

Revised draft 7/4/01

SETTLEMENT  
MEMORANDUM

ALPA CASE NO. EWA-001-01GG  
(Short Term Disability)

Emery Worldwide Airlines, Inc., and the Air Line Pilots Association, International, hereby agree to settle the above captioned case on the following basis:

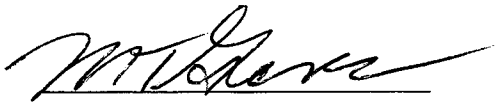
1. Pilots eligible for short term disability on or after September 19, <sup>2000</sup>~~2001~~ who have not received short term disability (STD) pay because they exhausted sick leave pay prior to the commencement of STD will be made whole as provided below.
2. Such pilots shall be paid an amount equal to the STD pay they would have received, had STD pay commenced on the day following the last day they actually received sick leave pay.
3. This payment shall be made to pilots affected prior to the date this memorandum is signed, and shall be paid to such pilots within 30 days of the date of signing.
4. Beginning with the date this memorandum is signed pilots who, because of illness or injury, exhaust their accrued sick pay, shall commence receiving STD pay, if eligible under the Company's STD plan, consistent with the current provisions of the collective bargaining agreement.
5. This method of payment shall continue until and unless changed in accordance with the applicable provisions of the Pilots' Agreement.

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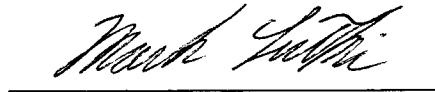
In consideration of this settlement, the Association agrees that the above captioned grievance is withdrawn, and the Company agrees that should it desire to make future changes in the administration of the STD Plan, the Company and the Association will meet and consult on such changes as provided in Article 27.A. of the Pilots' Agreement. The parties anticipate that they will make every effort to reach a mutually satisfactory resolution concerning future proposed benefit changes.

DATED: 7-9-01

FOR EMERY WORLDWIDE  
AIRLINES, INC.:

  
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FOR THE AIR LINE PILOTS  
ASSOCIATION, INT'L.:

  
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