

**Recovery Program Exhibit G  
Letters of Agreement**

**(Successorship Transactions)**

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 UAL Corp. (hereinafter referred to as "UAL"), 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 UAL, the Company and the Association have reached agreement concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"),

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

**A. Successorship Transactions**

1. The Company and any Parent shall require any successor, assign, assignee, transferee, administrator, executor and/or trustee of the Company or of a Parent (a "Successor") resulting from the transfer (in a single transaction or in multi-step transactions) to the Successor of the ownership and/or control of 50% or more of the equity of the Company or Parent or 50% or more of the value of the assets of the Company (a "Successorship Transaction") to employ or cause the Company to continue to employ the employees represented by the Association in accordance with the provisions of the Agreement and to assume and be bound by the Agreement. "Parent" refers to UAL Corp ("UAL") or any entity that has a majority control of the Company, whether directly or indirectly through the majority control of other entities that have majority control of the Company.
2. In order for a Successor to be required to employ or cause the Company to employ any of the employees covered by the Agreement in accordance with the provisions of the Agreement at any air carrier other than the

Company, the Successor must be engaged in the operation of an air carrier.

3. A Successor shall not include an entity that is (a) an IRS-qualified employee benefit plan of the Company or a Parent or a trustee or other fiduciary of such plan acting in its capacity as such, provided that the plan is one in which, pursuant to an Agreement with the Association, employees covered under the Agreement or other Association represented employees who meet the general service requirements applicable to all participants are entitled to participate; or (b) any similar plan or arrangement, pursuant to an Agreement with the Association, involving broad based participation by employees covered under the Agreement or other AFA represented employees. If stock in the plan, which is required to be voted in accordance with directions of the participants, is tendered to and purchased by an entity outside the plan (other than a plan that satisfies the foregoing sentence), such stock shall be deemed to be no longer owned by the plan for purposes of this exemption.
- B. The Company and its Parent shall not conclude any agreement for a Successorship Transaction unless the Successor agrees in writing, as an irrevocable condition of the Successorship Transaction, to assume and be bound by the Agreement, to recognize the Association as the representative of the Successor's employees, and to guarantee that the employees represented by the Association under the Agreement will be employed by the Successor in accordance with the provisions of the Agreement.
  - C. In the event of a Successorship Transaction in which the Successor is an air carrier or entity that controls or is under the control of an air carrier, the Successor shall provide employees represented by the Association under the Agreement immediately prior to the transaction with seniority integration rights provided in Section 2, 3 and 13 of the Labor Protective Provisions specified by the Civil Aeronautics Board in the Allegheny-Mohawk merger ("Allegheny-Mohawk LPPs"), except that the integration of the seniority lists of the respective flight attendant groups shall be governed by the Association's Merger Policy if both pre-transaction flight attendant groups are represented by the Association.
  - D. A grievance filed by AFA alleging a violation of this letter shall, at the request of either party, bypass the initial steps of the grievance process and shall be submitted and heard on an expedited basis directly before the System Board of Adjustment sitting with a neutral arbitrator. The dispute shall be heard by the System Board no later than thirty (30) days following the submission to the System Board and decided no later than thirty (30) days after such hearing, unless the parties agree otherwise in writing.

This Letter of Agreement shall become effective on December 1, 2002 and shall run concurrently with the Flight Attendant Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this LETTER OF AGREEMENT this \_\_\_\_ day of \_\_\_\_\_, 2002.

WITNESS:

FOR UNITED AIR LINES, INC.

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\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Peter B. Kain  
Vice President – Labor Relations

FOR UAL CORPORATION

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Glenn F. Tilton  
Chairman, President and Chief Executive  
Officer

WITNESS:

FOR THE ASSOCIATION OF FLIGHT  
ATTENDANTS, AFL-CIO

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\_\_\_\_\_  
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\_\_\_\_\_  
Patricia A. Friend, International  
President

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Gregory E. Davidowitch, President  
AFA United Master Executive Council

**Recovery Program Exhibit G  
Letters of Agreement**

**(Consolidation Protection)**

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 UAL Corp. (hereinafter referred to as "UAL"), 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 UAL, the Company and the Association have reached agreement concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"),

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

1. Purchase of Assets. Neither UAL nor the Company shall hire, employ or agree to hire or employ flight attendants from another air carrier in a purchase of assets unless:
  - a. the Company and the Association have reached agreement on a framework governing the recall of all furloughed United flight attendants; and
  - b. the Company's obligation to employ such flight attendants is limited to the minimum number of flight attendants necessary to operate the assets acquired by the Company under the Flight Attendant Agreement.
  
2. Dispute Resolution. A grievance filed by AFA alleging a violation of this letter shall, at the request of either party, bypass the initial steps of the grievance process and shall be submitted and heard on an expedited basis directly before the System Board of Adjustment sitting with a neutral arbitrator. The dispute shall be heard by the System Board no later than thirty (30) days following the submission to the System Board and decided no later than thirty (30) days after such hearing, unless the parties agree otherwise in writing.

3. Duration. This Letter of Agreement shall become effective upon its execution and shall become null and void in its entirety on March 1, 2009 without regard to whether the parties are then engaged in collective bargaining under the Railway Labor Act. The Association hereby waives any claim that the covenants of UAL or the Company set forth in this Letter of Agreement remain in effect on or after March 1, 2009 pursuant to the status quo provisions of the Railway Labor Act or otherwise.

IN WITNESS WHEREOF, the parties hereto have signed this LETTER OF AGREEMENT this \_\_\_\_ day of \_\_\_\_\_, 2002.

WITNESS:

FOR UNITED AIR LINES, INC.

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\_\_\_\_\_  
Peter B. Kain  
Vice President – Labor Relations

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FOR UAL CORPORATION

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\_\_\_\_\_  
Glenn F. Tilton  
Chairman, President and Chief Executive Officer

WITNESS:

FOR THE ASSOCIATION OF FLIGHT ATTENDANTS, AFL-CIO

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Patricia A. Friend, International President

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Gregory E. Davidowitch, President  
AFA United Master Executive Council

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**Recovery Program Exhibit G  
Letters of Agreement**

**(No Discipline for Wage Garnishment)**

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: Wage garnishments

Dear Mr. Davidowitch:

As a result of discussions between the Company and the Association leading to the Economic Recovery Program Letter of Agreement dated November \_\_, 2002, the Parties have agreed that the Company will not issue discipline to flight attendants based on the Company's receipt of a wage garnishment(s) unless the flight attendant has repeatedly and after notice from the Company failed to take appropriate corrective action.

This Letter shall be effective upon signing and shall run concurrently with the Flight Attendant Agreement.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

**Recovery Program Exhibit G**  
**Letters of Agreement**

**(Meetings to Improve Dispute Resolution Process)**

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

Dear Mr. Davidowitch,

During the negotiations concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"), the parties expressed their mutual desire to improve the process for resolving disputes. The parties have been engaged in discussions under the facilitation of Mediator Stephen Goldberg to find solutions to our concerns.

1. The Company and the Union confirm our commitment to continue our meetings with Mr. Goldberg to further explore ways to resolve the issues to our mutual satisfaction. Such meetings will resume within forty-five (45) days following the effective date of the Recovery Program, and the process shall be completed within ninety (90) days following the effective date of the Recovery Program.
2. During the interim period, while the Company and Union engage in the process described in paragraph 1, AFA will continue to propose the schedule for hearings before the System Board of Adjustment (discipline and contract cases). If a case cannot be heard per AFA's proposed schedule due to unavailability of Company witnesses, the case will be rescheduled and heard at the next available scheduled System Board hearing date, provided both Company and Union witnesses are available.
3. The Parties will give due consideration to the recommendations of Mediator Goldberg and implement such recommendations as are mutually agreed upon at the completion of the ninety (90) day process described above.

Sincerely,

Frank R. Colosi  
Director Labor Relations  
Onboard Service

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

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



**Recovery Program Exhibit G**  
**Letters of Agreement**

**(Section 1113/1114 Bankruptcy Protection)**

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

Dear Mr. Davidowitch:

I write to confirm the following agreement between United Airlines, Inc. (the "Company") and the Association of Flight Attendants (the "Association" or "AFA") in connection with the execution and implementation of Letter of Agreement dated [ ] regarding the Economic Recovery Program ("Recovery Program Letter of Agreement"):

The modifications to the flight attendant collective bargaining agreement contained in the Recovery Program Letter of Agreement have been negotiated in good faith by the Company and the Association on the basis of all currently known information and with the intent and goal of avoiding reorganization under Chapter 11 of the Bankruptcy Code through, among other things, (i) the closing of a loan facility guaranteed in substantial part by the Air Transportation Stabilization Board (the "ATSB Loan") on terms and in an amount reasonably satisfactory to the Association and the Company and (ii) labor cost savings provided by all of the Company's labor groups on terms reasonably acceptable to the Association and the Company. The commitments in this letter shall not become effective except upon the funding of the ATSB loan.

If the Company or UAL Corporation nonetheless files a petition for reorganization under Chapter 11, neither the Company nor UAL will file or support any motion or proceeding under any provision of 11 U.S.C. §§1113 or 1114 with respect to the flight attendant collective bargaining agreement during the period between December 1, 2002 and November 30, 2003.

Notwithstanding the commitment contained in the foregoing paragraph, in the event the Company's operating cash flow substantially and adversely deviates from the Company's October 2002 ATSB business plan for a ninety (90) day period, and such deviation presents a threat to the Company's future liquidity, the Company will provide the Association with notice and a full opportunity to discuss possible remedies to the cash flow shortfall. If discussions between the Company and the

Association do not produce a mutually acceptable resolution of the liquidity threat within sixty (60) days of such notice, the commitment contained in the preceding paragraph will become null and void in its entirety, and there shall be no restrictions on the Company's ability to seek relief under 11 U.S.C. §§1113 or 1114. In the event of a war in Iraq or a sudden, unforeseen event that substantially disrupts air travel (e.g., an act of God, act or threat of terrorism, etc.), the commitment contained in the preceding paragraph will become null and void in its entirety, and there shall be no restrictions on the Company's ability to seek relief under 11 U.S.C. §§1113 or 1114.

This letter will have no force or effect, and neither this letter nor any discussions concerning this letter will be cited or referred to in any proceeding, unless the Recovery Program Letter of Agreement is executed and implemented in full upon the satisfaction of the conditions described in the letter between Glenn Tilton and Gregory Davidowitch dated \_\_\_\_\_, 2002.

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

Sincerely,

Peter B. Kain  
Vice President  
Labor Relations

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Patricia A. Friend  
International President  
Association of Flight Attendants, AFL-CIO

\_\_\_\_\_  
Gregory E. Davidowitch  
UAL-MEC President  
Association of Flight Attendants, AFL-CIO

**Recovery Program Exhibit G  
Letters of Agreement**

**(Trip Trading With Open Flying)**

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

Dear Mr. Davidowitch,

During the negotiations concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"), the Company and the Union discussed their mutual goal of expanding trip trade allocations with open flying on cost neutral terms. The parties have committed to meet and explore the conditions necessary to expand daily trip trade with open flying allocations. The meetings will address our mutual desire for increased flexibility for flight attendants while ensuring the Company's requirement for operational integrity. Our mutual goal will be to eliminate trip trade with open flying allocations.

This letter will confirm that within sixty (60) days following the effective date of the Recovery Program, the parties will meet to begin the discussions on trip trading with open flying.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

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

**Recovery Program Exhibit G  
Letters of Agreement**

**(Furlough Alternative)**

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

Dear Mr. Davidowitch,

During the course of the negotiations over the flight attendants' participation in the Company's Recovery Program, the Company and the Union agreed in principal to pursue a cost-neutral early retirement option for flight attendants. Such discussions will commence as soon as practical upon completion of negotiations.

Sincerely,

Peter B. Kain  
Vice President  
Labor Relations

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

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

**Recovery Program Exhibit G  
Letters of Agreement**

**(Uniform Jackets)**

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

Dear Mr. Davidowitch,

This letter will confirm that, during the course of the negotiations over the Flight Attendants' participation in the Company's Recovery Program, the Company and the Union discussed the Flight Attendant uniform. Within ninety (90) days from date of signing of the Recovery Program Letter of Agreement, the Company and the Association will meet to determine a cost neutral method of phasing in a uniform jacket with stripes on the cuff of the sleeve through the normal replacement process in accordance with Section 16.D of the Flight Attendant Agreement.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

**Recovery Program Exhibit G  
Letters of Agreement**

**(Recovery Program Meetings)**

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

Dear Mr. Davidowitch,

This letter will confirm that, during the course of the negotiations over the Flight Attendants' participation in the Company's Recovery Program, the Company and the Union agreed to meet and confer twice yearly during the recovery period to review the Company's operational and financial performance under the Recovery Program. These meetings will be an opportunity to discuss the impact of the Recovery Program on the Company's recovery.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

**Recovery Program Exhibit G  
Letters of Agreement**

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

Dear Mr. Davidowitch,

During the course of the negotiations over the flight attendants' participation in the Company's Recovery Program, the Company and the Union discussed the Company's policies regarding flight attendant dependability infractions. Please be advised that I have distributed to Onboard Service management personnel the following clarifications and guidelines to the Company's Prudent Commuter Policy and the Personal Emergency Policy.

The Personal Emergency Policy will be communicated to flight attendants system-wide.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

## **To Onboard Service Management Personnel**

### Prudent Commuter Policy Clarification

This letter provides clarification to the Prudent Commuter Sideletter in the AFA Agreement as follows:

Flight Attendants who encounter unexpected circumstances or conditions that cause them to miss a schedule obligation should immediately advise Onboard Scheduling. The flight attendant will then be contacted by a supervisor who will evaluate the situation based on:

1. The steps the flight attendant took to ensure schedule integrity.
2. How much control the flight attendant had over the circumstances or conditions.
3. Whether circumstances or conditions were unusual and extraordinary versus predictable situations.
4. How and when Onboard Scheduling was advised.



## To Onboard Service Management Personnel

### Personal Emergency Absences Policy Guidelines

A personal emergency is an unplanned event, which is impossible to anticipate and would reasonably prevent an employee from reporting to work. When discussing or investigating personal emergency absences to determine if they should be excused, the following should be considered:

- How much control did the flight attendant have over the circumstances which gave rise to the absence?
- Was the absence appropriate to the situation? (i.e., would you or any reasonable person have missed work under the same circumstances?)
- Could the flight attendant have made advance arrangements to avoid the absence? (e.g., back-up child care, schedule trade, ANP/PTO/DAT; alternative transportation, etc.)
- Is it likely that such absences will continue as a result of the flight attendant's personal situation? Would a leave of absence and/or a referral to EAP be appropriate?

If the absence has been determined to be an excused personal emergency:

- The absence and the reason for it are recorded in the flight attendant's Work History.
- The incident and any reference to it is not included in future counseling, initial discussions or any discipline.
- Emergency time off due to death in the immediate family (Section 4T of the Agreement and Series 15.7.5) is excused and without loss of pay for up to three consecutive days. Such absences are not included in counseling, initial discussions or discipline for dependability.

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

Dear Mr. Davidowitch:

I write to confirm the following agreement among the Association of Flight Attendants (the "Association"), the United AFA Master Executive Council (the "MEC") and United Air Lines, Inc. (the "Company"), concerning the Company's reimbursement of the Association and MEC's legitimate, legally reimbursable collective bargaining related expenses arising from and in connection with the agreement concerning flight attendant participation in the Economic Recovery Program.

1. Reimbursable Fees and Expenses

The Company will reimburse the Association for the reasonable fees and out-of-pocket expenses including reasonable fees and expenses of outside legal and financial advisors ("Reimbursable Fees and Expenses") incurred by the Association in connection with the review, design, negotiation, approval and ratification of (i) the Economic Recovery Program. This shall also include any additional Reimbursable Fees and Expenses incurred by the Association in the sixty days following the effective date of the Economic Recovery Program ("Recovery Program Effective Date") in order to implement either the Economic Recovery Program.

- a. All such Reimbursable Fees and Expenses will be calculated based upon normal hourly rates for actual time expended.
- b. The MEC will provide the Company with sufficient documentation to ensure an accurate accounting of all expenses.
- c. The Company may advise the Association in writing at any time that no further work on the Economic Recovery Program is necessary. In such case, Reimbursable Fees and Expenses associated with the Recovery Program that are incurred by the Association after that date will not be reimbursed by the Company.

2. Flight Pay Loss

The Company will not bill the Association for flight pay loss incurred by Company flight attendants who serve on the Association's Committees who are preparing for and participating in negotiations with the Company and at the Company's behest regarding the Recovery Program.

- a. The MEC will advise the Company in writing of each flight attendant involved in such activity and the specific trip(s) dropped for work on the Recovery Program.
- b. In the event that a special meeting of the MEC is necessary to address issues associated with the Recovery Program, the Company will reimburse the Association for all flight pay loss and reasonable, actual expenses incurred by it which are reasonably related to the time allocated to the Recovery Program at the meeting.

3. Aggregate Reimbursable Fees and Expenses and Flight Pay Loss

The Company's obligation to pay Reimbursable Fees and Expenses and Flight Pay Loss pursuant to paragraph 1 of this Letter of Agreement shall be limited to *(to be discussed)* in the aggregate.

It is recognized that this Agreement represents special collective bargaining circumstances created by the Company's desire to negotiate modifications to the Flight Attendant Agreement to achieve the necessary flight attendant participation in the Recovery Program. If this accurately reflects our understanding, please sign and return two (2) copies for our files.

Sincerely,

Peter B. Kain  
Vice President  
Labor Relations

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002

\_\_\_\_\_  
Patricia A. Friend  
International President  
Association of Flight Attendants, AFL-CIO

\_\_\_\_\_  
Gregory E. Davidowitch  
UAL-MEC President  
Association of Flight Attendants, AFL-CIO