

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

Dear Mr. Lum:

In the discussions leading to the 1996-2001 and 2001-2006 Agreement, in an effort to improve the Flight Attendant working environment and to address customer service issues, the Company and the Association have agreed to the following:

With approval of the MEC President/designee, the Company may, on an exception basis, designate vendor representatives or the Manager of Equipment and Logistics to perform product or equipment evaluations or research onboard the aircraft during the three (3) month period prior to installation/implementation.

The Company recognizes that this is an exception to the Section 1, Scope Clause and is not intended to be construed as an expansion of the class and craft of Flight Attendants.

Sincerely,

/s/ Sara Fields

Sara Fields
 Senior Vice President
 Onboard Service

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

Dear Mr. Lum:

Should the Company choose to establish separate operations as described in Section 4.I. "Separate Operations" of the 1996-2001 and 2001-2006 Flight Attendant Agreement, the parties agree to meet and agree on the application of those Sections of the Agreement which may be affected by this action. Further, the parties agree that the terms of Section 3.J., Section 14.A., Section 22.J. and Section 24.A. will be applied as outlined below:

Section 3.J. If more than one (1) operation exists in a domicile, separate seniority lists for each operation shall be provided.

Section 14.A. Temporary duty assignments shall be for a period of no more than four (4) consecutive schedule months and shall consist of filling of vacancies for any flight coverage. Domiciles which have more than one (1) operation shall not have TDYs between operations more than six (6) months in a calendar year. Before this limitation is exceeded the Company and the MEC President or designee shall meet to discuss alternatives.

Section 22.J. Surplus Procedure

1. Book

2. If a surplus exists in any operation, the Company may move any Flight Attendant(s) in the operation, who desire to move, in order of seniority from the operation at which the surplus exists or, if none desire to move, the Company may then move the surplus Flight Attendants out of such operations in inverse order of seniority in accordance with the procedure outlined in Paragraph 3 below, notwithstanding Paragraphs A and B of this Section.

3. a. A surplus at one or more operation(s) shall be considered to exist when the Company has posted notice of the surplus on those Flight Attendant bulletin boards at those domiciles affected and all domiciles across the system. The notice will be posted no fewer than forty-five (45) days before the effective date of report to a new operation and will include the vacancies determined by the Company across the system. The bulletin shall state the number of vacancies if more than one, location of the vacancy and 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 fifteen (15) days after the date a bulletin is posted.
- b. Flight attendants deemed to be surplus will be permitted to put a bid on file for all operations on the system.
- c. From the deadline date posted in the notice to surplus Flight Attendants the Company will begin to process transfers from the system on a seniority basis. Transfers will be processed to the vacancies posted in the surplus bulletin up to the posted surplus number.
- d. At the end of the fifteen (15) days of processing transfers in sub-paragraph c. above the Company will then process any transfers filed by the Flight Attendants deemed to be surplus which have not been processed under the provisions of sub-paragraph c. above to vacancies at those operations posted in the surplus bulletin or to vacancies that have resulted from transfer activity.
- e. Any Flight Attendant transferring to fill such a vacancy shall be available to begin the assignment on the date set by the Company, which shall not be less than fifteen (15) days from the date notified of the assignment.
- f. A Flight Attendant shall be allowed a reasonable travel time between the time relieved of her/his duties until the time required to report at the new location. Such time shall be established in advance and shall be dependent upon the means of travel.

Section 24.A. Qualifying for Expenses

1. Involuntary transfers, which include any transfer due to the closing of a domicile or operation, a transfer at Company request, and when a Flight Attendant is recalled to a domicile other than the one from which furloughed.
2. All transfers awarded to newly opened domicile or operation for a period of six (6) months following the date the domicile or operation is opened.

Any other changes deemed appropriate by the Company and the Union will be agreed prior to establishing a separate operation.

Sincerely,

/s/ Sara Fields

Sara Fields
Senior Vice President
Onboard Service