

EXHIBIT 1

TENTATIVE

Agreement
Between
United Airlines, Inc.
And
The Airline Technicians
And
Related Employees
In the Service of
United Airlines, Inc.
As Represented By
The International Brotherhood of Teamsters

Tentative Agreement



Jan. 1, 2010 – June 30, 2013

Article 19 – Grievance Procedure

A. Grievance Procedure

Should a grievance occur, both the Union and the Company shall make an earnest effort to ascertain the facts and seek a fair and equitable settlement through the following procedures. It is the intent of the parties to settle complaints and grievances at the lowest possible level in the procedure based upon the facts and common sense. Grievance settlements involving wage claims will be included in the paycheck for the pay period immediately following the pay period in which the award was granted. Should such payment be delayed for any reason, an explanation will be provided upon request.

B. Grievances not Involving Disciplinary Loss of Pay or Termination.

In the event of a grievance arising over the interpretation or application of this Agreement or in the event of disciplinary action, not involving loss of pay, the following procedure shall be followed:

FIRST STEP

1. The aggrieved employee will first present the complaint to his supervisor for discussion and possible solution within thirty (30) days after the employee or his representative could reasonably have knowledge of the incident upon which the complaint is based. During this discussion, the employee will have the right, but not the obligation, to be represented by his shop steward or Local Business Representative. An employee who is to be questioned by Company Representatives in the investigation of an incident or accident which may result in disciplinary action, will be informed of his right to have a Union Representative present before such questioning begins. The Company shall be required to document and have the employee sign for any refusal of such Union representation. It is understood and agreed that decisions made at the first step of the grievance procedure by the supervisor, employee and/or his representative shall not constitute a precedent of any kind unless otherwise agreed to by the Union and the Company.
2. If the complaint cannot be resolved through a discussion, the grievance shall be reduced to writing by the employee or his representative, signed by the employee and his representative, and presented by the Union to the supervisor within ten (10) calendar days after the date of the discussion described in paragraph B.1 above.
3. The grievance will be answered in writing by the supervisor, who will send a copy to the grievant, the shop steward and the Union Representative, within ten (10) calendar days after he receives the written grievance.

SECOND STEP

4. If the decision of the supervisor is not satisfactory, the Union Representative may appeal the grievance directly to the designated Company Manager that reports directly to a Vice President, with a copy to Labor Relations at the Company's office, provided such appeal is presented in writing within ten (10) calendar days after the written decision of the supervisor has been presented to the grievant, the shop steward, and the Union Representative.
5. The designated Company Manager that reports directly to a Vice President or their designee will meet to hear the grievance(s) within ten (10) calendar days following the receipt of the written appeal. The grievant, the shop steward/Coordinator and the Local Union business agent shall be entitled to attend this meeting, and shall be allowed a reasonable opportunity to present relevant testimony and information. The designated Company Manager that reports directly to a Vice President shall issue his decision in writing within ten (10) days after the presentation of such relevant testimony and information.
6. Within fourteen (14) calendar days after the receipt of the written decision of the designated Company Manager that reports directly to a Vice President, if the decision is not satisfactory to the employee and his Union Representative, the Union may appeal such grievance to the Joint Board of Adjustment by serving a written notice to the Division Vice President with a copy to Labor Relations at the Company's office.

C. Discharge and Disciplinary Procedures Involving Loss of Pay

1. In the event an employee is suspended pending investigation and subsequently such discipline is found to be without just cause, he will be paid for such lost time from work.
2. Employees held out of service under circumstances, which do not involve theft, acts of violence, refusal to comply with a direct order (non-safety related), use or possession of alcohol or illegal drugs on Company property, or possession of weapons on Company property will continue on pay status pending completion of a fact-finding meeting which is held between the employee's supervisor, and if needed, other Company designee, the employee, and his steward/Coordinator. Nothing shall preclude the Company's right to suspend any employee without loss of pay pending such meeting. Except as otherwise set forth above, the affected employee shall remain in a paid status until such time as a decision is rendered. The purpose of the fact finding meeting is to interview pertinent witnesses, establish pertinent facts and determine any possible solution, it being understood and agreed that decisions at such level shall not constitute a precedent. The Company representative involved will, within ten (10) calendar days after such meeting, render a decision in writing to the employee, unless further investigation is required, in which case the Company will notify the affected employee and the Union of the reasons for the delay.

3. If the decision of the Company's representative is not acceptable to the Union, the decision may be appealed by the Union to the Joint Board of Adjustment within fourteen (14) calendar days after receipt, by serving written notice to Division Vice President or his designee with a copy to Labor Relations at the Company's office.

4. Notwithstanding any of the provisions of this Article, probationary employees are not entitled to file grievances under this contract regarding discipline or discharges, nor shall such employees be entitled to challenge discipline or discharges taken against them under this Agreement.

5. In the event the Union appeals the disciplinary action to arbitration the Company and the Union shall attempt to agree on a mutually acceptable impartial arbitrator. If the parties are unable to agree on an arbitrator they shall select an arbitrator as provided in Article NEW, Board of Arbitration.

D. Joint Board of Adjustment

Third Step

1. The Joint Board of Adjustment ("the Board") shall be composed of two (2) members designated by the Company and two (2) members designated by the Union. The Board shall meet on a monthly basis as needed at stations throughout the system on a rotating basis. Dates for the Board shall be mutually agreed upon prior to the beginning of each New Year. In advance of each hearing date, the parties' JBA Coordinators shall mutually agree as to which case shall be heard; in the event the Coordinators are unable to agree, the JBA Co-Chairmen shall promptly meet to resolve the dispute. The location of the Boards will be determined and mutually agreed upon at the end of each preceding Board. In the case of a discharge or a suspension resulting in loss of pay for a period of five (5) or more days, the Board of Adjustment shall convene within thirty (30) calendar days of the date the discharge or suspension is appealed to the Joint Board of Adjustment. In the case of a discharge, the Board of Adjustment shall convene at the station where the discharged employee worked unless another city is mutually agreed upon.

2. The Joint Board shall render a decision no later than thirty (30) calendar days after it has closed the record in the hearing of the case. The Joint Board's findings and decisions shall be final and binding upon the Teamsters-Airline Division, the Company, and the individual employee or employees to such dispute. If the Board deadlocks, the Union may appeal the case to arbitration.

E. General and Procedural Rules

1. An employee who serves as a witness and who is not released from his witness duty at least eight (8) hours prior to the start of his next regularly scheduled shift shall be excused from working that shift, but shall suffer no loss of pay as a result. Release from witness duty will be deemed to be at aircraft block-in time if the employee is required to

fly to return to his home.

2. The Union will be given a reasonable opportunity to secure the presence of necessary individual(s) to fairly conduct hearing and meetings required in connection with a grievance.

3. The Union will be provided access to all documents and reports in the Company's possession on which the action taken was based. The Company will likewise be provided access to all documents on which the Union's case is based. Each party shall be entitled to copies of any such documents that it may determine are needed.

4. Employees of the Company who are on duty and are called as witnesses for any of the proceedings described in this Article, including Arbitration, will suffer no loss of pay. In addition employees regularly scheduled to work swing shift or graveyard shift on the day preceding the hearing will be released or accommodated with a shift adjustment with no loss of pay to accommodate travel time and provide ample rest. The number of witnesses summoned at any one time shall not be greater than the number that can be spared from the operation without interference with the services of the Company. If the Union or the Company deems necessary the testimony of witnesses the Company is unable to release, the proceedings may be adjourned until such time as the witnesses are able to testify. The parties agree to use their mutual best efforts to minimize the cost and the operational disruption potentially created by this provision. Where testimony is cumulative (merely duplicating the testimony of other witnesses), or is otherwise not essential to the case, such evidence may be presented by sworn statement(s).

5. All time limits will be complied with by the Company, the employee(s), and the Union. If the Company does not comply with the time limits, the grievance will be deemed automatically appealed to the next step. Any Company answers not appealed by the Union in writing within the specified time limits at any step of the procedure shall be considered closed on the basis of such answer. It is recognized that Company or Union representatives may request reasonable time limit extensions, and the parties may mutually agree to extend any of the time limits in this Article.

6. It is agreed by the parties hereto that the periods of time for hearings, decisions, and appeals established in this section shall be considered as maximum periods and that when hearings, decisions, and appeals can be handled in a period of less than the maximum time stipulated, every effort will be made so as to expedite such cases.

7. The Company recognizes the right of the Union to file a group grievance when the issue is common and identical to those employees in the group.

8. In the event of permanent change of the parties responsible for grievances at any step of this grievance procedure, the parties will notify each other as soon as possible.

9. With written authorization of the employee, the Union, or its representative, and/or the Grievant shall have access to the Grievant's personnel file for review. The Union shall be

entitled to copies of any documents from the file that it may determine are needed. When requested by either the Company representative or the Union representative, the Joint Board may summon any witness(es) who are employed by the Company and are deemed necessary to the dispute by the Joint Board.

10. Where unknown evidence or documentation not previously shared with the Union or the Company is introduced at the Joint Board and/or Arbitration, the Joint Board or Arbitrator will allow sufficient time for review of the new evidence.

F. Disclosure

Both parties shall agree to a discovery process and they shall be compelled to disclose, to each other, all data/documents and the names of the witnesses to be presented no later than ten (10) calendar days prior to the actual date of the Joint Board of Adjustment and/or Arbitration. If either party receives a late document or witness list it shall have the option to adjourn the hearing in light of the new document or witness list or take the necessary time for review of the new evidence.

G. Stenographic Report

When it is mutually agreed that a stenographic report is to be taken by a public stenographer of any investigation or hearing provided for in this Agreement, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings be taken by a public stenographer, the stenographic record of any such investigation or hearing may be taken by either of the parties to the dispute. A copy of such stenographic record will be furnished to the other party to the dispute upon request at pro rata cost. The cost of any additional copies requested by either party shall be borne by the party requesting them, whether the stenographic record is taken by mutual agreement or otherwise.

H. Management Grievance

The Company has the right to file a grievance against the Union. Such grievance will be proper when filed by the Managing Director of Labor Relations to the International Representative, Teamsters Airline Division, who will provide a written answer within fourteen (14) days. If the answer is unsatisfactory the Company may appeal the grievance to the Arbitration within fourteen (14) days following receipt of the Union's answer.

I. Documented Discipline

1. Except as provided in Paragraph I.2 below, all disciplinary letters (letters of warning, reprimand, or suspension and letters of instruction and advice) will be removed from the employee's file after a period of one (1) year from the date of issuance (excluding periods while on Layoff, Leave of Absence or Extended Illness Status) provided there have been no similar infractions (i.e., job performance, attendance related) during that period, except that the period shall be eighteen (18) months for termination warnings. In the

event additional infractions occur at any time during said one (1) year, the letters will be retained in the file until such time that there is a one (1) year period with no occurrence of similar infractions (i.e., job performance, attendance related). Copies of disciplinary letters shall be furnished by the Company to the affected employee and the Union.

2. All documented discipline/counseling involving claims related to Title VII violations (e.g., sexual harassment, racial or other discrimination or harassment) may be kept in a separate file for a reasonable period of time. Use of such documents shall be limited to reasonably necessary application in Title VII matters.

Article 20 - Board of Arbitration

- A.** The parties shall, in August of each year, agree upon and select arbitrators and arbitration hearing dates to be scheduled in the following year; if unable to agree upon arbitrators, the parties shall request fifteen (15) lists of arbitrator panels from the National Mediation Board and shall, by alternate strike method, select fifteen (15) arbitrators that will compose that year's agreed-upon panel of arbitrators. The parties will jointly solicit dates from the agreed upon arbitrators, and shall endeavor to schedule no less than four (4) days each month for hearing cases appealed to the Board of Arbitration. No later than sixty (60) days in advance of each hearing date, the parties shall mutually agree as to which case shall be heard; in the event the parties are unable to agree, the earliest-filed case remaining unresolved shall be heard. The Board of Arbitration shall consist of one (1) member selected by the Union and one (1) selected by the Company, and the impartial Arbitrator.
- B.** The parties shall enter into a submission agreement, which shall clearly state the arbitrable issue or issues to be decided. If the parties are unable to agree on a joint statement of the arbitrable issue or issues to be decided by the arbitrator, the submission shall contain the written grievance and the Company's disposition of the same with notation that the parties could not agree upon a submission agreement. Either party may also submit its proposed version of the arbitrable issue or issues to be decided by the arbitrator.
- C.** During the hearing, each Party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator shall be asked to render his findings and award in writing no later than sixty (60) calendar days after the conclusion of the hearing or receipt of the post hearing briefs. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of the Agreement.
- D.** The Board shall meet in the city where the General Offices of United Air Lines, Inc. are maintained. In cases of discharge the Board shall meet where the discharged employee worked. In either case a different place of meeting may be mutually agreed upon by the parties.
1. Each of the parties hereto shall assume the compensation, traveling expenses and other expenses of its witnesses called or summoned by it and each of the parties shall assume one-half (1/2) of the expenses of the arbitration.
 2. Witnesses who are employees of the Company and the grievant shall receive non-revenue positive space (NRPS) transportation over the lines of the Company from their point of duty or assignment to the point at which they must appear as witness before the Board and return, to the extent permitted by law.

3. It is understood and agreed that each and every witness summoned by the Board who is an employee of the Company shall be free to discharge his duties in an independent manner without fear that his individual relations with the Company or the Union may be affected by an action or by testimony given by him in good faith in his capacity as a witness.

4. If a stenographic transcript is made of the arbitration proceeding the party making the request shall bear its expense, unless the request is made by the arbitrator, in which case the cost of the transcript will be shared equally by the Company and the Union. In the event the party not requesting the transcript decides at the hearing or later to obtain a copy, the Company and the Union shall share the entire cost of the reporting and transcribing of the transcript equally.

- E. The provisions of Article 19, paragraphs E 1,2,3,4, 9 and 10, and paragraph F also apply to this Article.
- F. Decisions rendered pursuant to this Article may not add to, subtract from, or alter in any way the Agreement, but may only interpret or apply it.

Letter 05-03M
May 15, 2005

(Bankruptcy Exit Agreement)
LETTER OF AGREEMENT
by and between
UAL CORP.,
UNITED AIR LINES, INC.
and
Mechanics and Related Employees in the service of
UNITED AIR LINES, INC. as represented by
THE AIRCRAFT MECHANICS FRATERNAL ASSOCIATION

THIS LETTER OF AGREEMENT, dated as of May 15, 2005, 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 AIRCRAFT MECHANICS FRATERNAL ASSOCIATION (hereinafter referred to as "AMFA" or the "Union").

WHEREAS UAL, the Company and the Union have reached agreement concerning the revisions to their current collective bargaining agreement (the "2003 Mechanics' Agreement" and, as revised by this Letter of Agreement, the "2005 Mechanics' Agreement") necessary for the Company to emerge from Chapter 11; and

WHEREAS certain of the revisions shall become effective as of May 15, 2005 (the "Effective Date"), assuming the complete satisfaction of the conditions described in paragraph 9 below prior to June 30, 2005 and other revisions shall become effective on the effective date (the "Exit Date") of a plan of reorganization proposed by UAL Corp. (the "Plan of Reorganization");

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

1. Amendable Date. The amendable date of the 2005 Mechanics' Agreement shall be January 1, 2010. Section XXVII of the 2005 Mechanics' Agreement shall read in its entirety as follows:

This Agreement shall become effective January 1, 2005 except as otherwise provided, and shall continue in full force and effect through December 31, 2009 and shall thereafter renew itself yearly without change each January 1st unless written notice of intended change is served in accordance with Title I, Section 6 of the Railway Labor Act by either party at least thirty (30) but not more than two hundred and seventy (270) days prior to December 31, 2009 or December 31 of any year thereafter. If such notice is served, negotiations will commence no more than 30 days after service. If a new tentative agreement is not reached by August 1, 2009 (or any August 1 thereafter, if applicable), the parties will jointly invoke the mediation services of the National Mediation Board under Section 5 of the Act.

2. **Wage Rates.** The base pay rates and other pay components (shift premiums, Hawaii differential, skill premium, and license premium) in effect as of May 1, 2004 under Schedule A of the 2003 Mechanics' Agreement shall be reduced by 3.9% effective with the payroll period commencing closest to June 1, 2005 (for most employees, this will be the payroll period commencing either May 29, 2005 or June 5, 2005). These reduced base pay rates and other pay components shall thereafter be increased by 1.5% on January 1, 2006, 1.5% on January 1, 2007, 1.5% on January 1, 2008, and 1.5% on January 1, 2009. These shall become the pay rates for the 2005 Mechanics' Agreement. The base pay rates under Schedule A of the 2005 Mechanics' Agreement are set forth in Exhibit A to this Letter of Agreement. The other pay components as revised are set forth in Exhibit B to this Letter of Agreement.

3. **Other Contract Changes.** Certain other provisions of the 2003 Mechanics' Agreement shall be revised on the Effective Date as described on Exhibit B to this Letter of Agreement.

4. **Defined Benefit Pension Plan.** AMFA (i) waives any claim it may have (including but not limited to any claim or grievance under Letter of Agreement 02- 1M of the 2003 Mechanics' Agreement) that the termination of the United Air Lines, Inc. Union Ground Employees' Retirement Plan (the "Plan") does or would violate the terms and conditions of the 2003 Mechanics' Agreement or any other agreements or status quo between the parties, and (ii) shall not otherwise oppose any efforts to terminate the Plan; *provided*, however, that nothing in this Letter of Agreement shall be construed, deemed or characterized by UAL or the Company as any agreement of any form by AMFA that the Plan should be terminated, or as limiting AMFA's right to proceed against the PBGC regarding the issue of the termination date of the Plan. AMFA further agrees that, under the 2005-2009 Mechanics' Agreement, the Company shall not be required to maintain the Plan, or provide any defined benefit pension benefits whether from a plan, including the Plan or other- wise, and may terminate the Plan without violating the 2005-2009 Mechanics' Agreement or any other agreements or status quo between the parties.

5. **Pension Contributions.** When the Plan is terminated following final judicial approval of such termination ("Plan Termination Date"):
 - a. The Company shall, each payroll period, make a contribution (the "Replacement Plan Base Contribution") to a defined contribution plan equal to four percent (4.0%) of each eligible participant's "Considered Earnings" (as defined in Exhibit C). In addition, the Company shall make an Additional Contribution for all eligible participants employed on May 15, 2005, based on a points schedule attached as Exhibit I. The Additional Contribution has been determined such that the total of the Base Contribution plus the Additional Contribution for all eligible participants will be of the total Considered Earnings for all eligible participants. In the future, the Additional Contribution for any eligible participant will not change. At the end of each calendar year, the Company will calculate total Company contributions as a percentage of the total Considered Earnings for all eligible participants. If the total is less than 5.0%, the Company will make an additional one-time base contribution so that the total

Company contribution for the calendar year equals 5.0% of total Considered Earnings. The Company will calculate the total projected Company contribution divided by the total projected Considered Earnings at the beginning of each year. If this percentage is less than 5.0%, the Company will increase the base contribution rate so that the total Company contribution rate equals 5.0%. The Base and Additional Contributions will begin with the earlier of (i) July 1, 2005, or (ii) the first day of the calendar month following the Exit Date; provided, however, that in the event the Exit Date follows July 1, 2005, contributions will accrue without interest from July 1, 2005 through the Exit Date and be contributed in a single lump sum no later than sixty (60) days after the Exit Date.

b. All employees employed on May 15, 2005 will be 100% vested in the Replacement Plan Contributions. Any Replacement Plan Contributions made on behalf of an employee hired after May 15, 2005 will be subject to the following vesting schedule:

| | |
|-------------------------------------|------|
| Fewer than one year of service | 0% |
| 1 year of service but fewer than 2 | 20% |
| 2 years of service but fewer than 3 | 40% |
| 3 years of service but fewer than 4 | 60% |
| 4 years of service but fewer than 5 | 80% |
| 5 or more years of service | 100% |

All service with the Company will be counted for purposes of vesting. Forfeitures under the defined contribution plan will be used to reduce future Company contributions to the defined contribution plan.

c. The Company will meet and confer annually with AMFA to consider plan investment options.

d. Following the Plan Termination Date, the Company shall not maintain or establish any single-employer defined benefit plan for any UAL or Company employee group unless AMFA-represented employees are provided the option of electing to receive a comparable defined benefit plan in lieu of the Replacement Plan Contribution.

e. The 2005-2009 Mechanics' Agreement and the Plan of Reorganization shall provide for the issuance of \$40,000,000 of UAL convertible notes, as described in Exhibit J, to a trust or other entity designated by AMFA. The terms of the UAL convertible notes described in Exhibit I shall be subject to mutually-acceptable modifications to optimize implementation for all parties from an accounting,

securities law and tax law perspective. This paragraph shall be effective, and the convertible notes described in Exhibit J shall issue only in connection with, and following, the review, design, negotiation, approval, effective ratification, and execution of this Letter of Agreement.

6. **Company Profit Sharing Contribution.** The 2005-2009 Mechanics' Agreement shall provide for AMFA-represented employees to participate in the revised profit sharing program described in Exhibit C to this Letter of Agreement.
7. **Distribution Agreement.** The Plan of Reorganization shall provide the AMFA-represented group with a distribution of UAL equity securities as provided in the amended distribution agreement described in Exhibit D to this Letter of Agreement.
8. **Bankruptcy Actions.** The Company and the Union shall take the following actions to seek the approval of this Letter of Agreement by the bankruptcy court in In Re UAL Corporation et al., Case No. 02-B-48191 (Bankr. N.D. Ill.) (the "Bankruptcy Cases"):
 - a. the Company shall file a motion for approval of the Letter of Agreement under 11 U.S.C. § 363, in form and substance reasonably acceptable to the Union, by no later than May 31, 2005;
 - b. the Company shall provide, to the extent reasonably practicable, the Union's counsel with copies of, and a reasonable opportunity to comment on, all motions, applications, proposed orders, pleadings and supporting papers prepared by the Company for filing with the bankruptcy court relating to court approval of this Letter of Agreement; and
 - c. both the Company and the Union shall support and seek the approval of this Letter of Agreement in the Bankruptcy Cases without condition, qualification or exception; shall use their best efforts to obtain the support of the Official Committee of Unsecured Creditors and other parties and stakeholders for the Letter of Agreement; and shall take every reasonable action necessary to obtain judicial approval of this Letter of Agreement in the Bankruptcy Cases without condition, qualification or exception, including the filing of motions, objections and appeals.
9. **Conditions of Effectiveness.** Except as otherwise provided, this Letter of Agreement shall become effective as of May 15, 2005, subject to bankruptcy court approval and, on or before June 30, 2005, the occurrence of all of the following:
 - (a) ratification by AMFA-represented United employees under the Union's Constitution and By-Laws,
 - (b) if required, approval by the Company's Board of Directors,
 - (c) execution by a duly authorized official of AMFA, and (d) the withdrawal of

the Company's motion to reject the 2003 Mechanics' Agreement under 11 U.S.C. §1113.

10. **Termination Rights.** This Letter of Agreement may be terminated by the Company or the Union, on two business days written notice to the other (the "Termination Notice"), given before or after the Effective Date but no later than the Exit Date, upon the occurrence of any of the following events:
- a. failure of the court to issue final judicial approval of this Letter of Agreement, without condition, qualification or exception, by June 30, 2005;
 - b. failure of the Company to implement, through binding agreement or final judicial order effective no later than the Exit Date, revisions to (i) the labor contracts of the Company's other unionized employees and (ii) the wages, benefits and working conditions of the Company's salaried and management employees so that the aggregate revisions in (i) and (ii) are reasonably projected to produce at least \$582 million in average annual savings for the Company from January 1, 2005 through and including January 1, 2010, unless such action is cured to the reasonable satisfaction of AMFA within twenty days of the Termination Notice;
 - c. the filing by UAL or United of, support by UAL or United for, or judicial confirmation or approval of (as the case may be), a plan of reorganization or a proposed disclosure statement which contains any material term that is materially inconsistent with the 2005 Mechanics' Agreement or this Letter of Agreement unless such action is cured to the reasonable satisfaction of the Union within twenty (20) days of the Termination Notice;
 - d. other material breach of the Company's or UAL's obligations under this Letter of Agreement unless such breach is cured to the reasonable satisfaction of the Union within twenty (20) days of the Termination Notice. In the event of such termination, (A) this Letter of Agreement shall otherwise become null and void in its entirety and (B) the parties shall thereafter be governed by the 2003 Mechanics' Agreement and without regard to this Letter of Agreement.
11. **Fees and Expenses.** The Company shall reimburse the Union for fees and expenses incurred in connection with this Letter of Agreement as described on Exhibit E to this Letter of Agreement. Such reimbursement shall be made only in connection with, and following, the review, design, negotiation, approval, effective ratification, and execution of this Letter of Agreement.
12. **Agreement.** This Letter of Agreement is a final, binding and conclusive commitment and agreement between UAL, the Company and the Union. Notwithstanding anything to the contrary in this Letter of Agreement, judicial approval of this Letter of Agreement shall have the same meaning and effect as the judicial approval of the 2003 Mechanics' Agreement in the Bankruptcy Cases signed on April 30, 2003.

13. **Amendments; Waiver.** This Letter of Agreement may be amended, modified, superseded or canceled and any of its provisions may be waived only by a written instrument executed by all parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time to require performance of any provision of this Letter of Agreement shall not affect the right of that party at a later time to enforce the same or a different provision. No waiver by any party of a right under this Letter of Agreement shall be deemed or construed as a further or continuing waiver of any such right with respect to the same or a different provision of this Letter of Agreement.
14. **Notices.** Any notice or other communication given under the terms of this Letter of Agreement must be in writing and shall be deemed to have been duly given on the day it is delivered by hand, on the day it is sent by facsimile with confirmation of receipt by the transmitting machine, on the business day after it is sent by a national overnight mail service (delivery charge prepaid), or on the third business day after it is mailed first class, postage prepaid, in any case to the following addresses:

If to the Company: United Air Lines, Inc.
1200 East Algonquin Road
Elk Grove Township, Illinois 60007
Attention: Paul Lovejoy
Facsimile: 847-700-4099

with copies to: Kirkland & Ellis
200 East Randolph Drive Chicago, Illinois
60601
Attention: James H.M. Sprayregen
Facsimile: 312-861-2200

If to the Union: Aircraft Mechanics Fraternal Association
67 Water St., Suite 208A
Laconia, NH 03245
Attention: O.V. Delle Femine
Facsimile: 603-527-9151

with copies to: Scott Petersen
Seham, Seham, Meltz & Petersen
4910 Garden Ford Dr.
Kingwood, TX 77345
Facsimile: 281-361-9706

or to such other address or to such other person as any party shall have last designated by written notice provided to the other parties in the manner set forth in this paragraph.

15. **Counterparts.** This Letter of Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument, and each of which shall be deemed an original. Each party to this Letter of Agreement has agreed to permit the use

of faxed or otherwise electronically transmitted signatures in order to expedite the consummation of the transactions contemplated hereby.

16. **Headings; Construction.** The paragraph headings in this Letter of Agreement have been inserted for convenience of reference only and do not restrict or otherwise modify any of the terms or provisions of this Letter of Agreement. Unless otherwise expressly provided, the words "including" or "includes" in this Letter of Agreement do not limit the preceding words or terms and shall be deemed to be followed by the words "without limitation."
17. **Exhibits.** This Letter of Agreement includes all of Exhibits A through K hereto. Except as otherwise expressly set forth therein, all capitalized terms in Exhibits A through K shall have the meanings defined in this Letter of Agreement.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this ____ day of May, 2005

WITNESS: FOR UNITED AIR LINES,
INC.:

Peter B. Kain
Vice President Labor Relations

FOR UAL CORPORATION:

Glenn F. Tilton
Chairman, President and CEO

WITNESS: FOR AIRCRAFT
MECHANICS
FRATERNAL ASSOCIATION:

Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

O.V. Delle Femine
National Director
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