

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: December 30, 2004
(Date of earliest event reported)

UAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	1-6033	36-2675207
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1200 East Algonquin Road, Elk Grove Township, Illinois 60007
(Address of principal executive offices)

(847) 700-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

In connection with the voluntary petitions for reorganization of UAL Corporation and its affiliated debtors-in-possession (collectively, "United") under Chapter 11 of Title 11 of the United States Bankruptcy Code in Case Nos. 02-48191 through 02-48218 (the "Chapter 11 Cases"), as jointly administered by the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, (the "Bankruptcy Court"), on December 29, 2004, United participated in a continued hearing on the Motion (the "Settlement Motion") of United Air Lines, Inc. for Order Authorizing Entry Into Settlement Agreement (the "Settlement Agreement") with U.S. Bank Trust National Association as Trustee, Suntrust Bank as Trustee, BNY Midwest Trust as Trustee,

HSBC Bank USA as Trustee and Designated Holders and Holders [Docket No. 8354]. At that hearing, the Bankruptcy Court set February 10, 2005 as the deadline for affected bondholders to object to their treatment under the Settlement Agreement and the proposed order (the "Settlement Order") granting the Settlement Motion, and further set a hearing on February 15, 2005 at 10:00 a.m. prevailing Central time for the Bankruptcy Court to consider any such objections.

Among other things, the proposed Settlement Order provides: "The Settlement Agreement provides that, for all purposes under the Settlement Agreement, January 7, 2005 shall be the Record Date to establish the list of Holders eligible to: (a) vote to accept or reject the Plan, and (b) elect a particular treatment as set forth herein in Sections 3(a)(ii) and 3(c)(ii) of the Settlement Agreement. The right to elect a particular treatment as

set forth in the Settlement Agreement in Sections 3(a)(ii) and 3(c)(ii) shall be non-transferable as of and after Record Date. All Holders voting on the Plan and making an election to receive the treatment designated

"Option B" in Sections 3(a)(ii) and 3(c)(ii) of the Settlement Agreement shall certify and may be required, as part of the certification required on its ballot, to provide evidence acceptable to United that it was a holder

of record as of the Record Date."

A copy of the Settlement Order is provided hereunder as Exhibit 99.1, a copy of the Settlement Agreement is provided hereunder as Exhibit 99.2, and a copy of the Case Management Procedures in effect in the Chapter 11 Cases is provided hereunder as Exhibit 99.3.

Item 9.01. Financial Statements and Exhibits.

(c)	Exhibits	Description
	99.1	Order Approving the Motion of United Air Lines, Inc. for Order Authorizing Entry Into Settlement Agreement with HSBC U.S. Bank Trust National Association as Trustee, Suntrust Bank as Trustee, BNY Midwest Trust as Trustee, Bank USA as Trustee and Designated Holders and Holders.
	99.2	Settlement Agreement made as of December 17, 2004 by and among United Air Lines, Inc., Stark Investments LP, Shepard Investments International, Ltd., et al.
	99.3	Third Amended Notice, Case Management and Administrative Procedures.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UAL CORPORATION

By: /s/ Paul R. Lovejoy
Name: Paul R. Lovejoy
Title: Senior Vice President,
General Counsel and Secretary

Dated: December 30, 2004

- C. On February 1, 1999, the City issued the Series 1999B Bonds, pursuant to the Series 1999B Bond Agreements;
- D. On June 13, 2000, the City issued the Series 2000A Bonds, pursuant to the Series 2000A Bond Agreements;
- E. On February 1, 2001, the City issued the Series 2001A-1 Bonds, pursuant to the Series 2001A-1 Bond Agreements;
- F. On February 1, 2001, the City issued the Series 2001A-2 Bonds, pursuant to the Series 2001A-2 Bond Agreements;
- G. On February 1, 2001, the City issued the Series 2001B Bonds, pursuant to the Series 2001B Bond Agreements;
- H. On February 1, 2001, the City issued the Series 2001C Bonds, pursuant to the Series 2001C Bond Agreements;
- I. On December 9, 2002, United and its affiliate debtors filed voluntary petitions under Chapter 11 of the Bankruptcy Code in the Northern District of Illinois, Eastern District, as Case Numbers 02-B-448191 et. seq. (the "Chapter 11 Cases") and continue to operate their business as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code;
- J. Since the filing of the Chapter 11 Cases, United has not paid any of the payments with respect to the Bonds;
- K. By Agreed Order entered by the Bankruptcy Court on May 23, 2003, the automatic stay was partially modified to the extent necessary to allow the application and disbursement in accordance with the terms of such Agreed Order of the Series 2001A-1 Capitalized Interest Fund Monies;
- L. By Agreed Order entered by the Bankruptcy Court on May 23, 2003, the automatic stay was partially modified to the extent necessary to allow the application and disbursement in accordance with the terms of such Agreed Order of the Series 2001A-2 Capitalized Interest Fund Monies;
- M. By Agreed Order entered by the Bankruptcy Court on June 20, 2003, the automatic stay was partially modified to the extent necessary to allow the application and disbursement in accordance with the terms of such Agreed Order of the Series 2000A Redemption and Bond Fund Monies;
- N. SunTrust, as Trustee for the Series 2001A-1 Bonds, continues to hold the Series 2001A-1 Construction Fund Monies
- O. HSBC, as Trustee for the Series 2001A-2 Bonds, continues to hold the Series 2001A-2 Construction Fund Monies;
- P. U.S. Bank, as Trustee for the Series 2000A Bonds, continues to hold the Series 2000A Construction Fund Monies;
- Q. On August 8, 2003, SunTrust, as Trustee for the Series 2001A-1 Bonds, filed the SunTrust Construction Fund Motion seeking relief from the automatic stay to access the Series 2001A-1 Construction Fund Monies;
- R. On August 14, 2003, HSBC, as Trustee for the Series 2001A-2 Bonds, filed the HSBC Construction Fund Motion seeking relief from the automatic stay to access the Series 2001A-2 Construction Fund Monies;
- S. On August 15, 2003, U.S. Bank, as Trustee for the Series 2000A Bonds, filed the U.S. Bank Construction Fund Motion seeking relief from the automatic stay to access the Series 2000A Construction Fund Monies;
- T. On September 18, 2003, United instituted the Adversary Proceeding seeking, among other things, a declaration that Section 27.08 of the Airport Use Agreement is unenforceable as a matter of law;
- U. At a hearing held on October 24, 2003, the Bankruptcy Court entered the Escrow Order granting the Construction Fund Motions; provided, however, that the automatic stay shall be continued with respect to the Series 2001A Construction Fund Monies and the Series 2000A Construction Fund Monies so long as United shall escrow the payments that would otherwise be due and payable with respect to the applicable Bonds;
- V. United, SunTrust, and Escrow Agent entered into the SunTrust Escrow Agreement, to reflect the escrow arrangement with respect to the Series 2001A-1 Construction Fund Monies consistent with the Escrow Order;

W. United, HSBC, and Escrow Agent entered into the HSBC Escrow Agreement, to reflect the escrow arrangement with respect to the Series 2001A-2 Construction Fund Monies consistent with the Escrow Order;

X. United, U.S. Bank, and Escrow Agent entered into the U.S. Bank Escrow Agreement, to reflect the escrow arrangement with respect to the Series 2000A Construction Fund Monies consistent with the Escrow Order;

Y. Escrow Agent continues to hold the Escrow Order Monies;

Z. On January 15, 2004, SunTrust, as Trustee for the Series 2001A-1 Bonds instituted the SunTrust Construction Fund Adversary Proceeding seeking, among other things, a declaration and adjudication of the rights of SunTrust and United with respect to certain portions of the Series 2001A-1 Construction Fund Monies;

AA. On January 20, 2004, HSBC, as Trustee for the Series 2001A-2 Bonds, instituted the HSBC Construction Fund Adversary Proceeding seeking, among other things, a declaration and adjudication of the rights of HSBC and United with respect to certain portions of the Series 2001A-2 Construction Fund Monies;

BB. On May 7, 2004, BNY, as Trustee for the Series 1999A Bonds and Series 1999B Bonds and HSBC, as Trustee for the Series 2001B Bonds and Series 2001C Bonds, filed the BNY-HSBC Special Facility Agreement Escrow Motion seeking to compel United to pay into escrow certain payments with respect to the Series 1999A Bonds, the Series 1999B Bonds, the Series 2001B Bonds and the Series 2001C Bonds;

CC. United, Stark Investments LP ("SI LP"), Shepherd Investments International, Ltd. ("Shepherd" and, together with SI LP, "Stark"), Nuveen Dividend Advantage Municipal Fund 2 ("ND"), Nuveen Intermediate Duration Municipal Bond Fund ("NID"), Nuveen Investment Quality Municipal Bond Fund ("NIQ"), Nuveen Limited Term Municipal Bond Fund ("NL"), Nuveen Municipal Advantage Fund, Inc. ("NM"), Nuveen Premium Income Municipal Fund ("NPI"), Nuveen Select Quality Municipal Bond Fund ("NSQ"), Nuveen Select Tax-Free Income Portfolio 1 ("NS 1"), Nuveen Select Tax-Free Income Portfolio 2 ("NS 2"), and Nuveen Select Tax-Free Income Portfolio 3 ("NS 3" and, together with ND, NID, NIQ, NL, NM, NPI, NSQ, NS 1, NS 2, "Nuveen"), Vanguard High-Yield Tax-Exempt Fund and Vanguard Intermediate-Term Tax-Exempt Fund, each a series of Vanguard Municipal Bond Funds (collectively, "Vanguard" and, together with Stark and Nuveen, the "Designated Holders"), BNY Midwest Trust Company ("BNY"), as Trustee for the Series 1999A Bonds (hereinafter defined), BNY as Trustee for the Series 1999B Bonds (hereinafter defined), U.S. Bank National Association ("U.S. Bank"), as Trustee for the Series 2000A Bonds (hereinafter defined), SunTrust Bank ("SunTrust"), as Trustee for the 2001A-1 Bonds (hereinafter defined), HSBC Bank USA ("HSBC" and, together with BNY, U.S. Bank, and SunTrust, the "Trustees"), as Trustee for the Series 2001A-2 Bonds (hereinafter defined), HSBC, as Trustee for the Series 2001B Bonds (hereinafter defined), HSBC, as Trustee for the Series 2001C Bonds (hereinafter defined) (United, each Designated Holder, and each Trustee may also be referred to herein, individually, as a "Party" and, collectively, as the "Parties") have reached a settlement and compromise with respect to all pending claims and controversies against one another relating to the Bonds, including, without limitation, the Adversary Proceeding and the Other Proceedings all on the terms and conditions set forth in the Settlement Agreement;

DD. This Court has jurisdiction over the Motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2);

EE. Venue of this proceeding and the Motion is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and

FF. The statutory bases for the relief requested herein are Section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a).

¹All capitalized terms not defined herein shall have the meaning ascribed to them in the Settlement Agreement.

²To the extent necessary, findings of fact shall be deemed conclusions of law, and conclusions of law shall be deemed findings of fact.

Based upon these FINDINGS, the Court hereby ORDERS, ADJUDGES AND DECREES:

1. The Motion is granted only to the extent set forth herein and United is authorized to enter into, and the Court approves, the Settlement Agreement as modified by this Settlement Order. To the extent there is any discrepancy between the Settlement Agreement and the Settlement Order, the Settlement Order shall control.
2. Notice of the Motion has been provided to the Holders (as hereinafter defined) and all parties entitled to such notice; and the form and manner of such notice is reasonable, sufficient, and hereby approved.
3. Notice of this Settlement Order has been issued by the Trustees to their respective holders of record at least thirty (30) days prior to the entry of this Settlement Order. This Settlement Order is final, binding, and effective on all current, former, and future holders of the Bonds, including without limitation the Designated Holders (the "Holders", solely in their capacity as Holders with respect to the Bonds and not in any other capacity, including but not limited to, their capacity as the holder of any other claim against United or its affiliates or as a holder with respect to any other bonds related to United or its affiliates) as well as all Trustees for the Bonds or predecessors (but not the City) or successors thereto (solely in their capacity as Trustees with respect to the Bonds and not in any other capacity, including but not limited to, their capacity as the holder of any claim against United or its affiliates or as the Trustees with respect to any other bonds related to United or its affiliates).
4. The compromise and settlement set forth in the Settlement Agreement is fair and reasonable to United, the Holders, and the Trustees and, in entering the Settlement Agreement, the Trustees have exercised their rights and powers and used the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.
5. The execution and delivery of the Settlement Agreement by the Parties and the settlement and compromise set forth in the Settlement Agreement is approved.
6. The execution and delivery of mutual releases by the Parties is approved.
7. Upon payment of the Settlement Consideration as provided herein, all Escrow Order Monies then held by the Escrow Agent shall (after application towards the payment of the fees and expenses of the Designated Holders, Trustees, and Ad Hoc Counsel as provided in Section 14 in the Settlement Agreement) be remitted to United, and neither the Trustees nor Holders shall have any further claims against the Escrow Order Monies.
8. As among United, the Holders, the Designated Holders and the Trustees for the Bonds or predecessors (but not the City) or successors thereto, upon payment of the Settlement Consideration as provided in the Settlement Agreement, (A) there shall be deemed to be no existing defaults or any failed conditions by United under any Bond Agreement or the Airport Use Agreement as a result of any non-payment or non-performance by United on or in any manner related to the Bonds, and (B) any of United's rights under the Airport Use Agreement which may have been, or purported to have been, terminated or otherwise affected as a result of any non-payment or non-performance by United on or in any manner related to the Bonds shall be fully reinstated as if such non-payment or non-performance had never occurred; provided that this finding is without prejudice to the rights of the City to assert (A) there are existing defaults or failed conditions by United under the Bond Agreement(s) or the Airport Use Agreement as a result of the non-payment or non-performance by United on or in any manner related to the Bonds, or (B) United's rights under the Airport Use

- Agreement have been terminated or otherwise affected as a result of any non-payment or non-performance by United on or in any manner related to the Bonds and may not be fully reinstated as if such non-payment or non-performance had never occurred.
9. All Parties are directed and authorized to enter into such other documentation as may be reasonably necessary to effectuate the terms of the Settlement Agreement.
10. Except as provided in Paragraph 16 below, nothing in this Settlement Order shall restrict or terminate any obligations of the City to the Trustees or Holders of the Bonds.
11. The Settlement Agreement provides that, for all purposes under the Settlement Agreement, January 7, 2005 shall be the Record Date to establish the list of Holders eligible to: (a) vote to accept or reject the Plan, and (b) elect a particular treatment as set forth herein in Sections 3(a)(ii) and 3(c)(ii) of the Settlement Agreement. The right to elect a particular treatment as set forth in the Settlement Agreement in Sections 3(a)(ii) and 3(c)(ii) shall be non-transferable as of and after Record Date. All Holders voting on the Plan and making an election to receive the treatment designated "Option B" in Sections 3(a)(ii) and 3(c)(ii) of the Settlement Agreement shall certify and may be required, as part of the certification required on its ballot, to provide evidence acceptable to United that it was a holder of record as of the Record Date. The setting of the Record Date under the Settlement Agreement is fair and equitable.
12. On or before December 31, 2004, United filed with the Securities and Exchange Commission a Form 8-K or other appropriate filing attaching a copy of this Settlement Order and the Settlement Agreement, and such filing constitutes adequate notice of the Record Date.
13. The Trustees have acted consistent with their duties and responsibilities under, and entry of this Settlement Order does not violate, the terms of their respective Bond Agreements.
14. As among United, the Holders, the Designated Holders and the Trustees for the Bonds or predecessors (but not the City) or successors thereto, upon payment of the Settlement Consideration set forth in the Settlement Agreement, the Parties and the Holders agree among themselves that the City has no right to enforce any remedy that it may have or purport to have under Section 27.08 or any other provision of the Airport Use Agreement on account of, or arising or resulting from any non-payment or non-performance by United on or in any manner related to the Bonds.
15. If United seeks to assume the Airport Use Agreement without consensual modification as between United and the City, then notwithstanding anything contained in the Settlement Agreement, the effectiveness of the Settlement Agreement, the Parties' respective obligations thereunder, and the settlement and compromise contemplated thereby, are also conditioned on a judicial determination, which shall be sought by United in good faith, that upon such assumption and payment of the Settlement Consideration, there shall have been no defaults under such Airport Use Agreement with respect to Section 27.08 that require cure or adequate assurances of prompt cure within the meaning of Section 365 of the Bankruptcy Code; provided, however, that United may, in its sole discretion, waive such condition to effectiveness in whole or part.
16. Notwithstanding Paragraph 10 above, upon payment of the Settlement Consideration, the Holders, the Designated Holders and the Trustees or predecessors or successors thereto shall be deemed to have waived any right to direct the City to declare a termination, under Section 27.08 of the Airport Use Agreement or otherwise, of such Airport Use Agreement by virtue of any existing defaults or any failed conditions by United under any Bond Agreement or the Airport Use Agreement as a result of the non-payment or non-performance by United on or in any manner related to the Bonds.
17. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Settlement Order and the Settlement Agreement.

18. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Settlement Order (consistent with paragraph 3 above) shall be immediately effective and enforceable upon its entry.

Dated: Chicago, Illinois

_____, 2004

THE HONORABLE EUGENE R. WEDOFF
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Settlement Agreement

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this "Agreement") is made as of this 17th day of December, 2004, by and among United Air Lines, Inc. ("United"), Stark Investments LP ("SI LP"), Shepherd Investments International, Ltd. ("Shepherd" and, together with SI LP, "Stark"), Nuveen Dividend Advantage Municipal Fund 2 ("ND"), Nuveen Intermediate Duration Municipal Bond Fund ("NID"), Nuveen Investment Quality Municipal Bond Fund ("NIQ"), Nuveen Limited Term Municipal Bond Fund ("NL"), Nuveen Municipal Advantage Fund, Inc. ("NM"), Nuveen Premium Income Municipal Fund ("NPI"), Nuveen Select Quality Municipal Bond Fund ("NSQ"), Nuveen Select Tax-Free Income Portfolio 1 ("NS 1"), Nuveen Select Tax-Free Income Portfolio 2 ("NS 2"), and Nuveen Select Tax-Free Income Portfolio 3 ("NS 3" and, together with ND, NID, NIQ, NL, NM, NPI, NSQ, NS 1, NS 2, "Nuveen"), Vanguard High-Yield Tax-Exempt Fund and Vanguard Intermediate-Term Tax-Exempt Fund, each a series of Vanguard Municipal Bond Funds (collectively, "Vanguard" and, together with Stark and Nuveen, the "Designated Holders"), BNY Midwest Trust Company ("BNY"), as Trustee for the Series 1999A Bonds (hereinafter defined), BNY as Trustee for the Series 1999B Bonds (hereinafter defined), U.S. Bank National Association ("U.S. Bank"), as Trustee for the Series 2000A Bonds (hereinafter defined), SunTrust Bank ("SunTrust"), as Trustee for the 2001A-1 Bonds (hereinafter defined), HSBC Bank USA ("HSBC" and, together with BNY, U.S. Bank, and SunTrust, the "Trustees"), as Trustee for the Series 2001A-2 Bonds (hereinafter defined), HSBC, as Trustee for the Series 2001B Bonds (hereinafter defined), HSBC, as Trustee for the Series 2001C Bonds (hereinafter defined) (United, each Designated Holder, and each Trustee may also be referred to herein, individually, as a "Party" and, collectively, as the "Parties").

WITNESSETH:

WHEREAS, United leases facilities at the Chicago O'Hare International Airport pursuant to that certain Amended and Restated Airport Use Agreement and Terminal Facilities Lease dated as of January 1, 1985 between the City of Chicago (the "City") and United (the "Airport Use Agreement");

WHEREAS, on February 1, 1999, the City issued those certain \$121,420,000 Chicago O'Hare International Airport Special Facility Revenue Refunding Bonds (United Air Lines, Inc. Project) Series 1999A (the "Series 1999A Bonds"), pursuant to, among other agreements, that certain Special Facility Use Agreement dated as of February 1, 1999, between the City and United, that certain Indenture of Trust dated as of February 1, 1999, between the City and Harris Trust and Savings Bank, as Trustee and predecessor to BNY, and that certain Guaranty dated as of February 1, 1999, by United in favor of such Trustee (collectively with all other agreements executed in connection therewith, the "Series 1999A Bond Agreements");

WHEREAS, on February 1, 1999, the City issued those certain \$40,275,000 Chicago O'Hare International Airport Special Facility Revenue Refunding Bonds (United Air Lines, Inc. Project) Series 1999B (the "Series 1999B Bonds"), pursuant to, among other agreements, that certain Special Facility Use Agreement dated as of February 1, 1999, between the City and United, that certain Indenture of Trust dated as of February 1, 1999, between the City and Harris Trust and Savings Bank, as Trustee and predecessor to BNY, and that certain Guaranty dated as of February 1, 1999, by United in favor of such Trustee (collectively with all other agreements executed in connection therewith, the "Series 1999B Bond Agreements");

WHEREAS, on June 13, 2000, the City issued those certain \$38,360,000 Chicago O'Hare International Airport Special Facility Revenue Refunding Bonds (United Air Lines, Inc.) Series 2000A (the "Series 2000A Bonds"), pursuant to, among other agreements, that certain Special Facility Use Agreement dated as of June 1, 2000, between the City and United, that certain Indenture of Trust dated as of June 1, 2000, between the City and U.S. Bank National Association, as Trustee, and that certain Guaranty dated as of June 1, 2000, by United in favor of such Trustee (collectively with all other agreements executed in connection therewith, the "Series 2000A Bond Agreements");

WHEREAS, on February 1, 2001, the City issued those certain \$102,570,000 Chicago O'Hare International Airport Special Facility Revenue Bonds (United Air Lines, Inc.) Series 2001A-1 (the "Series 2001A-1 Bonds"), pursuant to, among other agreements, that certain Special Facility Loan Agreement dated as of February 1, 2001, between the City and United, that certain Trust Agreement dated as of February 1, 2001, between the City and Bank One Trust Company, National Association, as Trustee and predecessor to SunTrust, and that certain Guaranty dated as of February 1, 2001, by United in favor of such Trustee (collectively with all other agreements executed in connection therewith, the "Series 2001A-1 Bond Agreements");

WHEREAS, on February 1, 2001, the City issued those certain \$100,000,000 Chicago O'Hare International Airport Special Facility Revenue Bonds (United Air Lines, Inc. Project) Series 2001A-2 (the "Series 2001A-2 Bonds"), pursuant to, among other agreements, that certain Special Facility Loan Agreement dated as of February 1, 2001, between the City and United, that certain Trust Agreement dated as of February 1, 2001, between the City and Bank One Trust Company, National Association, as Trustee and predecessor to HSBC, and that certain Guaranty dated as of February 1, 2001, by United in favor of such Trustee (collectively with all other agreements executed in connection therewith, the "Series 2001A-2 Bond Agreements");

WHEREAS, on February 1, 2001, the City issued those certain \$49,280,000 Chicago O'Hare International Airport Special Facility Revenue Refunding Bonds (United Air Lines, Inc. Project) Series 2001B (the "Series 2001B Bonds"), pursuant to, among other agreements, that certain Special Facility Use Agreement dated as of February 1, 2001, between the City and United, that

certain Trust Agreement dated as of February 1, 2001, between the City and Bank One Trust Company, National Association, as Trustee and predecessor to HSBC, and that certain Guaranty dated as of February 1, 2001, by United in favor of such Trustee (collectively with all other agreements executed in connection therewith, the "Series 2001B Bond Agreements");

WHEREAS, on February 1, 2001, the City issued those certain \$149,370,000 Chicago O'Hare International Airport Special Facility Revenue Refunding Bonds (United Air Lines, Inc. Project) Series 2001C (the "Series 2001C Bonds" and together with the Series 1999A Bonds, the Series 1999B Bonds, the Series 2000A Bonds, the Series 2001A-1 Bonds, the Series 2001A-2 Bonds, and the Series 2001B Bonds, the "Bonds"), pursuant to, among other agreements, that certain Special Facility Use Agreement dated as of February 1, 2001, between the City and United, that certain Trust Agreement dated as of February 1, 2001, between the City and Bank One Trust Company, National Association, as Trustee and predecessor to HSBC, and that certain Guaranty dated as of February 1, 2001, by United in favor of such Trustee (collectively with all other agreements executed in connection therewith, the "Series 2001C Bond Agreements" and, together with the Series 1999A Bond Agreements, the Series 1999B Bond Agreements, the Series 2000A Bond Agreements, the Series 2001A-1 Bond Agreements, the Series 2001A-2 Bond Agreements, and the Series 2001B Bond Agreements, the "Bond Agreements");

WHEREAS, on December 9, 2002, United and its affiliate debtors (collectively, the "Debtors")¹ filed voluntary petitions (the "Chapter 11 Cases") under Chapter 11 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the Northern District of Illinois, Eastern District, as Case Numbers 02-B-448191 et. seq. and continue to operate their business as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, since the filing of the Chapter 11 Cases, United has not paid any of the payments with respect to the Bonds;

WHEREAS, by Agreed Order entered by the Bankruptcy Court on May 23, 2003, the automatic stay was partially modified to the extent necessary to allow the application and disbursement in accordance with the terms of such Agreed Order of monies not to exceed \$1,300,761.00 being held, as of April 30, 2003, by SunTrust, as Trustee for the Series 2001A-1 Bonds, in a Capitalized Interest Fund established under the Series 2001A-1 Bond Agreements (the "Series 2001A-1 Capitalized Interest Fund Monies");

WHEREAS, by Agreed Order entered by the Bankruptcy Court on May 23, 2003, the automatic stay was partially modified to the extent necessary to allow the application and disbursement in accordance with the terms of such Agreed Order of monies not to exceed \$1,394,561.94 being held, as of April 30, 2003, by HSBC, as Trustee for the Series 2001A-2 Bonds, in a Capitalized Interest Fund established under the Series 2001A-2 Bond Agreements (the "Series 2001A-2 Capitalized Interest Fund Monies" and, together with the Series 2001A-1 Capitalized Interest Fund Monies, the "Series 2001A Capitalized Interest Fund Monies");

WHEREAS, SunTrust, as Trustee for the Series 2001A-1 Bonds, continues to hold approximately \$30,166,623.13 (representing the balance as of September 30, 2004) in a Construction Fund established under the Series 2001A-1 Bond Agreements (together with interest and other amounts accrued thereon, the "Series 2001A-1 Construction Fund Monies");

¹The Debtors are the following entities: UAL Corporation, UAL Loyalty Services, Inc., Confetti, Inc., Mileage Plus Holdings, Inc., Mileage Plus marketing, Inc., MyPoints.com, Inc., Cypergold, Inc., intarget.com, inc., MyPoints Offline Services, Inc., UAL Company Services, Inc., UAL Benefits Management, Inc., United BizJet Holdings, Inc., BizJet Charter, Inc., BizJet Franctional, Inc., BizJet Services, Inc., United Air Lines, Inc., Kion Leasing, Inc., Premier Meeting and Travel Services, Inc., United Aviation Fuels Corporation, United Cogen, Inc., Mileage Plus, Inc., United GHS, Inc., United Worldwide Corporation, United Vacations, Inc., Four Star Leasing, Inc., Air Wis Services, Inc., Air Wisconsin, Inc., Domicile Management Services, Inc.

WHEREAS, by Agreed Order entered by the Bankruptcy Court on June 20, 2003, the automatic stay was partially modified to the extent necessary to allow the application and disbursement in accordance with the terms of such Agreed Order of monies not to exceed \$133,470.77 being held, as of May 13, 2003, by U.S. Bank, as Trustee for the Series 2000A Bonds, in a Redemption Fund established under the Series 2000A Bond Agreements and monies not to exceed \$293.88 being held, as of May 13, 2003, by U.S. Bank, as Trustee for the Series 2000A Bonds, in a Bond Fund established under the Series 2000A Bond Agreements (collectively, the "Series 2000A Redemption and Bond Fund Monies");

WHEREAS, HSBC, as Trustee for the Series 2001A-2 Bonds, continues to hold approximately \$28,998,075.23 (representing the balance as of September 30, 2004) in a Construction Fund established under the Series 2001A-2 Bond Agreements (together with interest and other amounts accrued thereon, the "Series 2001A-2 Construction Fund Monies" and, together with the Series 2001A-1 Construction Fund Monies, the "Series 2001A Construction Fund Monies");

WHEREAS, U.S. Bank, as Trustee for the Series 2000A Bonds, continues to hold approximately \$5,583,714.08 (representing the balance as of September 30, 2004) in a Construction Fund established under the Series 2000A Bond Agreements (together with interest and other amounts accrued thereon, the "Series 2000A Construction Fund Monies");

WHEREAS, on August 8, 2003, SunTrust, as Trustee for the Series 2001A-1 Bonds, filed its Precautionary Motion for Relief from the Automatic Stay to Enable Disbursement of Construction Trust Fund Held with Respect to Chicago O'Hare International Airport Special Facility Revenue Bonds (United Air Lines, Inc. Project) Series 2001A-1 (the "SunTrust Construction Fund Motion") seeking relief from the automatic stay to access the Series 2001A-1 Construction Fund Monies;

WHEREAS, on August 14, 2003, HSBC, as Trustee for the Series 2001A-2 Bonds, filed its Precautionary Motion for Relief from the Automatic Stay with Respect to Certain Trust Funds Held with Respect to the City of Chicago, Chicago O'Hare International Airport Special Facility Revenue Bonds (United Air Lines, Inc. Project) Series 2001A-2 (the "HSBC Construction Fund Motion") seeking relief from the automatic stay to access the Series 2001A-2 Construction Fund Monies;

WHEREAS, on August 15, 2003, U.S. Bank, as Trustee for the Series 2000A Bonds, filed its Motion for Relief from the Automatic Stay to Exercise Rights with Respect to Monies on Deposit in the Construction Fund Held with Respect to City of Chicago, Chicago O'Hare International Airport Special Facility Revenue Refunding Bonds (United Air Lines, Inc. Project) Series 2000A (the "U.S. Bank Construction Fund Motion" and, together with the SunTrust Construction Fund Motion and the HSBC Construction Fund Motion, the "Construction Fund Motions") seeking relief from the automatic stay to access the Series 2000A Construction Fund Monies;

WHEREAS, on September 18, 2003, United instituted an adversary proceeding by filing its Complaint of Debtor-Plaintiff for Declaratory Judgment, Adv. Pro. No. 03-A-03927 (the "Adversary Proceeding") seeking, among other things, a declaration that Section 27.08 ("Section 27.08") of the Airport Use Agreement is unenforceable as a matter of law;

WHEREAS, at a hearing on October 24, 2003, the Bankruptcy Court entered an order (the "Escrow Order") granting the Construction Fund Motions; provided, however, that the automatic stay shall be continued with respect to the Series 2001A Construction Fund Monies and the Series 2000A Construction Fund Monies so long as United shall escrow the payments that would otherwise be due and payable with respect to the applicable Bonds;

WHEREAS, United, SunTrust, and LaSalle Bank National Association ("Escrow Agent") entered into that certain Escrow Agreement dated as of December 9, 2003 (the "SunTrust Escrow Agreement"), to reflect the escrow arrangement with respect to the Series 2001A-1 Construction Fund Monies consistent with the Escrow Order;

WHEREAS, United, HSBC, and Escrow Agent entered into that certain Escrow Agreement dated as of December 9, 2003 (the "HSBC Escrow Agreement"), to reflect the escrow arrangement with respect to the Series 2001A-2 Construction Fund Monies consistent with the Escrow Order;

WHEREAS, United, U.S. Bank, and Escrow Agent entered into that certain Escrow Agreement dated as of December 12, 2003 (the "U.S. Bank Escrow Agreement" and, together with the SunTrust Escrow Agreement and the HSBC Escrow Agreement, the "Escrow Agreements"), to reflect the escrow arrangement with respect to the Series 2000A Construction Fund Monies consistent with the Escrow Order;

WHEREAS, Escrow Agent continues to hold (i) approximately \$8,945,785.65 (representing the balance as of September 30, 2004) pursuant to the SunTrust Escrow Agreement, (ii) approximately \$9,586,284.72 (representing the balance as of September 30, 2004) pursuant to the HSBC Escrow Agreement, and (iii) approximately \$3,893,541.38 (representing the balance as of September 30, 2004) pursuant to the U.S. Bank Escrow Agreement (collectively, the "Escrow Order Monies");

WHEREAS, on January 15, 2004, SunTrust, as Trustee for the Series 2001A-1 Bonds instituted an adversary proceeding by filings its Complaint for Declaratory Judgment, Adv. Pro. No. 04-A-0034 (the "SunTrust Construction Fund Adversary Proceeding"), seeking, among other things, a declaration and adjudication of the rights of SunTrust and United with respect to certain portions of the Series 2001A-1 Construction Fund Monies;

WHEREAS, on January 20, 2004, HSBC, as Trustee for the Series 2001A-2 Bonds instituted an adversary proceeding by filings its Complaint for Declaratory Judgment, Adv. Pro. No. 04-A-0051 (the "HSBC Construction Fund Adversary Proceeding"), seeking, among other things, a declaration and adjudication of the rights of HSBC and United with respect to certain portions of the Series 2001A-2 Construction Fund Monies;

WHEREAS, on May 7, 2004, BNY, as Trustee for the Series 1999A Bonds and Series 1999B Bonds and HSBC, as Trustee for the Series 2001B Bonds and Series 2001C Bonds, filed their Motion for Order Pursuant to Bankruptcy Code Section 365(d)(3) Compelling Debtor to Escrow Special Facility Agreement Payments Under Airport Use Agreement (the "BNY-HSBC Special Facility Agreement Escrow Motion" and, together with the SunTrust Construction Fund Adversary Proceedings and the HSBC Construction Fund Adversary Proceeding, the "Other Proceedings") seeking to compel United to pay into escrow certain payments with respect to the Series 1999A Bonds, the Series 1999B Bonds, the Series 2001B Bonds and the Series 2001C Bonds; and

WHEREAS, the Parties have reached a settlement and compromise with respect to all pending claims and controversies against one another relating to the Bonds, including without limitation, the Adversary Proceeding and the Other Proceedings, all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby mutually acknowledged, and intending to be legally bound hereby, the Parties do hereby agree as follows:

1. Incorporation of Recitals. The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

2. Settlement and Compromise. Subject to the entry by the Bankruptcy Court of the Settlement Order (hereinafter defined) approving this Agreement as provided in Section 5, the Trustees and the Designated Holders hereby agree and the other Holders

(hereinafter defined), upon the Final Order Date (as defined herein), shall be deemed to have agreed, that none of them, respectively, shall, and hereby forever waive their right to:

- (a) except as otherwise expressly permitted under this Agreement, seek or take any action against United to declare an event of default, terminate, pursue any remedy, or seek or take any other action against United under the Airport Use Agreement (including, without limitation, Section 27.08), any Bond Agreements, or any other agreement regarding or in any manner related to the Bonds on account of, or arising or resulting from any non-payment or non-performance by United on or in any manner related to the Bonds;
- (b) subject to Section 10 of this Agreement, object to, vote against, or take any action that is inconsistent with the approval by the Bankruptcy Court of, any provision in a plan of reorganization filed by the Debtors in these Chapter 11 Cases (the "Plan") that classifies and treats United's obligations under any of the Bond Agreements as pre-petition unsecured indebtedness, provided, however, that such Plan is consistent with the terms and conditions of this Agreement;
- (c) object to, or take any action that is inconsistent with the approval by the Bankruptcy Court of, any assumption by United of the Airport Use Agreement pursuant to Section 365(a) of the Bankruptcy Code;
- (d) (i) seek or take any action to compel payment by United of any payments due or payable under any Bond Agreement, whether under Sections 365(b)(1), 365(d)(3), 503 or any other provision of the Bankruptcy Code or applicable law or otherwise, or (ii) join, participate, or otherwise assist or support any motion, application, request, or claim in respect thereof that may be filed against United by any third-party, whether in these Chapter 11 Cases or otherwise, including, but not limited to, the City and any holders of the Bonds (solely in their capacity as holders of the Bonds, the "Holders") under any Bond Agreements; and
- (e) seek or take any action against the City or any third-party to recover any payment or performance under the Airport Use Agreement, any Bond Agreements, or any other agreement regarding or in any manner related to the Bonds on account of, or arising or resulting from any non-payment or non-performance by United on or in any manner related to the Bonds if and to the extent that United would be required to provide any contribution or indemnification on account thereof; provided, however, that any Trustee, Designated Holder, or other Holder may nevertheless seek or take such action against the City or any third-party if, and only if, (i) such Trustee, Designated Holder, or other Holder (as the case may be) shall, at its sole cost and expense, defend (by counsel reasonably acceptable to United) and hold United harmless from and against any such claim for such contribution or indemnification and (ii) such Trustee, Designated Holder, or other Holder (as the case may be) waives its right to recover against the City or such third-party that portion of any judgment or recovery obtained against the City or such third-party to the extent that the City or such third-party obtains a judgment against United for contribution or indemnification (it being the understanding of the Parties that in no event shall United be subject to any additional liability, cost or expense on account of any exercise by any Trustee, Designated Holder, or any other Holder of its rights reserved under this Section 2(e)).

3. Settlement Consideration; Establishment of Record Date. Subject to the entry by the Bankruptcy Court of the Settlement Order as provided in Section 5, United shall propose a Plan in which the following consideration shall be distributed to the Trustees with respect to the Bonds in full and complete compromise of all claims and controversies that the Trustees and the Holders may now or hereafter have against United raised in the Adversary Proceeding or otherwise regarding or in any manner relating to the Bonds (collectively, the "Settlement Consideration"). For all purposes under this Agreement, January 7, 2005 shall be the record date (the "Record Date") to establish the list of Holders eligible to: (a) vote to accept or reject the Plan, and (b) elect a particular treatment as set forth herein in Sections 3(a)(ii) and 3(c)(ii). The right to elect a particular treatment shall be non-transferable as of and after the Record Date. All Holders voting on the Plan and making an election to receive the treatment designated "Option B" below in Sections 3(a)(ii) or 3(b)(ii) shall certify and may be required, as part of the certification required on its ballot, to provide evidence acceptable to United that it was a holder of record as of the Record Date.

(a) Series 2001A-1 Bonds and Series 2001A-2 Bonds.

(i) Unsecured Claims. SunTrust, as Trustee for the Series 2001A-1 Bonds, and HSBC, as Trustee for the 2001A-2 Bonds, shall have, for the benefit of the Holders thereof, an allowed general unsecured claim equal to the principal balance outstanding of the Series 2001A-1 Bonds and Series 2001A-2 Bonds (referred to collectively herein as the "Series 2001A Bonds"), respectively, plus interest computed at the rate and in the amount provided for in the applicable Bond Agreements after a default for the period commencing on the date of the last pre-petition payment on the respective Bonds and continuing through and including the Effective Date (hereinafter defined) of the Plan (respectively, the "Series 2001A-1 Unsecured Claim" and the "Series 2001A-2 Unsecured Claim").

(ii) Treatment; Election. All Holders of the Series 2001A-1 Bonds and Series 2001A-2 Bonds as of the Record Date shall be entitled to elect, on the ballot accepting or rejecting the Plan, one of the following options with respect to all or any portion of its Series 2001A-1 Bonds and Series 2001A-2 Bonds:

Option A. A pro rata share of cash to be paid to the Trustees of the Series 2001A-1 Bonds and the Series 2001A-2 Bonds on behalf of all Holders of the Series 2001A-1 Bonds and the Series 2001A-2 Bonds electing such treatment, of up to fifty-eight cents (\$.58) in cash for every one dollar (\$1.00) of principal amount of the Series 2001A-1 Bonds and Series 2001A-2 Bonds, respectively, held by such Holders (the "Cash Amount"). The Cash Amount of such Holders shall be paid from the following sources in the following order of priority until satisfied: (A) first, from a

distribution of all Series 2001A Construction Fund Monies to all such Holders of Series 2001A-1 Bonds and Series 2001A-2 Bonds as though there were one Series 2001A Construction Fund for the benefit of all such Holders; (B) second, from a distribution of all Series 2001A Capitalized Interest Fund Monies previously released to the applicable Trustees to all such Holders of Series 2001A-1 Bonds and Series 2001A-2 Bonds as though there were one Series 2001A Capitalized Interest Fund for the benefit of all such Holders; (C) third, from the proceeds of the Note Purchase (hereinafter defined) to all such Holders of Series 2001A-1 Bonds and Series 2001A-2 Bonds as if there were only one series of the 2001A Bonds; and (D) fourth, from a distribution of Pooling Agreement Assets (hereinafter defined) pursuant to Section 3(d) to all such Holders of Series 2001A-1 Bonds and Series 2001A-2 Bonds as if there were only one series of Series 2001A Bonds. Any distributions paid by United through the Plan on account of the Series 2001A-1 Unsecured Claim and the Series 2001A-2 Unsecured Claim held by such Holders after giving effect to the application of the Series 2001A Construction Fund Monies and the Series 2001A Capitalized Interest Fund Monies (the "Option A Series 2001A Deficiency Claim") shall be deposited by United pursuant to written instructions from the Trustees to the Pooling Agreement (hereinafter defined) for potential reallocation and distribution pursuant to Section 3(d).

Option B. The Trustees of the Series 2001A-1 Bonds and the Series 2001A-2 Bonds, on behalf of all Holders of Series 2001A-1 Bonds and Series 2001A-2 Bonds electing this option, shall receive (A) approximately \$48,666,000 in principal amount of New Securities (hereinafter defined) to be distributed to Holders electing such option (the "2001A-1 and 2001A-2 New Securities") in an amount equal to sixty cents (\$.60) in New Securities for every one dollar (\$1.00) of principal amount of the Series 2001A-1 Unsecured Claim and the Series 2001A-2 Unsecured Claim elected by such electing Holders; provided, however, that in no event shall such New Securities, when added to the New Securities to be received by Holders on account of the Series 2000A Unsecured Claim (hereinafter defined) pursuant to Section 3(b)(ii) and Holders on account of the Remaining Bonds Unsecured Claim (hereinafter defined) pursuant to Section 3(c)(ii), have a value in excess of New Securities Value (hereinafter defined), plus (B) a pro rata portion of the distribution to be received through the Plan on account of such electing Holder's deficiency claim with respect to the amount of Series 2001A Bonds for which that Holder has made an Option B election after giving effect to the application of such New Securities (the "Electing Holders' Series 2001A Deficiency Claim"), which distributions under this subclause (B) shall be deposited by United to the Pooling Agreement for reallocation and distribution pursuant to the terms of Section 3(d); provided, further, that for any Holder of Series 2001A-1 Bonds and Series 2001A-2 Bonds to elect this Option B such Holder must tender to United a money order or cashier's check in an amount sufficient to fund such Holder's pro rata allocation of the Note Purchase upon allocation of the Note Purchase as set forth herein, in return for which such Holder shall receive an aliquot amount of New Securities.

In the event the total principal amount of Series 2001A Bonds elected to be treated in Option B exceeds \$81,110,000 (assuming that all other requirements for valid and effective exercise shall have been satisfied) (in such event a "2001A Oversubscription") the amount of the Series 2001A-1 and Series 2001A-2 New Securities distributed to each such Holder electing Option B shall be determined as follows. Each Holder electing Option B shall receive a pro rata share of the 2001A-1 and 2001A-2 New Securities determined by multiplying the 2001A-1 and 2001A-2 New Securities by a fraction, the numerator of which will be the principal amount of Series 2001A Bonds elected to be treated in Option B by that holder, and the denominator of which shall be the total principal amount of 2001A Bonds elected to be treated in Option B (for each such Holder the "Oversubscription Allocation"). In such event, each such Holder shall additionally be deemed to have elected Option A for an amount that equals the principal amount of Series 2001A Bonds owned by such Holder and initially elected to be treated in Option B less a number that equals its Oversubscription Allocation divided by .6.

In the event that the total principal amount of Series 2001A Bonds elected to be treated in Option B is lower than \$81,110,000 (assuming that all other requirements for valid and effective exercise shall have been satisfied) (in such event the "Series 2001A Undersubscription"), any excess principal amount of the 2001A-1 and 2001A-2 New Securities available, after paying each Holder electing Option B an amount equal to 0.60 multiplied by the principal amount of the Series 2001A Bonds elected to be treated in Option B by such Holder (the "Reallocated 2001A New Securities"), shall be transferred to the liquidating agent under the Pooling Agreement. The liquidating agent shall liquidate the Reallocated 2001A New Securities and distribute the proceeds pursuant to the terms of the Pooling Agreement.

Failure to Exercise Election. Any Holder that fails to either elect Option B on its ballot accepting or rejecting the Plan or to tender its pro rata allocation of the Note Purchase shall be deemed to elect Option A.

(b) Series 2000A Bonds.

(i) Unsecured Claims. U.S. Bank, as Trustee for the Series 2000A Bonds, shall have, for the benefit of the Holders thereof, an allowed general unsecured claim equal to the principal balance outstanding of the Series 2000A Bonds plus interest computed at the rate and in the amount provided for in the Series 2000A Bond Agreements after a default for the period commencing on the date of the last pre-petition payment and continuing through and including the Effective Date of the Plan (the "Series 2000A Unsecured Claim").

(ii) Treatment. U.S. Bank, as Trustee for the Series 2000A Bonds, shall receive on behalf of all Holders of the Series 2000A Bonds: (A) all Series 2000A Construction Fund Monies, (B) all Series 2000A

Redemption and Bond Fund Monies previously released to U.S. Bank, as Trustee for such Holders, (C) any distributions paid by United through the Plan on account of the Series 2000A Unsecured Claim held by such Holders after giving effect to the application of the Series 2000A Construction Fund Monies and the Series 2000A Redemption and Bond Fund Monies; and (D) approximately \$9,216,000 in principal amount of New Securities.

(c) Series 2001B Bonds, Series 2001C Bonds, Series 1999A Bonds, and Series 1999B Bonds.

(i) Unsecured Claims. The Trustees for each of the Series 2001B Bonds, the Series 2001C Bonds, the Series 1999A Bonds, and the Series 1999B Bonds (collectively, the "Remaining Bonds"), shall have, for the benefit of the respective Holders thereof, an allowed general unsecured claim equal to the principal balance outstanding of the applicable Remaining Bonds, plus interest computed at the rate and in the amount provided for in the applicable Bond Agreements after a default for the period commencing on the date of the last pre-petition payment thereon and continuing through and including the Effective Date of the Plan (the "Remaining Bonds Unsecured Claim").

(ii) Treatment; Election. All Holders of the Remaining Bonds as of the Record Date shall be entitled to elect, on the ballot accepting or rejecting the Plan, one of the following options with respect to all or any portion of its Remaining Bonds:

Option A. The respective Trustees for each issue of Remaining Bonds shall receive on behalf of all Holders electing such treatment, (A) a pro rata portion of any distributions paid by United through the Plan on account of the Remaining Bonds Unsecured Claim held by such Holders; and (B) a pro rata portion of the Pooling Agreement Assets pursuant to the terms of Section 3(d).

Option B. The respective Trustees for each issue of Remaining Bonds shall receive, on behalf of all Holders electing such treatment, (A) approximately \$86,570,000 in principal amount of New Securities to be distributed to Holders electing such option (the "Remaining Bonds New Securities") in an amount equal to sixty cents (\$.60) in New Securities for every one dollar (\$1.00) of principal amount of the Remaining Bonds Unsecured Claim elected by such electing Holders; provided, however, that in no event shall such New Securities, when added to the New Securities to be received by Holders on account of the Series 2001A-1 Unsecured Claim, the Series 2001A-2 Unsecured Claim pursuant to Section 3(a)(ii) and the Series 2000A Unsecured Claim pursuant to Section 3(b)(ii), have a value in excess of the New Securities Value; plus (B) a pro rata portion of any distributions paid by United through the Plan on account of the Remaining Bonds Unsecured Claim after giving affect to application of such New Securities (the "Electing Holders' Remaining Bonds Deficiency Claim"), which distributions under this subclause (B) shall be deposited by United to the Pooling Agreement for reallocation and distribution pursuant to Section 3(d); provided, further, that for any Holder of Remaining Bonds to elect this Option B such Holder must tender to United a money order or cashier's check in an amount sufficient to fund such Holder's pro rata allocation of the Note Purchase upon allocation of the Note Purchase as set forth herein, in return for which such Holder shall receive an aliquot amount of New Securities.

In the event the total principal amount of Remaining Bonds elected to be treated in Option B exceeds \$144,283,333 (assuming that all other requirements for valid and effective exercise shall have been satisfied) (in such event a "Remaining Bonds Oversubscription") the amount of the Remaining Bonds New Securities distributed to each such Holder electing Option B shall be determined as follows. Each Holder electing Option B shall receive a pro rata share of the Remaining Bonds New Securities determined by multiplying the Remaining Bonds New Securities by a fraction, the numerator of which will be the principal amount of Remaining Bonds elected to be treated in Option B by that holder, and the denominator of which shall be the total principal amount of Remaining Bonds elected to be treated in Option B (for each such Holder the "Remaining Bonds Oversubscription Allocation"). In such event, each such Holder shall additionally be deemed to have elected Option A for an amount that equals the principal amount of Remaining Bonds owned by such Holder and initially elected to be treated in Option B less a number that equals its Remaining Bonds Oversubscription Allocation divided by .6.

In the event that the total principal amount of Remaining Bonds elected to be treated in Option B is lower than \$144,283,333 (assuming that all other requirements for valid and effective exercise shall have been satisfied) (in such event the "Remaining Bonds Undersubscription"), any excess principal amount of the Remaining Bonds New Securities available, after paying each Holder electing Option B an amount equal to 0.60 multiplied by the principal amount of the Remaining Bonds elected to be treated in Option B by such Holder (the "Reallocated Remaining Bonds New Securities"), shall be transferred to the liquidating agent under the Pooling Agreement for the benefit of Holders of Remaining Bonds who elected Option A. The liquidating agent shall liquidate the Reallocated Remaining Bonds New Securities and distribute the proceeds on a pro rata basis to all Holders of Remaining Bonds electing Option A pursuant to the terms of the Pooling Agreement.

Failure to Exercise Election. Any Holder that fails to either elect Option B on its ballot accepting or rejecting the Plan or to tender its pro rata allocation of the Note Purchase shall be deemed to elect Option A.

(d) Pooling Agreement.

(i) Liquidation and Reallocation of Certain Deficiency Claims. Any and all distributions of any kind to be paid by United through the Plan on account of (1) the Option A Series 2001A Deficiency Claim (2) the Electing Holders' Series 2001A Deficiency Claim, (3) the Electing Holders' Remaining Bonds Deficiency Claim, (4) the Reallocated 2001A New Securities and (5) the Reallocated Remaining Bonds New Securities shall be deposited into a

trust account pursuant to the terms of a liquidating pooling and trust agreement reasonably acceptable to the Parties (the "Pooling Agreement") pursuant to which a party designated by the Designated Holders prior to confirmation of the Plan and acceptable to United shall act as the liquidating agent.

The Reallocated Remaining Bonds New Securities shall be liquidated and/or distributed for the benefit of the Holders of the Remaining Bonds that elected Option A; and

The remaining assets in the Pooling Agreement shall be liquidated and/or distributed as more fully set forth in the Pooling Agreement in the following priority:

first, to the Trustees of and for the benefit of Holders of the Series 2001A-1 Bonds and the Series 2001A-2 Bonds electing Option A as set forth in Section 3(a)(ii) hereof, which amounts shall be applied up to the amount contemplated under for Option A in Section 3(a)(ii) after taking into account the application of the Series 2001A Construction Fund Monies, the Series 2001A Capitalized Interest Fund Monies, and the proceeds of the Note Purchase and the Reallocated 2001A New Securities; and

second, to the Trustees of and for the benefit of the Holders of the Remaining Bonds, on a pro rata basis, electing Option A as set forth in Section 3(c)(ii), which amounts shall be distributed in kind received by the Pooling Agreement.

The Pooling Agreement Assets shall to the extent practicable be liquidated within 30 days of the deposit of such Pooling Agreement Assets into the trust account. The breach by any Party of any of the provisions set forth in this paragraph or in the Pooling Agreement shall not relieve any Party of their obligations under this Agreement or subject United to any liability, cost or expense.

The parties hereto acknowledge that there is no assurance that the proceeds of the assets in the Pooling Agreement will be sufficient to permit the distribution to the Holders electing Option A of the Series 2001A-1 Bonds and the Series 2001A-2 Bonds of fifty-eight cents (\$.58) on the dollar (\$1.00). The failure to achieve a distribution to the Holders electing Option A of the Series 2001A-1 Bonds and the Series 2001A-2 Bonds of fifty-eight cents (\$.58) on the dollar (\$1.00) shall not relieve any Party hereto of any obligations under this Agreement.

(iii) Bankruptcy Court Approval of Pooling Agreement and Registration Exemption. The Pooling Agreement shall be subject to Bankruptcy Court approval. United shall use its commercially reasonable efforts from and after the date hereof to cause the Bankruptcy Court enter an order approving the Pooling Agreement and finding that the securities in the Pooling Agreement, and all sales of such securities by the trustee under the Pooling Agreement, shall be exempt from registration under Section 1145 of the Bankruptcy Code. If the Bankruptcy Court shall not have issued an order approving the Pooling Agreement at or prior to the date of the entry of an order on the adequacy of the disclosure statement relating to the Plan, any Party may apply to the Bankruptcy Court to amend this Agreement to provide for consideration equal to the value of the Pooling Agreement Assets and liquidated for distribution to the Holders under this Agreement. In such event, such substituted consideration shall be distributed in accordance with this Agreement as if such assets were the Pooling Agreement Assets. The inability to obtain approval of the exemption as aforesaid, for reasons other than the failure by United to exercise its commercially reasonable efforts, shall not relieve any Trustee or Holder of its obligations under this Agreement or revive any of the claims that were or could have been asserted against United in any of the matters otherwise settled or compromised hereby. Provided that United shall have used commercially reasonable efforts to obtain approval of the Pooling Agreement and the exemption as aforesaid, United shall have no liability for, and the Trustees and the Designated Holders hereby waive and the other Holders, upon the entry of the Settlement Order, shall be deemed to have waived, any right to assert any claim against United on account of, the inability to obtain such approval.

(iv) Disputes Not Affecting Claims. Any dispute regarding, or breach or alleged breach of, the Pooling Agreement by any party thereto, other than United, shall not relieve any Trustee or Holder of its obligations under this Agreement, or revive any of the Claims that were or could have been asserted against United in any of the Settled Matters.

4. Issuance of New Securities.

(a) New Securities. Subject to the entry by the Bankruptcy Court of the Settlement Order approving this Agreement as provided in Section 5 and subject to United's rights under Section 4(b), United shall, in conjunction with the confirmation of the Debtors' Plan, cause the issuance of convertible debt of the reorganized UAL Corporation (the "New Securities") having a par value of \$149,646,114 (the "New Securities Value") and otherwise on terms developed by United and reasonably acceptable to Stark, but in any event on terms sufficient to ensure that the New Securities will trade, at the time of issuance, at a value not less than par. The Trustees shall receive that portion of the New Securities having a par value equal to \$144,453,000 in the form of distributions under the Plan in accordance with Sections 3(a)(ii), (b)(ii), and (c)(ii) of this Agreement which shall be deemed to constitute a portion of the Settlement Consideration. In addition, on the Effective Date of the Plan, the electing Holders shall purchase the

remaining portion of the New Securities having a par value equal to \$5,193,114 for a cash purchase price equal to \$5,193,114 pursuant to a note purchase agreement reasonably acceptable to United and Stark (the "Note Purchase"). The entire \$5,193,114 in proceeds derived by United from the Note Purchase shall be deposited with the Trustees for Holders of the Series 2001A-1 Bonds and Series 2001A-2 Bonds as though there were only one series and shall be used to fund the amounts due to the Holders of the Series 2001A-1 Bonds and the Series 2001A-2 Bonds as provided in Section 3(a)(ii) of this Agreement and shall be deemed to constitute a portion of the Settlement Consideration. This Agreement shall not impair the rights of third-parties to assert, in connection with confirmation of the Debtors' Plan, that the actual value of the New Securities exceeds the New Securities Value and should be reduced accordingly.

(b) Safety Valve. If, in United's judgment, the provisions of Section 4(a) of this Agreement relating to the issuance of the New Securities are impairing, hindering, or delaying United's ability to obtain exit financing, including any debt- or equity-based component thereof, then United, in its sole discretion may, by written notice thereof to the Designated Holders and the Trustees, elect to modify the terms of the New Securities so as to eliminate any features thereof which relate to convertibility of the New Securities into common or preferred stock in the reorganized UAL Corporation; provided, however, that the par value of the New Securities, as modified pursuant to the preceding clause, shall be equal to the New Securities Value.

5. Settlement Order.

(a) Contingency. This Agreement, the Parties' respective obligations hereunder, and the settlement and compromise contemplated hereby, are conditioned upon the entry by the Bankruptcy Court of a final, non-appealable order in form and substance acceptable to the Parties (the "Settlement Order") approving this Agreement and the settlement and compromise contemplated hereby in form and substance reasonably acceptable to the Parties and, at a minimum, containing in substance the findings set forth in Section 5(b) and requiring United, on or before December 31, 2004, to file with the SEC a Form 8-K or other appropriate filing attaching this Agreement and the Settlement Order.

(b) Settlement Order Findings. Unless otherwise agreed in writing by all of the Parties, the Settlement Order shall, at a minimum, contain in substance the following findings:

(i) that the manner in which notice of the Motion of United Air Lines, Inc. for Order Authorizing Entry into Settlement Agreement with U.S. Bank Trust National Association as Trustee, SunTrust Bank as Trustee, BNY Midwest Trust Company as Trustee, HSBC Bank USA as Trustee and Certain Holders (the "Settlement Motion") was provided to all parties entitled to such notice is approved;

(ii) that notice of the Settlement Order was issued by the Trustees prior to thirty (30) days before entry of the Settlement Order, and the Settlement Order is and shall be binding on all current, former, and future Holders of the Bonds as well as all Trustees for the Bonds or predecessors or successors thereto on the date of the entry of the Settlement Order (the "Final Order Date") unless a Holder of the Bonds as of the Record Date files a timely objection to the Settlement; provided that if any such objection shall be filed, the Settlement Order shall not become a final order until resolution of such objection by the Bankruptcy Court;

(iii) that the compromise and settlement set forth in this Agreement is fair and reasonable to United, the Holders, and the Trustees and that, in entering into this Agreement, the Trustees have exercised their rights and powers and used the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs;

(iv) that the execution and delivery of this Agreement by the Parties and the settlement and compromise set forth in this Agreement is approved;

(v) that the execution and delivery of mutual releases by the Parties is approved;

(vi) that upon payment of the Settlement Consideration as provided herein, all Escrow Order Monies then held by the Escrow Agent shall (after application towards the payment of the fees and expenses of the Designated Holders, the Trustees and the Ad Hoc Counsel (as defined below) as provided in Section 14) be remitted to United, and neither the Trustees nor Holders shall have any further claims against the Escrow Order Monies;

(vii) that upon payment of the Settlement Consideration as provided herein, as to the Parties to this Agreement and those who will be bound by this Agreement (A) there shall be deemed to be no existing defaults or any failed conditions by United under any Bond Agreement or the Airport Use Agreement as a result of any non-payment or non-performance by United on or in any manner related to the Bonds, and (B) any of United's rights under the Airport Use Agreement which may have been, or purported to have been, terminated or otherwise affected as a result of any non-payment or non-performance by United on or in any manner related to the Bonds shall be fully reinstated as if such non-payment or non-performance had never occurred;

(viii) that all Parties are directed and authorized to enter into such other documentation as may be reasonably necessary to effectuate the terms of this Agreement;

(ix) that nothing in the Settlement Order shall restrict or terminate any obligations of the City to the Trustees or the Holders of the Bonds; and

(x) that the setting of the Record Date is fair and equitable and that the SEC filing referred to in Section 5(a) constitutes adequate notice of the Record Date.

In addition to the foregoing, United shall use its commercially reasonable efforts to obtain in the Settlement Order a finding that the Trustees have acted consistent with their duties and responsibilities under, and entry of the Settlement Order does not violate, the terms of their respective Bond Agreements. The inability to obtain any such finding shall not relieve any Trustee or Holder of its obligations under this Agreement or revive any claims that were or could have been asserted against United in any of the matters otherwise settled or compromised hereby. Provided that United shall have used its commercially reasonable efforts to obtain such finding in the Settlement Order as aforesaid, United shall have no liability for, and the Trustees and the Designated Holders hereby waive and the other Holders, upon entry of the Settlement Order, shall be deemed to have waived, any right to assert any claim against United on account of, any failure to obtain such finding.

In addition to the foregoing, the Trustees and the Designated Holders shall use their commercially reasonable efforts to support United's efforts to obtain in the Settlement Order a finding that, upon payment of the Settlement Consideration set forth herein, the City has no right to enforce any remedy that it may have or purport to have under Section 27.08 or any other provision of the Airport Use Agreement on account of, or arising or resulting from any non-payment or non-performance by United on or in any manner related to the Bonds. The inability to obtain any such finding shall not relieve United of its obligations under this Agreement or revive any claims that were or could have been asserted against the Trustees or the Holders in any of the matters otherwise settled or compromised hereby. Provided that the Trustees and the Designated Holders shall have used their commercially reasonable efforts to support United's efforts to obtain such finding in the Settlement Order as aforesaid, neither the Trustees nor the Designated Holders shall have any liability for, and United hereby waives any right to assert any claim against any of the Trustees or the Designated Holders on account of, any failure to obtain such finding.

(c) Support Settlement. From and after the date of the filing of this amended Agreement, each of the Trustees shall (i) support the structure of the settlement and compromise as set forth in this Agreement and (ii) recommend acceptance of the settlement and compromise set forth in this Agreement to their respective Holders as a reasonable compromise and resolution of the claims in the Adversary Proceeding and related matters with respect to the Bonds (such recommendations may, in the sole discretion of the Trustees, include references to any directions received from the Designated Holders); provided, however, that if BNY receives the direction to which reference is made in Section 10 hereof, it may withdraw from this Agreement as to the series of Bonds for which such a direction was given as therein set forth.

(d) Denial of Settlement Motion/Failure to Achieve Condition Subsequent. If (a) the Bankruptcy Court shall deny the Settlement Motion and the entry of the Settlement Order, in either case in whole or in part, or (b) if the condition subsequent contained in Paragraph 15 of the Settlement Order is not fulfilled (if applicable), then this Agreement shall automatically terminate without further action by any of the Parties, whereupon this Agreement shall be null and void, all Parties shall be released of their obligations hereunder, and all waivers and releases provided herein shall be null and void as of the date of such termination, except to the extent expressly provided herein. Provided that United shall have used best faith efforts to seek the entry of such Settlement Order as aforesaid, United shall have no liability for, and the Trustees and the Designated Holders waive and the other Holders, upon entry of the Settlement Order, shall be deemed to have waived, any right to assert any claim against United on account of, the inability to obtain the entry of such Settlement Order.

6. Written Direction. On or prior to the Final Order Date, (i) Vanguard and Stark shall provide to SunTrust, as Trustee for the Series 2001A-1 Bonds, written direction in accordance with the Series 2001A-1 Bond Agreements instructing SunTrust to enter into this Agreement and the settlement and compromise set forth in this Agreement, (ii) Stark and Nuveen shall each provide to HSBC, as Trustee for the Series 2001A-2 Bonds, written direction in accordance with the Series 2001A-2 Bond Agreements instructing HSBC to enter into this Agreement and the settlement and compromise set forth in this Agreement, (iii) Stark shall provide to HSBC, as Trustee for the Series 2001B Bonds and the Series 2001C Bonds, written direction in accordance with the Series 2001B Bond Agreements and the Series 2001C Bond Agreements, respectively, instructing HSBC to enter into this Agreement and the settlement and compromise set forth in this Agreement, and (iv) Stark shall provide to U.S. Bank, as Trustee for the Series 2000A Bonds, written direction in accordance with the Series 2000A Bond Agreements instructing U.S. Bank to enter into this Agreement and the settlement and compromise set forth in this Agreement. Each Holder shall be deemed to have directed each applicable Trustee, by electing Option B as set forth herein in Sections 3(a)(ii), 3(b)(ii) and 3(c)(ii), to distribute monies related to the Bonds otherwise payable to such Holders, to distribute the proceeds of the Note Purchase, and to distribute the Pooling Agreement Assets pursuant to and in order to effectuate the terms of this Agreement.

7. Plan of Reorganization; Payment of Settlement Consideration.

(a) Plan Contents. United shall propose a Plan providing for the treatment of the Bonds and all claims related thereto and the payment of the Settlement Consideration and fees and expenses of the Trustees and the Designated Holders as set forth in Section 14 consistent with the terms of this Agreement. Subject to Section 10 of this Agreement, neither the Trustees nor the Designated Holders shall object to, vote against, or take any action that is inconsistent with the approval by the Bankruptcy Court of, any provision in the Plan that classifies and treats United's obligations under any Bond Agreement as pre-petition unsecured indebtedness, provided that such Plan is consistent with the terms and conditions of this Agreement. Without limiting United's rights hereunder or at law or in equity, if any of the Designated Holders shall object to, vote against, or take any action that is inconsistent with the approval by the Bankruptcy Court of the Plan as aforesaid, then, in addition to United's rights hereunder or at law or in equity, such Designated Holder's distribution hereunder shall be automatically reduced to one dollar (\$1.00). Further, to

the extent permitted by the Bankruptcy Code and applicable law, the Plan shall provide for a release of any and all claims and causes of action arising under or in any matter related to the Airport Use Agreement, any Bond Agreements, or any other agreement regarding or in any manner related to the Bonds against the Trustees and the Designated Holders by any and all parties, including but not limited to, all Holders.

(b) Payment of Settlement Consideration. The Settlement Consideration shall be paid on or as soon as reasonably practicable after the effective date of the Plan as set forth therein (the "Effective Date"). The Settlement Consideration to be paid to the Holders under Section 3 of the Agreement shall be paid by or on behalf of United to the respective Trustees; provided, further, that the Series 2001A Construction Fund Monies, the Series 2001A Capitalized Interest Fund Monies, the Series 2000A Construction Fund Monies, and the Series 2000A Redemption Fund Monies that are part of the Settlement Consideration shall be retained by the applicable Trustees and distributed as set forth in Section 3. Each such Trustee shall then distribute the Settlement Consideration to the respective Holders in a manner consistent with Section 3 of this Agreement or otherwise pursuant to the terms and conditions of the respective Bond Agreements. United shall have no liability for, and the Designated Holders hereby waive and the other Holders, upon entry of the Settlement Order, shall be deemed to have waived, any right to assert any claim against United on account of the distribution of any Settlement Consideration by any Trustee that is not made in a manner consistent with Section 3 of this Agreement and otherwise pursuant to the terms and conditions of the respective Bond Agreements.

(c) Right to Termination in the Event that the Plan is not Confirmed. Should (i) the Debtors fail to confirm a Plan consistent with the terms herein by December 31, 2005, and for so long thereafter as such failure shall continue, (ii) the Chapter 11 Cases be converted to Chapter 7 proceedings, or (iii) should the Chapter 11 Cases be dismissed, then in any such case any of the Parties (including United) may, at their sole option, terminate this Agreement immediately upon written notice thereof to the other Parties, whereupon this Agreement shall be null and void, all Parties shall be released of their obligations hereunder, and all waivers and releases provided herein shall be null and void as of the date of such termination, except to the extent expressly provided herein. Provided that United shall have proposed a Plan providing for the treatment of the Bonds and all claims related thereto and the payment of the Settlement Consideration consistent with the terms of this Agreement, United shall have no liability for, and the Trustees and the Designated Holders hereby waive and the other Holders, upon entry of the Settlement Order, shall be deemed to have waived, any right to assert any claim against United on account of, any failure to confirm such Plan (or any amendment or restatement thereof).

8. Disposition of Escrow Order Monies.

(a) Subject to the next succeeding sentence, the Parties hereby release United from any further funding obligations under the Escrow Order. If this Agreement shall terminate for any reason, then United shall, within thirty (30) days thereafter, deposit with the Escrow Agent all funds that would have otherwise been required to be previously deposited under the Escrow Order (which obligation shall survive termination of this Agreement); provided, however, that if any of the Escrow Order Monies are utilized to pay the fees and expenses of the Designated Holders and the Trustees upon entry of the Settlement Order as provided in Section 14, but thereafter this Agreement is otherwise terminated, United shall be released from any obligation to replenish the Escrow Order Monies so used for such purpose.

(b) Upon the payment of the Settlement Consideration, (i) all Escrow Order Monies then held by the Escrow Agent shall (after application towards the payment of the fees and expenses of the Designated Holders, Ad Hoc Counsel and the Trustees as provided in Section 14) be remitted to United, and neither the Trustees nor Holders shall have any further claims against the Escrow Order Monies and (ii) the applicable Parties shall execute and deliver to each other such instruments and shall take such other action as may be necessary to terminate the Escrow Agreements and effectuate the disposition of the Escrow Order Monies in the manner provided in clause (i).

9. Pending Adversary Proceeding.

(a) Suspension Pending Approval of Settlement. From and after the date hereof and continuing thereafter until the dismissal of all claims in the Adversary Proceeding as provided in Section 9(b) or the earlier termination of this Agreement, each Party shall file all necessary pleadings and take all other necessary action to suspend the further prosecution of any claims asserted against any other Party in the Bankruptcy Court or the United States District Court relating to the Bonds, it being the understanding of the Parties that, subject to waivers set forth in Section 2 (specifically, and without limitation, Section 2(e)), nothing herein shall be deemed to preclude any such Party from further prosecuting any claims made in such Adversary Proceeding or the Other Proceedings against the City or any other person not a Party hereto.

(b) Dismissal Upon Approval of Settlement. Upon entry by the Bankruptcy Court of the Settlement Order approving this Agreement as provided in Section 5, United and the Trustees shall file all necessary pleadings and take all other necessary action to dismiss with prejudice (but subject to revival if this Agreement shall be terminated) all claims asserted against one another in the Bankruptcy Court or the United States District Court relating to the Bonds, it being the understanding of the Parties that, subject to waivers set forth in Section 2 (specifically, and without limitation, Section 2(e)), nothing herein shall be deemed to preclude any such Party from further prosecuting any claims made in such Adversary Proceeding against the City or any other person not a Party hereto.

10. Reservation. Nothing in this Agreement other than Section 5(b)(ii), in the Settlement Motion, or in the Settlement Order shall prejudice the rights of Holders that are not Designated Holders from voting against, objecting to, or opposing the Plan, or prevent BNY, as Trustee for the Series 1999A Bonds, if it receives written direction from a majority in principal amount of the Holders of such series on or prior to the Final Order Date from withdrawing from this Settlement Agreement consistent with such direction.

11. No Interpretation of Merits of Claims. This Agreement shall not be deemed to interpret, determine, alter, modify or otherwise affect or touch upon the enforceability of Section 27.08 or the merits of any of the claims made by the Parties in the Adversary Proceeding. Unless this Agreement shall be terminated as provided herein, other than an action against persons not a Party hereto, no Party shall file any pleading or seek the entry of any order seeking or containing any findings of fact or conclusions of law as to the enforceability of Section 27.08 or the merits of any of the claims made by the Parties in the Adversary Proceeding.

12. Agreement with Respect to Claims of City of Chicago.

(a) Waiver. The Trustees and the Designated Holders hereby waive, and the other Holders, upon entry of the Settlement Order, shall be deemed to have waived, all prior and existing defaults, whether matured or unmatured, known or unknown, or otherwise or any other right of performance owing by United to such Trustees or any of the Holders under any of Bond Agreements or the Airport Use Agreement.

(b) Enforcement by City. If, notwithstanding this Agreement and the settlement and compromise herein set forth, the City shall obtain a declaration that Section 27.08 is enforceable or otherwise obtain any other relief from the Bankruptcy Court or any other court of competent jurisdiction to the effect that the Airport Use Agreement requires United to pay on the Bonds or perform its obligations under the Bond Agreements notwithstanding these Chapter 11 Cases, then (i) the Trustees and the Holders shall not accept any payment in respect of the Bonds that is beyond that which is expressly provided herein or is otherwise inconsistent with this Agreement, and (ii) if United shall be compelled by order of the Bankruptcy Court or any other court of competent jurisdiction to make any payment in respect of the Bonds to any Trustee or Holder that is beyond that which is expressly provided herein or is otherwise inconsistent with this Agreement (notwithstanding the Trustees' and Holders' waiver of the right to receive same as provided in clause (i)), then such Trustee or Holder shall promptly return such payment to United without interest or expense.

(c) No Obligations under Bond Agreements. Upon the entry of the Settlement Order as provided in Section 5, and provided that this Agreement is not terminated for any reason, the Parties agree that there shall be deemed to be no existing, defaults or any failed conditions by United under any Bond Agreement as a result of any non-payment or non-performance by United on or in any manner related to the Bonds.

13. Representations.

(a) Representations of Designated Holders. Each Designated Holder hereby represents and warrants to United and the Trustees that (i) each Designated Holder has all requisite power and authority to enter into this Agreement and perform the obligations to be performed by such Designated Holder as contemplated by this Agreement and (ii) this Agreement has been duly authorized, executed, and delivered by such Designated Holder, and constitutes the legal, valid and binding obligation of such Designated Holder, enforceable in accordance with the terms hereof.

(b) Representations of Trustees. Subject to the entry of the Settlement Order, each Trustee hereby represents and warrants to the Designated Holders and United that (i) such Trustee has all requisite power and authority to enter into this Agreement and perform the obligations to be performed by such Trustee as contemplated by this Agreement and (ii) this Agreement has been duly authorized, executed, and delivered by such Trustee, and constitutes the legal, valid and binding obligation of such Trustee, enforceable in accordance with the terms hereof. The representations and warranties given by the Trustees in this subsection (b) are given solely in their capacity as Trustees under the Bond Agreements and not in their individual capacity. Any claims resulting from the breach of these representations and warranties shall be limited to the Trustees acting in such capacity, and the Trustees shall have no personal liability with respect thereto.

(c) Representation of United. Subject to the entry by the Bankruptcy Court of the Settlement Order approving this Agreement as provided in Section 5, United hereby represents and warrants to the Designated Holders and the Trustees that (i) United has all requisite power and authority to enter into this Agreement and perform the obligations to be performed by United as contemplated by this Agreement and (ii) this Agreement has been duly authorized, executed, and delivered by United, and constitutes the legal, valid and binding obligation of United, enforceable in accordance with the terms hereof.

14. Fees and Expenses. Subject to the entry by the Bankruptcy Court of the Settlement Order approving this Agreement as provided in Section 5, United shall pay, or cause to be paid from the Escrow Order Monies, the reasonable and actual fees and expenses incurred by (a) the Designated Holders and the Trustees in connection with the Bonds through the Effective Date of the Plan, (b) Schopf & Weiss LLP ("S&W") in an amount not to exceed \$75,000, in connection with the Bonds through the Effective Date of the Plan, (c) Shaw Gussis Fishman Glantz Wolfson & Towbin LLC ("SGFGW&T") in an amount not to exceed \$45,000, in connection with the Bonds through the Effective Date of the Plan, and (d) Askounis & Borst, PC ("A&B") and Brown Rudnick Berlack Israels LLP ("BRBI", and collectively with S&W, SGFGW&T and A&B, "Ad Hoc Counsel"), collectively, in an amount not to exceed \$200,000, in connection with the Bonds through the Effective Date of the Plan. (i) All such fees and expenses incurred by the Designated Holders, the Trustees and the Ad Hoc Counsel prior to the date of the entry by the Bankruptcy Court of the Settlement Order shall be paid after the date of such entry and within thirty (30) days after United's receipt of a detailed written invoice therefor and (ii) all such fees and expenses incurred by the Designated Holders, the Trustees and the Ad Hoc Counsel on and after the date of the entry by the Bankruptcy Court of the Settlement Order through and including the Effective Date of the Plan shall be paid after such Effective Date and within thirty (30) days after United's receipt of a detailed written invoice therefor. If any of the Escrow Order Monies are utilized to pay the fees and expenses of the Designated Holders, the Trustees and the Ad Hoc Counsel upon entry of the Settlement Order as provided in this Section 14, but thereafter the Plan is not confirmed or this Agreement is otherwise terminated, United shall be released from any obligation to replenish the Escrow Order Monies so used for

such purpose. In the event that monies from any Capitalized Interest Fund, Bond Fund, or Redemption Fund under any of the Bond Agreements were previously used to pay legal fees and expenses incurred by any Trustees, then monies received by such Trustees pursuant to this Section 14 may be deposited into the applicable Capitalized Interest Fund, Bond Fund, or Redemption Fund, as applicable, and distributed pursuant to the terms of Sections 3(a)(ii) or 3(b)(ii), respectively.

15. Exculpation.

(a) Trustees. The execution and delivery of this Agreement by the Trustees and the performance by the Trustees of their obligations herein, is by the Trustees solely in their capacity as Trustees with respect to the Bonds and shall be binding upon the Trustees solely as such and not in any other capacity, including but not limited to, their capacity as the holder of any claim against United or its affiliates or as the Trustees with respect to any other bonds related to United or its affiliates. There is no purpose, intent, or effect binding any of the Trustees in their individual capacity or any of their officers, employees, agents, or directors individually but solely as representatives of the Trustees under an express trust.

(b) Designated Holders. The execution and delivery of this Agreement by the Designated Holders and the performance by the Designated Holders of their obligations herein, is by the Designated Holders solely in their capacity as Holders of the Bonds and shall be binding upon the Designated Holders solely as such and not in any other capacity, including but not limited to, their capacity as the holder of any other claim against United or its affiliates or holder of any bond related to United or its affiliates. There is no purpose, intent or effect binding any of the Designated Holders in their individual capacity or any of their officers, employees, agents or directors individually.

16. Miscellaneous.

(a) Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon the earlier of receipt or (i) three (3) business days after deposit in the United States mail, registered or certified mail, postage prepaid, return receipt requested, (ii) one (1) business day after deposit with Federal Express or similar overnight courier, or (iii) same day if delivered by hand, and addressed as provided in Schedule "A" attached hereto or such other address as either party may, from time to time, specify in writing to the other.

(b) Governing Law. This Agreement shall be governed by, construed in and enforced in accordance with the laws of the State of Illinois without regard to choice of law rules.

(c) Prevailing Parties. If any Party commences an action against another Party to enforce the terms of this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs, whether or not such action is brought to judgment and whether incurred before or after the filing of any such action, and a Party's right to the foregoing shall not merge with but shall survive the entry of judgment.

(d) No Third-Party Beneficiaries. The parties do not intend to create and this Agreement shall not be construed so as to create any third-party beneficiaries of any of the provisions herein set forth.

(e) Non-Severable. Each of the terms of this Agreement are a material and integral part hereof. Should any provision of this Agreement be held unenforceable or contrary to law, the entire Agreement shall be null and void.

(f) Counterparts. This Agreement may be executed in counterparts and all counterparts shall be considered part of one Agreement binding on all parties hereto.

(g) Amendments. This Agreement shall not be amended or modified except by written instrument executed by all Parties.

(h) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns and, upon entry of the Settlement Order, the Holders and each of their respective successors and assigns.

(i) Business Day. As used herein, the term "Business Day" means any calendar day other than a Saturday, Sunday, or any nationally recognized holiday or other day on which the Office of the Clerk of the Bankruptcy Court shall be closed.

(j) SUBMISSION TO JURISDICTION. EACH PARTY HERETO HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION, FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(k) Acceptance of Facsimile Signatures. Delivery of an executed signature page of this Agreement by facsimile transmission shall be as effective as delivery of a manually executed counterpart hereof.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first written above.

UNITED AIR LINES, INC.

By: /s/ David Seligman_____

Name: David Seligman

Title: Its Attorney

Subject to Bankruptcy Court Approval
Of Settlement Order

STARK INVESTMENTS LP, solely in its
capacity as a Holder or agent for a Holder

By: Stark Onshore Management LLC

By: /s/ Colin M. Lancaster_____

Name: Colin M. Lancaster

Title: General Counsel

SHEPHERD INVESTMENTS
INTERNATIONAL, LTD., solely in its
capacity as a Holder or agent for a Holder

By: Stark Offshore Management LLC

Name:

Title:

NUVEEN DIVIDEND ADVANTAGE
MUNICIPAL FUND 2, solely in its
capacity as a Holder or agent for a Holder

By: /s/ Thomas C. Spalding_____

Name: Thomas C. Spalding

Title: V.P.

NUVEEN INTERMEDIATE DURATION
MUNICIPAL BOND FUND, solely in its
capacity as a Holder or agent for a Holder

By: /s/ William M. Fitzgerald

Name: William M. Fitzgerald

Title: Vice President

NUVEEN INVESTMENT QUALITY
MUNICIPAL BOND FUND, solely in its
capacity as a Holder or agent for a Holder

By: /s/ Thomas C. Spalding_____

Name: Thomas C. Spalding

Title: V.P.

NUVEEN LIMITED TERM MUNICIPAL
BOND FUND, solely in its capacity as a
Holder or agent for a Holder

By: /s/ Thomas C. Spalding_____

Name: Thomas C. Spalding

Title: V.P.

NUVEEN MUNICIPAL ADVANTAGE
FUND, solely in its capacity as a Holder or
agent for a Holder

By: /s/ Thomas C. Spalding
Name: Thomas C. Spalding
Title: V.P.

NUVEEN PREMIUM INCOME
MUNICIPAL FUND, solely in its capacity
as a Holder or agent for a Holder

By: /s/ Thomas C. Spalding
Name: Thomas C. Spalding
Title: V.P.

NUVEEN SELECT QUALITY
MUNICIPAL BOND FUND, solely in its
capacity as a Holder or agent for a Holder

By: /s/ Thomas C. Spalding
Name: Thomas C. Spalding
Title: V.P.

NUVEEN SELECT TAX-FREE INCOME
PORTFOLIO 1, solely in its capacity as a
Holder or agent for a Holder

By: /s/ Thomas C. Spalding
Name: Thomas C. Spalding
Title: V.P.

NUVEEN SELECT TAX-FREE INCOME
PORTFOLIO 2, solely in its capacity as a
Holder or agent for a Holder

By: /s/ Thomas C. Spalding
Name: Thomas C. Spalding
Title: V.P.

NUVEEN SELECT TAX-FREE INCOME
PORTFOLIO 3, solely in its capacity as a
Holder or agent for a Holder

By: /s/ Thomas C. Spalding
Name: Thomas C. Spalding
Title: V.P.

VANGUARD HIGH-YIELD TAX-
EXEMPT FUND, one in a series of
Vanguard Municipal Bond Funds, solely in
its capacity as a Holder or agent for a
Holder

By: /s/ Reid Smith
Name: Reid Smith
Title: Principal

VANGUARD INTERMEDIATE-TERM
TAX-EXEMPT FUND, one in a series of
Vanguard Municipal Bond Funds, solely in
its capacity as a Holder or agent for a
Holder

By:
Name:
Title:

Vanguard Municipal Bond Funds, solely in
its capacity as a Holder or agent for a
Holder

By: /s/ Christopher M. Ryan
Name: Christopher M. Ryan
Title: Principal

THE BANK OF NEW YORK TRUST
COMPANY N.A. not individually but solely
in its capacity as successor Trustee for the
Series 1999A Bonds and 1999B Bonds

By:
Name:
Title:

SUNTRUST BANK, not individually but
solely in its capacity as successor Trustee
for the Series 2001A-1Bonds

By: /s/ Geraldine P. Kar
Name: Geraldine P. Kar
Title: Senior Vice President

HSBC BANK USA, NATIONAL
ASSOCIATION, not individually but solely
in its capacity as successor Trustee for the
Series 2001A-2 Bonds, 2001B Bonds and
2001C Bonds

By: /s/ (illegible)
Name: (illegible)
Title: First Vice President

BNY MIDWEST TRUST COMPANY, not
individually but solely in its capacity as
successor Trustee for the Series 1999A
Bonds and 1999B Bonds

By: /s/ Dedra DeLaney
Name: Dedra DeLaney
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
not individually but solely in its capacity as
successor Trustee for the Series 2000A
Bonds

By: Dorsey & Whitney LLP
Name: (illegible)
Title: Attorneys for US Bank

SCHEDULE A

Notice Addresses

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
UAL CORPORATION, et al.,)	
)	Case No. 02-B-48191
Debtors.)	(Jointly Administered)
)	Honorable Eugene R. Wedoff

**THIRD AMENDED
NOTICE, CASE MANAGEMENT AND ADMINISTRATIVE PROCEDURES**

These Notice, Case Management and Administrative Procedures (the "Third Amended Case Management Procedures") have been approved by the

United States Bankruptcy Court for the Northern District of Illinois (the "Court") for the Chapter 11 Cases of the above-captioned debtors and debtors in

possession (collectively, the "Debtors"). The Court approved the Case Management Procedures by order dated December 11, 2002, entitled Order

Establishing Certain Notice, Case Management and Administrative Procedures [Docket No. 193] (the "Order"), the First Amended Case Management

Procedures by order dated January 17, 2003, entitled Order Supplementing the Case Management Procedures [Docket No. 957] (the "First Supplemental

Order"), the Second Amended Case Management Procedures by order dated March 24, 2003, entitled Second Order Supplementing the Case

Management Procedures [Docket No. 1723] (the "Second Supplemental Order"), and the Third Amended Case Management Procedures by order dated

October 15, 2004, entitled Third Order Supplementing the Case Management Procedures [Docket No. 8388] (the "Third Supplemental Order").

A copy of the Order, the First Supplemental Order, the Second Supplemental Order, and the Third Supplemental Order can be viewed by: (a)

accessing the Court's website at <http://www.ilnb.uscourts.gov>; (b) accessing the Debtors' private website of the Debtors' Chapter 11 Cases at

<http://www.pd-ual.com> (the "Debtors' Private Website"); or (c) contacting the Debtors' counsel.

You may obtain a copy of each of the documents filed with the Court in these Chapter 11 Cases by accessing the Court's website at

<http://www.ilnb.uscourts.gov>.

The Federal Rules of Bankruptcy Procedure (as amended from time to time, the "Bankruptcy Rules"), the Local Rules for the United States Bankruptcy

Court for the Northern District of Illinois (as amended from time to time and as supplemented by any applicable General Orders entered in this District, the

"Local Bankruptcy Rules"), shall govern all matters in these Chapter 11 Cases, except to the extent such rules conflict with or are inconsistent with the

procedures set forth herein.

Terms not defined herein shall be as defined in the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules, and the motions seeking

entry of the Order, the First Supplemental Order, the Second Supplemental Order, and the Third Supplemental Order.

A. Omnibus Hearings

1. **All Matters to Be Heard** - The following will be considered and/or heard only at periodic monthly omnibus hearings scheduled in advance by the Court (the "Omnibus Hearings"), unless the Court orders otherwise: all motions, pleadings, applications, other requests for relief; all objections and responses, and replies thereto; and all other matters. The Applicable Hearing (as such term is defined herein) for all motions, pleadings, requests for relief, or other matters that purport to set a hearing on a date and/or time at which no Omnibus Hearing is set shall automatically and without court order be scheduled to be heard at the next Omnibus Hearing that is at least fourteen (14) days after the date that the Debtors' counsel actually received such motion, pleading, request for relief, or other materials, and the Objection Deadline (as defined herein) for such document shall be as set forth in Section C.6.b(1)(a). The Debtors shall send a copy of these Third Amended Case Management Procedures within three (3) business days of receipt to any party who has filed such motion, pleading, request for relief, or other material.
2. **Emergency Hearings** - Notwithstanding any procedure herein, nothing herein shall restrict an entity from requesting an emergency hearing pursuant to the Local Bankruptcy Rules.
3. **Future Hearings** - Periodically, the Debtors shall request that future Omnibus Hearings be scheduled. All future Omnibus Hearings scheduled by the Court shall be posted on the Debtors' Private Website at <http://www.pd-ual.com>. Entities may contact Poorman-Douglas Corporation at (503) 277-7999 or (877) 752-5527 or the Clerk of the Court at (312) 435-5694 for information concerning future Omnibus Hearings that have been scheduled by the Court.

B. Requests for Service by E-mail and Facsimile

1. **2002 Notice Request** - Notwithstanding Local Bankruptcy Rule 2002-2, a request for service of papers pursuant to Federal Rule of Bankruptcy Procedures 2002 (each, a "2002 Notice Request") filed with the Court shall be deemed proper if and only if it: (a) provides an address at which documents filed with the Court by the Debtors may be served by e-mail by the Debtors (subject to Section B.3 below); (b) provides an address at which all documents filed with the Court and served by all entities may be served by (i) U.S. mail, (ii) hand delivery, (iii) overnight delivery, and (iv) facsimile; (c) provides the telephone number of each entity; and (d) specifies the entity's local counsel and the counsel, if any, primarily responsible for matters before the Court but not having an office within this District. A 2002 Notice Request need not be in the form of a motion accompanied by a draft order, nor must the 2002 Notice Request allege facts justifying the added expense to parties that is caused by expanding the notice list.
2. **Filing Requests for Documents Requires E-mail Address** - All 2002 Notice Requests, whether already filed or filed in the future, shall automatically be deemed improper and of no effect, unless such 2002 Notice Requests comply with the procedures set forth herein (including without limitation the requirement that all 2002 Notice Requests must include an available e-mail address to receive notice (subject to Section B.3 below)).
3. **Certification Opting Out of E-mail Service** - Any individual or entity filing a 2002 Notice Request who does not maintain (and cannot practicably obtain) an e-mail address and thereafter cannot receive service by e-mail must include in the 2002 Notice Request a certification to that effect (the "Certification"). The Certification shall include a statement certifying that the individual or entity (a) does not maintain an e-mail address and (b) cannot practicably obtain an e-mail address at which the individual or entity could receive service by e-mail.
4. **2002 Notice List** - The Official Notice and Claims Agent shall be responsible for maintaining an updated list of those who have submitted a 2002 Notice Request (the "2002 List"). It is the responsibility of each entity submitting a 2002 Notice Request to file an updated 2002 Notice Request as necessary to reflect changes of e-mail address, contact person or otherwise.

C. Filing and Notice Procedures

1. **Procedures Established for All Court Filings** - All documents filed in these Chapter 11 Cases, including but not limited to all notices, motions, applications and other requests for relief, all briefs, memoranda, affidavits, declarations, and other documents filed in support of such papers seeking relief (collectively, the "Requests for Relief") and all objections and responses to such Requests for Relief (collectively, the "Objections," and together with the Requests for Relief and all other filed documents, the "Court Filings") shall be filed with the Court or other applicable court, including by electronic means in conformity with the Administrative Procedures for Electronic Filing adopted pursuant to Local Bankruptcy Rule 5005-1C (entitled the Administrative Procedures for the Case Management/Electronic Case Filing System approved February 17, 2004), and served in accordance with the Notice Procedures set forth herein; provided, however, that the Notice Procedures set forth herein shall not apply to Court Filings listed in Section C.9 below.
2. **Docket Number Reference** - The title of all filings that are responsive to, or in support of, a Request for Relief, shall include the docket number of such Request for Relief.
3. **Signature Block** - In accordance with Local Bankruptcy Rule 5005-3B(3), the signature block of all filings shall contain the telephone number of the attorney in active charge or the individual filing the document. If available, the signature block should also contain either the facsimile number or e-mail address of the attorney in active charge or the individual filing the document.

4. **Joinders** - An individual or entity seeking to join in a Court Filing (whether a Request for Relief, an Objection, or a Reply thereto) may do so solely as an expression of support of such Court Filing (each, a "Joinder"). Without further order of the Court, filing such Joinder does not entitle such individual or entity: (a) to be an independent proponent of such Court Filing; (b) to independently support or oppose the related Court Filings; (c) to independently settle the Request for Relief that is the subject of such Court Filing; or (d) to independently receive a ruling by the Court with respect to the Court Filing. The Court may deem a Joinder to be a brief in support of the relevant Court Filing, but (a) the Court will not consider any arguments or factual allegations not contained in the relevant Court Filing, and (b) the Joinder need not be separately responded to.

5. **Definition of Entities Entitled to Service** - - All Court Filings shall be served on the Core Group, the 2002 List, and the Affected Entities (each as defined herein), according to the Notice Procedures described herein. A Court Filing is deemed not to have been properly served unless served on all of the parties on the Core Group, including the Official Notice and Claims Agent (as described herein).

a. **Core Group** - The following entities shall comprise the core group of entities in these Chapter 11 Cases (collectively, the "Core Group"): (i) the Debtors; (ii) the Debtors' counsel; (iii) the Office of the United States Trustee; (iv) counsel to the Official Committee of Unsecured Creditors in these Chapter 11 Cases (the "Creditors' Committee"); (v) counsel to the Debtors' debtor in possession lenders; and (vi) Poorman-Douglas, the official notice and claims agent in these Chapter 11 Cases (the "Official Notice and Claims Agent"):

Debtors:

United Air Lines, Inc.
WHQLD
1200 East Algonquin Road
Elk Grove Village, Illinois 60007
Attn: John Lakosil
Phone: (847) 700-4462
Facsimile: (847) 700-4683

Office of the United States Trustee:
227 West Monroe Street, Suite 3350
Chicago, Illinois 60606
Attn: Stephen Wolfe
Phone: (312) 886-5785
Facsimile: (312) 886-5794

Counsel to the Debtors' debtor in possession
lender (Citibank and JP Morgan):
Morgan, Lewis & Bockius, LLP
101 Park Avenue
New York, New York 10178
Attn: Richard S. Toder
Jay Teitelbaum
Phone: (212) 309-6000
Facsimile: (212) 309-6001

Counsel to the Debtors' debtor in possession
lender (General Electric Capital Corporation):
Weil, Gotshal & Manges, LLP
767 Fifth Avenue
New York, New York 10153
Attn: Richard P. Krasnow
Scott E. Cohen
Phone: (212) 310-8000
Facsimile: (212) 310-8007

Counsel to Creditors' Committee:
Sonnenschein, Nath & Rosenthal
8000 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60604
Attn: Fruman Jacobson
Patrick C. Maxcy
Phone: (312) 876-8123
Facsimile: (312) 876-7934

Counsel to Debtors and Debtors in Possession:

Kirkland & Ellis
200 East Randolph Street
Chicago, Illinois 60601
Attn: James H.M. Sprayregen, P.C.
Marc Kieselstein
David R. Seligman
Erik W. Chalut
Phone: (312) 861-2000
Facsimile: (312) 861-2200

Counsel to the Debtors' debtor in possession
lender (CIT Group):
Schulte, Roth & Zabel
919 Third Avenue
New York, New York 10022
Attn: Robert J. Mrofka
Phone: (212) 756-2000
Facsimile: (212) 593-5955

Counsel to the Debtors' debtor in possession
lender (Citibank and JP Morgan):
Kaye Scholer, LLP
3 First National Plaza, Suite 4100
70 West Madison Street
Chicago, Illinois 60602
Attn: Michael B. Solow
Phone: (312) 583-2300
Facsimile: (312) 583-2360

Official Notice and Claims Agent:
Poorman-Douglas Corporation
10300 SW Allen Boulevard
Beaverton, Oregon 97005
Attn: Rhonda G. McNally
Phone: (503) 277-7999
Facsimile: (503) 350-5230

Counsel to Creditors' Committee:
Sonnenschein, Nath & Rosenthal
1221 Avenue of the Americas
24th Floor
New York, New York 10020
Attn: Carole Neville
Mark A. Fink
Phone: (212) 768-6889
Facsimile: (212) 768-6800

- b. **2002 List** - This group shall be comprised of all entities who have filed a request for service of filings pursuant to Bankruptcy Rule 2002. An updated 2002 List can be viewed and retrieved by: (i) accessing the Debtors' Private Website at <http://www.pd-ual.com>; (ii) contacting the Official Notice and Claims Agent, Poorman-Douglas, UAL Bankruptcy Processing Center, P.O. Box 4390, Portland, Oregon 97208-4390, telephone (503) 277-7999, facsimile (503) 350-5230; or (iii) contacting the Debtors' counsel.
- c. **Affected Entity** - This group shall be comprised of all entities with a particularized interest in the subject matter of the particular Court Filing (each, an "Affected Entity").

6. **Notice and Service of Filings for Relief, Objections thereto, Replies thereto and Orders**

- a. **Notice of Filing for Relief** - Any entity filing a Request for Relief shall file and serve a notice of such Request for Relief that complies with the procedures set forth herein.
- b. **Contents of Notice of Request for Relief** - Each notice of Request for Relief shall conspicuously state: (i) the title of the Request for Relief; (ii) the time and date of any deadline to object thereto (which deadline shall be in accordance with Section 6.b.(1)(a) below), (iii) the Omnibus Hearing (or other hearing as ordered by the Court) for which the Request for Relief (the "Applicable Hearing") is set to be considered by the Court; and (iv) a statement that the relief requested in the Request for Relief may be granted by the Court without a hearing if no Response thereto is timely filed and served in accordance with these Case Management Procedures, if applicable.

(1) **Deadline for Objections**

(a) The deadline to file Objections to Requests for Relief (the "Objection Deadline") shall be (i) the seventh (7th) calendar day before the Applicable Hearing; or (ii) as otherwise ordered by the Court.

(b) The Objection Deadline may be extended with the consent of the entity filing the Request for Relief to a date that is no later than three (3) days before the Applicable Hearing.

(2) **Setting the Applicable Hearing** - Notwithstanding Local Bankruptcy Rule 9013, and except as otherwise provided in the Bankruptcy Code and Bankruptcy Rules, the relief requested in a Request for Relief shall not be considered by the Court unless the Request for Relief is filed and served in accordance with the Case Management Procedures at least fourteen (14) calendar days prior to the Applicable Hearing, unless otherwise ordered by the Court; provided, however, that if the Request for Relief is served by U.S. mail, the Request for Relief shall not be considered by the Court unless the Request for Relief is filed and served in accordance with the Case Management Procedures at least seventeen (17) calendar days prior to the applicable hearing, unless otherwise ordered by the Court.

c. **Manner of Service**

(1) **Service by All Entities** - All entities are authorized to serve Court Filings by U.S. mail, hand or overnight delivery, or facsimile.

(a) **Service by All Entities to Core Group** - - All entities shall serve all Requests for Relief on the Core Group by hand or overnight delivery or facsimile.

(b) **Service by All Entities to 2002 List and Affected Entities** - All entities shall serve all Requests for Relief on the 2002 List and Affected Entities (a) by U.S. mail, facsimile, hand or overnight delivery, or by e-mail (subject to Section C.6.c.(2)(d) below) if the Request for Relief is filed and served at least seventeen (17) days prior to the Applicable Hearing Date or (b) by facsimile, hand or overnight delivery, or by e-mail (subject to Section C.6.c.(2)(d) below) if the Request for Relief is filed and served at least fourteen (14) days prior to the Applicable Hearing Date.

(2) **Service by E-mail**

(a) Only the Debtors and the E-mail Serving Parties (as defined herein) are authorized to serve documents by e-mail; provided, however, that the Debtors and the E-mail Serving Parties shall serve the Core Group by hand or overnight delivery, or facsimile, as appropriate.

(b) All documents served by e-mail shall include access to an attached computer file containing the entire document, including the proposed form(s) of order and any exhibits, attachments, or other materials in ".pdf" format, readable by Adobe Acrobat or other equivalent document reader program commonly available without cost.

(c) **E-mail Serving Parties** - An entity who has filed a 2002 Notice Request and has not opted out of e-mail service (pursuant to Section B.3) may request, in writing, for authorization from the Debtors for such party to serve Court Filings by e-mail; provided, however, that if the Debtors do not consent, in writing, to such party serving by e-mail or if the Debtors do not respond within ten (10) days of such request, such party may petition the Court for authorization. No entity may serve Court Filings by e-mail before such entity receives authority from the Court or the Debtors' consent to serve by e-mail. Any entity who purports to serve a Court Filing by e-mail before such entity receives authority from the Court or the Debtors' consent to serve by e-mail shall be deemed not to have served such Court Filing.

(d) The Debtors and parties authorized to serve by e-mail pursuant to Section C.6.c.(2)(c) (collectively, the "E-mail Serving Parties") are authorized to serve all Court Filings by e-mail (subject to Section C.6.c.(1)(a)).

d. **Service of Requests for Relief** - Except as described below or as authorized by the Court, all Requests for Relief shall be served upon the Core Group, the 2002 List, and each Affected Entity.

(1) **Service of Requests for Relief for Which Particular Notices are Required by Bankruptcy Rules 2002(a)(3), 4001, 6004, 6006, 6007 or 9019** - All Court Filings for which particular notices are required by Bankruptcy Rules 2002(a)(2), 2002(a)(3), 4001, 6004, 6006, 6007, or 9019, shall be served on those entities on the Core Group, the 2002 List, and each Affected Entity, except as modified herein and unless otherwise authorized by the Court.

(2) **Service of Requests for Relief Pursuant to 11 U.S.C. § 363(b)** - Notwithstanding Bankruptcy Rule 2002(a)(2), Requests for Relief related to the use, sale, lease or abandonment of property other than in the ordinary course of business shall be served only on those entities on the Core Group, the 2002 List, and each entity asserting an interest in such property; provided, however, that if the Request for Relief relates to the sale of substantially all of the Debtors' assets, the movant shall seek authority to limit notice from that which the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules require.

(3) **Service of Other Filings for Relief Described in Bankruptcy Rule 2002** - Except as set forth herein or as otherwise authorized by the Court, notice of contested matters and adversary proceedings described in Bankruptcy Rule 2002 shall be served in accordance thereof.

e. **Service of Objections** - By the applicable Objection Deadline, all Objections shall be filed with the Court and served upon the entity filing the Request for Relief, those entities on the Core Group, the 2002 List, and each Affected Entity, with such Affected Entities to be determined based on the particular Court Filing being served; provided, however, that if service of an Objection is by U.S. Mail then such Objection shall be served no later than three (3) days prior to the applicable Objection Deadline; provided further, however, that if the Objection Deadline is less than the date that is seven (7) days before the Applicable Hearing, Objections shall only be served by facsimile, hand delivery, or overnight mail, or for Objections that are served by E-mail Serving Parties, e-mail.

f. **Service of Replies** - If a Court Filing is a reply (a "Reply") to an Objection, such Reply shall be filed with the Court and served by hand delivery, facsimile, or e-mail (if served by an E-mail Serving Party), or by overnight delivery only if such other methods are not available, on the Core Group and each Affected Entity prior to 2:00 p.m. (prevailing Central Time) on the day that is no later than two (2) days prior to the Applicable Hearing.

g. **Service of Orders** - Notwithstanding Local Bankruptcy Rule 9013-7, entities drafting orders that are entered by the Court are not required to serve copies of such order upon receipt thereof.

h. **Granting the Request for Relief Without a Hearing**

- (1) Provided that the notice filed with a Request for Relief includes a statement that the Request for Relief may be granted and an order entered without a hearing unless a timely objection is made, after the Objection Deadline has passed and no Objection has been filed or served in accordance with the procedures set forth herein, counsel to the entity who has filed the Request for Relief may file a certification indicating that no Objection has been filed or served on the entity who has filed the Request for Relief (the "Certificate of No Objection").
- (2) By filing a Certificate of No Objection, counsel for the movant will be representing to the Court that the movant is unaware of any objection to the Request for Relief and that counsel has reviewed the Court's docket and no Objection appears thereon.
- (3) Upon receipt of the Certificate of No Objection, the Court may grant the Request for Relief without further pleading, hearing, or request, and, once an order granting such Request for Relief is entered, no further hearing on the Request for Relief shall be held.
- (4) After a Certificate of No Objection has been filed, the Request for Relief may be heard at the next Omnibus Hearing if the Court does not grant the Request for Relief before such Omnibus Hearing.

i. **Certificates of Service**

- (1) Notwithstanding Local Bankruptcy Rule 9013-3, certificates of service of all Court Filings, including a complete list of recipients to whom such Court Filing has been served (the "Service List"), shall be filed with the Court; provided, however, that parties shall not be required to include the Service List when serving the certificate of service to such recipients.
- (2) Notwithstanding Local Bankruptcy Rule 9013-3, the Debtors shall file a certificate of service as soon as practicable, but, in all events, prior to the Applicable Hearing.

7. **Requests for Relief to Modify the Automatic Stay under Section 362** - Unless the Court orders otherwise, (a) if a motion filed to lift the automatic stay of Section 362 of the Bankruptcy Code (the "Lift Stay Motion") is filed fourteen (14) days or more before the next Omnibus Hearing, the date of "request" to modify the stay with respect to such Lift Stay Motion shall be the next Omnibus Hearing, and (b) if a Lift Stay Motion is filed fewer than fourteen (14) days before the next Omnibus Hearing, the date of "request" to modify the stay with respect to such Lift Stay Motion shall be the Omnibus Hearing following the next Omnibus Hearing.

8. **Serving Adversary Pleadings** - All pleadings and other Court Filings in any adversary proceeding commenced in these Chapter 11 Cases shall be served upon the Core Group, each Affected Entity, and any entities required to be served under any applicable Bankruptcy Rule or Local Bankruptcy Rule.

9. **Filings for Relief Not Affected by these Notice Procedures** - Unless otherwise ordered by the Court, the Case Management Procedures specifically described herein shall not supercede the requirements for notice of the matters or proceedings described in the following Bankruptcy Rules:

- a. Bankruptcy Rule 2002(a)(1);
- b. Bankruptcy Rule 2002(a)(3);
- c. Bankruptcy Rule 2002(a)(4);
- d. Bankruptcy Rule 2002(a)(5);
- e. Bankruptcy Rule 2002(b)(1);
- f. Bankruptcy Rule 2002(b)(2);
- g. Bankruptcy Rule 2002(d);
- h. Bankruptcy Rule 2002(f)(1);
- i. Bankruptcy Rule 2002(f)(2);
- j. Bankruptcy Rule 2002(f)(3);

- k. Bankruptcy Rule 2002(f)(6);
- l. Bankruptcy Rule 2002(f)(7); and
- m. Bankruptcy Rule 2002(f)(8).

10. Right to Request Special Notice Procedures - Nothing herein shall prejudice (a) the right of any entity to move the Court to further limit or expand notice of contested matters and adversary proceedings upon a showing of good cause, including without limitation the right to file a motion seeking emergency ex parte relief or relief upon shortened notice, or (b) the right of any entity to request an enlargement or reduction of any time period under Bankruptcy Rules 9006(b) or 9006(c).

D. Computation of Time

- 1. Except as otherwise set forth in these Case Management Procedures, Bankruptcy Rule 9006 shall apply to all contested matters and adversary proceedings in these Chapter 11 Cases.

E. Hearings

1. **Agenda Letters** - Prior to 12:00 p.m. (prevailing Central Time) on the date that is no later than two (2) days prior to each Omnibus Hearing, the Debtors shall file with the Court a letter setting forth each matter to be heard at such hearing and the order in which such matters will be heard, and shall file an amended letter prior to 12:00 p.m. (prevailing Central Time) on the date that is no later than one (1) day prior to each Omnibus Hearing (each, an "Agenda Letter"). The Debtors shall serve the Agenda Letters on the Core Group, the 2002 List, and each entity who has filed and served a Court Filing listed in the Agenda Letters in accordance with the procedures set forth herein.

a. **Matters Included on Agenda Letters** - The Agenda Letters shall include (i) only those Court Filings that have been filed and served in accordance with the procedures set forth herein, and (ii) requests for an emergency hearing that are received by the Debtors in such time as it is practicable for the Debtors to include such matters on the Agenda Letters.

b. **Court Filings Not Included on Agenda Letters** - - Any Court Filing that is not included on the Agenda Letters shall not be considered by the Court; provided, however, that the Court shall determine if it will consider a request for an emergency hearing.

F. Automatic Extension of Certain Periods

1. If a Request for Relief to extend the time to take any action is filed prior to expiration of the period prescribed by the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, or an order of the Court, the time to so act shall automatically be extended until the Court considers and rules upon the Request for Relief, without the necessity for the entry of an "interim" order extending such period until such time as the Court can consider and rule upon such Request for Relief.

G. Telephonic Appearances

1. Parties in interest shall be authorized to participate at, or listen in on, Omnibus Hearings and such other hearings to be determined by the Court by telephone (a "Telephonic Appearance"). A copy of the instructions for parties who wish to make a Telephonic Appearance can be retrieved by: (a) accessing the Court's website at <http://www.ilnb.uscourts.gov/chapter11/0248191.htm>; (b) accessing the Debtors' private website at <http://www.pd-ual.com>; or (c) contacting the Debtors' counsel.