

October 2, 1997

Mr. Kevin D. Lum, President
UAL/AFA Master Executive Council
Association of Flight Attendants
6400 Shafer Court, Suite 250
Rosemont, IL 60018

LETTER OF UNDERSTANDING—APPLICATION OF SECTION 12.B.1.b.

Dear Mr. Lum:

In the application of Section 12.B.1.b. of the Flight Attendant Agreement the parties agree that should the sixty percent (60%) Flight Attendant block hour distribution not be met, the Company is obligated to make the adjustment to meet the sixty percent (60%) requirement not later than the two schedule months following the month in which the sixty percent (60%) distribution is not met.

Notwithstanding the terms of the Flight Attendant Agreement the parties agree that there may be instances when it is beneficial to both parties to defer the adjustment one additional schedule month. Such determination shall be made based on the circumstances that exist at the time and shall not prejudice any determinations made based on any future circumstances.

Sincerely,

/s/ Sara Fields
Sara Fields
Senior Vice President
Onboard Service

**LETTER OF AGREEMENT
BETWEEN
UNITED AIR LINES, INC.
AND
THE FLIGHT ATTENDANTS
IN THE SERVICE OF
UNITED AIR LINES, INC.
AS REPRESENTED BY
ASSOCIATION OF FLIGHT ATTENDANTS, AFL-CIO**

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

WHEREAS during the negotiations between the Company and Association (collectively, the "parties") leading to the Restructuring Agreement, dated May 1, 2003, the parties agreed to rates of pay and work rules for the United Airlines ("UA") Low Cost Operation aircraft (as defined below) in order to permit UA and UAL Corp. ("UAL") to more effectively compete against both low cost carriers and other network carriers and,

WHEREAS It is the parties' intention to work together to identify and resolve any on-going issues with respect to maintaining the competitiveness of this Low Cost Operation ("LCO"). "LCO" is a contract term and is not intended to restrict in any way the Company's sole discretion with respect to branding.

THEREFORE the parties to this Letter of Agreement hereby agree as follows:

- A. LCO Flying Performed by UA
UA will perform all the flying in or for the LCO, utilizing UA Flight Attendants on the UA seniority list under the terms and conditions of the UA Flight Attendants' collective bargaining agreement.