

LETTER OF AGREEMENT

by and between

UNITED AIRLINES, INC.

and the Flight Attendants

in the Service of the

CONTINENTAL AIRLINES, INC.

Former Subsidiary

and

UNITED AIRLINES, INC.

Former Subsidiary,

as represented by the

ASSOCIATION OF FLIGHT ATTENDANTS – CWA

2014 STAFFING AND BRIDGE/CROSS-OVER AGREEMENT

This Agreement, dated February 6, 2014, is made and entered into in accordance with the Railway Labor Act, 45 U.S.C. § 151, *et seq.* (“RLA”), by and between United Airlines, Inc. (“the Company”), the Association of Flight Attendants representing Flight Attendants (“AFA”) in the service of the former subsidiary Continental Airlines, Inc. (“s-CO”), and the Association of Flight Attendants (“AFA”) representing Flight Attendants in the service of the former subsidiary United Air Lines, Inc. (“s-UA”).

WHEREAS, the Company and the AFA are engaged in bargaining for a joint collective agreement covering the Flight Attendants of United Airlines; and

WHEREAS, the Parties desire to provide for the reasonable and orderly adjustment to staffing resulting from changes in scheduled flying, and for the maximum opportunity for Flight Attendants who wish to work to be able to do so; and

WHEREAS, the Parties wish to provide options for Flight Attendants in such circumstances and to mitigate the potential impact resulting from staffing adjustments; and

WHEREAS, the Parties wish to provide these work opportunities in a manner that ensures that Flight Attendant seniority is not impacted for purposes of seniority integration at the combined carrier;

NOW, THEREFORE, the Parties hereby agree as follows:

A. APPLICABILITY

1. Flight Attendants at s-UA who are subject to involuntary furlough as of April 1, 2014, and who submitted valid bids to participate in the 2014 Voluntary Furlough Program or 2014 Partnership Program will be offered the opportunity to participate in such programs. Such flight attendants must make their election to participate in the manner indicated by the Company no later than February 24, 2014.
2. Flight Attendants at s-UA who are subject to involuntary furlough as of April 1, 2014, may elect, on a one-time, irrevocable basis, to cross-over to s-CO as provided for below. Flight Attendants wishing to do so must make that election in the manner indicated by the Company no later than February 24, 2014. Such Flight Attendants will not be entitled to furlough pay under Section 21.H of the s-UA-AFA Flight Attendant Collective Bargaining Agreement ("s-UA CBA").
3. Flight Attendants at s-UA who are subject to involuntary furlough as of April 1, 2014, who do not accept the offer to participate in the Voluntary Furlough or Partnership Programs, or who do not elect to cross-over to s-CO will be involuntarily furloughed effective April 1, 2014, will retain and accrue seniority for all purposes, and are entitled to recall at s-UA as provided by the s-UA CBA.

B. CROSS-OVER TO S-CO

1. To be eligible for cross-over, Flight Attendants must satisfy the hiring requirements of s-CO, be in good standing at s-UA, be ready, willing and able to accept employment at s-CO as of April 1, 2014, and successfully complete s-CO training.
2. Participation in this cross-over program is entirely voluntary. Flight Attendants electing not to participate shall retain all of their current employment rights and entitlements at s-UA without prejudice resulting from such election.
3. Transition to s-CO will be irrevocable as of February 24, 2014. Any Flight Attendant who has elected to cross-over, has been awarded a position at s-CO, and who subsequently fails to report shall be treated as a s-CO Flight Attendant applicant who fails to report for initial qualification training.
4. Except as otherwise expressly provided in this Letter of Agreement, the employment of Flight Attendants on or after the date of their report for s-CO training will in all respects be governed by the terms and conditions of the s-CO-AFA Flight Attendant Collective Bargaining Agreement ("s-CO CBA").
5. Subject to Federal Aviation Administration ("FAA") approval, s-CO training shall be transition training as determined by s-CO, conducted in accordance with its normal practice for such training. Vacancies will be staffed as they become available in bid seniority order as described in paragraph C below.

C. SENIORITY

1. Cross-Over Flight Attendants will be placed on payroll at s-CO no later than April 1, 2014, and begin accruing seniority on that date they are placed on the payroll.
2. S-CO vacancies are anticipated in Los Angeles, San Francisco, Denver and perhaps other bases. Vacancies will be offered as they become available for bid in s-CO seniority order.
3. Cross-Over Flight Attendants will use their retained s-UA service credit for purposes of s-CO benefit programs eligibility and accrual rates (including pass travel and jumpseating), except that they will not

receive Credited Service under the Continental Retirement Plan ("CARP") for prior service periods. Cross-Over Flight Attendants will, however, receive credit for prior s-UA service for purposes of CARP vesting service. (Credited Service under CARP shall begin to accrue on the first date s-CO wages are due, and shall thereafter be subject to the terms of CARP.)

4. Cross-Over Flight Attendants will remain on the seniority list at s-UA, and will retain and accrue seniority while employed at s-CO, it being the Parties' intent that this Agreement shall have absolutely no impact or effect, positive or negative, on the eventual integration of Flight Attendant seniority lists in connection with the merger of s-UA, s-CO and s-CMI.

5. Seniority and related matters following completion of all of the events described in paragraph E will be determined solely and entirely by the processes described therein, it being the Parties' intent that this Agreement provide work for current Flight Attendants but not impact or affect those processes either positively or negatively for any Flight Attendant.

6. If a Cross-Over Flight Attendant is furloughed involuntarily from s-CO, she/he shall have the right to return to s-UA only if there are no s-UA Flight Attendants on furlough and there are s-UA vacancies. If s-UA Flight Attendants are on furlough, the returning Flight Attendant will return to s-UA to either voluntary or involuntary furlough status depending on what her/his s-UA seniority holds. If there are no s-UA Flight Attendants on furlough, but there are no s-UA vacancies, the returning Flight Attendant will be placed on Section 23.B. Special Leave of Absence, except with medical and dental benefits and pass travel privileges for the duration of the Special Leave of Absence on the same terms and conditions as an active Flight Attendant.

D. TERMS AND CONDITIONS

1. There will be no probationary period at s-CO. Work records for Cross-Over Flight Attendants will be transferred to s-CO and will thereafter be treated as s-CO work records.

2. Cross-Over Flight Attendants shall use their retained s-UA service credit for purposes of pay and benefit accrual rates. Existing sick leave and accrued but unused vacation for Flight Attendants shall be retained for use at s-CO, but prospective use shall be subject to the terms and conditions of the s-CO CBA, and all prospective benefit accruals shall be pursuant to the s-CO CBA and applied according to its terms, as provided for similarly situated s-CO Flight Attendants, except as otherwise expressly provided herein.

3. S-CO training will begin on a date designated by s-CO, unless deferred by mutual agreement of the affected Flight Attendant and s-CO. Cross-Over Flight Attendants will be required to complete training as established and scheduled by s-CO.

4. Cross-Over Flight Attendants will be paid for training at two hours thirty minutes (2:30) per day and shall be provided hotel accommodations and expenses during such training in accordance with s-CO's normal practice.

5. Cross-Over Flight Attendants may elect to participate in s-CO health and welfare plans for calendar year 2014, and prior sUA health and welfare benefits will cease, within 90 days following their graduation from s-CO training, and thereafter will participate in the annual elections along with s-CO co-workers.

6. It is the Company's intention to align and merge the benefit plans available to co-workers at the subsidiary operations, including but not limited to the defined contribution 401(k) retirement plans. Until the plans are merged, Cross-Over Flight Attendants will maintain current 401(k) balances in the s-UA 401(k) plans, while future employee contributions during employment at s-CO will be deposited in the s-

CO 401(k) plan. Cross-Over Flight Attendants will receive employer contributions to the s-CO 401(k) plan in accordance with the s-CO CBA.

7. Cross-Over Flight Attendants will have accrued partial vacation days paid-out prior to crossing over, and may elect either to be paid (calculated using their current pay rate at their current subsidiary) for accrued but unused vacation, or to select from open time 2014 vacation periods.

8. Cross-Over Flight Attendants shall be entitled to fee-waived PS5B travel between their new s-CO base and their prior s-UA base on any Company-operated flight for ninety (90) days following their graduation from s-CO training for themselves and fee-waived space available travel for the members of their immediate family (i.e., spouse and children) for the same period. Flight Attendants and their immediate family members utilizing this entitlement may not declare themselves, and will not be regarded as, must ride travelers.

E. DURATION

This Agreement shall become effective upon signing, and shall terminate and cease to have any further force or effect when the Parties have successfully negotiated a joint collective bargaining agreement governing the employment of all Flight Attendants on the merged system and that agreement has been ratified, and a final and binding merged Flight Attendant seniority list has been determined by a process that satisfies the Association of Flight Attendants-CWA Constitution and By-Laws.

AGREED, this 7th day of February 2014.

For the Company:

Sam Risoli
Senior Vice President – Inflight Services

Dated: _____, 2014

For the Association of Flight Attendants-CWA, AFL-CIO:

Veda Shook
International President

Dated: _____, 2014

For Flight Attendants in the service of s-CO
as represented by the s-CO AFA MEC:

Marcus N. Valentino
President, s-CO MEC

Dated: _____, 2014

For Flight Attendants in the service of s-UA
as represented by the s-UA AFA MEC:

Gregory E. Davidowitch
President, s-UA MEC

Dated: _____, 2014