

**Recovery Program Exhibit E
Grievance Settlement**

December 1, 2002

Mr. Gregory E. Davidowitch, President
UAL/AFA Master Executive Council
Association of Flight Attendants
6400 Shafer Court, Suite 250
Rosemont, IL 60018

Re: Grievance MEC 7-02 AVOLAR

Dear Mr. Davidowitch:

As a result of discussions between the Company and the Association, the Parties have agreed to settle MEC 7-02 as follows:

1. The Company will provide the AFA \$13,350 as a result of the 369 block hours incurred by North American Jet cabin employees assigned to Avolar for the months of December 2001 through April 2002. The AFA will determine the distribution of such funds.
2. If, in the future the Company considers establishing another Avolar-type operation, the AFA will be notified early in the planning process. This will provide AFA the opportunity to identify issues applicable to the United/AFA Collective Bargaining Agreement. If any such issues are identified, the Company and the AFA will work together to attempt to resolve such issues prior to the time the Avolar-type operation conducts its first flight.
3. This Settlement Agreement is entered into on a non-precedent and non-prejudice basis and will not be referred to by either party in any future forum including, but not limited to grievance, arbitration, or litigation except to enforce the terms of this Settlement Agreement.

If this letter accurately reflects our understanding, please sign and return two (2) copies for our files.

Sincerely,

H. Gerry Anderson
Director Issues Resolutions

Accepted and agreed to
this ___ day of _____, 2002.

Gregory E. Davidowitch
AFA UAL MEC President
Association of Flight Attendants