

October 2, 1997

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

Dear Mr. Lum:

This will confirm the agreement reached during the course of the negotiations leading to the 1996-2001 and 2001-2006 Agreement, the Company and the Union have agreed that within thirty (30) days following ratification of the Agreement the parties will designate representatives who will meet and recommend solutions to the International domicile issues raised during the bargaining, and any issues which subsequently surface during the ensuing discussion. The issues to be resolved will include, but not be limited to:

1. A commitment to pursue optional health insurance for Flight Attendants based outside the United States. These health insurance plans will be offered, to the extent possible in the same manner HMOs are currently offered to Flight Attendants based in the United States.
2. A commitment to provide personnel equipped to assist with insurance, payroll or other benefit areas, in a manner that is toll-free and available during normal business hours at the domicile.
3. A commitment to continually educate the staff who provide the above assistance so that they understand there are cultural and societal differences between Flight Attendants who live outside the United States, and those who live within the United States.
4. A commitment to resolve the difficulties encountered by Flight Attendants who speak English as a second language. This will include a recognition that documents like receipts and reports can be written in languages other than English, and the cost of translation should not be borne by the Flight Attendant.
5. A commitment to make benefits universal. If this is not possible, pursue available options that would provide comparable benefits. These benefits will include, but not be limited to: Tax deferral or Savings alternatives similar to 401(k) Plans, Medical/Dental Plans, Social Security/Pension Plans.

6. A commitment to thoroughly research and understand local and international tax laws. This information must be shared with Flight Attendants before they transfer to, or are hired into, International domiciles.
7. A commitment to provide accurate and complete information regarding immigration to and from the countries in which International domiciles are located. United must do everything within its power to assist Flight Attendants in getting the necessary visas and immigration approvals needed to exercise their seniority in the transfer process.
8. A commitment to assisting Flight Attendants in getting to, and settling in at International domiciles. The assistance contemplated will address the unique situations Flight Attendants face with respect to housing and transportation.
9. A commitment that Flight Attendants' families will also be considered when addressing International domicile issues.

Should United open an additional domicile(s) outside the United States, representatives of the Company and the Union will meet to address the issues above as well as the taxation information and tax reporting relationships between the relevant countries and any issues specific to the country, prior to the opening of the domicile.

Sincerely,

/s/ Sara Fields _____

Sara Fields
 Senior Vice President
 Onboard Service