacation time will be given to his executor, administrator, or other legal heirs.

F. Day-At-A-Time (DAT) Vacations

1. Employees with two (2) weeks of accrued vacation may elect to schedule one of their weeks as Day-At-A-Time (DAT) vacation. Employees with three (3) or more weeks of accrued vacation may schedule two (2) weeks of DAT.

2. An eligible employee may take DAT vacation by obtaining the advance approval of his supervisor. The number of employees granted a DATvacation day on any specific date will be subject to Company and departmental service requirements. An earnest effort will be made by all parties to schedule and use DAT vacation so as to avoid scheduling problems at year end.

3. Additional flexibility in the scheduling of DAT vacation may be implemented on a local basis consistent with operational manpower requirements. Such local rules shall not prejudice the system application of the DAT program and shall be deemed to expire each vacation year unless renewed.

4. A holiday, RDO, or another vacation day cannot be designated as a DAT vacation day. Further, Paragraphs D, H (as related to the splitting of vacations), I, J and K are not applicable to DAT vacation.

5. If for any reason, an employee does not use all of his DAT vacation days in the current calendar year, they will be carried forward only to the next following calendar year and if not then scheduled and used will be forfeited. If the employee also sets aside five (5) new DAT vacation days to be used in the next calendar year, he may not then use the new DAT vacation but will be required to select a regular vacation week only from the vacation weeks remaining.

G. 1. The Local Management and Local Union Committee shall meet at least thirty (30) days in advance of the vacation scheduling period to discuss the method of scheduling vacations, including DAT vacation, for the coming year.

2. Vacation lists shall be compiled for each vacation scheduling group beginning on November 15 preceding the vacation year and shall be posted on the shop bulletin board no later than the following January 15. Such dates may be modified by local agreement between the Company and Union.

H. Subject to Company and departmental service requirements, employees covered by this Agreement will be permitted to select their vacation in the shop, station, office, or department in which they are employed in accordance with Company seniority. Such selections will be without regard to shifts unless otherwise agreed to by Local Management and the Local Union Committee. Employees with two (2) or more weeks of vacation who are allowed to split their vacation may exercise their seniority for a primary choice of no more than two (2) segments of the split vacation at once. Each scheduled segment of such split vacation must be at least five (5) scheduled working days. A secondary exercise of seniority for a third segment must await the primary selection of junior employees, et cetera. When vacation schedules have been established, senior employees will not be permitted to take the vacation period already assigned to a junior employee. An employee who is transferred to a different vacation group shall be allowed to reschedule his vacation period(s) to available vacation weeks or, at his option, to retain his scheduled vacation period(s) except when extreme manpower requirements exist or the planned vacation list has already been exceeded.

I. If an employee's regular day off pattern is involuntarily changed by the Company after the employee has been assigned his vacation period, he shall be permitted at his option to move his regular days off or his vacation period in the work week in which his vacation starts to allow his regular days off and vacation period to butt.

J. Vacation leave is not cumulative except where an employee has been specifically requested by the Company in writing to forego his vacation during the year. Otherwise if not taken within the calendar year in which it is due, the vacation will be forfeited, except that an employee who is sick or injured prior to the commencement of his scheduled vacation and whose illness or injury disables him through the entire period of his scheduled vacation shall, at his option, receive vacation pay for his scheduled vacation or receive sick pay for this period of time and have his vacation rescheduled. He cannot receive both sick pay and vacation pay for the same period. If the Company does not reschedule his vacation in the current year and/or the following year, he shall then receive pay for his vacation in lieu thereof.

K. Employees shall be given one hundred percent (100%), less payroll deductions, of their vacation pay the day prior to the commencement of their vacation provided the employee makes application therefor in writing on a form to be prescribed and furnished by the Company which shall be signed by the employee. Such request for vacation pay must be filed in time to have it in the payroll office of the Company at least twelve (12) days prior to the employee's last working day before his vacation. Any pay due an employee for work performed prior to taking his vacation shall be paid on the regular pay day.

ARTICLE XIV
SICK LEAVE

A. Employees will be credited with one-half (1/2) day of non-occupational sick leave for each month of employment during the first six (6) months of employment and one (1) full day for each month of employment during their second six (6) months employment. During the second six (6) months of employment an employee may be granted six (6) days of non-occupational sick leave with one-half (1/2) pay. At the start of the second year of employment an employee will have a total of nine (9) full days of non-occupational sick leave credit less any sick leave used during the first year, and will continue to accrue one (1) day of such sick leave credit for each month of continuous service up to a maximum of one hundred (100) days. Effective June 1, 1979, the maximum amount of non-occupational sick leave which may be accrued will be increased to one hundred and ten (110) days.

B. After one year of employment, non-occupational sick leave with pay in case of actual sickness will be granted up to the number of days to the credit of the employee at the time. When such sick leave is granted the number of days paid for will be charged against the number of days credited to an employee and thereafter one (1) day of non-occupational sick leave for each month of continuous service shall again be credited to the employee until the total credit again reaches the maximum.

C. Employees will be required to request payment for non-occupational sick leave in writing not later than the pay period following their return to service, on a form provided by the Company. Such sick leave with pay will be granted only in cases of actual sickness. The Company may require a doctor's certificate before paying such requests for sick leave in excess of three (3) days.

Dental and doctor appointments will not be considered a basis for paid sick leave unless it can be shown that the doctor in question does not maintain office hours outside the employee's regular work time, or on the employee's regular days off.

D. Employees will accrue one (1) day of occupational illness or injury leave for each month of continuous service. This accrual will be in addition to non-occupational sick leave and may be used for absence resulting from occupational illness or injury only. After exhausting his occupational illness or injury leave, the employee may use his non-occupational sick leave credits. He may not, however, use occupational illness or injury leave for non-occupational illness or injury under any circumstances. When an employee on occupational illness or injury exhausts his occupational leave and uses non-occupational leave, his ensuing accrual of occupational injury leave shall be credited to his non-occupational sick leave until such time as he has replaced all non-occupational sick leave which was used for his occupational illness or injury. The provisions of Paragraph E of this Article will apply to Workmen's Compensation paid to an employee while he is receiving occupational illness or injury leave.

E. When it is necessary for an employee to be absent from work because of occupational injury or illness he must request payment for occupational illness or injury leave in writing not later than the pay period following his return to service on a form provided by the Company. A Doctor's certificate may be required before granting pay for this purpose. In the event he receives Workmen's Compensation because of such absence he shall turn over such compensation to the Company and shall have his sick leave or occupational illness or injury credit used in connection with such injury or illness restored to the extent that the compensation offsets the pay granted; provided, however, that such credits will be restored only in units of one-half (1/2) day.

F. All credit for non-occupational sick leave or occupational illness or injury leave will be cancelled if employment ceases for any purpose and no payment for such accumulated credit will be made at any time. No credit will be given for non-occupational or occupational illness or injury leave purposes while an employee is on leave of absence.

G. The employees covered by this Agreement and the Union recognize their obligation of being truthful and honest in preventing unnecessary absence or other abuse of either non-occupational or occupational illness or injury leave privileges. No employee shall be reprimanded for the legitimate use of sick and/or injury leave. An employee whose dependability record is unsatisfactory shall be so advised, furnished a copy of his record, and given a reasonable opportunity for improvement before any disciplinary action is taken.

H. Each hour of occupational or non-occupational sick leave charged to the employee's bank will be paid at seventy-five percent (75%) of the employee's hourly rate.

1. Employees whose sick leave lasts four (4) consecutive work days or more may, at their option, surrender full vacation day(s) to alleviate income loss.

2. In the event of illness or injury requiring absence of seven (7) or more consecutive scheduled work days, sick time will be paid at one hundred percent (100%) of the employee's hourly rate commencing with the eighth (8th) consecutive work day.

ARTICLE XV
EXTENDED ILLNESS STATUS

A. An employee who exhausts his sick leave or who is off work because of illness or injury longer than sixteen (16) days without sick leave pay shall be placed on extended illness status up to a maximum of three (3) years from the first day placed on extended illness status. The employee shall, when placed on extended illness status, file his address with the Company and shall thereafter promptly advise the Company of any change in address. The ACAC will be notified by two (2) copies of a letter stating the employee's name, home address, work location, job title and the date he is placed on extended illness status.

B. While on extended illness status, the employee:

1. Shall retain and continue to accrue seniority.

2. May continue insurance coverages according to the provisions of the Company's insurance plan.

3. May be granted free or reduced rate transportation privileges except vacation passes upon request to his supervisor. He may receive an accrued vacation pass if it is requested at the time he is placed on vacation status and paid for his accrued vacation.

4. May be required to submit to physical examinations at Company request or to furnish medical reports of his current physical condition. If the employee is examined by a Company medical examiner or is directed to a specific medical examiner by the Company the cost of the examination will be borne by the Company. If the employee is required to furnish a medical report of his current physical condition and elects to be examined by his own doctor rather than to go to a Company medical examiner, he shall assume the cost of his examination. The Union will be notified of the date of a Company required medical examination if the employee requests the Company to do so in writing.

5. Shall not accrue or be entitled to any other employee benefits, such as vacation accrual, sick leave accrual, holiday pay, et cetera, except that an employee who is off work because of occupational illness or injury will continue to accrue vacation credit.

C. If while on extended illness status the employee accepts employment elsewhere without prior approval by the Company and the Union, he shall be deemed to have severed his employee relationship with the Company.

D. At least sixty (60) days prior to the end of the employee's extended illness status, the employee's condition shall be reviewed by the Company and further extensions in the period of extended illness status may be granted if circumstances warrant. Thirty (30) days before the end of the employee's extended illness status, the Company shall notify the employee, the ACAC, and the Local Committee of its decision to extend the employee's extended illness status or to separate the employee. Separation by termination of the employee's extended illness status shall be automatic and the Company shall not be required to follow the procedures specified in the Disciplinary Action Article of the Agreement.

1. If the Company grants an extension of the period of extended illness status, the extension will be confirmed by letter to the Union indicating the length of the extension and the reason(s) therefore.

2. Following notice to the Union and the employee that the employee will be separated, the employee may file a grievance protesting his separation and the Union may appeal the Company's decision directly to Step Three of the grievance procedure as provided in the Bargaining and Grievance Procedure Article of the Agreement.

3. The grievance must be filed within ten (10) days after the date of separation. If such appeal is not filed, the Company's action shall be final and binding.

4. Further appeal, if desired, shall be to the System Board of Adjustment provided for in this Agreement.

ARTICLE XVI
TRANSPORTATION

A. It is agreed that the pass transportation regulations as established by Company policy on the date of signing this Agreement will apply to employees covered by this Agreement and will not be substantially changed or discontinued during the term of this Agreement without first advising the Union of the reason therefor and affording the Union an opportunity to confer with the Company. Any improvements in pleasure pass benefits provided to other domestic non-management employee groups will be offered to employees covered by this Agreement. Additionally, Company seniority will be used for employees traveling on Company business to determine class of service and denied boarding in accordance with the departure management system and Company regulations.

B. The ACAC and ALRs of the Union will be furnished with a non-contingent, non-revenue positive space (NRPS) pass over the Company's system during their term of office for use in connection with their work in administering this contract.

C. Union Officials engaged in meetings with Company Officials shall be given non-revenue positive space (NRPS) air transportation over the lines of the Company, to the extent permitted by law, to attend such meetings. Requests for NRPS transportation for other Union Officials will be made by the Union directly to SFOLR for review and approval.

ARTICLE XVII
DISCIPLINARY ACTION

A. An employee who is to be questioned by Company Representatives in the investigation of an incident which may result in disciplinary action being taken against him, will be informed of his right to have a Union Representative present before such questioning begins. Such Union Representative will not interfere with the Company's questioning of an employee. However, at the conclusion of the Company's questioning the Union Representative will be free to ask questions or clarify facts. The above does not apply to inquiries of employees by Supervisors in the normal course of work.

B. No employee shall be discharged without a prompt, fair and impartial investigative hearing at which he may be represented and assisted by Union Representatives. An employee will also be entitled to investigative review hearing if he so requests upon being advised of a disciplinary suspension. The hearing will be held before any suspension is served. Prior to the actual hearing the Union and employee will be given copies of any previous disciplinary action letters which are to be considered and the Union will be advised in writing of the precise charges against the employee. The Union and employee will have at least forty-eight (48) hours advance notification of the hearing should they so desire. Nothing herein shall be construed as preventing the Company from holding an employee out of service pending such investigation.

C. Appeals of suspensions shall be made directly to Step Two of the Grievance Procedure. Appeals of discharge and appeals of employees laid off because of lack of qualifications shall be filed directly to Step Three of the Grievance Procedure. A hearing will be held within ten (10) days of perfecting such appeal. Oral and written evidence may be introduced at such hearings and witnesses may be required to testify under oath. All time limits for answers and appeals shall conform to the limitations imposed in the grievance procedure.

D. All disciplinary letters (letters of warnings, reprimand, or suspension), as well as non-disciplinary letters of counsel or concern, will be removed from the employee's file after a period of two (2) years (excluding periods while on layoff, Leave of Absence or Extended Illness Status) from the date they were issued. Decisions relating to appeals of disciplinary action may not be used by the Company as part of the employee's past record when assessing subsequent discipline if more than two (2) such years have elapsed from the date of the disciplinary action taken.

E. If, as a result of any hearing or appeals therefrom, it is found the suspension or discharge was not justified, the employee shall be reinstated without loss of seniority and made whole for any loss of pay he suffered by reason of his suspension or discharge, and his personnel records shall be corrected and cleared of such charge; or, if a suspension rather than discharge results, the employee shall have that time he has been held out of service credited against his period of suspension. In determining the amount of back wages due an employee who is reinstated as a result of the procedures outlined in this Agreement, the maximum liability of the Company shall be limited to the amount of normal wages he would have earned in the service of the Company had he not been discharged or suspended.

F. Necessary hearings and investigations called by the Company shall, insofar as possible, be conducted during regular business hours and all Local Union officials and witnesses necessary for a proper hearing or investigation will be compensated at straight-time rate for all time spent attending such hearing or investigation.

ARTICLE XVIII
BARGAINING AND GRIEVANCE PROCEDURE

A. Should a grievance occur, both the Union and the Company shall make an earnest effort to ascertain the facts and seek a fair and equitable settlement through the following procedure. It is the intent of the parties to settle complaints and grievances at the lowest possible level in the procedure based upon the facts and common sense. Grievance settlements involving wage claims will be included in the paycheck for the pay period immediately following the pay period in which the award was granted. Should such payment be delayed for any reason, an explanation will be provided upon request.

B. Grievance Time Limits

In order to document relevant facts, complaints must be lodged promptly after the cause giving rise to the incident. The Company shall have no monetary liability for any period beyond thirty (30) days prior to the filing of the complaint in writing. Any answers not appealed in writing within the specified time limits at any step of the procedure shall be considered closed on the basis of such answer, unless such time limits have been extended by mutual agreement. Grievances not answered within the specified time limits may be appealed to the next step of the procedure. Time limits for appeals, decisions, and System Board responses will be exclusive of Saturdays, Sundays, and Holidays.

C. Step One

1. An employee having a complaint should first discuss the matter with his Supervisor who will attempt to settle the matter.

2. If the issue is not satisfactorily resolved, he may request the local Union official to handle the matter with the Supervisor.

3. If the matter is not resolved the local Union official will reduce the facts to writing on a form provided by the Company. The Supervisor shall then have three (3) days to write his response. Each party shall get a copy of the completed form. Such document will not prejudice either party at future steps of the Grievance Procedure.

D. Step Two

The Local Union officials shall determine if a grievance exists. If so, a grievance must be filed within fifteen (15) days from the Supervisor's written response. Such grievance will be filed on a standard form and shall be considered by the designated

station or base management representative(s) and the Local Union Committee. Grievance hearings will be scheduled within fifteen (15) days of perfecting the appeal. The Local Committee may specify that a specific grievance shall be heard by the Department or Station Head rather than his designee. Awritten answer shall be provided within five (5) days after discussions have concluded. The Union may appeal the grievance to the next step of the procedure within fifteen (15) days from the date of the Company's written answer. Such appeal may contain any disputed facts or additional germane facts.

E. Step Three

If not settled, the grievance shall be reviewed by a representative(s) of the Labor Relations Staff and the ALR. The review will be held within ten (10) days of perfecting such appeal. If unable to reach an agreement in the review process, a third step hearing will be scheduled within ten (10) days. The Company shall provide its written answer within fourteen (14) days of the hearing. If the Union decides to appeal the answer to the System Board, it will submit a written appeal perfecting all facts within forty (40) days from the Company's answer. Copies of the appeal shall be sent to the Labor Relations Officer, the Director of Labor Relations, and the ACAC.

F. Stenographic Report

When it is mutually agreed that a stenographic report is to be taken by a public stenographer of any investigation or hearing provided for in this Agreement, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings be taken by a public stenographer, the stenographic record of any such investigation or hearing may be taken by either of the parties to the dispute. A copy of such stenographic record will be furnished to the other party to the dispute upon request at pro rata cost. The cost of any additional copies requested by either party shall be borne by the party requesting them, whether the stenographic record is taken by mutual agreement or otherwise.

G. Management Grievance

The Company has the right to file a grievance against the Union. Such grievance will be proper when filed by the Corporate Director of Industrial Relations to the ACAC who will provide a written answer within fourteen (14) days. If the answer is unsatisfactory the Company may appeal the grievance to the System Board within fourteen (14) days following receipt of the Union's answer.

H. Step Four - System Board

If the grievance remains unsettled after being processed through Step 3 above, the ALR may request the case be heard by the System Board in compliance with Section 204, Title II of the Railway Labor Act as amended.

1. The System Board of Adjustment shall consist of three members, the CHAIRMAN, who will be a neutral member selected in a manner agreeable to the Company and Union, the COMPANYMEMBER, who will be appointed by the Company, and the UNION MEMBER, who will be appointed by the Union. In matters relating to contract interpretation, all members of the Board will hear and decide the case by majority vote. In disciplinary cases, only the Chairman will sit on the Board and he shall decide the case.

2. The Board shall meet in the city where the General Offices of United Air Lines, Inc. are maintained (unless a different place of meeting is agreed upon by the parties).

3. The Board shall have the power to make sole, final and binding decisions on the Company, the Union, and the employee(s) insofar as a grievance relates to the meaning and application of this Agreement. The Board shall have no power to modify, add to, or otherwise change the terms of this Agreement, establish or change wages, rules, or working conditions covered by this Agreement.

4. All appeals properly referred to the Board shall include:

   a. The question or questions at issue.

   b. A statement of the specific Agreement provisions which are claimed to have been violated.

   c. All facts relating to the dispute which it intends to cite in support of its position.

   d. The full position of the appealing party.

A copy of the Submission shall be served on the other party.

5. Except in cases involving appeals of disciplinary action, letters in the file, suspension, or discharge, in which case the only written procedural step will be the Union's Submission to the Board, the other party to the dispute shall, within forty (40) days after receipt of the appealing party's Submission, file a Statement of Position with the other party. A delay in the filing of such Statement of Position will not cause a delay in the scheduling of the hearing. The Statement of Position shall include:

   a. The question or questions at issue.

   b. All facts relating to the dispute which it intends to cite in support of its position.

   c. The full position on which it will rely.

   Within fifteen (15) days after the date the Statement of Position is filed with the other party, the parties shall advise the Board the facts, if any, on which they desire to present evidence during the hearing. Each party shall have the opportunity at the hearing to present evidence on the facts on which the other party presents evidence. The Chairman may also advise the parties the facts on which he desires to have evidence.

6. If the parties agree, the following procedure will be used in place of that specified in Paragraph 5 above.

   In advance of the Board hearing, the Company and Union will confer for the purpose of preparing a joint Submission to the Board. The Submission shall include:

   a. The issue or issues to be decided.

   b. The facts on which the parties agree.

   c. The disputed facts.

   d. The primary position of each party.

The Submission shall be signed by each representative and presented to the System Board Member(s).

7. Witnesses who are employees of the Company shall receive free non-revenue positive space (NRPS) transportation over the lines of the Company from the point of duty or assignment to the point at which they must appear as witnesses and return, to the extent permitted by law.

8. Witnesses testifying at the hearing may be required to do so under oath if requested by either party.

9. Evidence presented at the hearing may include sworn depositions, written evidence, or oral testimony.

10. A stenographic record may be requested by either party. If such record is requested the cost will be borne equally by the parties.

11. Each of the parties hereto will assume the compensation, travel expense and other expenses of the witnesses they call or summon. The expenses of the Chairman will be borne equally between the Company and the Union.

12. The Chairman shall give his written decision within thirty (30) days of the close of the hearing unless extended by mutual agreement.

13. The Chairman's copy of all transcripts and/or all records of cases will be filed in a place to be provided by the Company, and will be accessible to the parties. depositions, written evidence, or oral testimony.

14. No post-hearing briefs will be written following System Board hearings unless both parties agree to do so.

ARTICLE XIX
APPRENTICE MECHANICS

A. The Standards of Apprenticeship as agreed to by the Company and the Union, in cooperation with representatives of the United States Department of Labor, Bureau of Apprenticeship and Training, will be maintained and shall be considered part of this Agreement.

B. Apprentices shall serve an apprenticeship of three (3) years (6000 hours) and will be given every opportunity to gain a complete and thorough knowledge of the trade to which they are apprenticed. The Standards of Apprenticeship established shall make appropriate provision for giving credit to Apprentices for past related experience so that their period of apprenticeship shall be shortened by the credit given.

C. The Mechanic to whom an Apprentice is assigned will be held responsible for proper training and guidance; however, an Apprentice will be held responsible for his own work and will sign for his own work but will not sign for work for which there is a Company or Government requirement that such work be signed for by a licensed Mechanic unless the Apprentice holds a valid and appropriately rated Mechanic's certificate.

D. Except in emergencies, an Apprentice will be offered overtime work only under the following conditions: After eighteen (18) months in the apprenticeship program, an Apprentice will be placed on the bottom of the overtime list in the work area to which he is assigned and may be offered overtime if all Mechanics on the same list have been offered overtime, provided that working overtime will not interfere with the Apprentice's program of related classroom training.

E. Shift assignments may be made without regard to seniority when approved by the Local Joint Apprenticeship Committee. Shift differential as specified in the Mechanics' Agreement will apply.

F. The number of Apprentices shall not exceed 10% of the total number of employees in the Mechanics and higher classifications under the Mechanics' Agreement.

G. Two (2) or more Apprentices shall not be worked together as partners.

H. If, within the first six (6) months of service an Apprentice shows insufficient aptitude to learn the trade he will not be retained as an Apprentice.

I. An Apprentice, on the day following the date of completion of his apprenticeship training, shall be classified as a Mechanic and given two (2) years Mechanic classification system seniority at the point at which he completed his apprenticeship training. The provisions of Article XI, Paragraph B, shall not be applicable to an apprentice who has completed his apprenticeship training.

J. Agraduated Apprentice shall be placed in the Mechanic wage progression scale at the maximum rate. He shall also be credited with two (2) years service as a Mechanic for longevity pay purposes.

ARTICLE XX
SAFETY AND HEALTH

A. Employees entering the service of the Company may be required to take a physical examination specified by the Company. The cost of such examination will be paid by the Company. Thereafter the Company may request an employee to submit to further physical examinations during the course of his employment or re-call to service after a lay off due to reduction in force. If it becomes necessary to hold an employee out of service due to his physical condition, the Union will, on the employee's request, be fully informed of the circumstances and every effort will be made to return the employee to service at the earliest possible date. The cost of such further examinations shall be paid by the Company.

B. In the event the Company's physician considers that an employee does not meet the physical requirements of the job as determined by the Company, or in the event the Company's physician considers that the employee meets the physical requirements of the job as determined by the Company, and in either event the employee's physician has made a contrary determination, these two physicians shall select a third impartial qualified physician to examine the employee and the decision of the majority as to the employee's medical fitness to perform the regular duties of his classification shall be binding upon the Company and the employee. The expense of the employee's physician shall be borne by the employee; the expense of the Company's physician shall be borne by the Company; and the expense of the impartial physician shall be borne one-half (1/2) by the employee and one-half (1/2) by the Company. This third physician procedure shall not apply to assignments involving restricted duty, whether temporary or permanent.

C. Employees covered by this Agreement who are uniformly and periodically required by the Company to take physical examinations because of the duties they perform shall be scheduled and paid for the time spent taking such examinations in accordance with the Company's established procedure for employees under this Agreement who are assigned to taxi and run-up duties. The provisions of this Paragraph shall not apply to employees required to take physical examinations after absence due to illness or any physical examinations other than those specified above.

D. The Company hereby agrees to maintain safe, sanitary and healthful working conditions in all shops and facilities and to maintain on all shifts emergency first aid equipment at a first aid station to take care of its employees in case of accident or illness, and that certain employees will be given first aid training. It is understood that this does not require the Company to maintain a nurse or doctor on the property, but the Company will designate a doctor to call in an emergency.

E. The Company agrees to furnish good drinking water and sanitary fountains; the floors of the toilets and washrooms will be kept in good repair and in a clean, dry, sanitary condition. Employees will cooperate in maintaining the foregoing conditions. Shops and washrooms will be lighted and heated in the best manner possible consistent with the source of heat and light available. Individual lockers will be provided for all employees where space and lockers are available. Every effort will be made as early as possible to provide space and lockers for all employees.

F. The Company, Union, and employees will cooperate toward the prevention of accidents and the furtherance of an aggressive safety program. A joint CompanyUnion Safety Committee will be established at each location where represented employees are assigned. Such Committees shall be comprised of an equal number of Company and Union representatives as designated by the parties. The Union member(s) shall function in an advisory capacity. Safety Committees will meet at least once a month to resolve safety issues and review corrective action taken for all lost time accidents which may have occurred.

Reasonable time without loss of pay will be allowed Union member(s) of the Safety Committee to investigate and handle safety complaints. Such Union member(s) will be promptly informed of all lost time accidents and shall be provided with the results of environmental air, noise, and contaminants testing conducted by the Company. The Company shall provide OSHA Form 200 for review by the Union. A copy of the factual account of all accidents (UA Form 1845 or equivalent), with any medical information deleted, will also be provided to the Union Safety Committee.

Both the Company and the Union shall cooperate in seeking solutions to help reduce the accident frequency and severity rates and shall jointly participate in safety education. The Company will maintain a safe working environment and no employee will be required to work under unsafe or unsanitary conditions. Both the Union and Company shall encourage employees to utilize the Safety Committee for all unresolved safety related matters.

G. The Company shall furnish all necessary safety devices for employees working on hazardous or unsanitary work, and employees will be required to use or wear such devices in performing such work.

H. The Company will furnish appropriate aprons, gloves and shoes to all employees required to work with acids and chemicals that are injurious to clothing while such employees are engaged in such activities, and employees will be required to wear such equipment.

I. Employees taken sick or injured while at work, shall be given medical attention as promptly as reasonably practicable. Employees will not be refused permission to return to work because they have not signed releases of liability pending the disposition or settlement of any claims which they may have for compensation arising out of such sickness or injury.

J. In cases of occupational injury or illness employees may elect to be treated by their personal physician, and decline treatment from others, provided they have their physician registered with United's medical department prior to the occurrence of illness or injury. The Company's physician will retain the right to monitor the employee's course of treatment.

ARTICLE XXI
GENERAL AND MISCELLANEOUS

A. If there is any change during the life of this Agreement in the licenses employees covered by this Agreement are required to have, all employees affected shall be given one (1) year from the date of such change to obtain each license and there shall be no change in their status or pay during said one (1) year period.

B. Service records shall be maintained for all employees by the Company. When an employee covered by this Agreement leaves the Company for any reason, he will, upon request, be furnished with a copy of his service record.

C. Any employee leaving the service of the Company will, upon request, be furnished with a letter setting forth the Company's record of his qualifications and stating his length of service.

D. When any new equipment is put into service by the Company, employees covered by this Agreement will be given an opportunity to become familiar with such new equipment, without change of classification or rate of pay; provided, however, that the Company may fix a reasonable time within which such employees must become familiar with such new equipment. Training received which is contiguous with, or during an employee's regular work shift, will be paid at an employee's regular classification rate on a straight time basis. Training sessions will not be scheduled on contractual holidays and if scheduled on an employee's regular day off, will be compensated for at the applicable overtime rate for actual hours of training.

E. Employees covered by this Agreement shall not be required to work on aircraft outside of hangars during inclement weather when hangars are available. This clause shall not apply to employees working on aircraft for immediate service or in servicing aircraft for through service. Suitable rain repellent garments shall be kept available at all shops and service stations for use of employees covered by this Agreement when they are required to work outside in the rain. Winter coats will be available for use by employees covered by this Agreement regularly required to work outside during periods of extreme low temperatures at Atlanta, Baltimore, Boston, Buffalo, Chicago, Cleveland, Denver, Detroit, Hartford, Milwaukee, Minneapolis, New York, Newark, Omaha, Philadelphia, Pittsburgh, Portland, Salt Lake City, Seattle and Washington, D.C.

F. Should the Company at any time require employees covered by this Agreement to wear standard caps (wearing such a cap will be optional with the employee unless the Company advises the Union to the contrary and affords the Union an opportunity to discuss the reasons for the change), coveralls or other work clothes in the performance of their work, arrangements will be made by the Company whereby

employees can purchase same at a particular location and one-half of the cost of new and replacement outfits will be borne by the Company. Such caps, coveralls or other work clothes shall be kept laundered by the Company at no expense to the employee, however, where laundry service is not provided the employee will be reimbursed for laundry expense. The Company, however, shall not clean or reimburse for expense of cleaning Spring-Fall and Winter uniform coats purchased by employees covered by this Agreement. When standards for such uniform coats are changed by the Company, those employees who have previous standard Spring-Fall and Winter uniform coats, including employees who now have present standard Spring-Fall and Winter coats, will not be required to purchase new coats until a replacement is needed. Recommendations of the Union will be considered by the Company before making any changes in the style or color of the standard uniform coats.

G. Any qualified employee, upon request, shall be furnished with a certificate by the Company for presentation to the proper government agency for procuring FAA or FCC licenses.

H. All orders or notices to an employee covered by this Agreement involving a transfer, promotion, demotion, lay off, or leave of absence shall be given in writing.

I. Once each calendar quarter, the Company upon request shall furnish the Union, through its Airline Contract Administration Coordinator, the names, addresses, status, effective date of any status change, locations, classifications and hourly rates for all employees covered by this Agreement as of 30 days prior to the date the list is furnished.

J. Bulletin boards accessible to employees covered by this Agreement will be provided by the Company at all Maintenance Bases and service stations marked 'Union' for posting notices restricted to:

1. Notices of Union recreational and social affairs;

2. Notices of Union elections;

3. Notices of Union appointments and results of Union elections;

4. Notices of Union meetings;

5. Educational material relating to contract administration;

6. Excerpts from the Union official publications; and there shall be no other general distribution or posting by employees of advertising or political material, notices or other kinds of literature on the Company's property other than herein provided.

K. The right to hire; promote; discharge or discipline for cause, and to maintain discipline and efficiency of employees is the sole responsibility of the Company except that employees will not be discriminated against because of Union membership or activities. In addition, it is understood and agreed that the routes to be flown; the equipment to be used; the location of plants, hangars, facilities, stations and offices; the scheduling of airplanes; the scheduling of overhaul, repair and servicing of equipment; the methods to be followed in the overhaul, repair and servicing of airplanes are the sole and exclusive function and responsibility of the Company.

L. It is the intent of the parties to this Agreement that the procedures herein shall serve as a means of peaceable settlements for all disputes that may arise between them. During the life of this Agreement the Company will not lock out any employee; the Union will not cause, support, or authorize its members to cause, or will any member of the Union take part in any sit-down, stay-in, or slow-down in any plant, hangar or facility of the Company or in any curtailment or restriction of operations, overhaul, repair or servicing of airplanes, or any work of the Company. The Union will not cause, support, or authorize its members to cause, nor will any member of the Union take part in any strike or stoppage of any of the Company's operations, or picket any of the Company's plants or premises until the bargaining procedures outlined in this Agreement and provided for in the Railway Labor Act have been exhausted; and in no case where a grievance or dispute comes under the jurisdiction of the System Board of Adjustment as provided for herein. The Company reserves the right to discipline any employee taking part in any violation of this provision of the Agreement. Notwithstanding the provisions of this paragraph, it is understood that (1) there is no contractual prohibition on the ability of employees to honor lawful picket lines of the Company's employees on or in front of the premises; and (2) the employees covered by this Agreement are not prohibited from engaging in a concerted refusal to perform Struck Work. Struck Work for purposes of this contract is defined to be when the Company, in response to a labor dispute at a company where the employees are engaged in a lawful strike, is performing work for that company pursuant to an agreement or arrangement with the company and the Company has not previously performed such work.

M. Foremen or Crew Chiefs and higher ranking officials of the Company shall not be permitted to perform work on any hourly rated job covered by this Agreement except in emergencies or instruction or training of employees. Technical Instructors shall not be permitted to perform hourly rated work except in connection with training and instruction and where the work performed is not maintenance, production or service work.

N. No employee covered by this Agreement shall engage in solicitation of membership for any Union, collection of dues or other Union activities not provided for in this Agreement during their working hours.

O. The Company will provide each employee covered by this Agreement with a copy of the Agreement printed in a union shop and bound in a convenient pocket-size booklet bearing the union label and distributed within ninety (90) days of signing.

P. Employees covered by this Agreement shall be entitled to three (3) days off without loss of pay in the event of death in the immediate family of an employee or an employee's spouse or qualified domestic partner. "Immediate family" includes husband, wife, children, parents, brothers, sisters, daughters-in-law, sons-in-law, grandparents, grandchildren, qualified domestic partner and any other relative living with the employee at the time of death.

Q. The Company will, for employees in the Mechanic or higher classifications covered by this Agreement, insure such employees against loss by fire or theft of a tool box or contents owned by the employee while such tool box is on Company premises for use in connection with the employee's work or when in transit in connection with a Company assignment where reasonable security has been maintained. The maximum reimbursement for such loss shall be five thousand dollars ($5,000) total actual cash value subject to the deductible amount of one hundred dollars ($100) which shall be borne by the employee. The employee shall report his loss immediately and shall file such claim within thirty (30) days. The employee shall be responsible for furnishing itemized proof of loss and any other pertinent information.

R. In the event free parking facilities are not available for employees working at airport locations, the Company will assume the monthly parking charge as assessed by the appropriate authority for parking in an area designated for employees. This provision does not apply to original or replacement charges to employees for parking decals, stickers, gate keys or similar items.

S. An employee who is called for jury service will be granted necessary time off to fulfill his responsibilities in accordance with Company policy. An employee required by the court to report for jury service will not also be required to work his regularly scheduled shift the same day, including midnight shift prior to actually reporting for jury duty or afternoon shift following serving jury duty. In the event the employee serves on jury duty for five (5) or more working days, at his request he will be transferred to the day shift with Saturday and Sunday as his regular days off. Upon completion of his jury service, said employee will return to his former shift and days off.

T. Where the Company requires a commercial driver's license or special security badge, the Company will permit and schedule the necessary time to obtain such documentation without loss of pay, provided in the case of a license that the employee successfully obtains it. The fee for obtaining or renewing such license or special security badge will also be paid by the Company, except in case of loss. This will not disturb local practices which currently provide assistance in obtaining such documents. The Company will attempt to get local licensing and security authorities to provide services on the employees' shifts.

U. The Union will be permitted to participate in new-hire employee orientation or initial training sessions which include Union-represented employees.

ARTICLE XXII
WAGE RULES

A. The minimum hourly rates set forth on Schedule Aattached hereto and made a part of this Agreement shall prevail on and after the effective date as set forth in Article XXVII of this Agreement.

B. No employee shall suffer any reduction in hourly rate as a result of this Agreement, and nothing in this Agreement shall be construed to prevent increases in individual rates or classifications over and above the minimum specified.

C. Employees shall be paid on alternate Thursdays during their regular working hours. The payment on such Thursdays shall include all wages due through the second preceding Saturday.

D. In the event a regular payday falls on a legal holiday, the Company will make every reasonable effort to have pay checks prepared and distributed on the day preceding such legal holiday. In the event the distribution cannot reasonably be made prior to a legal holiday, the distribution will be made the day following such legal holiday.

E. When there is a shortage of one day's pay or more in the pay due an employee, the Company shall issue a supplementary payroll check to cover the shortage as soon as reasonably possible and within seventy-two (72) hours after it is determined what is due.

F. Pay checks will be enclosed in envelopes and will include a statement of all wages and deductions made for the pay period; and, in addition, an employee will, upon request to his supervisor, be furnished a copy of his time record for the preceding pay period. Included on the pay check stubs will be the employee's pass travel charges and sick leave balance.

G. Employees leaving the service of the Company will be given their final check within forty-eight (48) hours after final clearance at points where payroll offices are located or mailed within seventy-two (72) hours at other points, or earlier when possible.

H. Employees recalled to work from a lay off shall be returned to their former position if the job still exists and shall not be paid at a lower rate than they were receiving prior to the lay off, unless a new contract as to wages shall at the time of recall be in effect between the Company and the Union; provided that if the job does not exist the recalled employee shall receive the rate of the job accepted.

N. No employee covered by this Agreement shall engage in solicitation of membership for any Union, collection of dues or other Union activities not provided for in this Agreement during their working hours.

O. The Company will provide each employee covered by this Agreement with a copy of the Agreement printed in a union shop and bound in a convenient pocket-size booklet bearing the union label and distributed within ninety (90) days of signing.

P. Employees covered by this Agreement shall be entitled to three (3) days off without loss of pay in the event of death in the immediate family of an employee or an employee's spouse or qualified domestic partner. "Immediate family" includes husband, wife, children, parents, brothers, sisters, daughters-in-law, sons-in-law, grandparents, grandchildren, qualified domestic partner and any other relative living with the employee at the time of death.

Q. The Company will, for employees in the Mechanic or higher classifications covered by this Agreement, insure such employees against loss by fire or theft of a tool box or contents owned by the employee while such tool box is on Company premises for use in connection with the employee's work or when in transit in connection with a Company assignment where reasonable security has been maintained. The maximum reimbursement for such loss shall be five thousand dollars ($5,000) total actual cash value subject to the deductible amount of one hundred dollars ($100) which shall be borne by the employee. The employee shall report his loss immediately and shall file such claim within thirty (30) days. The employee shall be responsible for furnishing itemized proof of loss and any other pertinent information.

R. In the event free parking facilities are not available for employees working at airport locations, the Company will assume the monthly parking charge as assessed by the appropriate authority for parking in an area designated for employees. This provision does not apply to original or replacement charges to employees for parking decals, stickers, gate keys or similar items.

S. An employee who is called for jury service will be granted necessary time off to fulfill his responsibilities in accordance with Company policy. An employee required by the court to report for jury service will not also be required to work his regularly scheduled shift the same day, including midnight shift prior to actually reporting for jury duty or afternoon shift following serving jury duty. In the event the employee serves on jury duty for five (5) or more working days, at his request he will be transferred to the day shift with Saturday and Sunday as his regular days off. Upon completion of his jury service, said employee will return to his former shift and days off.

T. Where the Company requires a commercial driver's license or special security badge, the Company will permit and schedule the necessary time to obtain such documentation without loss of pay, provided in the case of a license that the employee successfully obtains it. The fee for obtaining or renewing such license or special security badge will also be paid by the Company, except in case of loss. This will not disturb local practices which currently provide assistance in obtaining such documents. The Company will attempt to get local licensing and security authorities to provide services on the employees' shifts.

U. The Union will be permitted to participate in new-hire employee orientation or initial training sessions which include Union-represented employees.

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C. Employees shall be paid on alternate Thursdays during their regular working hours. The payment on such Thursdays shall include all wages due through the second preceding Saturday.

D. In the event a regular payday falls on a legal holiday, the Company will make every reasonable effort to have pay checks prepared and distributed on the day preceding such legal holiday. In the event the distribution cannot reasonably be made prior to a legal holiday, the distribution will be made the day following such legal holiday.

E. When there is a shortage of one day's pay or more in the pay due an employee, the Company shall issue a supplementary payroll check to cover the shortage as soon as reasonably possible and within seventy-two (72) hours after it is determined what is due.

F. Pay checks will be enclosed in envelopes and will include a statement of all wages and deductions made for the pay period; and, in addition, an employee will, upon request to his supervisor, be furnished a copy of his time record for the preceding pay period. Included on the pay check stubs will be the employee's pass travel charges and sick leave balance.

G. Employees leaving the service of the Company will be given their final check within forty-eight (48) hours after final clearance at points where payroll offices are located or mailed within seventy-two (72) hours at other points, or earlier when possible.

H. Employees recalled to work from a lay off shall be returned to their former position if the job still exists and shall not be paid at a lower rate than they were receiving prior to the lay off, unless a new contract as to wages shall at the time of recall be in effect between the Company and the Union; provided that if the job does not exist the recalled employee shall receive the rate of the job accepted.

I. 1. All employees covered by this Agreement working the afternoon or night shifts shall be paid additional compensation over the rate paid on day shifts for all hours worked as follows:

Effective	5/1/04	6/1/05	1/1/06	1/1/07	1/1/08	1/1/09
Afternoon	$0.45	$0.43	$0.44	$0.45	$0.46	$0.47
Night	$0.51	$0.49	$0.50	$0.51	$0.52	$0.53

Any shift starting at 11:00 AM or later and before 5:00 PM shall be considered an afternoon shift and any shift starting at 5:00 PM or later and before 6:00 AM shall be considered a night shift.

2. An employee working on a relief schedule who is scheduled to work on the day and afternoon shifts during a work week will receive additional compensation above the day shift rate for all regular hours worked as follows:

Effective	5/1/04	6/1/05	1/1/06	1/1/07	1/1/08	1/1/09
	$0.50	$0.48	$0.49	$0.50	$0.51	$0.52

An employee on a relief schedule who is scheduled to work on the afternoon and night shifts or day and night shifts during a work week will receive additional compensation above the day shift rate for all regular hours worked as follows:

Effective	5/1/04	6/1/05	1/1/06	1/1/07	1/1/08	1/1/09
	$0.54	$0.52	$0.53	$0.54	$0.55	$0.56

Rotating relief employees shall not receive shift premium as provided in subparagraph 1 of this paragraph but shall have the additional compensation provided for in this subparagraph treated for pay purposes the same as shift premium. An employee assigned to a vacation relief schedule will receive the shift premium provided in subparagraph 1 of this paragraph except that when in any one work week he is scheduled to work on the day and afternoon shifts or afternoon and night shifts, or day and night shifts, he shall not receive such shift premium but shall receive the appropriate relief premium in lieu thereof for all regular hours worked in that work week.

3. Mechanics assigned to the Maintenance Base Boiler Room may be assigned to a rotating relief schedule to include rotation through a threeshift schedule including day, afternoon and night shifts. When so assigned, an employee will receive additional compensation above the day shift rate for all regular hours worked as follows:

Effective	5/1/04	6/1/05	1/1/06	1/1/07	1/1/08	1/1/09
$0.58	$0.56	$0.57	$0.58	$0.59	$0.60	

An employee on this relief schedule shall not receive shift premium as provided in subparagraph 1 of this paragraph but shall have the additional compensation provided for in this subparagraph treated for pay purposes the same as shift premium.

J. An employee covered by this Agreement required to participate in test flights shall, while on such flights, be covered by a standard aviation accident insurance policy with a death benefit of two hundred and fifty thousand dollars ($250,000.00) at no cost to the employee.

K. Increases provided for in this Agreement will be effective on the nearest date commencing a regular pay period.

L. In the event the percentage computation of Apprentice rates results in a fraction of a cent, the figures shall be adjusted to the next higher cent.

M. The Company will provide death and disability insurance coverage, at no cost to the employee and in the amounts set forth below, for any employee who in the course of his employment is killed, permanently disabled, or loses a member (as described herein) by a bomb explosion or felonious assault.

Death	$100,000.
Total Permanent Disability	$100,000.
Total Loss of Two Members	$100,000.
Total Loss of One Member	$ 50,000.

A "member" as described herein is defined as an arm, leg, or eye.

No employee will be required to participate in a "bomb scare" investigation against his wishes.

N. 1. Mechanics (including Apprentice Mechanics), Lead Mechanics, and Aircraft Inspectors assigned to line aircraft maintenance shall be paid ten cent (10¢) per hour as a line maintenance differential. The line maintenance differential shall be considered as part of the pay rate for purpose of pay compensation. If an employee is assigned to line aircraft maintenance for less than four (4) hours in a work day, he shall not be entitled to the line maintenance differential. If the employee is assigned to line aircraft maintenance for four (4) hours or more in a work day, he shall be paid the line maintenance differential for the entire shift if worked.

2. All Mechanics (including Apprentice Mechanics) and Lead Mechanics permanently assigned to the Airframe Maintenance Department (including the Maintenance Base Plane Overhaul Ramp Crew), and Aircraft Inspectors permanently assigned to the Base Inspection Department, will receive the Line Aircraft Maintenance Differential on the same basis as other eligible Mechanics (including Apprentice Mechanics), Lead Mechanics, and Aircraft Inspectors.

3. All employees in classifications lower than Mechanic (including Apprentice Mechanics) regularly assigned to line aircraft servicing shall similarly be paid a differential of ten cents (10¢) per hour, effective November 1, 1978.

4. All employees in classifications lower than Mechanic (including Apprentice Mechanic) permanently assigned to he Airframe Maintenance Department will receive the line servicing differential on the same basis as other employees in classifications lower than Mechanic (including Apprentice Mechanic).

5. Effective November 1, 1978, all employees assigned to line service stations who have not previously received the line aircraft maintenance or servicing differential, specifically Utility Employees and Leads, and Building and Maintenance mechanics, Ground Equipment Mechanics, Shop Mechanics and Leads, shall receive the differential.

O. 1. Employees in the classification of Mechanic (including Apprentice Mechanic) or higher who hold and thereafter continue to hold a valid F.A.A. Mechanic Certificate with an Airframe or Power Plant Rating (each rating considered as one (1) license) or a valid F.C.C. General Radio Telephone Operator's license (considered as one (1) license, except that those employees being paid for an F.C.C. Radio Telephone License First Class on October 31, 1981, shall continue to receive credit for two (2) licenses) shall be paid for each required license as follows:

Effective	5/1/04	6/1/05	1/1/06	1/1/07	1/1/08	1/1/09
1 license	$1.99	$1.91	$1.94	$1.97	$2.00	$2.03
2 licenses	$3.98	$3.82	$3.88	$3.94	$4.00	$4.06

provided:

a. They work on aircraft or aircraft components (but including Lead Ground Communications Technicians, Ground Communications Technicians, Lead Flight Simulator Technicians, and Flight Simulator Technicians); and

b. They are required to hold such license(s) per Article II, Paragraph C and Article V, Paragraph B, of this Agreement; and

c. They have registered such license(s) with the Company (after which the license pay will begin).

2. Notwithstanding the provisions of subparagraph 1b above:

a. Line R&E Mechanics and Lead Line R&E Mechanics at line stations who hold an Airframe or Powerplant license in addition to an FCC General Radio Telephone Operator's license shall be eligible for pay for two licenses;

b. Airframe Maintenance Mechanics who, in addition to an Airframe License, also possess a Powerplant Rating shall be eligible for pay for two (2) licenses; and

c. Component Maintenance Mechanics (except those assigned to SFORQ) who possess an Airframe License shall be eligible for pay for one (1) license provided they meet the other requirements of paragraph O.

3. Current employees holding a license(s) on March 23, 1982 who are excluded from pay for a license(s) under Paragraph 1b. above, shall receive credit for such license(s) held provided they meet the other qualifications of Paragraph 1, above, but shall not receive pay for any additional unrequired license(s) obtained.

4. Notwithstanding the above, effective December 15, 1991, employees who work in the Machinist, Plating, Metal Spray or Welding skill, and effective March 14, 2002 Building Maintenance, Plant Maintenance and Garage Mechanics, who do not receive license pay under other provisions of Paragraph O, will receive pay for one license as provided in Subparagraph O-1 above regardless of whether or not they possess a license.

5. Employees who work in the Mechanic or related premium classifications, the Computer Technician or Lead Computer Technician or in the Metrologist classification will receive a high skill premium of $1.33 per hour effective May 1, 2004 adjusted as follows:

Effective	6/1/05	1/1/06	1/1/07	1/1/08	1/1/09
	$1.28	$1.30	$1.32	$1.34	$1.36

P. Employees in the Computer Technician, Lead Computer Technician, Ground Communications Technician and Lead Ground Communications Technician classifications shall receive a special work differential of ten cents (10¢) per hour in addition to their Schedule A wage rate.

Q. Success Sharing

1. Performance Incentive Program

All employees covered by this Agreement will participate in an annual incentive program that aligns the interests of management and other employees.

a. Prior to each calendar year beginning with 2004, the Compensation Committee of the Board of Directors ("BOD") 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, pilots and other employees.

b. The Annual Incentive Formula will be based on the following performance measures as reasonably weighted by the Compensation Committee. Each business unit (e.g., United Airlines, 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.

c. 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.

d. Employees covered by this Agreement will receive the following cash incentive payments based on United's actual performance under the annual incentive program (with linear interpolation between the performance points):

Threshold Performance: 0.5% of Wages
Target Performance: 1.0% of Wages
Maximum Performance: 2.0% of Wages

e. Qualifying income shall include base pay, overtime, holiday pay, longevity, sick pay, vacation pay, shift differential, and premiums but shall exclude expense reimbursement, incentive or profit sharing payments, pension payments, imputed income or other similar awards or allowances.

f. Incentive payments will be made to Union employees on the same date as incentive payments are made to management employees.

g. Incentive payments will be pensionable under the final average earnings pension plans applicable to Union members.

h. The incentive plan will cover each calendar year beginning in 2004.

i. Incentive payments will be paid to the employee, subject to applicable 401(k) deferral election, withholding and taxes.

j. The Company will provide any information requested by the Union 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.

2. Profit Sharing Program

All employees covered by this Agreement will participate in a pre-tax profit sharing program pursuant to the terms of Exhibit C to Letter of Agreement 05-03M.

ARTICLE XXIII
SEVERANCE PAY

A. 1. An employee covered by this Agreement who has completed one (1) year of compensated service with the Company, laid off through no fault or action of his own, shall receive severance pay as provided in Paragraph B of this Article, subject to the limitations and conditions set forth herein, but he shall receive no severance pay if any one or more of the following conditions exist:

a. He exercises his seniority in order to remain in the employ of the Company.

b. He accepts any other employment with the Company or refuses to accept a job in his own or comparable work classification under this Agreement at his location.

c. He fails to exercise his seniority in any classification which would enable him to remain in the employ of the Company, except that refusal to exercise his seniority at another location shall not prevent him from receiving severance pay.

d. The layoff is caused by an Act of God, a war emergency, revocation of the Company's operating certificate or certificates, or grounding of a substantial number of Company aircraft.

e. The layoff is caused by a strike or picketing of the Company's premises or any work stoppage or other action which would interrupt or interfere with any operations of the Company.

f. He is dismissed for cause, resigns or retires.

g. There is a temporary cessation of work because of circumstances beyond the Company's control.

2. An employee unable to retain employment as a result of a merger shall be entitled to severance pay as provided in this Article less any severance, dismissal, or other allowances for loss of employment to which he may be entitled under applicable labor protective conditions.

B. 1. The amount of severance pay due under this Article shall be based on the length of total actual straight time compensated service with the Company under this or any other UAL-IAM Agreement since the employee's last date of hire with the Company (Company seniority date), and shall be computed on the basis of the employee's regular straight time basic hourly rate at the time of layoff.

2. A part-time employee receives severance pay based on the scheduled hours during the two (2) pay periods before the date of notification of lay-off.

3. Calculation for both full-time and part-time employees is based on the following severance pay table:

If Employee Has Completed	**Severance Allowance**
Less than 1 year of service	None
1 year but less than 2 years of service	2 weeks
2 years but less than 3 years of service	2 weeks
3 years but less than 4 years of service	3 weeks
4 years but less than 5 years of service	4 weeks
5 years but less than 6 years of service	5 weeks
6 years but less than 7 years of service	6 weeks
7 years but less than 8 years of service	7 weeks
8 years but less than 9 years of service	8 weeks
9 years but less than 10 years of service	9 weeks
10 years but less than 11 years of service	10 weeks
11 years but less than 12 years of service	11 weeks
12 years or more of service	12 weeks

C. An employee shall begin receiving his severance pay at the time of layoff and such severance pay shall be the equivalent of normal straight time earnings, at regular pay periods and continue until all such pay credit is used. Severance pay shall not be due after the recall of any such employee by the Company or if he accepts other employment with the Company.

D. 1. An employee returning to the service of the Company from layoff shall be credited:

a. With any unused severance allowance, or

b. If it results in a greater amount the employee, upon completion of one (1) year of compensated service after recall, will be credited with up to five (5) weeks of severance allowance computed as

provided in Paragraph B based upon his total service prior to recall. Any leaves of absence without pay voluntarily accepted by the employee at the Company's request shall be considered as compensated service credit for purposes of this paragraph. This credit shall not include periods of leave granted solely at the request and convenience of the employee, leaves for EIS, or any other unpaid absences.

2. In addition, such employee will accrue severance allowance credit as computed in Paragraph B based upon his straight time compensated service with the Company after his return to the Company's service from the last layoff in which severance pay was received. If the employee has never received severance pay under these Agreements, then severance pay will be based on total compensated service as provided in Paragraph B.

3. If the employee is again laid off under conditions entitling him to severance allowance he shall be entitled to the allowance credited to him under Subparagraphs 1 and 2 above up to but not exceeding the severance allowance specified in Paragraph B based upon his total straight time compensated service with the Company.

E. A period of layoff shall not be deemed to be broken by the duration of periods of temporary employment. Except as provided herein, severance pay shall not be paid twice for the same periods of compensated service.

ARTICLE XXIV
HEALTH AND WELFARE

A. Health and Welfare Benefits

1. The Company agrees that the following Company benefits will not be reduced without Union approval except when the reduction is accompanied by a simultaneous improvement in benefits which results in an equal or greater premium cost to the Company.

2. The Company will provide the following Company Medical, Dental and Life Insurance benefits to employees in active service or on extended illness status, including coverage for Eligible Dependents, except as otherwise specified. Employees will be offered Health Maintenance Organization (HMO) medical coverage as an option to Company Medical Insurance in accordance with the Federal Health Maintenance Organization Act of 1973 as amended.

3. The following changes to medical and dental benefits will take effect July 1, 2003 ("Effective Date") unless otherwise indicated.

4. Eligible Dependent will include an employee's Qualified Domestic Partner. A Qualified Domestic Partner is an employee's domestic partner who is of the same sex as the employee and who has been enrolled by the employee with the Company as his or her domestic partner in accordance with the rules and procedures established by the Company.

5. The Company Medical and Dental Benefits (including Dependent coverage) of an employee who is laid off from active service due to a reduction in force will be continued while he is on layoff for a period of ninety (90) days from the date of his layoff if the employee pays the required employee contribution.

B. Medical Benefits

1. An employee electing to be covered for medical benefits will be required to make a monthly contribution for such coverage. Required monthly contributions will be governed by the following:

   a. The required contribution for each month of coverage under the Medical Preferred Provider Option ("Medical PPO") will be based on a 4-tier structure (1 Adult, 2 Adults, 1 Adult + Child(ren) and 2 Adults + Child(ren)).

b. For employees on the Company's payroll, the required contributions for medical coverage will be paid by payroll deduction on a pre-tax basis. Such pre-tax payments are in addition to the amounts, if any, that the employee elects to defer to a Health Care Spending Account under the Flexible Spending Program.

c. For individuals not on the Company's payroll (such as employees on unpaid leave of absence, retirees, and survivors) or employees on the active payroll who are on ANP or otherwise do not have a sufficient paycheck from which to take the payroll deduction, the required employee contributions will be paid on an after-tax basis.

d. For July 2003 through December 2003, the required contribution for each month of coverage under the Medical PPO is equal to the following:

	2003	
Coverage Tier	Total Monthly Cost of Coverage	Required Monthly Contribution (20% of Total Monthly Cost)
1 Adult	$252.38	$ 50.48
2 Adults	$529.99	$106.00
1 Adult + Child(ren)	$479.51	$ 95.90
2 Adults + Child(ren)	$757.13	$151.43

For each calendar year after 2003, the required contribution for each month of coverage under the Medical PPO is equal to 20% of the total projected cost of the Medical PPO for each such calendar year, for the coverage tier elected; provided, however, that any increase from one calendar year to the next will not exceed 7% of the prior year's contribution, rounded to the nearest penny.

e. The contributions for each month of coverage under an HMO is equal to the total monthly cost of the HMO minus the amount of the Company's contribution that would apply for such coverage tier for each such month of coverage under the Medical PPO.

2. The Company will conduct a special Open Enrollment for medical benefits with participant elections to be effective July 1, 2003. During the special Open Enrollment and during each Open Enrollment thereafter, an employee eligible for medical coverage may make an election on behalf

of himself and eligible dependents regarding medical coverage. The employee may elect to be covered for medical benefits under either the Medical PPO or an applicable Health Maintenance Organization ("HMO"), or he may elect not to be covered for medical benefits. An employee who is eligible to make an election during the special Open Enrollment to be effective July 1, 2003, but who fails to make an election, will be deemed to have elected medical coverage for himself and all his eligible dependents as reflected in the Company's Insurance Department benefits records. Such enrollment will be in either the Medical PPO, or if enrolled in an HMO, in the same HMO, if such HMO is still available. If such HMO is not available, coverage will be defaulted to the Medical PPO. An employee who first becomes eligible to make an election after the special Open Enrollment to be effective July 1, 2003 (or who again becomes eligible to make an election after returning to active service following a lapse in eligibility), but who fails to make an election, will be deemed to have waived coverage for herself and her eligible dependents. An employee who fails to make an election during any succeeding Open Enrollment will be deemed to have elected to continue the election previously in effect.

3. To add a new Dependent (including a newborn), delete a Dependent, or to make any other changes involving Dependents, the employee must notify the Company or its designee within 30 days of the event allowing the change (otherwise, changes regarding Dependents may be made only during an Open Enrollment)

4. The Medical PPO Benefits are as follows:

a. All covered medical expenses will be subject to a deductible in the amount of $250.00 per person per calendar year and $500.00 per family per calendar year. The family deductible is reached when covered family members have, in aggregate, paid an amount equal to the family deductible, but in no event may one person satisfy more than the individual deductible amount

b. Except as provided in paragraphs B.7.a., B.7.c.(1) and B.7.c.(3) below, covered expenses incurred from an in-network provider will be paid at eighty percent (80%) after the deductible is satisfied until the individual's out-of-pocket limit is reached and then will be paid at one hundred percent (100%) for that individual for the balance of the calendar year. Covered expenses received from an out-of-network provider will be reimbursed as described above except that the co-insurance amount is sixty percent (60%) rather than 80%.

c. The out-of-pocket limit is fifteen hundred dollars ($1,500.00) per person per calendar year and three thousand dollars ($3,000.00) per family per calendar year. The family deductible is reached when covered family members have, in aggregate, paid an amount equal to the family out-of-pocket limit, but in no event may one person satisfy more than the individual out-of-pocket amount.

d. In-network providers under the Medical PPO will be the providers in the Claim Administrator's network, which is currently BlueCross BlueShield's Blue Card PPO network. All other providers are considered out-of-network under the Medical PPO.

e. Under the Medical PPO, covered expenses incurred out-of-network will be considered and paid as in-network expenses in the following situations:

(1) Covered individuals who receive covered treatment will receive in-network benefits for those expenses, if, within 30 driving miles of their home (including a temporary residence), there is no network specialist or in-network primary care physician or in-network hospital as applicable to the treatment in question.

(2) Treatment in the event of an emergency.

(3) Treatment received outside the United States.

f. Transition Period under Medical PPO

(1) If an individual is receiving treatment prior to July 1, 2003 from an out-of-network provider, for one of the following, then such treatment provided during the Transition Period (as defined below) will be considered and paid as if provided by an in-network provider under the Medical PPO: pregnancy; surgery scheduled before July 1, 2003 to be performed on or after July 1, 2003 but before December 31, 2003; inpatient treatment in a hospital; dialysis; chemotherapy; treatment as a follow-up to an accident or injury occurring before July 1, 2003; terminal illness; or follow-up to a surgery performed before July 1, 2003.

(2) The Transition Period begins July 1, 2003 and ends December 31, 2003, except as provided in paragraphs B.4.f.(3) and B.4.f.(4) below.

(3) The Transition Period for pregnancy begins July 1, 2003 and continues for the lesser of:

a. Nine months, or

b. The period of the pregnancy (to include the period until discharge from the hospital after termination of the pregnancy, and to include the period during which the woman is treated for complications from the pregnancy).

(4) The Transition Period for an infant born of a woman whose pregnancy is covered by the Transition Period in paragraph B.4.f.(3) above continues until the infant is discharged from the hospital.

5. Additional Covered Expenses

The following will be included as covered medical expenses under the medical plan:

a. Home health care which must be provided under the terms of a primarily skilled Home Health Care Plan and must be provided by an approved home health care agency approved by the Plan. Coverage for home Health Care services will be provided when the care is determined by the Plan to be Medically Necessary. Eligible services must be provided in the employee's place of residence and include:

- part-time or intermittent skilled nursing care by or under the supervision of a Registered Nurse;

- services of a home health aide other than a member of the employee's family or a person who lives in their home when the service is part of a skilled Home Health Care Plan;

- physical therapy, occupational therapy, and speech therapy provided through the Home Health Care Agency; and

- medical supplies, drugs and medicines that require a prescription by law, and laboratory services.

Eligible services will not include housekeeping, cooking, babysitting, and the like.

b. Extended Care Facilities that have been approved by the Plan if the confinement in the extended care facility is ordered by the employee's or dependent's physician for continuing treatment of an illness or injury and if the employee or dependent requires convalescent care that requires medical supervision and skilled nursing services.

c. Coverage for Hospice care will be provided for terminally ill individuals with a life expectancy of six (6) months or less if approved by the Plan.

Eligible services include:

- Part-time nursing care (Registered Nurse)
- Physical, occupational and speech therapy
- Medical social services under the direction of a physician
- Part-time services of a home health aide
- Necessary medical supplies
- Laboratory services
- Physicians' services
- Up to three (3) psychological, spiritual and bereavement counseling sessions for surviving members of the terminally ill person's immediate family

d. Expenses for the wellness program are described in Attachment A.

e. Expenses for hearing examinations, hearing aids and batteries for hearing aids up to a maximum payment of $5,000 per person per lifetime.

f. Expenses for an annual cervical cytology screening, including a pelvic examination, the collection and preparation of pap smear and the associated lab and diagnostic services.

g. Expenses for an annual PSA test for men age 50 and over.

6. Licensed Clinical Social Workers (LCSW) will be considered covered providers under the Plan.

7. The following will also apply:

a. The need for and duration of confinement to any treatment facility must be pre-certified. The portion of the confinement which is certified will be considered a covered medical expense. Any portion of the confinement not certified will be payable at fifty percent (50%). The remaining fifty percent (50%) will not apply to the out-of-pocket limit. Participants will notify the proper party of emergency admission within forty-eight (48) hours after admission, if possible, or as soon thereafter as possible.

b. Prescription Drugs under the Medical PPO

(1) Expenses for prescription drugs filled at retail are subject to the deductibles and co-insurance applicable to in-network expenses.

(2) Mail delivery of prescription drugs is available for maintenance drugs and is mandatory for certain maintenance drugs after prescriptions have been filled three times at retail. Mail delivery prescription drugs are not subject to deductibles or co-insurance, but do require employee co-payments. These employee co-payments do not apply toward the deductible or out-of-pocket limits. For July through December 2003, the employee co-payments for mail delivery prescription drugs are:

$15 for generic medication up to a 90-day supply, and $45 for brand name medication for up to a 90-day supply.

For each calendar year after 2003, the employee co-payments will increase annually at the same rate as the total projected cost of the mail delivery prescription drug program increases; provided, however, that any increase in the employee co-payments for any year will not exceed 7% of the prior year's co-payment, rounded to the nearest dollar.

(3) The prescription drug program will be subject to strong management to ensure consistency with medical necessity and generally accepted practice. In cases where alternative therapies, dosage changes or similar recommendations are made, the individual's physician will have the right to reject those recommendations made pursuant to the strong management program. Determinations about medical necessity clinically appropriate use of a drug,

and similar determinations are not subject to rejection by the individual's physician, however, such physician may avail himself of the appeal process established by Medco Health or its successor. Such appeal will be reviewed and a decision made within 48 hours of receipt by Medco Health of the appeal.

c. Psychiatric and Substance Abuse

(1) Covered expenses for out-patient psychiatric and substance abuse treatment received from an in-network provider will be payable at 80% and the employee's share does not apply to the out-of-pocket limit.

(2) Coverage for in-patient psychiatric and substance abuse treatment received from an out-of-network provider is limited to 30 days per calendar year per person.

(3) Covered expenses for out-patient psychiatric and substance abuse treatment received from an out-of-network provider will be payable at 50% and the employee's share does not apply to the out-of-pocket limit.

d. The Medical PPO plan will have a right of reimbursement when the plan has paid the medical expenses of a plan participant and the plan participant later recovers any amount from a third party who is responsible for the illness or injury. The plan's recovery is the first dollar paid in the judgment or settlement and is limited to the amount of the award or the amount paid by the plan, whichever is smaller.

e. Maintenance of Benefits. The medical PPO will apply Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits.

f. All covered expenses received from out-of-network providers are limited to an amount determined to be Reasonable and Customary. Reasonable and Customary shall be the amount up to which approximately 85% of the providers in a specific geographical area charge for a specific medical service. "Approximately" shall be limited to a variance of not more than five (5) percentage points from the 85%. The Insurance Company shall determine Reasonable and Customary.

g. Claims for Covered Expenses must be submitted for payment and received by the Claims Administrator within 12 months from the date charges are incurred.

8. The widow/er or surviving qualified Domestic Partner of an active employee or employee on Extended Illness Status, with 10 or more years of Company Seniority on the date of his/her death, will be covered by the active employee medical plan until the widow/er or surviving Qualified Domestic Partner becomes eligible for Medicare or remarries (or in the case of a Qualified Domestic Partner, enters into another domestic partnership), whichever occurs first. Children of the employee who satisfy the eligibility requirements of the Plan will continue to be covered until they no longer meet the eligibility rules, the widow/er or Qualified Domestic Partner is no longer covered, the dependent child becomes employed and eligible for medical coverage through their employment or the child becomes eligible for Medicare, whichever occurs first. Upon becoming eligible for Medicare, the widow/er or Qualified Domestic Partner will become eligible for retiree medical coverage on the same basis as retired employees.

C. Dental Benefits

1. An employee electing to be covered for dental benefits will be required to make a monthly contribution for such coverage. Required monthly contributions will be governed by the following:

a. The required contribution for each month of coverage under the Traditional Dental Plan will be based on a 4-tier structure (1 Adult, 2 Adults, 1 Adult + Child(ren) and 2 Adults + Child(ren)).

b. For employees on the Company's payroll, the required contributions for dental coverage will be paid by payroll deduction on a pre-tax basis. Such pre-tax payments are in addition to the amounts, if any, that the employee elects to defer to a Health Care Spending Account under the Flexible Spending Program.

c. For individuals not on the Company's payroll (such as employees on unpaid leave of absence, retirees, and survivors) or employees on the active payroll but who are on ANP or otherwise do not have a sufficient paycheck from which to take the payroll deduction, the required employee contributions will be paid on an after-tax basis.

d. For July 2003 through December 2003, the required contribution

for each month of coverage under the Traditional Dental Plan is equal to the following: 2003

Coverage Tier	Total Monthly Cost of Coverage	Required Monthly Contribution (20% of Total Monthly Cost)
1 Adult	$ 33.41	$ 6.68
2 Adults	$ 70.15	$14.03
1 Adult + Child(ren)	$ 73.51	$14.70
2 Adults + Child(ren)	$110.25	$

For each calendar year after 2003, the required contribution for each month of coverage under the Traditional Dental Plan is equal to 20% of the total projected cost of the Traditional Dental Plan for such calendar year, for the coverage tier elected; provided, however, that any increase from one calendar year to the next will not exceed 7% of the prior year's contribution, rounded to the nearest penny.

e. The contributions for each month of coverage under a DHMO is equal to the total monthly cost of the DHMO minus the amount of the Company's contribution that would apply for such coverage tier for such month of coverage under the Traditional Dental Plan.

2. The Company will conduct a special Open Enrollment for dental benefits with participant elections to be effective July 1, 2003. During the special Open Enrollment and during each Open Enrollment thereafter, an employee eligible for dental coverage may make an election on behalf of himself and eligible dependents regarding dental coverage. The employee may elect to be covered for dental benefits under either the Traditional Dental Plan or an applicable Dental Health Maintenance Organization ("DHMO"), or he may elect not to be covered for dental benefits. An employee who is eligible to make an election during the special Open Enrollment to be effective July 1, 2003, but who fails to make an election, will be deemed to have elected dental coverage for himself and all his eligible dependents as reflected in the Company's Insurance Department benefits records. Such enrollment will be in either the Traditional Dental Plan, or if enrolled in a DHMO, in the same DHMO, if such DHMO is still available. If such DHMO is not available, coverage will be defaulted to the Traditional Dental Plan. An employee who first becomes eligible to make an election after the special Open Enrollment to be effective July 1, 2003 (or who again becomes eligible to make an election after returning to active service following a lapse in eligibility), but who fails to make an election, will be deemed to have waived coverage for himself and his eligible dependents. An employee who fails to make an election during any succeeding Open Enrollment will be deemed to have elected to continue the election previously in effect.

3. To add a new Dependent (including a newborn), delete a Dependent, or to make any other changes involving Dependents, the employee must notify the Company or its designee within 30 days of the event allowing the change (otherwise, changes regarding Dependents may be made only during an Open Enrollment).

4. After the deductible has been satisfied, covered dental expenses shown in the Summary Plan Description will be paid as follows:

- Preventive (Class I) Procedures at 100% (The deductible amount will be waived for preventive procedures).
- Restorative (Class II) Procedures at 80%
- Major (Class III) Procedures at 50%
- Orthodontic Procedures at 50%

The deductible is $50.00 per person per calendar year with a maximum of two (2) deductibles per family per calendar year.

Payment will be based on reasonable and customary charges as determined by the Insurance Company. Reasonable and customary shall be the amount up to which approximately 85% of the dentists in a specific geographical area charge for a specific dental procedure. ``Approximately" shall be limited to a variance of not more than five (5) percentage points from the 85%.

Maximum Payment

- Non-Orthodontia Treatment: $2,000.00 per person per calendar year.
- Orthodontia Treatment: $2,000.00 per person per lifetime.

Pre-treatment Review will be required for any non-emergency dental treatment that is expected to cost over $200. Only the portion of the treatment that is approved will be considered for payment.

5. Maintenance of Benefits. The Traditional Dental Plan will apply Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits.

6. Deadline to Submit Claims. Claims for Covered Expenses must be submitted for payment and received by the Claims Administrator within 12 months from the date charges are incurred.

D. Life Insurance Benefits will be provided as follows:

1. Company Paid - The amount of Company Paid Life Insurance will be equal to 2080 times the employee's Schedule A base hourly rate of pay in effect on January 1 each year rounded to the nearest one thousand dollars ($1,000). The maximum benefit will be seventy thousand dollars ($70,000) and the minimum benefit will be thirty thousand dollars ($30,000).

2. Contributory Life Insurance - Employees have the option to purchase additional life insurance under Part I or Parts I and II.

   a. Part I - Additional twenty thousand dollars ($20,000) is available at a rate of forty cents (40¢) per month per thousand dollars ($1,000).

   b. Part II - Additional twenty thousand dollars ($20,000) is available at a rate of forty cents (40¢) per month per thousand dollars ($1,000).

3. Dependent - Abenefit in the amount of ten thousand dollars ($10,000) will be provided for an employee's spouse/Qualified Domestic Partner and each eligible child under age 22.

4. Effective January 1, 2004, employees will be provided the opportunity to purchase life insurance through the Group Universal Life Insurance Plan offered to management and salaried employees. The coverage in paragraph 2 above will be discontinued the same date the Group Universal Life Insurance becomes effective.

E. Retiree Medical Benefits applicable to employees who retire on or after July 1, 2003.

(1) An employee (and his eligible dependents and survivors) will be eligible for retiree medical benefits if the employee, at retirement, meets one of the following:

Either

a. Age 55 or older with ten (10) or more years of service, and

b. Retires from active status or illness leave of absence, and

c. Continues to make required contributions.

Or

d. Employment is terminated under the provisions of Article XV, Paragraph D. by exhausting the full period of Extended Illness Status (EIS); and

e. Years of service are equal to or greater than 25 years; and

f. Employee is collecting Social Security Disability Benefits; and

g. Continues to make required contributions.

For these purposes an employee's "years of service" is equal to the period from the employee's company seniority date through the employee's retirement date.

(2) Pre-Medicare Retiree Medical Benefits. When first eligible, and during any subsequent Open Enrollment, a retired employee or survivor may elect from among the same options as are available to active employees (effective July 1, 2003, the Medical PPO, any available HMO, or no coverage). Coverage will not be offered again once coverage has been waived or has ceased due to non-payment of the required monthly contribution.

(3) Monthly Contribution for Pre-Medicare Medical PPO. A retired employee or survivor electing to be covered for Pre-Medicare medical benefits will be required to make a monthly contribution for such coverage. The required contribution of each month of coverage under the Medical PPO will be based on a 4-tier structure (1 Adult, 2 Adults, 1 Adult + Child(ren), and 2 Adults + Child(ren)). The required contribution for each month of coverage under the Medical PPO is equal to a percentage of the total projected costs of the Medical PPO, based on the employee's years of service as follows:

Years of Service	Percentage of Cost
10 through 19	80%
20 through 24	60%
25 and over	40%

For each calendar year after 2003, the required contribution for each month of coverage under the Medical PPO is equal to the applicable percentage of the total projected cost of the Medical PPO for such calendar year, for the coverage elected. There is no limit on the increases to the monthly contribution, although co-payments for the mail order drugs are limited as provided for active employees.

(4) Monthly Contribution for Pre-Medicare Medical HMO. The contribution of each month of coverage under an HMO is equal to the total monthly cost of the HMO minus the amount of the Company's contribution that would apply for such coverage tier for such month of coverage under the Medical PPO.

(5) Post Medicare Retiree Medical Benefits. When first eligible, and during any subsequent Open Enrollment, a retired employee or survivor may elect from among one or more supplemental plans to Medicare offered by the Company. Coverage will not be offered again once coverage has been waived or has ceased due to nonpayment of the required monthly contributions.

(6) Monthly Contribution for Post-Medicare Coverage. Eligible individuals must pay a monthly contribution for the cost of Post-Medicare coverage. For employees who retire on or after July 1, 2003 but before January 1, 2006, the monthly contribution is equal to 50% of the full cost of the coverage. The retiree share of the cost will not increase after the employee retires. For employees who retire on or after January 1, 2006, the monthly contribution is equal to the total projected cost of such post-Medicare coverage for the calendar year, per person, minus a Company contribution equal to $90 per month per person covered. The retiree share of the cost will increase, without limit, after the employee retires.

(7) If the retiree dies, dependent coverage may be continued, if premiums are paid, until the Spouse/Qualified Domestic Partner remarries (or in the case of a Qualified Domestic Partner, enters into another domestic partnership), moves outside the U.S. or Canada, is employed by the Company, or dies.

F. Retiree Life Benefits applicable to employees who retire on or after July 1, 2003.

(1) Eligibility: An employee (and his eligible dependents and survivors) will be eligible for retiree life benefits if the employee, at retirement, meets the following:

a. Age 55 or older with ten (10) or more years of service, and

b. Retires from active status or illness leave of absence.

For these purposes an employee's "years of service" is equal to the period from the employee's company seniority date through the employee's retirement date.

(2) Benefit Amount; $10,000

G. Flexible Spending Account

AFlexible Spending Account, as permitted by Section 125 of the Internal Revenue Code, will be made available to all active Union-represented employees. Such Flexible Spending Account will provide that an employee may defer up to five thousand dollars ($5,000) of his/her salary into a health care account and up to five thousand dollars ($5,000) of his/her salary into a dependent care account. Elections must be made during periods of open enrollment. Any unused account balances remaining at the close of the plan year will be forfeited and will revert to the Company. The plan will allow for payment for all health care and dependent care expenses that are allowable under the Internal Revenue Code.

ARTICLE XXV
UNION REPRESENTATION

A. In order to provide for orderly and peaceful labor relations the Company shall recognize the following Union Representatives to participate in settling disputes within the framework of the Grievance Procedure:

1. Shop Representatives - One (1) active employee for each shop, service station or sub-division thereof at each point on the system for each shift.

2. Area Representatives - Three (3) active employee members elected by the local membership at each point where local unions exist.

3. Airline Representatives (ALRs) and Airline Contract Administration Coordinator (ACAC) - As elected and agreed who will represent the Union with general officials of the Company. The ACAC of the Union shall be permitted, at any time, to enter shops and facilities of the Company for the purpose of investigating grievances and disputes arising under this Agreement after contacting the Company officer in charge and advising him of the purpose of the visit.

4. A reasonable number of National Executive Council (NEC) members of the Union shall be permitted at any time to enter the facilities of the Company for the purpose of representing employees covered by this Agreement. The NEC member will notify in advance the Company manager in charge of the facility.

B. The Company will designate a representative(s) at each location where persons covered by this Agreement are employed who is empowered to settle all local grievances not involving change in Company policy, or interpretations, or changes in the intent and purpose of this Agreement.

C. The Union and Company will, at all times, keep the other party advised through written notice of any change in authorized representatives.

REPRESENTATION TIME

D. Shop Representatives and Area Representatives will be permitted, after reporting to their Foreman or Supervisor, a reasonable amount of time during working hours to investigate or present grievances. In the event it is necessary to go to another shop, they will report in with the Foreman or Supervisor of the other shop. The Company will allow straight time compensation for such investigation and presentations during working hours.

E. The Area Representative at the Maintenance Operations Center and at John F. Kennedy Airport, Newark, O'Hare, Los Angeles, Washington, Seattle, and Denver will be allowed a reasonable amount of time for this purpose. Shop Representatives and other Area Representatives will be allowed to a maximum of five (5) hours in any one (1) week for this purpose. Area Representatives may be assigned to the day shift and to Saturday and Sunday as regular days off if requested by the Union and agreed to by the Company.

F. Any employee in a classification covered by this Agreement on the effective date of this Article shall become a member of the Union within sixty (60) days after the effective date of this Article and shall be required as a condition of continued employment by the Company to maintain his membership in the Union so long as this Article remains in effect, to the extent of paying an initiation (or reinstatement) fee and monthly membership dues no greater than as hereinafter set forth. Such employee may have his initiation (or reinstatement) fee and/or monthly membership dues deducted from his earnings as provided in Paragraph Q of this Article or he must pay his initiation (or reinstatement) fee and/or membership dues directly to the Financial Secretary of his local union. The provisions of this paragraph shall not apply to such employee if employed on or before December 1, 1945 in a classification now covered by this Agreement and who was not a member of the Union on December 1, 1945 and who has not become a member since that date.

G. Any new employee covered by this Agreement who is hired on or after the effective date of this Article shall become a member of the Union within ninety (90) days after employment in a classification covered by this Agreement and shall be required as a condition of continued employment by the Company to maintain his membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation (or reinstatement) fee and monthly membership dues as hereinafter set forth.

H. Any employee maintaining, or maintaining and accruing, seniority under this Agreement (except as provided in Paragraph K of this Article) but not employed in a classification covered by this Agreement shall not be required to maintain Union membership during such employment but may do so at his option. Should such employee return to a classification covered by this Agreement, he shall be required to become a member of the Union within fifteen (15) days after the date he returns to such classification, and shall, as a condition of employment in classifications covered by this Agreement, become a member of the Union and maintain membership in the Union so long as this Article remains in effect, to the extent of paying an initiation (or reinstatement) fee and/or monthly membership dues.

I. The provisions of this Article shall not apply to any employee covered by this Agreement to whom membership in the Union is not available by payment of initiation (or reinstatement) fee, if applicable, and monthly dues, upon the same terms and conditions as are generally applicable to any other employee of his classification at his point on the Company's system or in the local union on the

Company's system to which assigned by the Union, or to any employee to whom membership in the Union is denied or terminated for any reason other than the failure of the employee to pay initiation (or reinstatement) fee, if applicable, and monthly dues. Nothing in this Article shall require the payment of any initiation (or reinstatement) fee by an employee if an authorized or permissible transfer according to the By-Laws or Constitution of the Union is involved.

J. If any employee covered by this Agreement has resigned from the Company and is re-employed he shall be governed by Paragraph F of this Article.

1. If any employee is laid off and is recalled from lay off he shall be governed by Paragraph H of this Article.

2. The seniority status and rights of employees granted leaves of absence to serve in the Armed Forces shall not be terminated by reason of any of the provisions of this Article, but such employees shall upon resumption of employment in classifications covered by this Agreement be governed by the provisions of Paragraph F of this Article.

K. The payment of membership dues shall not be required as a condition of employment during leave of absence without pay or during periods of promotion to a classification not covered by this Agreement. Employees who retain and accrue seniority up to one (1) year in other than a "promoted" position will be required to be a member of the Union and pay monthly dues as a condition of maintaining and accruing seniority under this Agreement.

L. Notwithstanding the provisions of Paragraph B of Article XVII of this Agreement, when an employee does not become a member of the Union by payment of an initiation (or reinstatement) fee as provided in this Article or who is a member of the Union and becomes delinquent in the payment of monthly dues as provided in this Paragraph the following procedure shall apply:

1. Employee Who Does Not Become a Member of the Union:

a. If a new employee has not become a member of the Union upon completion of seventy-five (75) days of service with the Company, the ACAC shall notify such employee in writing, certified mail, return receipt requested, copy to the employee's system Department Head, that such employee must become a member of the Union within the time limits specified in Paragraph G of this Article or be subject to discharge as an employee of the Company. If upon expiration of the period of time specified in Paragraph G of this Article such new employee has not become a member of the Union, the ACAC shall certify in writing to the

employee's system Department Head, copy to the employee, that the employee has failed to become a member of the Union as provided in this Article and is, therefore, to be discharged. The employee's system Department Head or his designee shall then promptly notify the employee involved that he is to be discharged from the services of the Company, and shall promptly take proper steps to so discharge the employee.

b. If an employee other than a new employee who is required to become a member of the Union as provided in this Article does not become a member of the Union within the time limits specified in this Article for employees in his category covered by this Agreement, the ACAC shall notify the Company, copy to the employee, that such employee has failed to become a member of the Union as required by this Article and is, therefore, to be discharged. Such employee's system Department Head or his designee shall then promptly notify the employee involved that he is to be discharged from the services of the Company and shall promptly take proper steps to discharge said employee.

2. Employee Delinquent in Payment of Monthly Membership Dues:

a. If an employee covered by this Agreement becomes delinquent by more than two (2) calendar months in the payment of monthly dues, the ACAC shall notify the employee in writing, certified mail, return receipt requested, copy to the employee's system Department Head, that said employee is delinquent in the payment of monthly membership dues as specified herein and accordingly will be subject to discharge as an employee of the Company. Such letter shall also notify the employee that he must remit the required payment to the Financial Secretary of his local Union by the twenty-second (22) day of the month in which notice from the ACAC is received or be subject to discharge. If such employee still remains delinquent in the payment of dues on the twenty-second (22) day of the month in which his notice from the ACAC was received, the ACAC shall certify in writing to the employee's system Department Head, copy to the employee, that the employee has failed to remit payment of dues within the grace period allowed herein and is, therefore, to be discharged. The employee's system Department Head or his designee shall then promptly notify the employee involved that he is to be discharged from the services of the Company and shall promptly take proper steps to so discharge the employee.

3. An employee discharged by the Company under the provisions of this Paragraph shall be deemed to have been discharged for cause within the meaning of the terms of this Agreement.

M. Any discharge under the terms of this Article shall be based solely upon the failure of the employee to pay or tender initiation (or reinstatement) fee and/or membership dues upon the same terms and conditions as are generally applicable to any other member of the Union in his classification of employment at his point on the Company's system or local Union on the Company's system to which assigned by the Union within the time limits specified herein and not because of denial or termination of membership in the Union for any other reason.

N. Notwithstanding the provisions of Article XVIII of this Agreement, a grievance by an employee who is to be discharged as the result of an interpretation or application of the provisions of this Article, shall be subject to the following procedure:

1. Such employee who believes that the provisions of this Article pertaining to him have not been properly interpreted or applied and who desires a review must submit his request for review in writing within five (5) days from the date of his notification by his System Department Head or designee as provided in Paragraph L, subparagraph 2, of this Article. The request will be submitted to the Vice President of Labor Relations with a copy to the ACAC. The ACAC or his designee may be present at the review of the grievance to represent the Union interest in the case. The Vice President of Labor Relations or his designee will review the grievance and render a decision in writing with a copy to the ACAC not later than ten (10) days following the receipt of the grievance.

2. The Vice President of Labor Relations or his designee will forward his decision to the employee with a copy to the ACAC. If the decision is not satisfactory to either the employee or the Union, then either may appeal the grievance directly to the System Board of Adjustment, established under Article XVIII of this Agreement within fifteen (15) days from the date of the decision. The terms and provisions of such Article shall be applicable, except as otherwise specified herein.

3. During the period a grievance is filed under the provisions of this paragraph and until after decision by the Vice President of Labor Relations or his designee or after final decision by the System Board of Adjustment, if appeal is made to that Board, the employee shall not be discharged from the Company because of non-compliance with the terms and provisions of this Article.

4. Saturdays, Sundays and holidays shall be excluded only from the time limits specified in this Paragraph N.

O. No employee or employees covered by this Agreement or an employee whose employment is terminated pursuant to the provisions of this Article or the Union shall have any claim for loss of time, wages or any other damages against the Company because of agreeing to this Article of this Agreement or because of any alleged violation, misapplication, compliance or non-compliance with any of the provisions of this Article. If notwithstanding the provisions of the first sentence of this paragraph a Board, Court or other competent authority shall in a particular instance or case enter an award, decision or judgment monetary or otherwise against the Company because of agreeing to this Article of this Agreement or because of alleged violation, misapplication, compliance or non-compliance with any provision of this Article such award, decision or judgment shall be borne equally between the Company and the Union.

P. During the life of this Agreement, the Union agrees the maximum initiation (or reinstatement) fee shall not exceed two hundred and fifty dollars ($250.00).

Initiation (or Reinstatement) Fee and Dues Check Off

Q. During the life of this Agreement the Company agrees to deduct from the pay of each member of the Union and remit to the Union "standard" initiation (or reinstatement) fee and monthly membership dues uniformly levied in accordance with the constitution and by-laws of the Union as prescribed by the Railway Labor Act, as amended, provided such member of the Union voluntarily executes the agreed upon form(s) which are hereinafter included in this Agreement, to be known as "check-off forms", which shall be prepared and furnished by the Union. The Company will not be required to deduct the initiation (or reinstatement) fee or monthly membership dues from the pay of employees covered by this Agreement unless the fee and dues for the employee conform to one of the following:

1. "Standard" initiation (or reinstatement) fee and dues for employees of his classification as designated by the Union for San Francisco-Oakland, even though the fee and dues may be the same as those provided in subparagraph 2 below.

2. "Standard" initiation (or reinstatement) fee and dues for employees of his classification or designated by the Union for any or all other points on the Company's system.

ASSIGNMENT AND AUTHORIZATION FOR CHECK OFF OF UNION DUES

TO: United Air Lines, Inc.

I, _____, hereby assign to the
(Name) (Print initial and last name)

Aircraft Mechanics Fraternal Association, my Union dues from wages earned or to be earned by me as your employee and authorize and direct you to deduct the flat sum of $_____ each month, which are the standard monthly membership dues, (or such standard monthly membership dues as may hereinafter be established by the local Union as dues for employees in my present or future classification under the Agreement upon notification to the Company by the ACAC of the Union), from one pay check per month and to remit same to the Union.

This assignment and authorization may be revoked by me in writing after the expiration of one (1) year from the date hereof, or upon the termination date of the applicable labor agreement in effect at the time this is signed, whichever occurs sooner.

This authorization and direction is made subject to the provisions of the Railway Labor Act, as amended, and in accordance with existing Agreement between the Union and the Company.

State Number _____

(Do not fill in - for Payroll Use)

Organization Code _____

(See UG100 or Paycheck Stub)

Employee's File Number _____

(See UG 100 or Paycheck Stub)

Payroll Code Number _____

(Do not fill in - for Payroll Use)

Classification _____

Station Location _____

Local Union Number _____

Date _____

Signature of Employee _____

ASSIGNMENT AND AUTHORIZATION
FOR CHECK OFF OF INITIATION/REINSTATEMENT FEE

TO: United Air Lines, Inc.

I, _____, hereby assign to the
(Name) (Please print initial and last name)

Aircraft Mechanics Fraternal Association my initiation (or reinstatement) fee from my wages earned or to be earned by me as your employee and authorize and direct you to deduct from two pay checks and remit to the Union the total sum of $_____ which is the standard initiation (or reinstatement) fee for my local Union.

This authorization and direction is made subject to the provisions of the Railway Labor Act, as amended, and in accordance with existing Agreement between the Union and the Company.

State Number _____

(Do not fill in - Payroll use)

Organization Code _____

(See UG100 or pay check stub)

Employee's File Number _____

Payroll Code Number _____

(Do not fill in - for Payroll use)

Classification _____

Station Location _____

Local Union Number _____

Date _____

Signature of Employee _____

R. When a member of the Union properly executes such check off form the ACAC of the Union shall forward the original signed copy to the appropriate Payroll Manager, or other designated Accounting official of the Company. A check off form must be completed in a legible manner acceptable to the Company or it will be returned to the ACAC for correction. Any notice of revocation as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and two copies delivered by certified mail, addressed to the ACAC. Dues deductions will be continued until one (1) copy of such notice of revocation is received by the appropriate Payroll Manager from the ACAC. Check off forms and notices received by the appropriate Payroll Manager will be stamp-dated on the date received and will constitute notice to the Company on the date received and not when mailed.

S. When a check off form, as specified herein, for the initiation (or reinstatement) fee is received by the appropriate Payroll Manager, one-half of the total amount due will be deducted from each of two regular pay checks due the employee. When a check off form as specified herein for membership dues is received by the appropriate Payroll Manager, twelve (12) days or more before the issuing date of the first bi-weekly pay check of the month or the corresponding weekly pay check at locations where weekly checks are issued, deductions will commence with such pay check and continue thereafter until revoked or cancelled as provided in this Article. The Company will remit to the Union a check in payment of all initiation (or reinstatement) fees and dues collected as soon after the pay day on which deductions were made, as practicable. The Company remittance of Union initiation (or reinstatement) fees and membership dues to the office of the ACAC will be accompanied by two (2) copies of a list which includes (1) names, (2) employee file numbers, (3) state codes, and (4) individual amounts deducted.

T. An employee who has executed a check off form and who has been (1) promoted to a job not covered by the Agreement, (2) who resigns from the Company, (3) who is laid off and accepts employment in classifications not covered by theAgreement, or (4) is otherwise terminated from the employ of the Company, shall be deemed to have automatically revoked his assignment as of the date of such action and if he (1) transfers back or returns to a job covered by the Agreement, (2) is rehired, (3) is recalled or (4) re-employed, further deductions of Union dues will be made only upon execution and receipt of another check off form. An employee who has executed a check-off form who enters layoff status directly from a position covered by the Agreement shall have his dues deductions automatically reinstated upon direct recall to an Agreement classification.

U. Collection of any back dues owed at the time of starting deductions for any employee, collection of dues missed because the employee was delinquent in dues at the time of going on leave of absence or because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period, and collection of initiation (or reinstatement) fee or dues missed because of accidental errors in the accounting procedure, will be the responsibility of the Union and will not be the subject of payroll deductions. It will be the Union's responsibility to verify apparent errors with the individual Union member before contacting the Company's Payroll Manager.

V. Deductions of initiation (or reinstatement) fees shall be in accordance with paragraph S of this Article and deductions of membership dues shall be made in a flat sum from one (1) pay check each month provided there is a balance in the pay check sufficient to cover such amounts after all other deductions authorized by the employee or required by law have been justified. In the event of termination of employment, there shall be no obligation of the Company to collect initiation (or reinstatement) fee or dues until all such other deductions (including money claims of the Company and the Credit Union) have been made, and such obligation to collect dues shall not extend beyond the pay period to which the employee's last day of work occurs.

ARTICLE XXVI
SAVING CLAUSE

Should any part or provision of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof, and they shall remain in full force and effect. In the event of any invalidation, either party may, upon thirty (30) days notice, request negotiation for modification or amendment of this Agreement.

ARTICLE XXVII
EFFECTIVE DATE AND DURATION

This Agreement shall become effective January 1, 2005 except as otherwise provided, and shall continue in full force and effect through December 31, 2009 and shall thereafter renew itself yearly without change each January 1st 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 December 31, 2009 or December 31 of any year thereafter. If such notice is served, negotiations will commence no more than 30 days after service. If a new tentative agreement is not reached by August 1, 2009 (or any August 1 thereafter, if applicable), the parties will jointly invoke the mediation services of the National Mediation Board under Section 5 of the Act.

IN WITNESS WHEREOF, the parties have signed this Agreement this ____ day of _____.

WITNESSES:

/s/ Alan R. Koehler

For UNITED AIR LINES, INC.

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

WITNESSES:

For AIRCRAFT MECHANICS FRATERNALASSOCIATION

/s/ O. V. Delle Femine
O.V. Delle Femine
National Director
Aircraft Fraternal Association

/s/ Jim Seitz
Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

EXHIBIT A
MECHANICS' AGREEMENT
WAGE SCHEDULE A

	05/01/04	Less 3.9% 06/01/05	Plus 1.5% 01/01/06	Plus 1.5% 01/01/07	Plus 1.5% 01/01/08	Plus 1.5% 01/01/09
Lead Mechanic	$26.90	$25.85	$26.24	$26.63	$27.03	$27.44
Aircraft Inspector	$26.90	$25.85	$26.24	$26.63	$27.03	$27.44
Lead Flight Simulator Tech/SFORQ	$28.97	$27.84	$28.26	$28.68	$29.11	$29.55
Flight Simulator Tech/SFORQ						
Thereafter	$27.32	$26.25	$26.64	$27.04	$27.45	$27.86
1st 6 mos	26.74	25.70	26.09	26.48	26.88	27.28
Lead GCT	$5,089	$4,891	$4,964	$5,038	$5,114	$5,191
GCT						
Thereafter	$4,801	$4,614	$4,683	$4,753	$4,824	$4,896
2nd 6 mos		4,677	4,496	2,5	4,630	4,699	4,769
1st 6 mos	4,617	4,437	4,504	4,572	4,641	4,711
Shop Inspector	$26.20	$25.18	$25.56	$25.94	$26.33	$26.72
Mechanic						
Thereafter	$25.38	$24.39	$24.76	$25.13	$25.51	$25.89
Next 6 mos		22.34	21.47	21.79	22.12	22.45	22.79
3rd 18 mos	20.27	19.48	19.77	20.07	20.37	20.68
2nd 18 mos	19.07	18.33	18.60	18.88	19.16	19.45
1st 18 mos		16.76	16.11	16.35	16.60	16.85	17.10
Lead CTT	$4,683	$4,500	$4,568	$4,637	$4,707	$4,778
CTT						
Thereafter	$4,418	$4,246	$4,310	$4,375	$4,441	$5085
Next 6 mos	3,889	3,737	3,793	3,850	3,908	3,967
3rd 18 mos	3,529	3,391	3,442	3,494	3,546	3,599
2nd 18 mos	3,318	3,189	3,237	3,286	3,335	3,385
1st 18 mos	2,917	2,803	2,845	2,888	2,931	2,975

EXHIBIT A
MECHANICS' AGREEMENT
WAGE SCHEDULE A

	Current	Less 3.9%	Plus 1.5%	Plus 1.5%	Plus 1.5%	Plus 1.5%
	05/01/04	06/01/05	01/01/06	01/01/07	01/01/08	01/01/09
Metrologist						
Thereafter	$27.70	$26.62	$27.02	$27.43	$27.84	$28.26
Next 6 mos	27.34	26.27	26.66	27.06	27.47	27.88
Next 6 mos	27.09	26.03	26.42	26.82	27.22	27.63
1st 3 mos	26.88	25.83	26.22	26.61	27.01	27.42
Seamer						
Thereafter	$19.66	$18.89	$19.17	$19.46	$19.75	$20.05
Next 6 mos	17.29	16.62	16.87	17.12	17.38	17.64
3rd 18 mos	15.72	15.11	15.34	15.57	15.80	16.04
2nd 18 mos		14.80	14.22	14.43	14.65	14.87
1st 18 mos	14.16	13.61	13.81	14.02	14.23	14.44
Mech Helper						
Thereafter	$18.15	$17.44	$17.70	$17.97	$18.24	$18.51
Next 6 mos		14.20	13.65	13.85	14.06	14.27	14.48
3rd 18 mos	11.21	10.77	10.93	11.09	11.26	11.43
2nd 18 mos		9.31	8.95	9.08	9.22	9.36
1st 18 mos	8.50	8.17	8.29	8.41	8.54	8.67
Lead Utility Employee		$18.13	$17.42	$17.68	$17.95	$18.22	$18.49
Utility Employee 10-Year Scale						
1st year	$8.18	$7.86	$7.98	$8.10	$8.22	$8.34
2nd year	8.51	8.18	8.30	8.42	8.55	8.68
3rd year		8.58	8.63	8.76	8.89	9.02
4th year		9.21	8.85	8.98	9.11	9.25	9.39
5th year	9.66	9.28	9.42	9.56	9.70	9.85
6th year		10.15	9.75	9.90	10.05	10.20	10.35
7th year	10.66	10.24	10.39	10.55	10.71	10.87
8th year	11.51	11.06	11.23	11.40	11.57	11.74
9th year		12.43	11.95	12.13	12.31	12.49	12.68
10th year	14.36	13.80	14.01	14.22	14.43	14.65
Thereafter	17.10	16.43	16.68	16.93	17.18	17.44

All employees shall receive one (1) cent per hour per year longevity pay after three (3) years of Company service, based upon their Company service date, to a maximum of thirty (30) cents effective March 14, 2002.

Mechanics assigned to the avionics section (SFORQ) of component maintenance shall be paid at the same rate as Flight Simulator Technicians.

Letter 69-1
May 24, 1974
(Revision of October 27, 1969 Letter)

Mr. George J. Robinson
President and General Chairman
International Association of
Machinists-District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Robinson:

This letter will confirm the discussions in our current negotiations between the Union and the Company regarding the selection of employees for the emergency field service assignments specified in Article IX of the Mechanics' and Ramp and Stores Agreements.

As a result of these discussions, I believe that we both recognize that the primary concern in emergency field service is to return aircraft or equipment to service as quickly as possible. Further, certain emergency field service assignments require specialized skills, training, experience, or ``trouble shooting" capability, and the selection of employees for these assignments must necessarily be based upon these considerations. When these considerations are met, however, it will be the policy of the Company that emergency field service assignments anticipated to involve overtime will be made in accordance with low overtime balances from among available qualified employees to whom such assignments would normally be made. When it can be shown that the selection of employees for emergency field service assignments was made on the basis of factors other than good faith judgment as to the time required and/or the qualifications needed for the work involved, an employee who is bypassed shall have a right to file a grievance and wage claim will be paid and charged if the grievance is sustained.

Sincerely,

/s/ Clark E. Luther
Clark E. Luther
Vice President
System Personnel

Accepted and agreed to
this 24th day of May, 1974.

/s/ George J. Robinson
President and General Chairman

Letter 69-3
October 27, 1969

Mr. George J. Robinson
President and General Chairman
International Association of
Machinists - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Robinson:

This letter will confirm the agreement of the International Association of Machinists and Aerospace Workers and United Air Lines as follows:

1. No Ramp Serviceman will be reduced, laid off or transferred as a result of the transfer of the duties of interior through cabin cleaning and setup to Utility Employees, and no Mechanic will be reduced, laid off, or transferred as a result of the transfer of the specified other cabin servicing duties to Ramp Servicemen or Utility Employees.

2. The duties of interior cabin cleaning and setup shall only be transferred from Ramp Servicemen to Utility Employees. In other words, adoption of the Company's proposal shall not result in the transfer of interior cabin cleaning and setup duties from Utility Employees to Ramp Servicemen.

3. The other cabin servicing duties to be performed by Ramp Servicemen or Utility Employees are confined to the replacement of seat covers, rugs, and curtains outside of checks heavier than a service check or during overhaul. Further, such duties are restricted to seat covers, rugs, and curtains which are of the ``quick disconnect" or snap type and which do not require the use of tools for their replacement, other than special tools specifically designed for quick disconnect. Further, such cabin servicing duties shall not extend to cabin servicing duties presently performed by Mechanics in the QC van.

4. The Company will advise the Union thirty (30) days in advance before a station is converted from a station in which Ramp Servicemen are doing interior through cleaning and cabin setup to one in which employees in the Utility Employee classification are performing such duties.

5. The Company will not have both Ramp Servicemen and Utility Employees perform interior through cleaning and cabin setup and the other cabin servicing duties specified in 3. above at a station.

If this conforms to your understanding of our agreement, please so indicate below.

Sincerely,

/s/ Percy A.Wood
Percy A. Wood
Senior Vice President
Personnel

Accepted and agreed to this
27th day of October, 1969

/s/ George J. Robinson
President and General Chairman

Letter 69-5
October 27, 1969

Mr. George J. Robinson
President and General Chairman
International Association of
Machinists - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Robinson:

This letter will confirm the agreement reached between the Union and the Company in our current negotiations with respect to the application of Article X, Paragraph N, of the Mechanics' Agreement to certain employees.

It was agreed that as of the effective date of the conversion to system seniority, any employee currently employed in any of the premium classifications of Lead Flight Simulator Technician, Flight Simulator Technician, Lead Ground Communications Technician, or Ground Communications Technician, who also holds seniority in another premium classification at any point on the system, shall retain and accrue seniority in such other premium classification at such point. If he is thereafter reduced from or resigns his current classification, he shall elect to:

a) exercise his Mechanic classification seniority to remain at his current point, and lose seniority held in any classification at any other point, or

b) exercise his premium classification seniority held at another point. In the event his premium seniority at such point is insufficient to allow him to displace into such premium classification, he will be placed on laid-off status in such premium classification and exercise his Mechanic classification seniority at such point and lose seniority held in any premium classification at his current point.

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

Sincerely,

/s/ Percy A. Wood
Percy A. Wood
Senior Vice President
Personnel

Accepted and agreed to this
27th day of October, 1969.

/s/ George J. Robinson
President and General Chairman

Letter 70-2
May 14, 1970

Mr. George J. Robinson
President and General Chairman
International Association of
Machinists - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Robinson:

This letter will confirm our understanding with respect to the proper interpretation and application of Article X, Seniority, of the 1969-71 Mechanics' Agreement and Letter M21 dated October 27, 1969, as they relate to Lead Flight Simulator Technicians, Flight Simulator Technicians, Lead Ground Communications Technicians, and Ground Communications Technicians.

1.Employees who successfully bid from the Mechanic classification to Flight Simulator Technician or Ground Communications Technician classifications should appear on the Mechanic seniority list at the point at which they are employed as Flight Simulator Technicians or Ground Communications Technicians, as well as on the appropriate Flight Simulator Technician or Ground Communications Technician seniority list.

2. If such an employee is entitled to retain and accrue seniority in another premium classification at another point on the system in accordance with Letter M21, he should be shown on the seniority list for that premium classification at the point at which he holds such premium classification, but he should not appear on the Mechanic classification seniority list at that point.

3. If an employee who retains and accrues seniority in another premium classification under Letter M21 is reduced from or resigns his current classification and elects to exercise his premium classification seniority held at the point from which he transferred, he may exercise his seniority in accordance with item b) of Letter M21. However, if after returning into the premium classification at his former location he is subsequently reduced from or resigns his premium classification, he must exercise his Mechanic classification seniority at the point where he held the classification of Flight Simulator Technician or Ground Communications Technician, where his name will be retained on the Mechanic classification seniority list.

If the above does not correctly state your understanding of our discussion, please let me know promptly. We will make arrangements at the publication of the next seniority list to include all Flight Simulator Technicians on the Denver Mechanic classification seniority list and all Ground Communications Technicians on the appropriate seniority list at the point at which they are employed.

Sincerely,

/s/ Paul M.Berthoud
Paul M. Berthoud
Employee Relations Director
Ground Employees

Letter 72-2
September 15, 1972

Mr. George J. Robinson
President and General Chairman
International Association of
Machinists - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Robinson:

This letter will confirm statements made to you by Company representatives in our current negotiations.

The Company will revise its free and reduced rate transportation policy effective October 1, 1972 to provide that employees with ten (10) years of service with United will be entitled to unlimited trip passes.

Sincerely,

/s/ Clark E.Luther
Clark E. Luther
Vice President
System Personnel

Letter 72-6M
September 15, 1972

Mr. George J. Robinson
President and General Chairman
International Association of
Machinists - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Robinson:

This letter will confirm the understanding and agreement reached between the Company and the Union with respect to the proper application of Article VI, Paragraph J, of the Mechanics' Agreement.

It was understood and agreed that in the event there is temporarily no work for the reasons described in Article VI, Paragraph J, at any location on the Company's system which affects some but not all employees, the Company shall promptly reassign employees so that the more senior employees within skill and work function at an airport or Maintenance Base shop are allowed to perform the available work in accordance with their basic classification seniority and the more junior employees are placed in without-pay status. Such reassignments shall be those which are practical considering the circumstances under which there is temporarily no work. The Company shall not be subject to the provisions of Article VI, Paragraph H-1 and H-2 with respect to changes of starting times, shifts, and/or days off, or to the overtime pay requirements of Article VII, Paragraphs A and B, because of such reassignments.

If this conforms to your understanding of our agreement, please date and sign in the space provided below and return four (4) copies to us for our files.

Sincerely,

/s/ Clark E. Luther
Clark E. Luther
Vice President
System Personnel

Accepted and agreed to this
15th day of September, 1972.

/s/ George J. Robinson
President and General Chairman

Letter 74-1M
May 24, 1974
Revised March 23, 1982

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

During negotiations the Company and the Union discussed the bumping rights of laid off employees and the options to be offered to Mechanics who are presently or have recently successfully worked in two or more Mechanic job skills. Accordingly, on a trial basis, the Union and the Company have agreed that the following system will be used in place of Article X, Paragraphs J-1 and J-2, of the Mechanics' Agreement and similar provisions of the Ramp and Stores and Food Services Agreements.

1. The Company will furnish to employees to be laid off a list comprised of available permanent vacancies, probationary employees, and/or junior employees (starting at the bottom of the master seniority list) on the system. Such list will be by station and will be equal in number to employees in basic classifications being laid off, provided they have sufficient seniority to displace on the system. Such list will be reduced at the time the options are awarded by the number of employees who have elected to accept layoff rather than fill a vacancy or displace on the system.

2. Skillwise (applicable to Mechanics only), the list will be identical to the skills employees are working in at the time of layoff - after the station shakedown process has taken place. For example:

Employees Being Laid Off	List
30 A&P Mechanics	30 A&P Mechanics
10 B&M Mechanics	10 B&M Mechanics
10 R&E Mechanics	10 R&E Mechanics
5 Automotive Mechanics	5 Automotive Mechanics

3. A laid off employee must bump in skill (i.e., A&Ps must bump A&Ps, and so forth), except that at the time a Mechanic is notified of layoff and given layoff options to bump in skill he may instead elect to designate another skill in which he has successfully worked within the past five years. He will be given the option to displace in that designated skill the junior employee on the system whose work he is qualified to perform in the same manner as provided in Article X, Paragraph J. If the displacing Mechanic is the junior employee on the system in the skill in which he is working or has designated, he may exercise seniority in another skill in the same manner as provided for displaced employees in Paragraph 6 below

4. The senior employee being laid off will be given first preference to choose among all employees appearing on the list in his skill as to whom he will bump. The next most senior employee being laid off will then so choose; followed by the third most senior man, and so forth.

5. Preferences and the sequencing of preferences once established shall not be changed.

6. Employees displaced by this exercise of seniority - if they elect to move elsewhere on the system - will do so in accordance with Article X, Paragraphs J-1 and J-2, of the Mechanics' Agreement and similar provisions of the Ramp and Stores and Food Services Agreements.

7. Nothing in the above will prevent an employee being laid off in a basic seniority classification because of a reduction in force from accepting layoff with right of recall at his point.

8. Any employee who exercises his seniority to transfer to any other point on the system, in accordance with Paragraphs 1 through 7 of this letter, will have the privilege of returning to his home station when the force is increased and he is entitled to be recalled.

9. This letter may be cancelled with thirty (30) days written notice to the other party from the System General Chairman or the Corporate Director of Industrial Relations.

Sincerely,

/s/ David L. Pringle
David L. Pringle
Director of Industrial Relations
Ground Employees

Accepted and agreed to this
23rd day of March, 1982.

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman

Letter 74-4M
May 24, 1974

Mr. George J. Robinson
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Robinson:

In our most recent negotiations, we modified Article X, Paragraph E, of the Mechanics' Agreement and similar provisions of the Ramp and Stores and Food Services Agreements to replace point seniority lists (in basic classifications) with system master seniority lists.

To produce the first master seniority lists, it was necessary to (1) provide a way to break seniority ties without disrupting established relationship of employees already appearing on a seniority list; and (2) decide where an employee, whose adjusted seniority results in a tie with other employees, will be placed on the master seniority list in relation to the other tied employees.

Following are two examples which, I believe, illustrate the answers to these two situations:

Example No. 1 (illustrating how Social Security Numbers will be used to break ties without disrupting established relationship of employees already appearing on a seniority list.)

Sixteen employees with tied classification and Company seniority date of 6/1/62 and working at four different stations are shown. Each employee is shown by the last four digits of his Social Security number. They are also listed in the order they presently appear on their respective point seniority lists. The number in parenthesis indicates the order they will appear on the master seniority list.

SFO	DEN	ORD	PHL
7483(4)	6291(3)	0415(1)	2388(2)
4209(7)	1673(5)	7238(8)	3994(6)
0875(9)	5864(11)	2199(10)	
9116(13)	7003(12)		
3892(14)			
5656(15)			
1847(16)			

Example No. 2 (illustrating how an employee, with adjusted seniority and who is now tied with other employees, will be placed ahead of such other tied employees on a seniority list.)

An employee returns from a 12-month leave of absence. His seniority is adjusted to 6/1/62. Using the illustration above, this employee would be re-positioned on the seniority roster before 0415(ORD).

The above procedure, illustrated in Example No. 1, will apply only to the initial system master seniority lists.

As new employees' names are added to the system master seniority lists, seniority ties will be broken using the Company seniority and Social Security comparison method described in Article X, Paragraph E-1-b, of the Mechanics' Agreement and similar provisions of the Ramp and Stores and Food Services Agreements, irrespective of the locations of such employees.

Adjusted seniority dates, which result in ties, will continue to be handled as described in Example No. 2.

We further understand that notwithstanding the language of new Article X, Paragraph E, of the Mechanics' Agreement and similar provisions of the Ramp and Stores and Food Services Agreements, the posting date of the first master seniority list shall be made on the date agreed to by the Union and the Company which shall not be less than sixty (60) days from the signing date of the Agreement.

Sincerely,

/s/ Clark E. Luther
Clark E. Luther
Vice President
System Personnel

Letter 74-7M
May 24, 1974

Mr. George J. Robinson
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Robinson:

If the Company reclassifies a station to a Class III station, employees under the Mechanics' Agreement who are laid off by this action who elect to exercise their seniority to transfer to another location will have their moving expenses paid in accordance with the Company's transfer and moving expense policy.

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

Sincerely,

/s/ Clark E. Luther
Clark E. Luther
Vice President
System Personnel

Accepted and agreed to this
24th day of May, 1974

/s/ George J. Robinson
George J. Robinson
President and General Chairman

Letter 75-6M

LETTER OF AGREEMENT
BETWEEN
UNITED AIR LINES, INC.
AND
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between UNITED AIR LINES, INC. (hereinafter referred to as the ``Company") and the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (hereinafter referred to as the ``Union").

WITNESSETH:

WHEREAS, the Union and the Company by letters dated May 24, 1974 and August 30, 1974 agreed that they would develop a mutually satisfactory Long Term Disability Insurance Plan for employees covered by the Mechanics', Ramp and Stores, Food Services, and Guards' Agreements to be established no later than January 1, 1975, the administrative costs of which would be borne by the Company and the premium costs borne by the employee, and,

WHEREAS, the Union and the Company have not been able to reach agreement on a mutually satisfactory Long Term Disability Plan,

NOW, THEREFORE, it is hereby agreed as follows:

1. The Company will make payroll deductions for employees subscribing to a Disability Income Protection Plan established by the Union to be effective only if a Long Term Disability Insurance Program as described in a separate Letter of Agreement also executed on this date does not become effective and which Disability Income Protection Plan is described as Plan II of Aetna Life and Casualty Salary Budget Income Protection Plan, but excluding the Accidental Death Rider, as submitted to the Company by the Union on November 4, 1974 (hereafter called Aetna Plan II), which Plan provides for disability income benefits payable to age 65 for sickness and accident and shall make payroll deductions for no other coverage. Such deduction shall be made only when the employee has earnings after all other deductions which are sufficient to pay the entire deduction authorized for Aetna Plan II. Payroll deductions shall be made by the Company in a manner consistent with its payroll practices after receipt by it of appropriate notice from Aetna or the Union setting forth each employee's name, file number, amount of premium to be deducted, period to be covered by such premium, and the basis (weekly or bi-weekly) on which the employee is paid, accompanied by a copy of a payroll deduction authorization in a form satisfactory to the Company and containing the language set forth on Attachment A hereto, and the Company shall begin making payroll deductions not more than forty-

five (45) days after receipt of such notice. In the event an employee discontinues his coverage, the Company will be provided a copy of his revocation of payroll deduction authorization and, in any event, the Company may discontinue payroll deductions for any employee who directs the Company to discontinue such deductions. The monies deducted shall be sent to the Union for transmittal to Aetna.

2. The Plan described as Aetna Plan II is established solely by the Union. Accordingly, nothing herein shall be construed to mean that the Aetna Plan II has been established or maintained by the Company. Both the Union and the Company understand that the Company is not a fiduciary for the Aetna Plan II under the Employee Retirement Income Security Act of 1974, and the Company shall not have or exercise any of the authority or control described in Section 3 (21) of the Employee Retirement Income Security Act of 1974. The Company's sole function with respect to Aetna Plan II will be the ministerial acts of withholding premium payments as described in Paragraph 2 hereof and paying over such amounts to the Union for transmittal to Aetna. The Union agrees to indemnify and hold harmless the Company from and against all claims, demands, causes of action, suits or judgments (including costs and expenses incurred in connection therewith) arising out of or in connection with the payroll deduction authorizations referred to herein except where caused by the negligence or misconduct of the Company, its officers, or employees.

3. This Letter of Agreement shall be deemed cancelled in the event a Long Term Disability Insurance Program as described in a separate Letter of Agreement also executed on this date becomes effective by February 16, 1975, and in any event, the payroll deductions provided for herein shall cease if and when any other accident and sickness disability plan is agreed to by the Union and the Company for the employees covered by the Mechanics', Ramp and Stores, Food Services, or Guards' Agreements, and this Letter shall thereupon be deemed cancelled and thereafter shall have no force or effect.

4. If and when the Aetna Plan II becomes effective, then the Letter of Agreement dated May 24, 1974 and identified as Letter 74-5M in the Mechanics' Agreement, Letter 74-5R in the Ramp and Stores Agreement, Letter 74-5F in the Food Services Agreement, and the similar letter dated August 30, 1974 applicable to the Guards' Agreement shall be of no force or effect during the term of the 1973-75 Mechanics', Ramp and Stores, and Food Services Agreements and the 1973-76 Guards' Agreement except that in the event the Aetna Plan II is unilaterally terminated by Aetna, the Letters of Agreement dated May 24, 1974 and August 30, 1974 shall again be of full force and effect provided that any Long Term Disability Insurance Plan resulting from the reinstatement of such letters shall be established on the date agreed to at the time. The fact that the Letters of Agreement dated May 24, 1974 and August 30, 1974 become of no force and effect shall not affect the Company's obligation to make the payroll deductions provided herein under the terms and conditions specified in this Letter of Agreement.

5. Subject to the provisions of Paragraph 3 hereof, this Letter shall become effective upon the date of signing and subject to the provisions of Paragraph 3 hereof shall remain in full force and effect concurrently with the 1973-75 Mechanics', Ramp and Stores, and Food Services Agreements and the 1973-76 Guards' Agreement and shall be subject to change in accordance with the duration provisions of those Agreements.

IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement this 3rd day of January, 1975.

UNITED AIR LINES, INC.

/s/ Clark E. Luther
Clark E. Luther
Vice President
System Personnel

INTERNATIONALASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS

/s/ George J. Robinson
George J. Robinson
President and General Chairman
District 141

ATTACHMENT A

I hereby authorize United Air Lines, Inc. to deduct from my earnings such amount of premium as may be payable by me from time to time under the provisions of Aetna Plan II, and I hereby release the Company from any and all liability for loss and damage arising out of the Company's withholding of amounts authorized hereunder, except where caused by the negligence or misconduct of the Company, its officers, or employees.

Letter 79-2M
May 24, 1979

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Schroeder:

Our long-range workload for the Aircraft Inspector classification has been reviewed. On the basis of this current review, United does not anticipate any layoff of employees working in the classification of Aircraft Inspector in the foreseeable future.

Sincerely,

/s/ Duane M. Buckmaster
Duane M. Buckmaster
Senior Vice President
Personnel and Industrial Relations

Letter 79-6M

LETTER OF AGREEMENT
between
UNITED AIR LINES, INC.
and
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS

WHEREAS, United Air Lines, Inc., and the International Association of Machinists and Aerospace Workers wish to record their agreement relating to service credit before age 25 and after completion of one year of service as it pertains to the employees covered by the Mechanics', Ramp and Stores, and Food Services Agreements,

NOW, THEREFORE, it is hereby mutually agreed as follows:

With respect to any employee who received credit for service prior to age 25 and after completion of one year of service as a result of having been a participant in a pension plan, such service will continue to be credited under the pension plan.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this 24th day of May, 1979.

For UNITED AIR LINES, INC.

/s/ Duane M. Buckmaster
Duane M. Buckmaster
Senior Vice President
Personnel and Industrial Relations

For INTERNATIONAL
ASSOCIATION OF
MACHINISTS AND
AEROSPACE WORKERS

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman

Letter 82-2M
March 23, 1982
Revised March 14, 2002

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

Dear Scotty:

During the course of these negotiations both the Union and Company discussed our current disciplinary system in an exploratory attempt to find a better way of addressing disciplinary problems.

The traditional method of responding to Company rule violators has been to impose punishment in the form of progressive disciplinary suspensions. The effectiveness of this form of behavior modification has been questionable, particularly in dealing with those types of problems such as absenteeism.

The concept of eliminating most disciplinary suspensions and replacing such actions with progressive disciplinary letters and joint counseling by both the Company and the Union was thought to be potentially beneficial to all parties and worthy of further exploration. Accordingly, the Company and the Union agreed to implement a new corrective disciplinary procedure throughout the system on a trial basis. Implementation will be on a location by location basis as fast as the appropriate training can be reasonably accomplished.

The new concept includes the following principles:

1. The Union and the Company both realize that rules of conduct are necessary for the welfare of the Company and of all employees but believe through mutual efforts improved standards of conduct can be achieved in most cases by utilization of this program.

2. Letters of Discipline may be given in place of traditional disciplinary suspensions.

3. Such Letters of Discipline shall have the full force and effect of disciplinary suspensions and will be considered as equivalent corrective discipline in reviewing the merits of any subsequent suspension or discharge.

4. Such letters will be progressive in nature and will represent various levels of severity depending upon the offense and/or previous disciplinary record.

5. The employee's Supervisor or other designated Management Representative shall be responsible for administering this program.

6. Letters of Discipline shall be presented to the employee in the presence of his Steward, if requested, and shall contain an explanation of the infraction and the future corrective action expected.

7. This program will not limit the Company's current rights to discharge employees for a single serious offense, to hold an employee out of service without pay, or to issue disciplinary suspensions if circumstances so warrant. Notwithstanding the above, employees held out of service under circumstances, which do not involve theft, acts of violence, refusal to comply with a direct order (non-safety related), use or possession of alcohol or illegal drugs on Company property, or possession of weapons on Company property will continue on pay status pending the results of the Investigative Review Hearing. Cases involving felony charges/convictions will be reviewed on an individual basis. In the event an employee is held out of service, prompt discussions with the local committee will be held.

8. This program will not limit the Union's right to grieve all disciplinary action including Letters of Discipline.

9. This program may be modified by mutual agreement as experience is gained.

10. The program is on a trial basis and may be cancelled upon written notice from the System General Chairman or the Corporate Director of Industrial Relations.

If this conforms to your understanding of our agreement, please date and sign below.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and agreed to this
14th day of March, 2002.

/s/ Scotty Ford
Scotty Ford
President & General Chairman

Letter 82-3M
March 23, 1982

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Mr. Schroeder:

During the course of negotiations, the Union expressed concern the Company intended to eliminate the Lead classification. The Union was assured the Company had no such intention and, in fact, planned to make greater use of the considerable skills inherent within this employee group.

Both the Company and the Union realize the potential of this group to contribute to a more efficient and profitable operation. Accordingly, both parties will endeavor to promote a more constructive and cooperative working relationship among employees, Leads, and Supervisors.

Sincerely,

/s/ David L. Pringle
David L. Pringle
Director of Industrial Relations

Letter 82-7
March 23, 1982
Revised December 23, 1991

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P. O. Box 3141
321 Allerton Avenue
South San Francisco, California 94080

Dear Lou:

This will confirm the understanding and agreement of the IAMAW and United Airlines regarding the application of seniority points to employees in the Computer Terminal Technician and Lead Computer Terminal Technician classifications under the Mechanics' Agreement, and will supersede the Letter of Agreement on that subject dated November 17, 1980.

The term point or area seniority point as used in the Mechanics' Agreement has referred to an airport or airports respectively, and related support facilities in the same metropolitan area (EXO and MOC being exceptions). This concept is not applicable to Computer Terminal Technician working conditions where work locations such as reservations and other offices are frequently unrelated to airport locations. In light of the above, the Union and the Company are agreed that employees in the Computer Terminal Technician classifications working in locations in the same general metropolitan area will be considered a part of that seniority point. For example, the Los Angeles Point includes Los Angeles International Airport, Los Angeles Reservations Office, Ontario International Airport, Orange County Office, and Pasadena Ticket Office. Presently, other metropolitan areas comprised of more than one work location include Chicago, San Francisco, New York, Washington, Cleveland, Detroit, Denver, Seattle, and Honolulu. While the provisions of Article XI-A-1 do not apply to Computer Terminal Technicians, it is understood that employees desiring transfer within the classification to another location within the same general metropolitan area may so advise their local management in writing. Permanent vacancies will be filled by giving first preference to senior qualified employees having expressed such interest.

It is understood, however, that an employee may be reassigned to another location within the same metropolitan area when, in the Company's discretion, such reassignment appears appropriate in the interests of good customer relations.

Please indicate your concurrence with this understanding and agreement by dating and signing in the space provided below and return two (2) copies for our files.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Accepted and agreed to this
9th day of January, 1992

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
District 141

Letter 82-8
March 23, 1982

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

During the negotiations leading to the 1981-83 Agreement, the Company and the Union discussed the benefits of establishing a limited seven (7) day operation at the Maintenance Operations Center. The Company demonstrated that the ability to fully utilize selected portions of MOC would result in substantial inventory savings by decreasing inventory turn-time; would significantly reduce the Company's requirements to make additional investments in facilities during a time of severe cash restraints; and would increase present facilities utilization by practically 30%.

More importantly, from an employee viewpoint, it was shown that with the resultant cash savings from a limited use of a seven (7) day schedule, the Company's ability to successfully compete for more outside contract work would be greatly improved. This, then would help preserve existing jobs or create new jobs.

In consideration of the above factors the Company and the Union agree that notwithstanding Article VI of the Mechanics' Agreement, the Company could establish additional seven (7) day operations at the Maintenance Operations Center provided that Union agreement to a specific request is achieved and a majority of the affected employees concur.

Sincerely,

/s/ David L. Pringle
David L. Pringle
Director of Industrial Relations
Ground Employees

Accepted and agreed to this
23rd day of March, 1982.

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
District 141

Letter 83-1M
October 5, 1983

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

This will confirm our discussion regarding the seniority of IAM Agreement represented employees whose application for Flight Attendant training is accepted by the Company.

The Company's interpretation of Article X, Paragraph M of the Mechanics' Agreement and related provisions of the Ramp and Stores and Food Services Agreements is that an employee who is accepted for Flight Attendant Training will be placed in Without Pay or Personal Leave of Absence status for the duration of that training and will retain and accrue seniority under the IAM Agreements in accordance with those Agreements. After that training if and when the employees enter the Flight Attendant classification, they will lose all IAM Agreement seniority held effective with the date of that reclassification.

Sincerely,

/s/ David L. Pringle
David L. Pringle
Vice President
Industrial Relations

Letter 84-2M
July 5, 1984

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

This letter will confirm that during the 1983 negotiations the parties agreed that IAM-represented employees will be offered an opportunity to participate in a 401-k plan.

The details of such plan were discussed and it will be similar to the plan offered to other United employees.

Sincerely,

/s/ David L. Pringle
David L. Pringle
Vice President
Industrial Relations

Letter 84-4M
July 5, 1984
Revised May 1. 2003
Revised May 15, 2005

Mr. Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association 1150
Bayhill Drive Suite 121
San Bruno, CA 94066

Dear Jim:

This letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company with respect to the Hawaiian Differential for all active full-time and part-time employees working in Hawaii.

Such employees will have the differential set forth below added to the rate of pay for each classification in the Schedule A wage scale.

Hawaii Differential

MECHANICS' AGREEMENT

	05/01/04	6/1/05	01/01/06	01/01/07	01/01/08	01/01/09
Lead Mechanic	$2.16	$2.08	$2.11	$2.14	$2.17	$2.20
Aircraft Inspector	$2.16	$2.08	$2.11	$2.14	$2.17	$2.20
Mechanic	$1.68	$1.61	$1.63	$1.65	$1.67	$1.70
Lead Computer Technician	$374	$359	$364	$369	$375	$381
Computer Technician	$293	$282	$286	$290	$294	$298
Lead Utility Employee	$1.12	$1.08	$1.10	$1.12	$1.14	$1.16
Utility Employee	$1.07	$1.03	$1.05	$1.07	$1.09	$1.11

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
15th day of May, 2005

/s/ Jim Seitz
Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

/s/ O.V. Delle Femine
O.V. Delle Femine
National Director
Aircraft Mechanics Fraternal Association

Letter 84-5M
October 24, 1984
Revised December 23, 1991

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

Dear Lou:

This will confirm the agreement between the Union and the Company regarding the New Hire pay rate for a regular full-time employee transferring between IAM-represented classifications and an employee changing from temporary or part-time status to regular fulltime status in such classifications.

1. An active regular full-time employee transferring to an equal or higher paying basic classification will receive the beginning rate of the new classification if it is equal to or higher than his current Wage Schedule pay rate. If his current rate is higher than the beginning rate for the new classification, the employee shall receive the next higher pay rate of the new classification which is equal to or higher than the employee's current Wage Schedule pay rate.

2. An active regular full-time employee transferring to a lower paying basic classification will receive the pay rate in the Wage Schedule of the new classification corresponding to his length of Company service as determined by his Company Seniority Date.

3. An active regular part-time employee who accepts a regular full-time job in his classification will remain on his current Wage Schedule with no reduction in pay.

4. In all other situations, any employee, including inactive employees, accepting a regular full-time job in a classification covered by these Agreements, will be paid the New Hire starting rate for his classification. If a laid off employee is offered recall to a lower classification where his pay would be higher than that received in his current classification, he may elect to remain in his current classification but be compensated as an employee transferring in paragraph 1 above.

Progression from the entry rates established herein to each next step of the New Hire Wage Schedule will be based on regular full-time service in the classification. If this is in accordance with your understanding of our agreement, please date and sign in the space below.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Accepted and agreed to this
9th day of January, 1992

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
District 141

Letter 84-6M
July 5, 1984

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

During the 1983-84 negotiations we discussed adding additional airports to present area seniority points listed in Article X, Paragraph A.2, of the Mechanics' Agreement and similar provisions of the Ramp and Stores, and Food Services Agreements.

If it is decided an employee or employees represented by the IAMAW should be permanently assigned to an airport at which no such employees are permanently assigned, the President and General Chairman of District 141 and the Vice President-Industrial Relations will determine whether that airport should be added to one of the points currently listed in Article X-A.2; or, if circumstances warrant, to determine and decide on the feasibility of creating an additional, new area seniority point.

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

Sincerely,

/s/ David L. Pringle
David L. Pringle
Vice President
Industrial Relations

Accepted and agreed to this
5th day of July, 1984.

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
District 141

Letter 84-7M
July 5, 1984

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

This will confirm discussions between the Company and the Union during negotiations regarding offers of temporary work in classifications under the Mechanics', Ramp and Stores, and Food Services Agreements to employees laid off from those classifications at the point.

While the Company's efforts to reach laid off employees with offers of temporary work are successful in the vast majority of cases, the Union expressed concern about confirming efforts to contact laid off employees that the Company has been unsuccessful in reaching. Accordingly, in the future when temporary work is offered to employees laid off from the classification at the point, the Local Committee will be notified of any employee that the Company was unable to contact, and they will make a good faith attempt to contact the employee consistent with the necessary time requirements for the temporary work.

Sincerely,

/s/ David L. Pringle
David L. Pringle
Vice President
Industrial Relations

Letter 84-8M
July 5, 1984

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

This will confirm discussions between the Company and the Union during the 1983 negotiations regarding holding employees out of service.

In those exceptional discipline cases where the Company holds an employee out of service, without a Letter of Charge, for more than thirty (30) days, the Vice President of Industrial Relations will forward, by letter, to the President and General Chairman, an explanation of the Company's rationale for such action.

If this explanation is unacceptable to the Union, the President and General Chairman may immediately submit the matter to the Arbitration step of the Grievance Procedure.

Sincerely,

/s/ David L. Pringle
David L. Pringle
Vice President
Industrial Relations

Letter 84-9M
July 5, 1984

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

In the negotiations leading to the 1983-86 Agreement, the parties discussed the problems associated with the examinations which are administered to Mechanics for the purpose of determining the ability to perform the work in question.

As a result, we concluded that this subject required more study than could be afforded during negotiations. Accordingly, it was decided a joint Union-Company Committee should be formed for this purpose.

The Committee will study the problems which have arisen from the use of such examinations and will recommend solutions, giving due consideration to the consistency and administration of such examinations, as well as the needs of individual stations or work groups.

The Committee will be appointed promptly after the signing of the Agreement.

Sincerely,

/s/ David L. Pringle
David L. Pringle
Vice President
Industrial Relations

Letter 87-2M
November 25, 1987
Revised March 14, 2002

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

Dear Scotty:

This will confirm the understanding reached during negotiations regarding the application of Letter 82-2 of the Mechanics' Agreement and similar provisions of the Ramp and Stores, Food Services, Communications Employees' and Dispatchers' Agreements.

In the application of the Company's Non-Punitive disciplinary System, the following features will be included:

1. An Investigative Review Hearing will be conducted prior to issuing a Report of Non-Punitive Discipline at Level 4 and Level 5. Any appeals of such discipline shall be made directly to Step Three of the grievance procedure using the rules and time limits which apply to that Step.

If an employee has received a Report of Non-Punitive Discipline at level 4, that discipline shall be reduced to level 3 after a period of one year (excluding periods while on layoff, Leave of Absence or Extended Illness Status) without issuance of a Notice of Investigative Review Hearing which results in further disciplinary action.

Sincerely,

/s/Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Letter 87-3M
November 25, 1987

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

This letter will reflect the understanding reached between the Company and the Union during our negotiations leading to the 1986-89 Agreements concerning the possible passage of federal law(s) requiring substance abuse testing in the airline industry.

We agreed that in the event such law(s) becomes applicable to employees covered by the UAL/IAMAW agreements, we will meet to discuss its implementation, including its application to various classifications, types of screening tests, selection of appropriate testing facilities, etc.

If this conforms with your understanding of our agreement, please date and sign this letter in the space provided below.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Labor Relations

Accepted and agreed to this
10th day of December, 1987.

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
District 141

Letter 87-6M
November 25, 1987

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

The Company and Union have studied the present utilization of the Maintenance Operations Center and the future needs to handle increasing work. This study has considered not only current and future needs of United but also our ability to competitively handle customer work and generate additional jobs and security. In order to meet the requirement of United's Maintenance Plan, expanded fleet size, increased aircraft utilization, inventory control and customer maintenance opportunities, it has been concluded and agreed that:

At the San Francisco Point, as defined in Article X, Paragraph A(2), the Maintenance Operations Center may have 7 day operations work schedules, as defined in Article VI, Paragraph B of the 1986-89 Mechanics' Agreement in the following work areas;

1. All aircraft maintenance and related work at the Oakland Maintenance facility.
2. All aircraft maintenance performed at SFOUM.
3. Special Route Crews.
4. Phase check/"C"check crews.
5. Maintenance check crews.
6. Support from Appearance Group/Tool Cribs and Inspection departments.

If this is in accordance with your understanding of our agreement, please date and sign in the space below.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Labor Relations

Accepted and agreed to this
10th day of December, 1987

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
District 141

Letter 87-7M
November 25, 1987
Revised July 12, 1994

Mr. Kenneth W. Thiede
President & General Chairman
International Association of Machinists
and Aerospace Workers - District 141
321 Allerton Avenue
South San Francisco, California 94080

Dear Ken:

This will confirm the understanding reached during our current negotiations relating to the Company's contracting out of its work as provided in Article II, Paragraph C of the UALIAMAW Mechanics' Agreement.

The Union expressed its concern that some of this subcontracting may have been occurring with inadequate consideration for possible savings which could result from performing the work ``in-house" with Agreement-covered employees. The Union expressed its desire to provide such input so that consideration could be given.

Accordingly, it was agreed that three (3) Committees would be formed to review instances of subcontracting which the Union believes could more efficiently or economically be performed ``in-house" by IAMAW-represented employees. One Committee will be formed for the San Francisco Maintenance Operations Center, one for the Indianapolis Maintenance Center and another for line stations. Each Committee will consist of four (4) members; two (2) each representing the Union and the Company. The Union's Committee members at the San Francisco MOC will be selected from among full-time members of the Local Union Committee.

When practicable to do so, the Company will share reasonably available information relating to a given subcontract or anticipated subcontract. It is understood that it will not be the purpose of the Committees to pre-review all anticipated subcontracts. When a Committee agrees that an instance of subcontracting should more appropriately have been performed within the Company, it will make recommendations accordingly to the organization having contracted the work, for purposes of present and/or future consideration. Such recommendations will also be forwarded to the Vice President charged with the responsibility.

These Committees are established in the spirit of positive labor-management relations. Accordingly, the process established by this letter will not be the basis for the filing of grievances; however, nothing in this letter prohibits the Union from filing a grievance where the Union believes the Company has violated the Agreement.

It is understood that nothing in this Letter of Agreement changes or otherwise affects Article II, Paragraph C or any other provision of the Agreement.

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

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Accepted and agreed to this
12th day of July, 1994.

/s/ Kenneth W. Thiede
Kenneth W. Thiede
President and General Chairman
District 141

Letter 87-8M
November 25, 1987

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

This will confirm discussions between the Union and the Company in our current negotiations regarding methods of assignment to identifiable job assignments within their shift for Utility Employees at line stations.

The Union and the Company both understand from these discussions that the nature and identification of such regular work assignments may vary at such locations depending upon the number of workers, work organizations, business volumes, location and type of facilities, etc.

The Union has proposed to establish a selection practice for these assignments based on individual preference in the order of classification seniority among such Utility Employees.

When a request is made by the Assistant General Chairman of the Union to the appropriate Manager of Labor Relations, a review of the existing practices at a location will be made and mutual efforts will be directed to the establishment of local procedures to allow employee preferences in accordance with the above. If mutual agreement is not reached, the Union may request a review of the matter by the Vice President of Labor Relations.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Labor Relations

Letter 87-9M
November 25, 1987

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P.O. Box 391
Burlingame, California 94010

Dear Lou:

During negotiations leading to the 1986-89 Mechanics' Agreement, considerable discussion occurred regarding the responsibility of the lead mechanics to lead and direct shop inspectors in the engine shop inspection department of the Maintenance Operations Center (SFOPI). The Union and Company have agreed to formalize the existence and need for lead mechanics to lead and direct shop inspectors in SFOPI.

At present, the number of permanent lead mechanics in SFOPI is fourteen (14). In the future, should areas of responsibility change, additional meetings concerning SFOPI lead mechanics may be scheduled by either party.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Labor Relations

Accepted and agreed to this
10th day of December, 1987.

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
District 141

Letter 91-5MRF
December 23, 1991

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P. O. Box 3141
321 Allerton Avenue
South San Francisco, California 94080

Dear Lou:

This letter will reflect the understanding reached between the Company and the Union during our negotiations leading to the 1989-94 Agreement. In recognition of management objectives and employees' needs concerning adequate and affordable child care, the Company and the Union agree to establish a Joint Child Care Committee. The Committee will be composed of two members selected by the Company and two members selected by the Union to study ways by which the Company might assist employee groups who wish to identify or establish child care services.

The Committee will meet within 60 days after this Agreement is signed at a time and place mutually agreed by the Company and Union. The Company agrees to give administrative support to this Committee and to seriously consider their recommendations for implementation. Committee recommendations cannot conflict with this Agreement or applicable laws and regulations.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Letter 91-6MRF
December 23, 1991

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P. O. Box 3141
321 Allerton Avenue
South San Francisco, California 94080

Dear Lou:

During the course of negotiations leading to the 1989-94 Agreements, the Union expressed its concern about safety issues affecting employees assigned for substantial periods to work involving video display terminals.

The Company is also concerned with any potential problems which could arise in this respect, and is presently investigating the matter. You were advised that the Company is committed to providing a safe working environment for its employees and will adopt a corporate policy in early 1992 which will establish necessary requirements to assure employee safety.

The Company will review this policy with the Union. The effectiveness of such requirements can then be monitored by local Safety Committees.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Letter 91-9MR
December 23, 1991

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P. O. Box 3141
321 Allerton Avenue
South San Francisco, California 94080

Dear Lou:

During negotiations leading to the 1989-94 Agreements, the parties discussed the advantages which could be realized by exploring new approaches to the organization and scheduling of work at the new Maintenance Operations Center which is presently planned at Indianapolis including the proposed new engine shop, which might be established at the same site as the Indianapolis facility, or at a separate site.

We specifically agreed that 7-day schedules could be established at such base(s). However, we recognized that many other issues could not be adequately or effectively addressed until more specific plans for the new maintenance facilities were known.

Accordingly, we agreed that the Union and the Company would meet prior to the opening of the new base(s) to consider for possible implementation mutually beneficial approaches to staffing, scheduling, work organization, and other similar issues.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Accepted and agreed to this
9th day of January, 1992

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
District 141

Letter 91-10M
December 23, 1991

Mr. Louis R. Schroeder
President and General Chairman
International Association of Machinists
and Aerospace Workers - District 141
P. O. Box 3141
321 Allerton Avenue
South San Francisco, California 94080

Dear Lou:

During the course of the 1989-94 negotiations, the Company and Union have studied further the future needs of United to maintain its expanding fleet of aircraft considering the rapid growth of the airline, current limited maintenance facilities and the extensive hangar renovation program at SFO, scheduled for completion late 1994.

In consideration of the above, the parties have agreed to 7-day operation work schedules as defined in Article VI, Paragraph B of the Mechanics' Agreement, at the SFO Maintenance Operations Center, only for a temporary period of 24 months (1/1/93-12/31/94). This temporary period is based upon currently projected completion dates for SFO hangar modification projects and the opening of the new Maintenance Operations Center at Indianapolis, Indiana.

The specific work areas and functions covered by this temporary agreement are as follows:

Airframe Maintenance

- All narrow-body aircraft heavy visits
- Work area J-50 (cabin equipment)
- Work area J-60 (sheet metal)

Component Maintenance

- Work center 261/262 (mechanism/flap transmission)
- Work center 266 (honey comb)
- Work center 268 (control surfaces)
- Work center 269 (repair, fabrication, welding, intercoolers, lavatories, heat exchangers)
- Work center 421 (carpets, dry cleaning, cleaning processing, and insulation blankets)

- Work center 424 (vacuum forming, cabin windows)

- Work center 426 (passenger chairs)

- Work center 428 (floorboards, paint, bustles, cargo pit panels, plastics, cables, tubing, hoses)

The Vice President-Base Maintenance will meet periodically with the San Francisco Local Union Committee Chairman to review possible methods to minimize the number of employees assigned to the seven day operation work schedule.

The added scheduling of 7 day work schedules permitted by this letter will be eliminated no later than December 31, 1994.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Accepted and agreed to this
9th day of January, 1992

/s/ Louis R. Schroeder
Louis R. Schroeder
President and General Chairman
International Association of
Machinists - District 141

Letter 94-5M
July 12, 1994
Revised May 1, 2003

Mr. Scotty Ford
President and Directing 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 NYApoints, 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.

Sincerely,

Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
1st day of May, 2003

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

Letter 94-11M
July 12, 1994

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

Dear Ken:

This will confirm our discussions with respect to application of the 20 percent rule under Article II-D of the Mechanics' Agreement to the Company's right under Article II-C to return equipment, parts and assemblies to the manufacturer for repair or replacement. It is agreed that the return of equipment, parts and assemblies to the manufacturer for repair or replacement would not be counted toward the 20 percent calculation under Article II-D only if done pursuant to a manufacturer's warranty that the product conforms to the specifications, is free from defects in material and workmanship, is free from defects in design, and is fit for the purpose intended.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Accepted and Agreed to this
12th day of July, 1994

/s/ Kenneth W. Thiede
Kenneth W. Thiede
President & General Chairman
IAMAW - District 141

Letter 94-12M
July 12, 1994

Kenneth W. Thiede
President and General Chairman
International Association of Machinists
and Aerospace Workers-District 141
321 Allerton Avenue
South San Francisco, California 94080

Dear Ken:

This will confirm our understanding regarding Article II, Paragraph G of the 1994-2000 Mechanics' Agreement.

The Company has performed a limited number of C-checks outside the U.S. on aircraft which operate exclusively on routes outside the U.S. Article II, Paragraph G is not intended to prevent arrangements of this type involving current or future aircraft operating exclusively on these kinds of routes.

Sincerely,

/s/ John R. Samolis
John R. Samolis
Vice President
Employee Relations

Accepted and Agreed to this
12th day of July, 1994

/s/ Kenneth W. Thiede
Kenneth W. Thiede
President & General Chairman
IAMAW - District 141

Letter 02-1M

LETTER OF AGREEMENT
BETWEEN
UNITED AIR LINES, INC.
AND
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

WHEREAS United Air Lines, Inc. (hereinafter called the "Company") and the International Association of Machinists and Aerospace Workers (hereinafter called the "Union") wish to record their agreement relating to the Union Ground Employees' Retirement Plan (hereinafter referred to as the "Plan") as it pertains to the employees covered by the Mechanics' Agreement (hereinafter referred to as the "Agreement").

NOW, THEREFORE, it is hereby mutually agreed as follows:

1. The Plan will be revised as discussed and agreed to in the negotiations leading to the 2000-2005 Agreement (description attached).

2. The Company agrees that the benefits provided in the Plan will not be reduced without the prior agreement of the Union.

3. The Plan is subject to approval of the U.S. Treasury Department in the form of continuing qualification of the Plan by the Internal Revenue Service. In the event the Plan is not acceptable to the Internal Revenue Service, the Union and the Company agree to effect the revisions necessary to secure proper qualification.

4. Letter of Agreement 94-1MRF is now null and void.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this 14th day of March, 2002.

FOR INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

/s/ Scotty Ford
Scotty Ford
President and
General Chairman
District 141M

FOR UNITED AIR LINES, INC.

/s/ Peter B. Kain
Peter B. Kain
Vice President
Labor Relations

ATTACHMENT

The effective date for revisions contained in Schedule B below is July 12, 2000, and applies to IAM employees under the Mechanics' Agreement. Except as set forth below, such revisions, with respect to each such effective date, will apply only to employees, eligible for the Plan, who are in active service and receive pay (including sick leave pay) or on extended illness status as such an employee on such effective date. For purposes of the Plan, employees are divided into three groups which are based on job classification and are explained at the end of this attachment.

Revised retirement benefit schedule is set forth below as Schedule B and an employee's benefit will be no less than those accrued through July 11, 2000 under the then existing Plan provisions.

PENSION
SCHEDULE A
(Effective November 1, 1998)

The monthly benefit of an employee is the product of the appropriate dollar amount below and the employee's years of plan participation.

Regular Retirement Benefit*

Retirement Age	Group I	Group II	Group III
55	47.43	40.18	35.37
56	49.24	41.70	36.72
57	51.04	43.23	38.06
58	52.84	44.76	39.40
59	54.64	46.28	40.75
60	56.44	47.81	42.09
61	58.24	49.33	43.43
62 & over	60.04	50.86	44.78

*This amount payable for life. If retirement occurs before age 65, an employee must have 10 years of continuous service.

PENSION
SCHEDULE B
(Effective July 12, 2000)

The monthly benefit of an employee is the product of the appropriate dollar amount below and the employee's years of plan participation.

Regular Retirement Benefit*

Retirement Age	Group I	Group II	Group III
55	73.95	62.64	51.00
56	76.56	65.59	52.80
57	79.17	67.07	54.60
58	81.78	69.28	56.40
59	84.39	71.49	58.20
60 and over	87.00	73.70	60.00

* This amount payable for life. If retirement occurs before age 65, an employee must have 10 years of continuous service.

Details

A. Pension Schedule/No Actuarial Reduction

1. The monthly benefit of a Participant is determined by multiplying the appropriate dollar amount for the participant's Group by the participant's years of Plan participation. The job classifications included in each Group are set out under the Group's schedule below. Job classification refers to a permanent job classification. A participant's appropriate Group will be the Group in which the most months of service occurred during the five years of service before retirement (or termination of employment with vesting or reclassification to a non-IAMAW job). However, in no event will the appropriate Group be lower than the Group at retirement (or termination of employment with vesting or reclassification to a non-IAMAW job) applicable to the permanent job classification held by the employee when the five-year period began.

2. There will be no actuarial reduction in the scheduled amounts shown above for early retirement, but the amounts shown above will be adjusted for payments in a form other than a single life annuity form.

B. Eligibility

1. Eligibility requirements for participation in the Plan are being employed in a classification covered by this agreement, age 21 and the completion of one year of service within an eligibility computation period as defined in 3 below.

2. Entry into the Plan shall be on the first day of the month next following the month in which an employee meets all eligibility requirements.

3. An employee's first eligibility computation period shall be the twelve-month period commencing on his or her date of employment with the Company. If at the end of such twelve-month period the employee has been credited with at least 6 months of service with the Company, the employee shall be credited with a year of service for eligibility purposes. If the employee is not credited with at least 6 months of service during his or her initial eligibility computation period, the next, and subsequent, eligibility computation periods shall be the Plan Year commencing with the first Plan Year beginning after the employee's first date of employment with the Company.

4. The determination of whether an employee has satisfied the year of service requirement for eligibility shall be made at the end of the employee's eligibility computation period.

C. Service

1. An employee will be credited with a month of service for each calendar month during which:

a. the employee is receiving earnings for services performed while employed by the Company;

b. the employee receives earnings from the Company but performs no services such as during periods of vacation before termination, sick leave, and jury duty; and

c. the employee receives no earnings and no services are performed due to illness leave of absence or eligible military service (provided the employee returns to employment with the Company within the eligible time period).

d. Service will be credited for periods during which the employee is on an approved unpaid leave of absence, lay-off or suspension under rules uniformly applied to employees in like situations provided the employee returns to active employment at the end of the unpaid leave of absence, lay-off or suspension.

e. For purposes of eligibility, if an employee's employment with the Company is terminated and the employee is rehired, the employee will lose his or her prior service if the employee is not vested at the time of his or her termination of employment and his or her breaks in service exceed five (5) years. A break in service is a Plan Year in which the employee is not credited with any months of service.

D. Participation

Participation (an element used to calculate your accrued benefit under the Plan) is credited for each month the employee is eligible to participate in the Plan and is receiving pay from the Company for services performed for the Company, for vacation while in active service, or for sick leave. Participation for prior periods of employment will be reinstated if service for vesting purposes for the same period is reinstated. Participation will be credited for any period of eligible military service (provided the employee returns to employment with the Company within the eligible time period) in accordance with the Uniform Services Employment and Reemployment Act (as amended) regardless of the fact that the employee receives no earnings from the Company during the period of eligible military service.

E. Forms of Payment

1. The forms of payment in which a participant may elect to have his or her pension benefit paid are (a) a single life annuity, (b) a ten-year certain annuity, or (c) a 50%, 66 2/3%, or 100% contingent annuity. The participant may also elect a level income feature with any form of payment provided the participant has (i) not attained age 65 or (ii) is not drawing Social Security benefits, if earlier. If a participant elects a 50%, 66 2/3% or 100% contingent annuity and the contingent annuitant is the participant's spouse or domestic partner, the participant may also elect a pop-up feature. Monthly benefit payments will be actuarially adjusted to reflect the form of payment the participant elects.

2. The default standard form of payment for an unmarried participant is a single life annuity. Benefits cease upon the death of the participant. A participant may elect another Form of Payment.

3. The default standard form of payment for a married participant is a 50% contingent annuity with the participant's spouse as their contingent annuitant. The participant may elect one of the other Forms of Payment if his or her spouse consents to such election. To provide consent the spouse and the participant must sign a waiver of this standard Form of Payment and the spouse's signature must be notarized.

4. In the event the present value of a participant's vested accrued benefit upon their termination of employment is $3,500 or less, the benefit will be distributed automatically to the participant in a lump sum provided the participant is at least 55 years of age.

F. Maximum Benefit Levels

The Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("Code") limit the maximum allowable benefit that may be paid by the Plan. The maximum limit in 2000 is $135,000 (2001 is $140,000) per year or 100 percent of the employee's highest three-year average earnings, whichever is smaller. These figures will be adjusted from time to time as prescribed by ERISA and the Code.

G. Retirement Ages

1. In order to qualify for Normal Retirement a participant must have terminated and attained age 65. The Normal Retirement Date is the first day of the month next following the month in which the participant reaches his or her 65th birthday.

2. Early Retirement is age 55 with 10 years of continuous service. The Early Retirement Date is the first day of any month after the date the early retirement eligibility requirements are satisfied and before the participant's Normal Retirement Date.

3. Late retirement is the first day of any month after the participant's Normal Retirement Date.

4. Aparticipant must commence receiving benefits at the later of the date he or she attains age 70 fi or terminates employment. A participant who is still employed at age 70 fi may make a one-time election to start the payment of his or her pension benefit at the time he or she reaches age 70 fi. If a participant makes this election he or she will continue to participate in the Plan during his or her continued employment and will have his or her benefit adjusted each year to reflect additional accruals, if any.

H. Reemployment Following Retirement

An employee who has retired from the Company, commences benefits under the Plan and is then reemployed by the Company, will have his or her benefits suspended during the period of reemployment. When the employee again terminates employment, the months of service and participation earned during the period of reemployment will be added to the service and participation from the prior period of employment for purposes of calculating any additional accruals during his or her period of reemployment, and benefits will resume in the original form elected by the participant. Benefits will be actuarially reduced to reflect benefits received prior to reemployment.

I. Death Prior to Retirement

1. In the event of a participant's death prior to commencing his or her benefits under the Plan, and provided the participant was vested at the time of his or her death, a pre-retirement survivor's benefit will be payable to the participant's surviving spouse or the participant's same sex domestic partner if the participant elected this coverage for his or her same sex domestic partner. This benefit is equal to 50% of a joint and survivor annuity based on the participant's accrued benefit on the date of his or her death. The surviving spouse or domestic partner must wait until the participant would have been 55 to collect the benefit. If the participant was age 55 or older and eligible for early retirement on the date of his or her death, the surviving spouse benefit will be payable immediately on a monthly basis in the form of a 50% contingent annuity.

2. In order to qualify for the surviving spouse benefit, the surviving spouse must have been married to the participant (or the same sex domestic partner must have been in a domestic partnership with the participant) continuously for at least one year immediately prior to the date of the participant's death.

3. There is a charge for the pre-retirement survivor benefit for the period beginning upon the date the participant attains age 35, is married (or elects to cover his or her same sex domestic partner) and has been married for at least one year, and is vested. The charge ends on the date the participant becomes eligible for early retirement. If a participant terminates employment prior to becoming eligible for early retirement, the charge will continue until the participant commences his or her benefit. The charge is deductible from the benefit at the time payment of the benefit commences based on the period the coverage was in effect. A participant, with his or her spouse's consent may waive the coverage for any period for which a charge is imposed.

4. If a participant waives the pre-retirement survivor's benefit coverage, divorces and later remarries, the coverage will be automatically reinstated upon the participant's date of marriage and will continue until the participant waives coverage again.

J. Vesting

1. Employees become 100% vested in the Plan after completion of five years of service or upon reaching age 65 while still employed with the Company.

2. For vesting purposes only:

   a. An employee credited with at least six months of service in any Plan Year beginning on or after January 1, 1976, will be credited with one year of service with respect to that calendar year. The Plan Year is the calendar year.

   b. An employee will be credited with a year of service for vesting purposes for the first year of his or her employment with the Company whether or not the employee has completed six months of service during such Plan Year.

   c. Years of service for vesting purposes includes military and other approved leaves of absence and layoffs occurring after January 1, 1976 provided (i) the employee returns to active service prior to the date any benefits become payable, and (ii) the employee returns to active service within the statutory period after discharge from the military or within 90 days following termination of such leave or layoff.

   d. A former employee who terminated employment on or after January 1, 1976 and who is reemployed prior to January 1, 1987, will receive credit for service during the prior employment period if (i) service during the prior employment period exceeds the consecutive whole calendar years constituting the break in employment, or (ii) the employee was already vested when the prior employment ceased.

   e. A former employee who terminated employment on or after January 1, 1976 and is reemployed on or after January 1, 1987, will receive credit for service during the prior employment period if either 2(d)(i) or 2(d)(ii) identified above apply, or if the employee was rehired within five years of when the prior employment ceased.

   f. A former employee who terminated employment before January 1, 1976 lost all years of service upon termination and will not be credited with any prior years of service upon rehire.

K. Transfers

1. Employees moving from a position with the Company to a job classification included in one of the Groups set out in the attachment will retain any benefits accrued under their previous retirement plan up to the date of transfer to a job classification included in one of the in the Groups and these benefits (including the annuity value of lump sum payments) will be included as part of the benefits provided under this Plan. The employee's benefit under this Plan will be cal-

culated by adding his or her transferred accrued benefit to the benefit the employee accrues in this Plan after his date of transfer using only his years of participation in this Plan.

2. Employees transferring from a job classification included in one of the Groups to another job classification with the Company that is not included in the Groups will have their accrued benefit (calculated as of the date of transfer) transferred to the Plan covering employees in the new position.

Groups

The following are the job classifications of each group:

Group I

Lead Mechanic
Aircraft Inspector
Lead Flight Simulator Technician
Flight Simulator Technician
Lead Ground Communications Technician
Ground Communications Technician
Shop Inspector
Mechanic
Lead Computer Technician
Computer Technician
Metrologist

Group II

Seamer

Group III

Mechanic Helper
Lead Utility Employee
Utility Employee

Letter 02-2M

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

Dear Scotty:

This letter will reflect the understanding reached between the Company and Union during our recent negotiations, regarding the application of retroactive pay for employees covered under this Agreement with an employment relationship on March 14, 2002.

Retroactive pay will be based on each eligible employee's wages, earned in covered classifications, for the period between July 12, 2000 and March 14, 2002 of this Agreement in accordance with Schedule Aand the provisions of Article XXII, Paragraphs O.1 and O.5.

Eligible employees for this retroactive payment are those who, on March 14, 2002, had an employment relationship with the Company, who had earnings in the covered period and who are:

- Active employees
- Employees on layoff, leave of absence or Extended Illness Status
- Employees who have retired on and after July 12, 2000
- Employees who have transferred out of the bargaining unit since July 12, 2000
- Employees on excused absence due to illness or injury
- The estate of employees deceased since July 12, 2000

This retroactive pay, plus interest at a rate of six (6) percent, compounded annually, beginning March 14, 2002, will be paid in eight (8) approximately equal payments in accordance with the following quarterly schedule:

- December 15, 2002
- April 15, 2003
- July 15, 2003
- October 15, 2003
- January 15, 2004
- April 15, 2004
- July 15, 2004
- October 15, 2004

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-3M
Revised, July 14, 2004
Revised May 15, 2005

Jim Seitz
AMFA-UAAirline Contract Administration Coordinator 1250
Bayhill Drive, Suite 201
San Bruno, CA 94066

Dear Jim:

The Company and the Union have recognized that there are certain provisions of Letter 02-03 that are so restrictive as to render it unworkable. To that end, we have agreed that it is in our mutual best interest to recognize that productivity, performance and quality of work-life can be consistently recognized across the system.

"At the option of the Company, management may offer a modification to the standard work week in a work area or shift. Such modification may consist of four (4) ten (10) hour work days, in a work week as defined in Article VI. All regular days off will be scheduled consecutively."

In order to increase the viability of the four (4) day, ten (10) hour schedule, the following has been agreed upon:

- After implementation, productivity and performance standards of a station or work group will be reviewed every ninety (90) days on mandatory basis between the Company and Local AMFA representatives. AMFA and the Company agree to cooperate to insure the continued viability of the local ten-hour schedule. The continuation of a four (4) day, ten (10) hour schedule will be based upon maintenance schedules and/or the Company's business requirements. Should it become necessary to cancel the (4) day 10 (ten) hour schedule a minimum of 10 (ten) days notice will be provided; if practical to do so, greater notice shall be provided.
- Upon membership ratification, this Letter of Agreement will supersede all local Letters of Agreement currently in effect regarding 10 (ten) hour schedule.
- All employees in a work area on a four (4) day, ten (10) hour shift will have the same shift starting time.
- Alead mechanic may be required to lead and direct employees in addition to his own work group for a period not to exceed two (2) hours in order to accommodate employees on the four (4) day, ten (10) hour shift, without restriction of the normal lead to mechanic ratio defined in Article V, Paragraph A.
- The four (4) day, ten (10) hour shifts will be scheduled in order to provide for level staffing within the location.
- Assignment to a four (4) day, ten hour (10) shift will be governed by seniority in accordance with Article X, Paragraphs B and P.
- Overtime, holiday, vacation and training will be paid in accordance with the Agreement as follows:

1. Overtime rate of time and one-half computed on an actual minute or one-hundredth (1/100th) of an hour basis with a minimum of one (1) hour overtime shall be paid for all work performed in excess of ten (10) hours in any one day, for all work performed either in advance of or after regularly scheduled hours, and for all time worked on one of the three (3) regularly scheduled days off each work week.

2. Ten (10) hours of sick leave pay and vacation pay will be granted for a full scheduled day absence due to illness or vacation.

   • Each hour of occupational or non-occupational sick leave charged to the employee's bank will be paid at seventy-five percent (75%) of the employee's hourly rate.

   a. Employees whose sick leave lasts 40 consecutive work hours or more may, at their option, surrender full vacation day(s) to alleviate income loss.
   b. In the event of illness or injury requiring absence of 56 consecutive work hours or more, sick time will be paid at one hundred percent (100%) of the employee's hourly rate commencing with the 57th consecutive work hour.

3. Holiday pay shall be:

   • Ten hours for a normal scheduled day if the holiday is worked.
   • Ten hours for a scheduled day which is not worked.
   • Eight hours on a scheduled day off.

4. Employees assigned to training will follow the schedule employed at the training location. This will usually require reverting to a five day, eight hour schedule. Normal pay rules will apply while so assigned.

   • The Company will continue to determine whether a ten-hour shift schedule will be offered in a work group and implementation of such schedule will only be with the concurrence of the Local Committee.

It is anticipated that, with the adjustments noted above, the four (4) day, ten (10) hour shift schedule will become productive and will remain an integral part of our scheduling process.

Sincerely,

/s/ Alan R. Koehler
Alan R. Koehler
Director Labor Relations

Accepted and Agreed to this 15th day of May, 2005.

/s/ Louie Key
Louie Key, AMFA Region I Director

/s/ Jim Seitz
Jim Seitz, AMFA-UAACAC

Letter 02-4M

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

Dear Scotty:

This will confirm the discussion and understanding reached in the negotiations leading to the 2000-2005 Agreement regarding the importance of ergonomics in our overall program of safety in the workplace.

The Company and the Union understand that some departments/locations have developed local ergonomic programs. However, we believe that in order to increase awareness, Corporate Safety should take the lead in further development and implementation.

In order to carry the Union's ergonomic concerns forward, it is agreed that District 141M will nominate an individual to participate with Corporate Safety.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March, 2002

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

Letter 02-5M

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

Dear Scotty:

This will confirm the discussion and understanding reached in the negotiations leading to the 2000-2005 Agreement regarding the importance of quality of work life issues.

The Company and the Union recognize that it is in the best interest of the Company's success and the employees' satisfaction to fully explore these issues in an effort to address the concerns. Therefore, it is agreed that at the request of the Director of Labor Relations or the President and General Chairman of the Union, a review will be conducted with the appropriate members of management and District 141M leadership. While we realize that all individual problems may not be solved through this process, we will make every effort to reach a mutually satisfactory solution.

At the conclusion of the meetings, a written report of the findings will be rendered. Nothing in this agreement will serve as a substitute for an employee's right to subsequently pursue their concern through the grievance procedure.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-6M

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

Dear Scotty:

This will confirm the discussions and understanding reached in negotiations leading to the 2000-2005 Agreement regarding the concern expressed by the Union with respect to the selection of employees for reclassification and assignment to international emergency field service.

While the parties understand that the provisions of this Agreement do not extend to international locations, we discussed a fair and equitable process to select employees to fulfill these assignments. We have agreed that, when practicable to do so, consideration will be given to employees with low overtime hours from among available qualified employees on an overtime list.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-7M

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

Dear Scotty:

This will confirm the discussions and understanding reached in negotiations leading to the 2000-2005 Agreement. United will maintain a Bloodborne Pathogen Exposure Control Plan which satisfies the requirements of the OSHA Bloodbourne Pathogen regulations.

The current United Bloodborne Pathogen Exposure Control Plan is contained in Safety Regulations 5-12-44 - Infection Control Program. The Plan is designed to satisfy the requirements of OSHA and it includes the following elements:

- Exposure Determination/Classification
- Responsibilities for Implementation
- Engineering and Workplace Controls
- Employee Training Requirements
- Post Exposure Treatment

Corporate Safety agrees to consider any proposed changes to the Plan that may be suggested by the Union in an effort to improve the safety of employees in their work environment and to solicit comments from the Union whenever routine revisions are made to the Plan.

The United Airlines Medical Department agrees to make available, at no cost to covered employees, complete post-exposure evaluation including necessary blood work and medications.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-8M

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

Dear Scotty:

This will confirm the discussions and understanding reached in negotiations leading to the 2000-2005 Agreement regarding the concerns expressed by the Union with respect to payroll errors. We have had numerous discussions regarding payroll issues resulting in discrepancies in mechanics' bi-weekly paychecks.

Specifically, the Union has expressed concerns about the payroll department's inability to process pay shortages in accordance with the provisions of Article XXII, Paragraph E of the Agreement. This issue has been reviewed with the Senior Vice President - Finance who has committed to hire additional personnel who will be dedicated to IAM payroll processing to address these concerns.

The results of this effort will be analyzed over the next nine months to evaluate the performance trend. We will then meet with you and your staff to review the results and, if your concerns have not been resolved at that time, take additional steps as necessary.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-9M

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

Dear Scotty:

This will confirm the discussions and understanding reached in negotiations leading to the 2000-2005 Agreement regarding the establishment of a joint committee to review employee benefit issues.

The committee will consist of one Company member and one member appointed by District 141M and shall meet no later than June 2, 2002. The purpose of the committee will be to address problems arising from the administration of existing benefit programs.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-10M

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

Dear Scotty:

During negotiations leading to the 2000-2005 Agreement, the subject of continuing education was discussed. The discussion centered on two possible curriculum tracks focusing on either an A & P certificate or a bachelor's degree.

The IAMAW education department has offered its expertise in the development of these programs, which would be offered to IAMAW - represented employees at United Airlines. The Company is committed to explore this matter in a joint forum outside the confines of these negotiations.

A continuing education committee will be established during the term of this agreement to explore this subject. The committee will consist of two individuals appointed by the Company and two individuals appointed by District 141M. The committee will make its recommendations in a joint session for a final decision.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-11M

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

Dear Scotty:

This will confirm the following agreement made between the IAM and United in the negotiations leading to the 2000-2005 Mechanics' Agreement.

Subject to other legal obligations, United will make reasonable efforts to hire new employees under the Mechanics' Agreement who, in addition to satisfying United's hiring standards, have worked for air carriers represented by the IAM and have been laid off since the effective date of the Mechanics' Agreement for reasons such as a shut down or economic duress at such carrier.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-12M

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

Dear Scotty:

This will confirm the understanding reached in the negotiation of the 2000-2005 Mechanics' Agreement regarding the concern expressed by the IAM with respect to the maintenance of Small Jets as they are defined in Section 1-M-28 the United-ALPA Agreement dated 10/26/00.

In the event that Small Jets, as they are defined in the United-ALPA Agreement dated 10/26/00, are flown in scheduled commercial airline service by United Pilots who are on the United Airlines Pilots' System Seniority List and/or Second Officer Eligibility Seniority List at United Air Lines, Inc., the maintenance work required for any such Small Jets that are contained within United Airlines' Active Fleet will be recognized as being within the scope of Article II of the 2000 Mechanics' Agreement.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-15M

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

Dear Scotty:

This letter will confirm our understanding with respect to the proper interpretation and application of Article X (Seniority) of the 2000 Mechanics' Agreement and the 2000 Maintenance Instructors' Agreement for employees who are awarded a vacancy in the Maintenance Instructor Classification.

Mechanics who successfully bid to a Maintenance Instructor position shall retain and continue to accrue their basic Mechanic classification seniority at the point at which employed as a Maintenance Instructor. If the Mechanic has any premium Mechanic classification seniority, he shall retain and continue to accrue the appropriate premium seniority so long as he remains at the point at which the seniority is held. Should the employee bid to another point, the employee's name shall be removed from all seniority lists in such premium classifications.

A Flight Simulator Technician, Computer Technician, or Ground Communication Technician who is a successful bidder to a Maintenance Instructor position shall retain and continue to accrue seniority in these classifications so long as the Maintenance Instructor remains at the point at which the seniority for these classifications are held. Should the employee successfully bid to a new point, the employee's name shall be removed from all seniority lists in these classifications at their old point.

Current Maintenance Instructors who have previously worked as Mechanics shall accrue their Mechanic Seniority in accordance with the following:

1. Mechanics who have transferred to the Maintenance Instructor Classification since August 18, 1998 will have no adjustment to their Mechanic classification seniority date or any applicable premium classification seniority.

2. Employees in the Maintenance Instructor Classification prior to August 18, 1998 who had previously established and maintained mechanic seniority, will have the period of time between their Mechanic's seniority retention date and February 18, 1999 used to calculate a new adjusted Mechanic classification seniority date. The same shall apply to any applicable premium classification seniority. Mechanic seniority and any applicable premium classification seniority shall then be accrued from February 18, 1999 (NMB certification date).

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March, 2002

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

Letter 02-16M

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

Dear Scotty:

This will confirm the extensive discussions during the recently concluded negotiations regarding issues surrounding the current pension plan for United employees represented by District 141M and the desire to introduce an earnings-related retirement program.

It became apparent to us, during these negotiations, that a committee established for this sole purpose away from the negotiating process itself could best address the scope and complexity of the matter. Accordingly, it is agreed that the Company and the Union will nominate people, as necessary, to serve on this committee. The committee will call upon experts in the pension area in order to formulate ideas and practical ways for the parties to go forward.

The IAM/Company Pension Committee will present their findings and recommendations to United and IAM leadership for their review and information will be distributed to the membership as deemed appropriate. It is hoped that the product of this effort will provide the framework for pension discussions in the next round of negotiations.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
14th day of March 2002

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

Letter 02-17M

LETTER OF AGREEMENT
Between
UNITED AIR LINES, INC.
And
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS

If, during the first six months following date of signing, United proposes to implement a financial recovery plan to address the Company's severe financial condition or as a prudent alternative to a bankruptcy filing, and such Plan involves employee concessions, District 141M shall participate in good faith in the negotiation of such plan.

The implementation of any negotiated recovery plan, as it relates to employees covered under the Mechanics' Agreement, shall be subject to ratification by the IAM District 141M membership.

The IAM shall have continual access to payroll records and other relevant financial data necessary to comply with this Letter of Agreement. United shall reimburse the IAM for reasonable expenses for the services of legal and financial advisors, along with reasonable travel expenses for District 141M leadership, incurred in connection with the implementation of this Letter of Agreement.

Agreed this 14th day of March 2002.

For UNITED AIR LINES, INC.

/S/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

For INTERNATIONAL
ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS

/s/Scotty Ford
Scotty Ford
President & General Chairman
District 141M

Letter 03-01M

Mr. Scotty Ford
President and Directing 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
1st day of May 2003

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

Letter 03-02M

Mr. Scotty Ford
President and Directing 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 placement of current full and part-time Utility Employees on to the new Schedule A 10-year Utility pay scale.

The parties have agreed that the placement of Utility employees will be accomplished in the following manner:

All current full and part-time Utility employees will be placed in the 10-year pay scale based on their Longevity Seniority Date. For employees who entered the classification under the provisions of Letter 84-5M, an Adjusted Longevity Seniority Date will be used to reflect the slotting credit given at the time the employee entered the Utility classification. Adjustments for periods of part-time service will also be reflected in the Adjusted Longevity Seniority Date.

Following initial placement on May 1, 2003, employees will progress through the 10-year scale based on elapsed calendar months with increases tied to the Longevity Seniority Date or the Adjusted Longevity Seniority Date, whichever is applicable.

The 10-year Schedule A shall apply to all current full and part-time employees as well as employees entering the Utility classification after the effective date of this Agreement.

Sincerely,

Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
1st day of May 2003

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

Letter 05-01M
May 15, 2005
(new)

Mr. Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association 1150
Bayhill Drive Suite 121
San Bruno, CA 94066

Dear Jim:

This letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company with respect to severance and other benefits for Utility employees and Computer Technicians furloughed due to outsourcing.

1. A Computer Technician or Utility employee who was on the payroll or on leave of absence as of the effective Date of the 2005-2009 Mechanics' Agreement shall be a "Covered Employee" and entitled to enhanced separation benefits in accordance with the terms set forth below.

2. During the term of the 2005-2009 Mechanics' Agreement, in the event the Company outsources Computer Technician or Utility work, a Covered Employee who is involuntarily furloughed as the result of such outsourcing will be entitled to the normal benefits and provisions of the Agreement or may elect the following option:

   a. Employees who are involuntarily furloughed may elect to sever their employment relationship with the Company, by resignation or by retirement (if eligible) and thereby forfeit all of their recall rights under the Agreement, and;

   b. Employees who sever their employment relationship in accordance with Subparagraph 2(a) above will receive severance pay and benefits in accordance with the Agreement but in an amount as follows:

      (i) Insurance Benefits established in Article XXIV, Paragraph A-5 will be provided as follows:

Years of Service	Total Benefits Provided
Less than 5 years	4 months
5 years but less than 10 years	6 months
10 years but less than 15 years	9 months
15 or more years	12 months

(ii) The amount of severance pay will be two times the severance allowance provided in Article XXIII, paragraph B.

(iii) Employees and eligible dependents will be eligible for five (5) years of unlimited space-available travel following separation, as follows:

(a) for the first two (2) years following separation, unlimited space-available travel. Employee will be responsible for all applicable service charges, taxes and fees. Service charges will be set by the Company using a formula designed to recover the cost of providing NRSA travel to an individual, and can be changed - either in amount or approach - at the Company's discretion. This is the approach and methodology that is in place today for active employees.

(b) for the following three (3) years, unlimited space-available travel. Employee will be responsible for all applicable service charges, taxes (including taxes assessed on the imputed income arising from the assessed value of the travel) and fees. Service charges will be set by the Company using a formula designed to recover the cost of providing NRSA travel to an individual, and can be changed - either in amount or approach - at the Company's discretion. Furthermore, the value of the travel will be considered income (i.e., the employee shall be issued a W-2 on the imputed value of the travel) and all applicable Federal, State, FICA, and local taxes must also be paid to the Company. This is the approach and methodology that is in place today for domestic partners of active employees.

c. An employee who retires pursuant to Paragraph 2 (a) and who accepts benefits pursuant to Paragraph 2(b) will be considered to have retired from active service. Employees who are eligible for Retiree Medical Insurance in accordance with Article XXIV, Paragraph E, will not also qualify for Insurance coverage under 2.b.(i), above.

3. Covered Employees (Computer Technicians or Utility employees) who have been selected for involuntary furlough and who do not meet retirement age eligibility requirement on their date of furlough but will meet that requirement within three (3) years of their furlough date may elect to be placed on a Special Leave of Absence equal to the number of months from their furlough date until they satisfy the age requirement for retirement eligibility. This Special Leave of Absence may not exceed thirty-six (36) months from the date of furlough. On the last day of the month in which they meet the age eligibility requirement for retirement, their Special Leave of Absence would end, and employees must then retire.

a. Employees who elect this Special Leave of Absence in lieu of layoff are not eligible to receive any severance pay.

b. Employees will not be eligible for re-employment by United during the Special Leave of Absence.

c. The Special Leave of Absence must end on the last day of the month in which the employees would meet the eligibility requirements for retirement.

d. Employees may accept other outside employment while on a Special Leave of Absence.

e. Employees on Special Leave of Absence are eligible for medical, dental, company-paid life insurance and on-line travel benefits on the same basis as active employees.

f. Employees on this Special Leave of Absence must retire once they have met the age and service requirements for retirement. Seniority accrues for the entire duration of the leave. Employees will not receive participation credit for pension benefit calculation purposes during the Special Leave of Absence.

g. Employees who are interested in this option must identify themselves by returning a form to their manager or supervisor within five (5) business days of when they are informed of their furlough. Once an employee submits a request for this option, he or she may not withdraw his or her election.

4. The Company will use reasonable efforts to place furloughed Computer Technicians with the vendor(s) to which Computer Technician work is outsourced. Employees who accept such employment will not be eligible for the benefits described herein.

5. The foregoing provisions of this Letter of Agreement do not apply under the following circumstances:

a. to temporary employees;

b. to employees who are being laid-off as a direct result of:

(i) an act of nature;

(ii) a strike or labor dispute;

(iii) 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;

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

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

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

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
15th day of May, 2005

/s/ Jim Seitz
Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

/s/ O.V. Delle Femine
O.V. Delle Femine
National Director
Aircraft Mechanics Fraternal Association

Letter 05-02M
May 15, 2005
(new)

Mr. Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association 1150
Bayhill Drive Suite 121
San Bruno, CA 94066

Dear Jim:

This letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company on the subjects addressed below.

1. Indemnification.

UAL and the Company (collectively, "United") hereby indemnify and hold harmless AMFA, its members, officers, committee members, agents, employees, counsel, financial advisors and representatives (each, an "Indemnified Person") from any and all losses, damages, fines, penalties, taxes, expenses, claims, lawsuits, or administrative charges of any sort whatsoever (including reasonable attorney's fees and costs arising in connection with the investigation and defense of any such matter) relating to, concerning or connected with the negotiation or implementation of this Letter of Agreement (any such event, a "Claim"), except to the extent that a Claim against an Indemnified Person is finally determined by a court of competent jurisdiction to have resulted from the gross negligence, fraud or willful misconduct of such Indemnified Person.

2. Indemnification Procedure.

a. An Indemnified Person must give prompt notice to the Company of the facts and circumstances that may constitute a Claim under this Indemnity Agreement; provided, however, that any delay by an Indemnified Person in giving such notice shall not relieve United of its obligations under this Indemnity Agreement except to the extent that such delay causes material damage or prejudice to United.

b. United shall be entitled to participate in judicial, administrative proceeding concerning an actual or potential Claim (an "Action") and, upon ten (10) days notice to the applicable Indemnified Person, may assume the defense of such Claim with counsel reasonably satisfactory to the Indemnified Person. Following any assumption of the defense of an Action by United, United shall not be liable for any subsequent fees of legal counsel or other expenses incurred by the Indemnified Person in connection with the defense of such Action, subject to reimbursement for actual out-of-pocket expenses incurred by the Indemnified Person as the result of a request for cooperation or assistance by United; provided, however, that if, in the reasonable opinion of out-

side counsel to the Indemnified Person, there exists an actual, material conflict of interest between the United and the Indemnified Person, United shall be liable for the legal fees and expenses of separate counsel to the Indemnified Person; provided, further, that the Indemnified Person shall have the right to participate in the defense of an Action with its own counsel at its own expense.

c. No compromise or settlement of any Action shall be binding on United for purposes of United's obligations under this Indemnity Agreement without United's express written consent, which consent shall not be unreasonably withheld. United shall not compromise or settle any Action or otherwise admit to any liability for any Claim on a basis that would reasonably be expected to adversely affect the future activity or conduct of the Indemnified Person without the prior written consent of the Indemnified Person, which consent shall not be unreasonably withheld.

d. In the event United assumes the defense of any Action under this Indemnity Agreement, United shall (i) keep the AMFA and the applicable Indemnified Person informed of material developments in the Action, (ii) promptly provide AMFA and such Indemnified Person with copies of all pleadings, responsive pleadings, motions and other similar legal documents and papers received in connection with the Action, (iii) permit AMFA and such Indemnified Person and their counsel, to the extent practicable, to confer on the defense of the Action, and (iv) permit AMFA and such Indemnified Person and their counsel, to the extent practicable, an opportunity to review all legal papers to be submitted prior to their submission. The parties shall provide to each others such assistance as may be reasonably required to insure the proper and adequate defense of the Action, and each party shall use its good faith efforts and cooperate with each other party to avoid the waiver of any privilege of another party.

3. Plan of Reorganization; Survival.

This indemnity agreement shall be assumed under the Plan of Reorganization and shall continue in full force and effect thereafter without regard to the terms of Section XXVII of the 2005 Mechanics' Agreement.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
15th day of May, 2005

/s/ Jim Seitz
Jim Seitz

Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

/s/ O.V. Delle Femine
O.V. Delle Femine
National Director
Aircraft Mechanics Fraternal Association

Letter 05-03M
May 15, 2005
(new)

(Bankruptcy Exit Agreement)
LETTER OF AGREEMENT
by and between
UAL CORP.,
UNITED AIR LINES, INC.
and
Mechanics and Related Employees
in the service of
UNITED AIR LINES, INC.
as represented by
THE AIRCRAFT MECHANICS FRATERNAL ASSOCIATION

THIS LETTER OF AGREEMENT, dated as of May 15, 2005, is made and entered into in accordance with the Railway Labor Act by and between UAL Corp. (hereinafter referred to as "UAL"), UNITED AIR LINES, INC. (hereinafter referred to as the "Company") and the AIRCRAFT MECHANICS FRATERNAL ASSOCIATION (hereinafter referred to as "AMFA" or the "Union").

WHEREAS UAL, the Company and the Union have reached agreement concerning the revisions to their current collective bargaining agreement (the "2003 Mechanics' Agreement" and, as revised by this Letter of Agreement, the "2005 Mechanics' Agreement") necessary for the Company to emerge from Chapter 11; and

WHEREAS certain of the revisions shall become effective as of May 15, 2005 (the "Effective Date"), assuming the complete satisfaction of the conditions described in paragraph 9 below prior to June 30, 2005 and other revisions shall become effective on the effective date (the "Exit Date") of a plan of reorganization proposed by UAL Corp. (the "Plan of Reorganization");

THEREFORE the parties to this Letter of Agreement hereby agree as follows:

1. Amendable Date. The amendable date of the 2005 Mechanics' Agreement shall be January 1, 2010. Section XXVII of the 2005 Mechanics' Agreement shall read in its entirety as follows:

   This Agreement shall become effective January 1, 2005 except as otherwise provided, and shall continue in full force and effect through December 31, 2009 and shall thereafter renew itself yearly without change each January 1st 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 December 31, 2009 or December 31 of any year thereafter. If such notice is served, negotiations will commence no more than 30 days after service. If a new tentative agreement is not reached by August 1, 2009 (or any August 1 thereafter, if applicable), the parties will jointly invoke the mediation services of the National Mediation Board under Section 5 of the Act.

2. Wage Rates. The base pay rates and other pay components (shift premiums, Hawaii differential, skill premium, and license premium) in effect as of May 1, 2004 under Schedule A of the 2003 Mechanics' Agreement shall be reduced by 3.9% effective with the payroll period commencing closest to June 1, 2005 (for most employees, this will be the payroll period commencing either May 29, 2005 or June 5, 2005). These reduced base pay rates and other pay components shall thereafter be increased by 1.5% on January 1, 2006, 1.5% on January 1, 2007, 1.5% on January 1, 2008, and 1.5% on January 1, 2009. These shall become the pay rates for the 2005 Mechanics' Agreement. The base pay rates under Schedule A of the 2005 Mechanics' Agreement are set forth in Exhibit A to this Letter of Agreement. The other pay components as revised are set forth in Exhibit B to this Letter of Agreement.

3. Other Contract Changes. Certain other provisions of the 2003 Mechanics' Agreement shall be revised on the Effective Date as described on Exhibit B to this Letter of Agreement.

4. Defined Benefit Pension Plan. AMFA (i) waives any claim it may have (including but not limited to any claim or grievance under Letter of Agreement 02-1M of the 2003 Mechanics' Agreement) that the termination of the United Air Lines, Inc. Union Ground Employees' Retirement Plan (the "Plan") does or would violate the terms and conditions of the 2003 Mechanics' Agreement or any other agreements or status quo between the parties, and (ii) shall not otherwise oppose any efforts to terminate the Plan; *provided*, however, that nothing in this Letter of Agreement shall be construed, deemed or characterized by UAL or the Company as any agreement of any form by AMFA that the Plan should be terminated, or as limiting AMFA's right to proceed against the PBGC regarding the issue of the termination date of the Plan. AMFA further agrees that, under the 2005-2009 Mechanics' Agreement, the Company shall not be required to maintain the Plan, or provide any defined benefit pension benefits whether from a plan, including the Plan or otherwise, and may terminate the Plan without violating the 2005-2009 Mechanics' Agreement or any other agreements or status quo between the parties.

5. Pension Contributions. When the Plan is terminated following final judicial approval of such termination ("Plan Termination Date"):

   a. The Company shall, each payroll period, make a contribution (the "Replacement Plan Base Contribution") to a defined contribution plan equal to four percent (4.0%) of each eligible participant's "Considered Earnings" (as defined in Exhibit C). In addition, the Company shall make an Additional Contribution for all eligible participants employed on May 15, 2005, based on a points schedule attached as Exhibit *I*. The Additional Contribution has been determined such that the total of the Base Contribution plus the Additional Contribution for all eligible participants will be of the total Considered Earnings for all eligible participants. In the future, the Additional Contribution for any eligible participant will not change. At the end of each calendar year, the Company will calculate total Company contributions as a percentage of the total Considered Earnings for all eligible participants. If the total is less

than 5.0%, the Company will make an additional one-time base contribution so that the total Company contribution for the calendar year equals 5.0% of total Considered Earnings. The Company will calculate the total projected Company contribution divided by the total projected Considered Earnings at the beginning of each year. If this percentage is less than 5.0%, the Company will increase the base contribution rate so that the total Company contribution rate equals 5.0%. The Base and Additional Contributions will begin with the earlier of (i) July 1, 2005, or (ii) the first day of the calendar month following the Exit Date; provided, however, that in the event the Exit Date follows July 1, 2005, contributions will accrue without interest from July 1, 2005 through the Exit Date and be contributed in a single lump sum no later than sixty (60) days after the Exit Date.

b. All employees employed on May 15, 2005 will be 100% vested in the Replacement Plan Contributions. Any Replacement Plan Contributions made on behalf of an employee hired after May 15, 2005 will be subject to the following vesting schedule:

Fewer than one year of service	0%
1 year of service but fewer than 2	20%
2 years of service but fewer than 3	40%
3 years of service but fewer than 4	60%
4 years of service but fewer than 5 or more years of service	100%

All service with the Company will be counted for purposes of vesting. Forfeitures under the defined contribution plan will be used to reduce future Company contributions to the defined contribution plan.

c. The Company will meet and confer annually with AMFA to consider plan investment options.

d. Following the Plan Termination Date, the Company shall not maintain or establish any single-employer defined benefit plan for any UAL or Company employee group unless AMFA-represented employees are provided the option of electing to receive a comparable defined benefit plan in lieu of the Replacement Plan Contribution.

e. The 2005-2009 Mechanics' Agreement and the Plan of Reorganization shall provide for the issuance of $40,000,000 of UAL convertible notes, as described in Exhibit J, to a trust or other entity designated by AMFA. The terms of the UAL convertible notes described in Exhibit I shall be subject to mutually-acceptable modifications to optimize implementation for all parties from an accounting, securities law and tax law perspective. This paragraph shall be effective, and the convertible notes described in Exhibit J shall issue only in connection with, and following, the review, design, negotiation, approval, effective ratification, and execution of this Letter of Agreement.

6. Company Profit Sharing Contribution. The 2005-2009 Mechanics' Agreement shall provide for AMFA-represented employees to participate in the revised profit sharing program described in Exhibit C to this Letter of Agreement.

7. Distribution Agreement. The Plan of Reorganization shall provide the AMFA-represented group with a distribution of UAL equity securities as provided in the amended distribution agreement described in Exhibit D to this Letter of Agreement.

8. Bankruptcy Actions. The Company and the Union shall take the following actions to seek the approval of this Letter of Agreement by the bankruptcy court in In Re UAL Corporation et al., Case No. 02-B-48191 (Bankr. N.D. Ill.) (the "Bankruptcy Cases"):

   a. the Company shall file a motion for approval of the Letter of Agreement under 11 U.S.C. § 363, in form and substance reasonably acceptable to the Union, by no later than May 31, 2005;

   b. the Company shall provide, to the extent reasonably practicable, the Union's counsel with copies of, and a reasonable opportunity to comment on, all motions, applications, proposed orders, pleadings and supporting papers prepared by the Company for filing with the bankruptcy court relating to court approval of this Letter of Agreement; and

   c. both the Company and the Union shall support and seek the approval of this Letter of Agreement in the Bankruptcy Cases without condition, qualification or exception; shall use their best efforts to obtain the support of the Official Committee of Unsecured Creditors and other parties and stakeholders for the Letter of Agreement; and shall take every reasonable action necessary to obtain judicial approval of this Letter of Agreement in the Bankruptcy Cases without condition, qualification or exception, including the filing of motions, objections and appeals.

9. Conditions of Effectiveness. Except as otherwise provided, this Letter of Agreement shall become effective as of May 15, 2005, subject to bankruptcy court approval and, on or before June 30, 2005, the occurrence of all of the following: (a) ratification by AMFA-represented United employees under the Union's Constitution and By-Laws, (b) if required, approval by the Company's Board of Directors, (c) execution by a duly authorized official of AMFA, and (d) the withdrawal of the Company's motion to reject the 2003 Mechanics' Agreement under 11 U.S.C. §1113.

10. Termination Rights. This Letter of Agreement may be terminated by the Company or the Union, on two business days written notice to the other (the "Termination Notice"), given before or after the Effective Date but no later than the Exit Date, upon the occurrence of any of the following events:

   a. failure of the court to issue final judicial approval of this Letter of Agreement, without condition, qualification or exception, by June 30, 2005;

b. failure of the Company to implement, through binding agreement or final judicial order effective no later than the Exit Date, revisions to (i) the labor contracts of the Company's other unionized employees and (ii) the wages, benefits and working conditions of the Company's salaried and management employees so that the aggregate revisions in (i) and (ii) are reasonably projected to produce at least $582 million in average annual savings for the Company from January 1, 2005 through and including January 1, 2010, unless such action is cured to the reasonable satisfaction of AMFA within twenty days of the Termination Notice;

c. the filing by UAL or United of, support by UAL or United for, or judicial confirmation or approval of (as the case may be), a plan of reorganization or a proposed disclosure statement which contains any material term that is materially inconsistent with the 2005 Mechanics' Agreement or this Letter of Agreement unless such action is cured to the reasonable satisfaction of the Union within twenty (20) days of the Termination Notice;

d. other material breach of the Company's or UAL's obligations under this Letter of Agreement unless such breach is cured to the reasonable satisfaction of the Union within twenty (20) days of the Termination Notice.

In the event of such termination, (A) this Letter of Agreement shall otherwise become null and void in its entirety and (B) the parties shall thereafter be governed by the 2003 Mechanics' Agreement and without regard to this Letter of Agreement.

11. Fees and Expenses. The Company shall reimburse the Union for fees and expenses incurred in connection with this Letter of Agreement as described on Exhibit E to this Letter of Agreement. Such reimbursement shall be made only in connection with, and following, the review, design, negotiation, approval, effective ratification, and execution of this Letter of Agreement.

12. Agreement. This Letter of Agreement is a final, binding and conclusive commitment and agreement between UAL, the Company and the Union. Notwithstanding anything to the contrary in this Letter of Agreement, judicial approval of this Letter of Agreement shall have the same meaning and effect as the judicial approval of the 2003 Mechanics' Agreement in the Bankruptcy Cases signed on April 30, 2003.

13. Amendments; Waiver. This Letter of Agreement may be amended, modified, superseded or canceled and any of its provisions may be waived only by a written instrument executed by all parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time to require performance of any provision of this Letter of Agreement shall not affect the right of that party at a later time to enforce the same or a different provision. No waiver by any party of a right under this Letter of Agreement shall be deemed or construed as a further or continuing waiver of any such right with respect to the same or a different provision of this Letter of Agreement.

14. Notices. Any notice or other communication given under the terms of this Letter of Agreement must be in writing and shall be deemed to have been duly given on the day it is delivered by hand, on the day it is sent by facsimile with confirmation of receipt by the transmitting machine, on the business day after it is sent by a national overnight mail service (delivery charge prepaid), or on the third business day after it is mailed first class, postage prepaid, in any case to the following addresses:

If to the Company:	United Air Lines, Inc. 1200 East Algonquin Road Elk Grove Township, Illinois 60007 Attention: Paul Lovejoy Facsimile: 847-700-4099
with copies to:	Kirkland & Ellis 200 East Randolph Drive Chicago, Illinois 60601 Attention: James H.M. Sprayregen Facsimile: 312-861-2200
If to the Union:	Aircraft Mechanics Fraternal Association 67 Water St., Suite 208A Laconia, NH 03245 Attention: O.V. Delle Femine Facsimile: 603-527-9151
with copies to:	Scott Petersen Seham, Seham, Meltz & Petersen 4910 Garden Ford Dr. Kingwood, TX 77345 Facsimile: 281-361-9706

or to such other address or to such other person as any party shall have last designated by written notice provided to the other parties in the manner set forth in this paragraph.

15. Counterparts. This Letter of Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument, and each of which shall be deemed an original. Each party to this Letter of Agreement has agreed to permit the use of faxed or otherwise electronically transmitted signatures in order to expedite the consummation of the transactions contemplated hereby.

16. Headings; Construction. The paragraph headings in this Letter of Agreement have been inserted for convenience of reference only and do not restrict or otherwise modify any of the terms or provisions of this Letter of Agreement. Unless otherwise expressly provided, the words "including" or "includes" in this Letter of Agreement do not limit the preceding words or terms and shall be deemed to be followed by the words "without limitation."

17. Exhibits. This Letter of Agreement includes all of Exhibits A through K hereto. Except as otherwise expressly set forth therein, all capitalized terms in Exhibits A through K shall have the meanings defined in this Letter of Agreement.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this _____ day of May, 2005

WITNESS:

FOR UNITED AIR LINES, INC.:

Peter B. Kain
Vice President Labor Relations

FOR UAL CORPORATION:

Glenn F. Tilton
Chairman, President and CEO

WITNESS:

FOR AIRCRAFT MECHANICS FRATERNALASSOCIATION:

Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

O.V. Delle Femine
National Director

EXHIBIT A
MECHANICS' AGREEMENT
WAGE SHEDULE A

(EXHIBIT A TO LETTER 05-03M OMITTED HERE -- SEE MECHANICS' AGREEMENT EXHIBIT A)

EXHIBIT B
OTHER CONTRACT REVISIONS

(EXHIBIT B TO LETTER 05-03M OMITTED HERE --
SEE INDIVIDUAL REVISIONS TO MECHANICS' AGREEMENT)

EXHIBIT C
PROFIT SHARING

Effective Date of Profit Sharing Plan:	As of January 1, 2005 (so that the first year covered by the profit sharing plan shall be calendar year 2005).
Profit Sharing Pool:	In the event that the Company has more than $10 million in Pre-Tax Earnings in the relevant calendar year, then 7.5% of Pre-Tax Earnings in 2005 and 2006 and 15% of Pre-Tax Earnings in each calendar year thereafter.
Pre-Tax Earnings:	UAL consolidated net income as determined in accordance with GAAP, but excluding (i) consolidated federal, state and local income tax expense (or credit); (ii) unusual, special, or nonrecurring charges, (iii) charges with respect to the grant, exercise or vesting of equity, securities or options granted to UAL and United employees, and (iv) expense associated with the profit sharing contributions.
Eligibility:	All domestic employees of UALCorp. or United Air Lines, Inc. (including all AMFA-represented employees) who have completed one year of service as of December 31st of the year for which Pre-Tax Earnings are being measured.
Allocation:	For each eligible employee, a pro rata share of the Profit Sharing Pool for each calendar year based on the ratio of the employee's Considered Earnings for the year to the aggregate amount of Considered Earnings for all eligible employees that year.
Considered Earnings:	As currently defined in the Company's Success Sharing Plan (i.e., base pay, overtime, holiday pay, longevity pay, sick pay, vacation pay, shift differential, premiums, pre-tax contributions to a 401(k) plan, pre-tax medical plan contributions, and flexible spending account contributions but not expense reimbursement, incentive or profit sharing payments, imputed income or other similar awards or allowances) for that portion of the calendar year for which the employee was eligible to participate.
Payment Date:	By no later than April 30th of the following year.

Distribution:	In cash.
Relationship to Other Programs:	Incremental to the Success Sharing Plan; in lieu of the existing profit sharing plan described in Article XXII of the 2003 Mechanics' Agreement.
Documentation:	Implementing documentation reasonably acceptable to the Union.
Duration:	Continuing unless and until terminated in a future Mechanics' collective bargaining agreement.

EXHIBIT D
AMENDED DISTRIBUTION AGREEMENT

1. Section 2 of Attachment D to the 2003 Restructuring Agreement Amendment amending the Mechanics' Agreement (the "Distribution Agreement") is hereby amended to read in its entirety as follows:

   In consideration for the mechanic contract revisions under the Section 1113 Restructuring Agreement reached between UAL, the Company, and the Union effective May 1, 2003 (the "2003 Restructuring Agreement"), which modifies the parties' 2000 collective bargaining agreement ("2000 Agreement"), and in consideration of the AMFA contract revisions under the revisions to the 2003 Mechanics' Agreement effective in 2005 (the "Revised 2003 Mechanics' Agreement"), 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, on or as soon as reasonably practicable after the effective date of such Plan, the mechanic group 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 sum of (i) $864,293,956, representing the dollar value of 30 months of average cost reductions under the 2003 Restructuring Agreement as reasonably measured under Labor Model 1.1A FINAL[1], and (ii) $159,234,343, representing the dollar value of 20 months of average cost reductions under the Revised 2003 Mechanics' Agreement as reasonably measured by the Final 2004 Labor Model (the "AMFAAmount"); and

   B is the total amount of all other allowed prepetition general unsecured claims against the Debtors (UAL and its 27 debtor subsidiaries).

2. Section 3 of the Distribution Agreement is hereby amended to read in its entirety as follows:

   In the event the other employees of the Company receive a Distribution in excess of 20 months of average cost reductions (as measured by the Final 2004 Labor Model) in connection with the 2005 labor cost reductions (the "Other Employee Distribution"), the $159,234,343 amount described in paragraph 2 of this Distribution Agreement shall instead be the product of (x) $159,234,343 and (y) a fraction, the numerator of which is the actual amount of the Other Employee Distribution, and the denominator of which is 20 months of average cost reductions (as measured by the Final 2004 Labor Model) for all other employees.

[1] Including subsequent analysis and communication to account for AMFA/IAM split.

3. Section 5 of the Distribution Agreement is hereby amended to read in its entirety as follows:

   Following approval of the Distribution Agreement, and prior to the effective date of the Plan, AMFA(in consultation with the Company) will develop a reasonable method for allocating the Distribution or Alternative Distribution as applicable (which allocation will distribute all of the Distribution or Alternative Distribution to the AMFA members). The Company (in consultation with AMFA) will develop and implement a mechanism and timetable for issuing the Distribution or Alternative Distribution to the AMFA members which would take into account tax, legal, corporate liquidity and securities concerns as well as practical considerations.

4. Except as revised in the preceding paragraphs, the Distribution Agreement shall remain unchanged and in full force and effect.

EXHIBIT E
FEES AND EXPENSES

1. United shall reimburse AMFA for the reasonable, actual fees and out-of-pocket expenses incurred by AMFA in connection with the review, design, negotiation, approval, effective ratification, and execution of the Letter of Agreement (its "Expenses") including:

   a. reasonable base wages lost by United AMFA representatives in connection with meetings called for the purpose of negotiating, reviewing, approving or ratifying the agreed Term Sheet and this Letter of Agreement; and

   b. the reasonable, actual fees and expenses of AMFA's outside legal, pension, and other professional advisors (in each case based on normal hourly rates for actual time expended) up to a maximum, aggregate total of $1 million. Of the total reimbursement for Expenses, $500,000 shall be paid on the Effective Date as defined in the agreed Letter of Agreement, and the remaining $500,000 will be paid on the Exit Date.

2. The Company shall seek judicial approval for its obligations under this Exhibit E at the same time that it seeks judicial approval of the agreed Letter of Agreement.

3. The parties acknowledge and agree that the Company's agreement to reimburse AMFA for fees and expenses under this Letter of Agreement is a result of the special collective bargaining circumstances created by the parties' desire to negotiate modifications to the Mechanics' Agreement as part of the Company's bankruptcy reorganization.

EXHIBIT F

(EXHIBIT F TO LETTER 05-03M OMITTED HERE -- SEE REVISED LETTER 84-4M)

EXHIBIT G

(EXHIBIT G TO LETTER 05-03M OMITTED HERE --
SEE LETTER 05-01M)

EXHIBIT H

(EXHIBIT H TO LETTER 05-03M OMITTED HERE -- SEE REVISED LETTER 02-03M)

EXHIBIT I

Base Contributions: 4%

Additional Transition Contributions: Average 1% of Pay

Points	Mechanics	Utility
250.00%	0.00%	
26	0.00%	0.00%
27	0.00%	0.00%
28	0.00%	0.00%
29	0.00%	0.00%
30	0.15%	0.20%
31	0.15%	0.20%
32	0.15%	0.20%
33	0.15%	0.20%
34	0.15%	0.20%
350.20%	0.30%	
36	0.20%	0.30%
37	0.20%	0.30%
38	0.20%	0.30%
39	0.20%	0.30%
40	0.25%	0.40%
41	0.25%	0.40%
42	0.25%	0.40%
43	0.25%	0.40%
44	0.25%	0.40%
450.30% %	0.45	
46	0.30%	0.45%
47	0.30%	0.45%
48	0.30%	0.45%
49	0.30%	0.45%
50	0.40%	0.55%
51	0.40%	0.55%
52	0.45%	0.65%
53	0.45%	0.65%
54	0.50%	0.75%
55	0.50%	0.75%
56	0.55%	0.85%
57	0.55%	0.85%
58	0.65%	0.95%
59	0.65%	0.95%
60	0.70%	1.05%
61	0.75%	1.15%
62	0.80%	1.20%
63	0.90%	1.30%
64	0.95%	1.40%

Points	Mechanics	Utility
651.00% 0%	1.5	
66	1.05%	1.60%
67	1.15%	1.70%
68	1.20%	1.80%
69	1.25%	1.90%
70	1.30%	1.95%
71	1.40%	2.05%
72	1.45%	2.15%
73	1.50%	2.25%
74	1.55%	2.35%
75	1.65%	2.45%
76	1.70%	2.55%
77	1.75%	2.65%
78	1.80%	2.70%
79	1.90%	2.80%
80	1.95%	2.90%
81	2.00%	3.00%
82	2.05%	3.10%
83	2.15%	3.20%
84	2.20%	3.30%
85+	2.25%	3.40%

EXHIBIT J
CONVERTIBLE NOTES

Issuer:	Reorganized UAL Corp.
Guarantor: .	United Air Lines, Inc.
Issue:	[___]%[1] Senior Subordinated Convertible Notes Due 2021 (the "Notes") to be issued no later than 180 days following the Exit Date (the "Issuance Date").
Initial Holder:	A trust or similar non-permanent vehicle for the benefit of eligible United employees represented by AMFA; the Notes or the value of the Notes to be distributed to such employees or their retirement accounts as soon as reasonably practicable given tax, accounting, securities and market considerations; all rights of the Notes to be exercised by individual employees while the notes remain in the trust. Distribution mechanics, eligibility and allocation among such employees to be reasonably determined by AMFA.
Principal Amount:	$40,000,000 in denominations of $1,000.
Term:	15 years from the Issuance Date.
Amortization:	None prior to maturity; full principal to be repaid at the maturity date except to the extent converted or prepaid.
Interest Rate:	Semi-annually in arrears, in cash, at an annual rate of [__]%[1]; provided, however, that (i) the first full year of interest from the Issuance Date may be paid in cash or in kind at the option of the Issuer; (ii) if such interest is paid in kind, it will be in Common Stock, but only to the extent there exists Common Stock that is exempt from registration under 11 U.S.C. § 1145; and (iii) if such interest is paid in kind, it shall be delivered to the Holders under applicable market terms at issuance for public convertible debt securities of this type (e.g., any notice period and stock payment premium).
Security:	None.

[1] The parties shall work together to set an interest rate for the Notes no later than thirty (30) days prior to the Issuance Date which shall ensure that the Notes will trade at par value or better on Issuance (the "Par Value Interest Rate"). Failing agreement on the Par Value Interest Rate, the parties shall solicit rate recommendation from two national trading firms and shall adopt the average of the two suggested rates.

Ranking:	Junior to the Reorganized UAL exit facility, customary secured indebtedness, indebtedness contemplated under a plan of reorganization, and other mutually agreed-upon indebtedness; pari passu to all current and future UAL or United Airlines senior unsecured debt; senior to all current and future subordinated debt.
Conversion Rights:	The Holder may convert any number of the Notes into the Issuer's common stock (the "Common Stock"), at any time, at the Conversion Price.
Conversion Price:	The product of (x) 125% and (y) the average closing price of the Common Stock for the sixty consecutive trading days following the Exit Date.
Transferability:	To the greatest extent feasible under applicable law, the Notes and the Common Stock shall be issued under 11 U.S.C. §1145, and the Notes and the Common Stock into which they shall be convertible shall be freely transferable by the Holders without registration under the Securities Act of 1933.
Common Stock:	When delivered, the Common Stock into which Notes may convert shall be fully paid and non-assessable. Issuer shall use its best efforts to list the Common Stock on a national stock exchange or NASDAQ prior to the Issuance Date.
Call Rights:	No call for five years from the Issuance Date; thereafter, callable in cash or Common Stock if the Common Stock has traded at no less than 125% of the Conversion Price for the sixty (60) consecutive trading days prior to the call date.
Put Rights:	Soft put right on the fifth and tenth anniversary of the Issuance Date for all principal and accrued interest as of such date; payable in cash or shares of Common Stock.
Mandatory Prepayments:	Mandatory prepayment upon a "fundamental change" with a customary make whole premium, if any, for public convertible debt securities of this type; no prepayment obligations for mergers in which the Issuer is the surviving entity; no make whole premium in other mergers.

Anti-Dilution Protections:	The Conversion Price will be subject to customary anti-dilution adjustments,[2] including upon (i) stock or extraordinary cash dividends, (ii) reclassifications, subdivisions or combinations of the Common Stock, (iii) the issuance of rights or warrants to all holders of Common Stock convertible into or exercisable for Common Stock at less than the then-current market price, (iv) distribution of the capital stock of an Issuer subsidiary to holders of the Common Stock and (v) any other distributions of assets by the Issuer to holders of the Common Stock.
Mergers and Business Combinations:	The Notes will enjoy customary adjustments and protections in the event the Common Stock is converted into, reclassified into or exchanged for cash, other assets or securities.
Other Terms and Conditions:	The Notes are intended to be public market securities and to trade at par value. The documentation of the Notes shall include such other terms and conditions as are customarily found in public market convertible securities of this type.
Implementation:	Implementing documentation reasonably acceptable to AMFA and the Company.
Distribution:	AMFA and the Company will coordinate any distribution of the Notes so that such distribution does not unreasonably interfere with capital markets activities of UAL or the Company.

[2] Anti-diluton adjustments shall not be applicable to securities issued or assets distributed under the Plan of Reorganization.

EXHIBIT K

(EXHIBIT K TO LETTER 05-03M OMITTED HERE --
SEE LETTER 05-02M)

MECHANICS' AGREEMENT

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CONSENT DECREE

At the time of printing this Agreement, the United States District Court, Northern District of Illinois, Eastern Division, was expected to order and decree that the following provisions are fully binding on United and the IAM and are made a part of this collective bargaining agreement and are to be expressly printed and incorporated in the printed contract.

1. All job classifications covered by the United-IAM Ramp and Stores, Food Services, Mechanic, Dispatchers, Communications Employees and Security Officers Agreements as well as those jobs covered by United's agreement with the TWU shall henceforth be governed by the following seniority for purposes of determining priorities in layoffs and recalls:

   a. Classification seniority for all employees who have a classification seniority date in the job classification in question greater than July 2, 1965.

   b. A seniority date of July 2, 1965 for all employees who were initially hired by United prior to July 2, 1965 but, who have a classification seniority date in the job classification in question less than July 2, 1965.

   c. Company seniority for all employees who were initially hired by United after July 2, 1965 and did not enter the job classification until after that date.

   d. Employees in promoted positions holding seniority under the Mechanic, Ramp and Stores, Food Services, Dispatchers or Security Officers Agreements, or who are hereafter promoted to such positions, upon return to a position under one of the Agreements in which they hold seniority, shall have their Company seniority adjusted (for purpose of layoffs and recalls) in the same manner as their Classification seniority is adjusted pursuant to the seniority provisions of the collective bargaining agreement.

2. An employee in a job classification covered by the IAM-United Mechanic, Ramp Service, Food Service and Security Officer collective bargaining agreements who is laid off in his/her classification at a point shall have the choice of exercising seniority in that classification pursuant to the Seniority Article of such collective bargaining agreements or take layoff. If he/she has been in his/her present classification 2 years or more and if he/she does not have sufficient seniority as defined in paragraph 1 to fill a vacancy or displace an employee in his/her present classification on this system, then he/she can exercise his/her seniority as defined in paragraph 1 to any classification in which he/she has worked in the same manner as those employees who have been in their classification less than two years as now provided in the Seniority Article of such collective bargaining agreements. In the event an employee exercises his/her seniority to return to a lower-rated classification, he/she must return to the highest lower-rated classification in which he/she holds seniority or forfeit all seniority held in that or any other classification higher than the classification to which he/she returns.

3. Except pursuant to Section III, all individual classification adjustments granted to IAM represented employees under the Final Consent Decree entered April 30, 1976, as amended, and under this Amended Consent Decree, shall remain in full force and effect.