

LETTER OF AGREEMENT

BETWEEN

**UNITED AIR LINES, INC. (“sUA”), CONTINENTAL AIRLINES, INC. (“sCO”),
and CONTINENTAL MICRONESIA, INC. (“CMI”) (collectively, “the Company”)**

AND

THE TECHNICIANS AND RELATED

**IN THE SERVICE OF UNITED AS REPRESENTED BY THE
INTERNATIONAL BROTHERHOOD OF TEAMSTERS (“IBT”)**

Facilitated Expedited Bargaining Protocol

Whereas the IBT is party to three separate collective bargaining agreements respectively covering the crafts and classes of Mechanics and Related employed by sUA, sCO, and CMI; and

Whereas, the IBT and the Company (collectively, the “Parties”) are engaged in negotiating an amalgamated/successor collective bargaining agreement (“Successor Agreement”) covering the Mechanics and Related who currently are covered under each of the three stand-alone collective bargaining agreements referenced above; and

Whereas, the Parties desire to secure a ratified, approved and executed Successor Agreement on or before June 30, 2013 (the “Target Date”); and

Whereas, the Parties recognize that securing a ratified Successor Agreement on or before the Target Date is an ambitious project that nevertheless can be achieved to the satisfaction and mutual best interests of the Company, the IBT, their employees/members, and the flying public; and

Whereas, the Parties believe that the National Mediation Board (“NMB”) can and will play a constructive role in facilitating their mutual objective of securing a Successor Agreement by the Target Date (the “Facilitated Bargaining Period”); and

Whereas, the NMB has advised the Parties that it will provide resources and personnel in order to help facilitate the Parties in their efforts to secure a Successor Agreement during the Facilitated Bargaining Period; Therefore,

The Parties agree as follows:

FACILITATED EXPEDITED BARGAINING

The Parties shall endeavor – and will use their best efforts -- to secure a ratified Successor Agreement during the Facilitated Bargaining Period within the parameters contained herein.

By entering into this Agreement, neither the IBT nor the Company waives any legal, equitable or economic rights and/or remedies they may have in the event of a breach of this Agreement, or in the event they are unable to reach a Successor Agreement during the Facilitated Bargaining Period.

The Parties' negotiations during the Facilitated Bargaining Period (the "the Expedited Facilitated Bargaining") shall be conducted in a manner that does not prejudice either Party or the respective positions held by either or both Parties before entering into such negotiations.

FACILITATED EXPEDITED BARGAINING PROCESS

In order to secure a Successor Agreement, the Parties will engage in a two-phase bargaining process. In the first phase, the Parties will reconcile the differences between the three existing stand-alone collective bargaining agreements, such reconciled terms to be included in the Successor Agreement. This Reconciliation Phase will commence on or about January 7, 2013. The Parties anticipate completing the Reconciliation Phase by March 1, 2013.

During the Reconciliation Phase, the Parties will also prepare for the second bargaining phase. The Second Bargaining Phase will entail bargaining over new issues/items for inclusion in the Successor Agreement. The Parties anticipate that the Second Bargaining Phase formally will commence on or about March 6, 2013; they anticipate completing the Second Bargaining Phase and reaching a tentative Successor Agreement by May 1, 2013.

With respect to the Second Bargaining Phase, the Parties will endeavor to limit the number of major issues to be discussed during the course of Second Bargaining Phase of the Expedited Bargaining Process. The parties will exchange their list of major issues by no later than March 4, 2013. In this regard, the Parties acknowledge that compensation and compensation-related items, pension/retirement, health/medical programs and scope will be included among the major issues discussed during the Second Bargaining Phase of the Facilitated Expedited Bargaining Process. Matters/issues relating to the above-referenced major issues, and contractual sub-sections and/or provisions relating thereto, shall be permitted, and will not be counted as a major issue.

PARTICIPANTS

The Company and the IBT will each designate a Negotiating Committee to conduct these Expedited Facilitated Bargaining negotiations, and each Party's Negotiating Committee will have the authority to enter into tentative agreements to be submitted for approval/ratification. In order to further facilitate the negotiation process, the Parties' respective Negotiating Committees may also designate one or more subcommittees, each of which will be tasked with negotiating specific issues assigned to it by their Bargaining Committees. Each of the subcommittees may determine how best to proceed with their discussions, subject to the supervision by the Parties' respective Negotiating Committees, and with the understanding that they will regularly communicate and coordinate with their respective Negotiating Committees and seek approval from those Negotiating Committees before entering into any tentative agreements. Each subcommittee may also, if it chooses to do so, request the assistance of individuals to take notes regarding some or all of their discussions.

Each Party may designate subject matter experts, consultants, and attorneys who are not members of the respective Negotiating Committees to participate in the negotiations. The Parties will, to the extent reasonably possible, notify each other in advance when such individuals will attend. Nothing herein shall preclude the Company's officials or the IBT's officials, including its business agents, from attending the negotiation sessions. The Parties will provide as much advance notice as possible of the need for the presence of persons other than the members of their respective Negotiating Committees.

It is the Parties' expectation that during the Facilitated Bargaining Period, the NMB will provide appropriate resources and personnel, including a senior mediator who will help facilitate the Parties' negotiations and maintain oversight of the negotiations.

EXPENSES

The Company and the IBT will share equally all costs associated with off-site meeting facilities agreed upon by the Parties. Except as otherwise provided in this Protocol Agreement, each Party will be responsible for its respective costs, subject to Union travel rights contained in the current collective bargaining agreements.

The Company agrees to pay-protect the rank and file members of the IBT Negotiating Committee for time spent in negotiations, including IBT caucus time.

MEETING SCHEDULE AND LOCATION

Starting with the Reconciliation Phase, the Expedited Facilitated Bargaining Negotiations will begin no later than January 7, 2013, subject to the final concurrence of the NMB. Negotiation dates during the Facilitated Bargaining Period will be set by mutual

agreement of the Parties, with concurrence of the NMB, until May 1, 2013. The Parties anticipate that the negotiating sessions will consist of sessions of 5 or more consecutive days followed by “off-table” periods during which the Parties are expected to evaluate each other’s proposals, develop responses and prepare for the next and remaining full committee sessions.

The Parties will establish an agenda and schedule the issues to be discussed in these negotiation/sessions prior to their commencement. They will strive to reach tentative agreements on major issues on a schedule, recognizing that a tentative agreement on an Article, sub-section and/or provision within the Expedited Facilitated Bargaining process will always be subject to a comprehensive tentative agreement on, and ratification and approval of, a complete Successor Agreement.

At the conclusion of each negotiating session, the Parties shall confirm the agenda for the following session, recognizing that additional items may be added to the agenda at the negotiating session upon mutual agreement of the Parties. The Parties will make their best efforts to adhere to pre-determined schedules and to notify the other Party as soon as possible if those schedules must be modified.

The location and place of each bargaining session during the Expedited Facilitated Bargaining Negotiations will be set by mutual agreement of the Parties, subject to final concurrence of the NMB. The Parties believe that bargaining sessions are best conducted in Chicago.

COMMUNICATIONS

Each Party shall have the right to determine the content and timing of its communications, except that such communications will not violate any confidentiality/non-disclosure agreements.

INFORMATION

Subject to legal requirements and confidentiality terms, the Company and the IBT will, on a reasonable basis, exchange information in their possession that is relevant to understanding or analysis of proposals. The Parties agree to provide such information in a timely manner for preparatory meetings as well as for negotiating sessions. Every participant in these discussions will execute a Confidentiality Agreement covering the disclosure of proprietary or confidential information.

PRESERVATION OF RIGHTS UNDER RAILWAY LABOR ACT

It is agreed that, notwithstanding the terms of this Protocol Agreement, neither Party relinquishes its rights under the Railway Labor Act, as amended (“RLA”).

United and IBT will jointly request the NMB to oversee the Expedited Facilitated Bargaining.

If the Parties do not reach a tentative agreement or if that tentative agreement fails to be approved, ratified or executed by the Parties, the Parties, with the input of the NMB, will determine appropriate next steps, recognizing that the NMB will have limited availability of resources in the event this process does not result in an approved, ratified and executed agreement.

TERMINATION OF THIS PROTOCOL AGREEMENT

This Protocol Agreement shall expire and become null and void on the effective date of the approved, ratified and executed Successor Agreement, unless this Protocol Agreement is terminated earlier pursuant to the following provisions.

The Parties may terminate this Protocol Agreement and related Agreements whenever they shall mutually agree to do so.

In addition, either Party may terminate this Protocol Agreement on ten (10) days’ written notice delivered to the other Party at any time. The Parties also recognize that the NMB may determine and advise that Expedited Facilitated Bargaining is no longer productive, in which event the Parties will meet and confer as soon as possible to determine an appropriate response.

In the event that this Protocol Agreement is terminated, the Parties shall revert to traditional RLA bargaining, and this Protocol Agreement shall be null and void except as to those provisions in the following paragraph specifically addressing negotiations following such termination.

If the Parties revert to traditional RLA bargaining, they shall, upon mutual consent, preserve whatever tentative agreements on specific issues/matters they secured during the Expedited Facilitated Bargaining. Additionally, if the Parties revert to traditional RLA bargaining, they each may include any and all other issues/topics they believe are appropriate for inclusion in such bargaining, regardless of whether such issues/matters were included or excluded for/from consideration during the Expedited Facilitated Bargaining. Furthermore, if the Parties revert to traditional RLA bargaining, they shall also endeavor to set a bargaining schedule that is consistent with the needs of their respective organizations, consistent with availability of assistance from the National

Mediation Board resources and consistent with the normal pace of negotiations historically conducted by participants in airline industry bargaining.

FOR THE COMPANY

FOR THE INTERNATIONAL
BROTHERHOOD OF TEAMSTERS

P. DOUGLAS MCKEEN
SENIOR VICE PRESIDENT,
LABOR RELATIONS

DAVID BOURNE
DIRECTOR, AIRLINE DIVISION

Date: _____

Date: _____