

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

THIS LETTER OF AGREEMENT, dated as of May 15, 2005, is made and entered into in accordance with the Railway Labor Act by and between UAL Corp. (hereinafter referred to as "UAL"), UNITED AIR LINES, INC. (hereinafter referred to as the "Company") and the AIRCRAFT MECHANICS FRATERNAL ASSOCIATION (hereinafter referred to as "AMFA" or the "Union").

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

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

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

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

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

2. Wage Rates. The base pay rates and other pay components (shift premiums, Hawaii differential, skill premium, and license premium) in effect as of May 1, 2004 under Schedule A of the 2003 Mechanics' Agreement shall be reduced by 3.9% effective with the payroll period

commencing closest to June 1, 2005 (for most employees, this will be the payroll period commencing either May 29, 2005 or June 5, 2005). These reduced base pay rates and other pay components shall thereafter be increased by 1.5% on January 1, 2006, 1.5% on January 1, 2007, 1.5% on January 1, 2008, and 1.5% on January 1, 2009. These shall become the pay rates for the 2005 Mechanics' Agreement. The base pay rates under Schedule A of the 2005 Mechanics' Agreement are set forth in Exhibit A to this Letter of Agreement. The other pay components as revised are set forth in Exhibit B to this Letter of Agreement.

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

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

5. Pension Contributions. When the Plan is terminated following final judicial approval of such termination ("Plan Termination Date"):

a. The Company shall, each payroll period, make a contribution (the "Replacement Plan Base Contribution") to a defined contribution plan equal to four percent (4.0%) of each eligible participant's "Considered Earnings" (as defined in Exhibit C). In addition, the Company shall make an Additional Contribution for all eligible participants employed on May 15, 2005, based on a points schedule attached as Exhibit I. The Additional Contribution has been determined such that the total of the Base Contribution plus the Additional Contribution for all eligible participants will be of the total Considered Earnings for all eligible participants. In the future, the Additional Contribution for any eligible participant will not change. At the end of each calendar year, the Company will calculate total Company contributions as a percentage of the total Considered Earnings for all eligible participants. If the total is less than 5.0%, the Company will make an additional one-time base contribution so that the total Company contribution for the calendar year equals 5.0% of total Considered Earnings. The Company will calculate the total projected Company contribution divided by the total projected Considered Earnings at the beginning of each year. If this percentage is less than 5.0%, the Company will increase the base contribution rate so that the total Company contribution rate equals 5.0%. The Base and Additional Contributions will begin with the earlier of (i) July 1, 2005, or (ii) the first day of the calendar month following the Exit Date; provided, however, that in the event the Exit Date follows July 1, 2005, contributions will accrue without interest from July 1, 2005 through the Exit

Date and be contributed in a single lump sum no later than sixty (60) days after the Exit Date.

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

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

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

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

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

e. The 2005-2009 Mechanics' Agreement and the Plan of Reorganization shall provide for the issuance of \$40,000,000 of UAL convertible notes, as described in Exhibit J, to a trust or other entity designated by AMFA. The terms of the UAL convertible notes described in Exhibit I shall be subject to mutually-acceptable modifications to optimize implementation for all parties from an accounting, securities law and tax law perspective. This paragraph shall be effective, and the convertible notes described in Exhibit J shall issue only in connection with, and following, the review, design, negotiation, approval, effective ratification, and execution of this Letter of Agreement.

6. Company Profit Sharing Contribution: The 2005-2009 Mechanics' Agreement shall provide for AMFA-represented employees to participate in the revised profit sharing program described in Exhibit C to this Letter of Agreement.

7. Distribution Agreement. The Plan of Reorganization shall provide the AMFA-represented group with a distribution of UAL equity securities as provided in the amended distribution agreement described in Exhibit D to this Letter of Agreement.

8. Bankruptcy Actions. The Company and the Union shall take the following actions to seek the approval of this Letter of Agreement by the bankruptcy court in In Re UAL Corporation et al., Case No. 02-B-48191 (Bankr. N.D. Ill.) (the "Bankruptcy Cases"):

a. the Company shall file a motion for approval of the Letter of Agreement under 11 U.S.C. § 363, in form and substance reasonably acceptable to the Union, by no later than May 31, 2005;

b. the Company shall provide, to the extent reasonably practicable, the Union's counsel with copies of, and a reasonable opportunity to comment on, all motions, applications, proposed orders, pleadings and supporting papers prepared by the Company for filing with the bankruptcy court relating to court approval of this Letter of Agreement; and

c. both the Company and the Union shall support and seek the approval of this Letter of Agreement in the Bankruptcy Cases without condition, qualification or exception; shall use their best efforts to obtain the support of the Official Committee of Unsecured Creditors and other parties and stakeholders for the Letter of Agreement; and shall take every reasonable action necessary to obtain judicial approval of this Letter of Agreement in the Bankruptcy Cases without condition, qualification or exception, including the filing of motions, objections and appeals.

9. Conditions of Effectiveness. Except as otherwise provided, this Letter of Agreement shall become effective as of May 15, 2005, subject to bankruptcy court approval and, on or before June 30, 2005, the occurrence of all of the following: (a) ratification by AMFA-represented United employees under the Union's Constitution and By-Laws, (b) if required, approval by the Company's Board of Directors, (c) execution by a duly authorized official of AMFA, and (d) the withdrawal of the Company's motion to reject the 2003 Mechanics' Agreement under 11 U.S.C. §1113.

10. Termination Rights. This Letter of Agreement may be terminated by the Company or the Union, on two business days written notice to the other (the "Termination Notice"), given before or after the Effective Date but no later than the Exit Date, upon the occurrence of any of the following events:

a. failure of the court to issue final judicial approval of this Letter of Agreement, without condition, qualification or exception, by June 30, 2005;

b. failure of the Company to implement, through binding agreement or final judicial order effective no later than the Exit Date, revisions to (i) the labor contracts of the Company's other unionized employees and (ii) the wages, benefits and working conditions of the Company's salaried and management employees so that the aggregate revisions in (i) and (ii) are reasonably projected to produce at least \$582 million in average annual savings for the Company from January 1, 2005 through and including January 1, 2010, unless such action is cured to the reasonable satisfaction of AMFA within twenty days of the Termination Notice;

c. the filing by UAL or United of, support by UAL or United for, or judicial confirmation or approval of (as the case may be), a plan of reorganization or a proposed disclosure statement which contains any material term that is materially inconsistent with the 2005 Mechanics' Agreement or this Letter of Agreement unless such action is cured

to the reasonable satisfaction of the Union within twenty (20) days of the Termination Notice;

d. any other material breach of the Company's or UAL's obligations under this Letter of Agreement unless such breach is cured to the reasonable satisfaction of the Union within twenty (20) days of the Termination Notice.

In the event of such termination, (A) this Letter of Agreement shall otherwise become null and void in its entirety and (B) the parties shall thereafter be governed by the 2003 Mechanics' Agreement and without regard to this Letter of Agreement.

11. Fees and Expenses. The Company shall reimburse the Union for fees and expenses incurred in connection with this Letter of Agreement as described on Exhibit E to this Letter of Agreement. Such reimbursement shall be made only in connection with, and following, the review, design, negotiation, approval, effective ratification, and execution of this Letter of Agreement.

13. Agreement. This Letter of Agreement is a final, binding and conclusive commitment and agreement between UAL, the Company and the Union. Notwithstanding anything to the contrary in this Letter of Agreement, judicial approval of this Letter of Agreement shall have the same meaning and effect as the judicial approval of the 2003 Mechanics' Agreement in the Bankruptcy Cases signed on April 30, 2003.

14. Amendments; Waiver. This Letter of Agreement may be amended, modified, superseded or canceled and any of its provisions may be waived only by a written instrument executed by all parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time to require performance of any provision of this Letter of Agreement shall not affect the right of that party at a later time to enforce the same or a different provision. No waiver by any party of a right under this Letter of Agreement shall be deemed or construed as a further or continuing waiver of any such right with respect to the same or a different provision of this Letter of Agreement.

15. Notices. Any notice or other communication given under the terms of this Letter of Agreement must be in writing and shall be deemed to have been duly given on the day it is delivered by hand, on the day it is sent by facsimile with confirmation of receipt by the transmitting machine, on the business day after it is sent by a national overnight mail service (delivery charge prepaid), or on the third business day after it is mailed first class, postage prepaid, in any case to the following addresses:

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

with copies to: Kirkland & Ellis
 200 East Randolph Drive
 Chicago, Illinois 60601

Attention: James H.M. Sprayregen
Facsimile: 312-861-2200

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

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

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

16. Counterparts. This Letter of Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument, and each of which shall be deemed an original. Each party to this Letter of Agreement has agreed to permit the use of faxed or otherwise electronically transmitted signatures in order to expedite the consummation of the transactions contemplated hereby.

17. Headings; Construction. The paragraph headings in this Letter of Agreement have been inserted for convenience of reference only and do not restrict or otherwise modify any of the terms or provisions of this Letter of Agreement. Unless otherwise expressly provided, the words "including" or "includes" in this Letter of Agreement do not limit the preceding words or terms and shall be deemed to be followed by the words "without limitation."

18. Exhibits. This Letter of Agreement includes all of Exhibits A through K hereto. Except as otherwise expressly set forth therein, all capitalized terms in Exhibits A through K shall have the meanings defined in this Letter of Agreement.

(Signature page to follow)

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

WITNESS:

WITNESS:

FOR UNITED AIR LINES, INC.:

Peter B. Kain
Vice President Labor Relations

FOR UAL CORPORATION:

Glenn F. Tilton
Chairman, President and CEO

FOR AIRCRAFT MECHANICS FRATERNAL ASSOCIATION:

Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

O.V. Delle Femine
National Director

Exhibit A

**Mechanics' Agreement
Wage Schedule A**

	<u>05/01/04</u>	<u>06/01/05</u>	<u>01/01/06</u>	<u>01/01/07</u>	<u>01/01/08</u>	<u>01/01/09</u>
		Less 3.9%	Plus 1.5%	Plus 1.5%	Plus 1.5%	Plus 1.5%
Lead Mechanic	\$26.90	\$25.85	\$26.24	\$26.63	\$27.03	\$27.44
Aircraft Inspector	\$26.90	\$25.85	\$26.24	\$26.63	\$27.03	\$27.44
Lead Flight Simulator Tech/SFORQ	\$28.97	\$27.84	\$28.26	\$28.68	\$29.11	\$29.55
Flight Simulator Tech/ SFORQ						
Thereafter	\$27.32	\$26.25	\$26.64	\$27.04	\$27.45	\$27.86
1st 6 mos	26.74	25.70	26.09	26.48	26.88	27.28
Lead GCT	\$5,089	\$4,891	\$4,964	\$5,038	\$5,114	\$5,191
GCT						
Thereafter	\$4,801	\$4,614	\$4,683	\$4,753	\$4,824	\$4,896
2nd 6 mos	4,677	4,495	4,562	4,630	4,699	4,769
1st 6 mos	4,617	4,437	4,504	4,572	4,641	4,711
Shop Inspector	\$26.20	\$25.18	\$25.56	\$25.94	\$26.33	\$26.72
Mechanic						
Thereafter	\$25.38	\$24.39	\$24.76	\$25.13	\$25.51	\$25.89
Next 6 mos	22.34	21.47	21.79	22.12	22.45	22.79
3rd 18 mos	20.27	19.48	19.77	20.07	20.37	20.68
2nd 18 mos	19.07	18.33	18.60	18.88	19.16	19.45
1st 18 mos	16.76	16.11	16.35	16.60	16.85	17.10
Lead CTT	\$4,683	\$4,500	\$4,568	\$4,637	\$4,707	\$4,778

CTT

Thereafter	\$4,418	\$4,246	\$4,310	\$4,375	\$4,441	\$4,508
Next 6 mos	3,889	3,737	3,793	3,850	3,908	3,967
3rd 18 mos	3,529	3,391	3,442	3,494	3,546	3,599
2nd 18 mos	3,318	3,189	3,237	3,286	3,335	3,385
1st 18 mos	2,917	2,803	2,845	2,888	2,931	2,975

	Current	Less 3.9%	Plus 1.5%	Plus 1.5%	Plus 1.5%	Plus 1.5%
	<u>05/01/04</u>	<u>06/01/05</u>	<u>01/01/06</u>	<u>01/01/07</u>	<u>01/01/08</u>	<u>01/01/09</u>
Metrologist						
Thereafter	\$27.70	\$26.62	\$27.02	\$27.43	\$27.84	\$28.26
Next 6 mos	27.34	26.27	26.66	27.06	27.47	27.88
Next 6 mos	27.09	26.03	26.42	26.82	27.22	27.63
1st 3 mos	26.88	25.83	26.22	26.61	27.01	27.42

Seamer

Thereafter	\$19.66	\$18.89	\$19.17	\$19.46	\$19.75	\$20.05
Next 6 mos	17.29	16.62	16.87	17.12	17.38	17.64
3rd 18 mos	15.72	15.11	15.34	15.57	15.80	16.04
2nd 18 mos	14.80	14.22	14.43	14.65	14.87	15.09
1st 18 mos	14.16	13.61	13.81	14.02	14.23	14.44

Mech Helper

Thereafter	\$18.15	\$17.44	\$17.70	\$17.97	\$18.24	\$18.51
Next 6 mos	14.20	13.65	13.85	14.06	14.27	14.48
3rd 18 mos	11.21	10.77	10.93	11.09	11.26	11.43
2nd 18 mos	9.31	8.95	9.08	9.22	9.36	9.50
1st 18 mos	8.50	8.17	8.29	8.41	8.54	8.67

	Current	Less 3.9%	Plus 1.5%	Plus 1.5%	Plus 1.5%	Plus 1.5%
	<u>05/01/04</u>	<u>06/01/05</u>	<u>01/01/06</u>	<u>01/01/07</u>	<u>01/01/08</u>	<u>01/01/09</u>
Lead Utility Employee	\$18.13	\$17.42	\$17.68	\$17.95	\$18.22	\$18.49

Utility Employee 10-Year Scale

1st year	\$8.18	\$7.86	\$7.98	\$8.10	\$8.22	\$8.34
2nd year	8.51	8.18	8.30	8.42	8.55	8.68
3rd year	8.85	8.50	8.63	8.76	8.89	9.02
4th year	9.21	8.85	8.98	9.11	9.25	9.39
5th year	9.66	9.28	9.42	9.56	9.70	9.85
6th year	10.15	9.75	9.90	10.05	10.20	10.35

7th year	10.66	10.24	10.39	10.55	10.71	10.87
8th year	11.51	11.06	11.23	11.40	11.57	11.74
9th year	12.43	11.95	12.13	12.31	12.49	12.68
10th year	14.36	13.80	14.01	14.22	14.43	14.65
Thereafter	17.10	16.43	16.68	16.93	17.18	17.44

Exhibit B
Other Contract Revisions
(Additions indicated by underscore; deletions not indicated)

A. Premiums

- Article XXII, Section I -- Modify as follows:

1. All employees covered by this Agreement working the afternoon or night shifts shall be paid additional compensation over the rate paid on day shifts for all hours worked as follows:

<u>Effective</u>	<u>5/1/04</u>	<u>6/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>	<u>1/1/09</u>
Afternoon	<u>\$0.45</u>	<u>\$0.43</u>	<u>\$0.44</u>	<u>\$0.45</u>	<u>\$0.46</u>	<u>\$0.47</u>
Night	<u>\$0.51</u>	<u>\$0.49</u>	<u>\$0.50</u>	<u>\$0.51</u>	<u>\$0.52</u>	<u>\$0.53</u>

Any shift starting at 11:00 AM or later and before 5:00 PM shall be considered an afternoon shift and any shift starting at 5:00 PM or later and before 6:00 AM shall be considered a night shift.

2. An employee working on a relief schedule who is scheduled to work on the day and afternoon shifts during a work week will receive additional compensation above the day shift rate for all regular hours worked as follows:

<u>Effective</u>	<u>5/1/04</u>	<u>6/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>	<u>1/1/09</u>
	<u>\$0.50</u>	<u>\$0.48</u>	<u>\$0.49</u>	<u>\$0.50</u>	<u>\$0.51</u>	<u>\$0.52</u>

An employee on a relief schedule who is scheduled to work on the afternoon and night shifts or day and night shifts during a work week will receive additional compensation above the day shift rate for all regular hours worked as follows:

<u>Effective</u>	<u>5/1/04</u>	<u>6/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>	<u>1/1/09</u>
	<u>\$0.54</u>	<u>\$0.52</u>	<u>\$0.53</u>	<u>\$0.54</u>	<u>\$0.55</u>	<u>\$0.56</u>

Rotating relief employees shall not receive shift premium as provided in subparagraph 1 of this paragraph but shall have the additional compensation provided for in this subparagraph treated for pay purposes the same as shift premium. An employee assigned to a vacation relief schedule will receive the shift premium provided in subparagraph 1 of this paragraph except that when in any one work week he is scheduled to work on the day and afternoon shifts or afternoon and night shifts, or day and night shifts, he shall not receive such shift premium but shall receive the appropriate relief premium in lieu thereof for all regular hours worked in that work week.

3. Mechanics assigned to the Maintenance Base Boiler Room may be assigned to a rotating relief schedule to include rotation through a three-shift schedule including day, afternoon and night shifts. When so assigned, an employee will receive

additional compensation above the day shift rate for all regular hours worked as follows:

<u>Effective</u>	<u>5/1/04</u>	<u>6/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>	<u>1/1/09</u>
	<u>\$0.58</u>	<u>\$0.56</u>	<u>\$0.57</u>	<u>\$0.58</u>	<u>\$0.59</u>	<u>\$0.60</u>

An employee on this relief schedule shall not receive shift premium as provided in subparagraph 1 of this paragraph but shall have the additional compensation provided for in this subparagraph treated for pay purposes the same as shift premium.

- Article XXII, Section O.1 -- Modify as follows:

Employees in the classification of Mechanic (including Apprentice Mechanic) or higher who hold and thereafter continue to hold a valid F.A.A. Mechanic Certificate with an Airframe or Power Plant Rating (each rating considered as one (1) license) or a valid F.C.C. General Radio Telephone Operator's license (considered as one (1) license, except that those employees being paid for an F.C.C. Radio Telephone License First Class on October 31, 1981, shall continue to receive credit for two (2) licenses) shall be paid for each required license as follows:

<u>Effective</u>	<u>5/1/04</u>	<u>6/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>	<u>1/1/09</u>
1 license	<u>\$1.99</u>	<u>\$1.91</u>	<u>\$1.94</u>	<u>\$1.97</u>	<u>\$2.00</u>	<u>\$2.03</u>
2 licenses	<u>\$3.98</u>	<u>\$3.82</u>	<u>\$3.88</u>	<u>\$3.94</u>	<u>\$4.00</u>	<u>\$4.06</u>

[remainder of section remains the same]

- Article XXII, Section O.5 -- Revise to read as follows:

Employees who work in the Mechanic or related premium classifications, the Computer Technician or Lead Computer Technician or in the Metrologist classification will receive a high skill premium of \$1.33 per hour effective May 1, 2004 adjusted as follows:

<u>Effective</u>	<u>6/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>	<u>1/1/09</u>
	<u>\$1.28</u>	<u>\$1.30</u>	<u>\$1.32</u>	<u>\$1.34</u>	<u>\$1.36</u>

- Letter 84-4M -- Revise to read as attached at Exhibit F.

B. Overtime Rate

- Article VII (Overtime), Section A.1 -- Revise to read as follows:

Overtime rate of time and one-half computed on an actual minute or one one-hundredth (1/100th) of an hour basis with a minimum of one (1) hour overtime shall be paid for all work performed in excess of eight (8) hours in any one day,

for all work performed either in advance of or after regularly scheduled hours, and for all time worked on the regularly scheduled days off each work week.

- Article VII (Overtime), Section A.2 -- Delete
- Article VII (Overtime), Section A.4 -- Revise to read as follows:

The rate of straight time shall be paid for work performed by Part-time Utility Employees beyond their scheduled hours up to a maximum of forty (40) hours in a work week except that the overtime rate of time and one-half shall be paid for work in excess of eight (8) hours in a twenty-four (24) hour period

- Letter 02-3M (Ten Hour Day) -- Revise to read as attached at Exhibit H.

C. Holiday

- Article VIII -- Revise to read as follows:

A. Employees covered by this Agreement will observe the following holidays:

New Year's Day
Easter Sunday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
The Day After Thanksgiving Day
Christmas Day

Beginning on January 1, 2006, the number of Company-paid holidays at the base and on the line shall be eight, consisting of six fixed holidays and two floating holidays for all employees. The employee's Birthday and his Date of Employment as reflected on his most recent UG-100 will be observed as his two floating holidays. Fixed holidays will be the following:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

All Federal holidays listed above will be observed as designated by Federal Pronouncement except that New Year's Day will continue to be observed on January 1, and Christmas Day will continue to be observed on December 25. Employees at Maintenance Bases and Executive Offices assigned to a Monday-Friday schedule shall observe a holiday falling on Saturday on Friday and a holiday falling on Sunday on

Monday and employees at Maintenance Bases whose regular work schedule is Tuesday through Saturday will observe holidays falling on Sunday or Monday on Tuesday, and further, employees at Executive Offices and Training Centers shall observe the day designated by the Company for holiday observance at their work location. The Company will reduce the number of employees required to work on holidays to those needed to meet the requirements of its operation. If the Company expects the requirements of its operation will require employees at a location to work on a holiday, it will minimize the number of employees required to work insofar as practical by work arrangements and/or overtime prior to the holiday.

Except at Maintenance Bases, when less than the total number of employees within a work function, shift and classification who are scheduled to work are not required to work on the holiday, senior employees will be given preference to work or be off, and junior employees may be required to work. Employees who work hours other than their regular scheduled shift will be selected from the overtime list (even though it is not considered overtime work). Employees who work hours corresponding to the hours of their scheduled shift on a holiday will be charged for time and one-half. Employees who work hours other than their scheduled shift hours will be charged for time worked at the applicable rate. Employees who refuse holiday work for hours other than their regular shift will be charged in the same manner for the work offered except that no employee will be charged more than sixteen (16) straight time hours for hours refused on any one holiday.

Employees selected for holiday work in accordance with these procedures shall be notified seven (7) calendar days in advance of a holiday whether it is anticipated that their services will be required on the holiday, and notice of adjustments in planned holiday coverage required by the needs of the service will be made by the end of the employee's last shift worked prior to the holiday.

- B. 1. An employee will observe his Birthday and Date of Employment Holidays on the actual date except that the employee may observe these holidays on any other day other than another holiday after the employee has given not less than ten (10) days' notice in writing of his intention of doing so, and no other employee on the same assigned shift for that day is scheduled to observe one of these holidays. Any exceptional operating problems will be worked out on a local basis. Less than ten (10) days' notice of change may be accepted if operational requirements allow.

An employee may also observe one or both of these holidays by connecting it (them) with his scheduled vacation provided he does so at the time he selects his vacation as provided in this Agreement.

2. In the event an employee's birthday falls on February 29, March 1 shall be considered as his birthday for purposes of this Paragraph, and, if the employee's birthday falls on another of the holidays specified above, his next following work day shall be considered as his birthday.

- C. 1. A regular employee required to work on any of the holidays as observed shall be compensated at the rate of double time for all hours worked and shall receive no additional time off.
2. Regular employees in active service who do not work on the above-mentioned holidays shall be compensated for the day for eight (8) hours at the straight time rate and shall receive no additional time off.
3. Effective with the ratification date of the 2005 Mechanics' Agreement, when a holiday falls on an employee's regular day off he shall no longer have the option to move the holiday to the next scheduled work day in lieu of receiving pay as outlined above.
4. An employee who receives holiday pay will not also receive sick leave pay.
5. A regular employee who works on a holiday which is also one of his regularly scheduled days off will be compensated at the double time rate for all hours worked and, additionally, will be paid holiday pay at the straight time rate for the hours which coincide with his regularly assigned shift and are not worked. This provision shall not change the computation of overtime pay or minimum overtime guarantees in any other respect.
6. Temporary employees (not including Regular employees temporarily assigned to another Agreement-covered job or status) required to work on any of the holidays as observed shall be compensated at the straight time rate for all hours worked and shall receive no additional time off. Temporary employees who do not work on a holiday will receive no pay.

D. Sick Leave

- Article XIV (Sick Leave) -- Add a new Section H as follows:

H. Each hour of occupational or non-occupational sick leave charged to the employee's bank will be paid at seventy-five percent (75%) of the employee's hourly rate.

1. Employees whose sick leave lasts four (4) consecutive work days or more may, at their option, surrender full vacation day(s) to alleviate income loss.
2. In the event of illness or injury requiring absence of seven (7) or more consecutive scheduled work days, sick time will be paid at one hundred percent (100%) of the employee's hourly rate commencing with the eighth (8th) consecutive work day.

E. Job Security and Scope

- Article II, Section D -- Revise to read as follows:

1. Upon providing evidence to the Union of the execution of one or more service contract(s) requiring the vendor(s) to provide for Company use a total of at least \$30 million in hardware and/or software upgrades, replacements, or improvements, the Company shall have the unrestricted right to outsource all Computer Technician (CT) work systemwide and to furlough all Computer Technicians. The Company will use reasonable efforts to place furloughed Computer Technicians with the vendor(s) to which Computer Technician work is outsourced. Computer Technicians who are furloughed shall be entitled to severance and other benefits pursuant to Letter 05-1M, provided, however, that Computer Technicians who accept employment with the vendor(s) will not be eligible for benefits pursuant to Letter 05-1M.
2. The Company shall have the unrestricted right to outsource all fueling work systemwide.
3. The Company will have the unrestricted right to outsource all Utility work systemwide and to furlough all Utility employees. Utility employees who are furloughed shall be entitled to severance and other benefits pursuant to Letter 05-1M.
4. The Company may contract out the work of heavy maintenance visits (as defined by current Company practices consistent with AOP and MOP guidelines) without restriction. Additionally, the Company may contract out up to 20% of all remaining maintenance work annually as measured by the sum of the Maintenance Operations Division's gross annual budget, excluding the cost of heavy maintenance visits, plus those portions of stations' total gross annual budgets attributable to building maintenance and ground equipment maintenance, provided however this percentage may be exceeded in the event the Company has fully utilized its existing equipment or facilities.

Commencing in 2006, the Union shall be permitted to perform an annual audit for the purpose of verifying compliance with the outsourcing limits set forth in the preceding paragraph. Such audits shall begin no later than July 1 following the year to be audited. The Company shall reimburse the Union for the cost of retaining a mutually acceptable outside independent auditor to perform the audit, up to an annual maximum reimbursement by the Company of \$75,000. The Company shall provide access to documents reasonably deemed necessary by the auditor for performing the audit. Prior to gaining access to such documents, the auditor shall execute a confidentiality and non-disclosure agreement satisfactory to the Company. Reimbursement shall be made to the Union within 30 days following the Company's receipt of the auditor's final report and proper documentation of the costs incurred in preparing the report.

5. Effective with the ratification date of the 2005-2009 Mechanics' Agreement, no line aircraft mechanic shall be furloughed from any then-existing point as a direct result of the outsourcing of then-existing non-routine or routine line aircraft maintenance work performed at that point by mechanics covered under this

Agreement. The Company shall retain in full its traditional discretion to move maintenance work within the Company, provided, however, that should the Company's exercise of this discretion at a point directly result in the furlough, subsequent to ratification, of line aircraft mechanics at that point, no additional outsourcing of non-routine or routine line aircraft maintenance work shall occur at that point until any such furloughed mechanics are offered recall. This paragraph shall not apply to emergency on-call maintenance.

6. Effective with the ratification date of the 2005-2009 Mechanics' Agreement, the three "C" check lines of work currently performed by Company employees in-house at the San Francisco Maintenance Center will not be outsourced. This provision shall not apply under the following circumstances:

a. an act of nature;

b. a strike or labor dispute;

c. a reduction in the Company's operations because of a decrease in the available fuel supply or other critical materials due either to governmental action or commercial supplier being unable to meet the Company's demands;

d. a revocation of the Company's operating certificate(s), the grounding of a substantial number of the Company's aircraft by governmental action, or a significant reduction in the size of the Company's fleet or schedule beyond current levels;

e. a declared or undeclared war or national emergency;

f. compulsion by government agency or legislative or court action.

7. Effective with the ratification date of the 2005-2009 Mechanics' Agreement:

a. If the flight schedule at a hub station (ORD, SFO, DEN, IAD, LAX) as of the date of ratification is thereafter reduced by more than 25%, there shall be no additional outsourcing of ground equipment or building maintenance work at that station until recall is offered to mechanics who (i) have been furloughed at that station as the direct result of said flight schedule reductions, and (ii) have the skills and ability to perform the additional work to be outsourced.

b. The foregoing paragraph (a)

(i) shall not apply to work that the Company has traditionally outsourced, and

(ii) shall cease to apply if the flight schedule at a hub station is reduced to less than 50% of the flight schedule in effect at that station as of the date of ratification.

c. For purposes of this paragraph 7, “flight schedule” shall mean the schedules of the mainline and the LCO as defined in Article III.B.1 (currently known as “Ted”).

8. AMFA-represented employees covered under this Agreement agree to fully participate in Lean and cooperate in implementing, executing, and maintaining Lean initiatives and goals. In return for this commitment, the Company commits that effective with the ratification date of the 2005-2009 Mechanics’ Agreement, no mechanic shall be furloughed from the San Francisco Maintenance Center shops listed below as a direct result of outsourcing from those shops of maintenance work currently performed at the San Francisco Maintenance Center by mechanics covered under this Agreement: Pneumatics, Avionics, Landing Gear, APU, Engine Accessories, Engine Disassembly, Assembly and Test, Reversers, Nose Cowls and Radomes, Wire Harnesses, Heat Transfer Units, Tire Shop, Plant Maintenance, and Flight Controls. The Company shall retain in full its traditional discretion to move maintenance work within the Company.

9. AMFA will cooperate with the Company and use its best efforts in exploring and implementing effective cost savings and productivity and efficiency improvements in connection with plant, facilities, and ground equipment maintenance and Ground Communication Technician (GCT) work.

- Article II, Section F -- Revise to read as follows:

The Company shall not perform any regularly scheduled heavy maintenance, with the exception of only B777 and B747 fleets, in a non U.S. location without the Union's approval.

- Article XXI, Section I -- Revise to read as follows:

Once each calendar quarter, the Company upon request shall furnish the Union, through its Airline Contract Administration Coordinator, the names, addresses, status, effective date of any status change, locations, classifications and hourly rates for all employees covered by this Agreement as of 30 days prior to the date the list is furnished.

- Article XXII, Section Q.1.d -- Revise to read as follows:

Employees covered by this Agreement will receive the following cash incentive payments based on United’s actual performance under the annual incentive program (with linear interpolation between the performance points):

Threshold Performance: 0.5% of Wages

Target Performance: 1.0% of Wages

Maximum Performance: 2.0% of Wages

F. Effective Date and Duration

- Article XXVII -- Revise to read as follows:

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

Exhibit C
Profit Sharing

Effective Date of Profit Sharing Plan:	As of January 1, 2005 (so that the first year covered by the profit sharing plan shall be calendar year 2005).
Profit Sharing Pool:	In the event that the Company has more than \$10 million in Pre-Tax Earnings in the relevant calendar year, then 7.5% of Pre-Tax Earnings in 2005 and 2006 and 15% of Pre-Tax Earnings in each calendar year thereafter.
Pre-Tax Earnings:	UAL consolidated net income as determined in accordance with GAAP, but excluding (i) consolidated federal, state and local income tax expense (or credit); (ii) unusual, special, or nonrecurring charges, (iii) charges with respect to the grant, exercise or vesting of equity, securities or options granted to UAL and United employees, and (iv) expense associated with the profit sharing contributions.
Eligibility:	All domestic employees of UAL Corp. or United Air Lines, Inc. (including all AMFA-represented employees) who have completed one year of service as of December 31st of the year for which Pre-Tax Earnings are being measured.
Allocation:	For each eligible employee, a pro rata share of the Profit Sharing Pool for each calendar year based on the ratio of the employee's Considered Earnings for the year to the aggregate amount of Considered Earnings for all eligible employees that year.
Considered Earnings:	As currently defined in the Company's Success Sharing Plan (i.e., base pay, overtime, holiday pay, longevity pay, sick pay, vacation pay, shift differential, premiums, pre-tax contributions to a 401(k) plan, pre-tax medical plan contributions, and flexible spending account contributions but not expense reimbursement, incentive or profit sharing payments, imputed income or other similar awards or allowances) for that portion of the calendar year for which the employee was eligible to participate.
Payment Date:	By no later than April 30th of the following year.

Distribution:	In cash.
Relationship to Other Programs:	Incremental to the Success Sharing Plan; in lieu of the existing profit sharing plan described in Article XXII of the 2003 Mechanics' Agreement.
Documentation:	Implementing documentation reasonably acceptable to the Union.
Duration:	Continuing unless and until terminated in a future Mechanics' collective bargaining agreement.

Exhibit D
Amended Distribution Agreement

1. Section 2 of Attachment D to the 2003 Restructuring Agreement Amendment amending the Mechanics' Agreement (the "Distribution Agreement") is hereby amended to read in its entirety as follows:

In consideration for the mechanic contract revisions under the Section 1113 Restructuring Agreement reached between UAL, the Company, and the Union effective May 1, 2003 (the "2003 Restructuring Agreement"), which modifies the parties' 2000 collective bargaining agreement ("2000 Agreement"), and in consideration of the AMFA contract revisions under the revisions to the 2003 Mechanics' Agreement effective in 2005 (the "Revised 2003 Mechanics' Agreement"), any plan of reorganization proposed or supported by UAL and the Company as proposed and/or amended from time to time (the "Plan"), shall provide that, on or as soon as reasonably practicable after the effective date of such Plan, the mechanic group will receive a percentage distribution of the equity, securities and/or other consideration provided to general unsecured creditors under the Plan (the "Distribution") calculated by the following formula:

$A/(A+B)$, where:

A is the sum of (i) \$864,293,956, representing the dollar value of 30 months of average cost reductions under the 2003 Restructuring Agreement as reasonably measured under Labor Model 1.1A FINAL¹, and (ii) \$159,234,343, representing the dollar value of 20 months of average cost reductions under the Revised 2003 Mechanics' Agreement as reasonably measured by the Final 2004 Labor Model (the "AMFA Amount"); and

B is the total amount of all other allowed prepetition general unsecured claims against the Debtors (UAL and its 27 debtor subsidiaries).

2. Section 3 of the Distribution Agreement is hereby amended to read in its entirety as follows:

In the event the other employees of the Company receive a Distribution in excess of 20 months of average cost reductions (as measured by the Final 2004 Labor Model) in connection with the 2005 labor cost reductions (the "Other Employee Distribution"), the \$159,234,343 amount described in paragraph 2 of this Distribution Agreement shall instead be the product of (x) \$159,234,343 and (y) a fraction, the numerator of which is the actual amount of the Other Employee Distribution, and the denominator of which is 20 months of average cost reductions (as measured by the Final 2004 Labor Model) for all other employees

3. Section 5 of the Distribution Agreement is hereby amended to read in its entirety as follows:

¹ Including subsequent analysis and communication to account for AMFA/IAM split.

Following approval of the Distribution Agreement, and prior to the effective date of the Plan, AMFA (in consultation with the Company) will develop a reasonable method for allocating the Distribution or Alternative Distribution as applicable (which allocation will distribute all of the Distribution or Alternative Distribution to the AMFA members). The Company (in consultation with AMFA) will develop and implement a mechanism and timetable for issuing the Distribution or Alternative Distribution to the AMFA members which would take into account tax, legal, corporate liquidity and securities concerns as well as practical considerations.

4. Except as revised in the preceding paragraphs, the Distribution Agreement shall remain unchanged and in full force and effect.

Exhibit E
Fees and Expenses

1. United shall reimburse AMFA for the reasonable, actual fees and out-of-pocket expenses incurred by AMFA in connection with the review, design, negotiation, approval, effective ratification, and execution of the Letter of Agreement (its “Expenses”) including:

a. reasonable base wages lost by United AMFA representatives in connection with meetings called for the purpose of negotiating, reviewing, approving or ratifying the agreed Term Sheet and this Letter of Agreement; and

b. the reasonable, actual fees and expenses of AMFA’s outside legal, pension, and other professional advisors (in each case based on normal hourly rates for actual time expended)

up to a maximum, aggregate total of \$1 million. Of the total reimbursement for Expenses, \$500,000 shall be paid on the Effective Date as defined in the agreed Letter of Agreement, and the remaining \$500,000 will be paid on the Exit Date.

2. The Company shall seek judicial approval for its obligations under this Exhibit E at the same time that it seeks judicial approval of the agreed Letter of Agreement.

3. The parties acknowledge and agree that the Company’s agreement to reimburse AMFA for fees and expenses under this Letter of Agreement is a result of the special collective bargaining circumstances created by the parties’ desire to negotiate modifications to the Mechanics’ Agreement as part of the Company’s bankruptcy reorganization.

Exhibit F

Letter 84-4M
July 5, 1984
Revised May 1, 2003
Revised May ____, 2005

Mr. Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association
1150 Bayhill Drive Suite 121
San Bruno, CA 94066

Dear Jim:

This letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company with respect to the Hawaiian Differential for all active full-time and part-time employees working in Hawaii.

Such employees will have the differential set forth below added to the rate of pay for each classification in the Schedule A wage scale.

Hawaii Differential

MECHANICS AGREEMENT

	<u>05/01/04</u>	<u>6/1/05</u>	<u>01/01/06</u>	<u>01/01/07</u>	<u>01/01/08</u>	<u>01/01/09</u>
Lead Mechanic	<u>\$2.16</u>	<u>\$2.08</u>	<u>\$2.11</u>	<u>\$2.14</u>	<u>\$2.17</u>	<u>\$2.20</u>
Aircraft Inspector	<u>\$2.16</u>	<u>\$2.08</u>	<u>\$2.11</u>	<u>\$2.14</u>	<u>\$2.17</u>	<u>\$2.20</u>
Mechanic	<u>\$1.68</u>	<u>\$1.61</u>	<u>\$1.63</u>	<u>\$1.65</u>	<u>\$1.67</u>	<u>\$1.70</u>
Lead Computer Technician	<u>\$374</u>	<u>\$359</u>	<u>\$364</u>	<u>\$369</u>	<u>\$375</u>	<u>\$381</u>
Computer Technician	<u>\$293</u>	<u>\$282</u>	<u>\$286</u>	<u>\$290</u>	<u>\$294</u>	<u>\$298</u>
Lead Utility Employee	<u>\$1.12</u>	<u>\$1.08</u>	<u>\$1.10</u>	<u>\$1.12</u>	<u>\$1.14</u>	<u>\$1.16</u>
Utility Employee	<u>\$1.07</u>	<u>\$1.03</u>	<u>\$1.05</u>	<u>\$1.07</u>	<u>\$1.09</u>	<u>\$1.11</u>

Sincerely,

Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
___ day of May, 2005

Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

O.V. Delle Femine
National Director
Aircraft Mechanics Fraternal Association

Exhibit G

Letter 05-1M
May __, 2005
(new)

Mr. Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association
1150 Bayhill Drive Suite 121
San Bruno, CA 94066

Dear Jim:

This letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company with respect to severance and other benefits for Utility employees and Computer Technicians furloughed due to outsourcing.

1. A Computer Technician or Utility employee who was on the payroll or on leave of absence as of the effective Date of the 2005-2009 Mechanics' Agreement shall be a "Covered Employee" and entitled to enhanced separation benefits in accordance with the terms set forth below.

2. During the term of the 2005-2009 Mechanics' Agreement, in the event the Company outsources Computer Technician or Utility work, a Covered Employee who is involuntarily furloughed as the result of such outsourcing will be entitled to the normal benefits and provisions of the Agreement or may elect the following option:

a. Employees who are involuntarily furloughed may elect to sever their employment relationship with the Company, by resignation or by retirement (if eligible) and thereby forfeit all of their recall rights under the Agreement, and;

b. Employees who sever their employment relationship in accordance with Subparagraph 2(a) above will receive severance pay and benefits in accordance with the Agreement but in an amount as follows:

(i) Insurance Benefits established in Article XXIV, Paragraph A-5 will be provided as follows:

<u>Years of Service</u>	<u>Total Benefits Provided</u>
Less than 5 years	4 months
5 years but less than 10 years	6 months
10 years but less than 15 years	9 months
15 or more years	12 months

(ii) The amount of severance pay will be two times the severance allowance provided in Article XXIII, paragraph B.

(iii) Employees and eligible dependents will be eligible for five (5) years of unlimited space-available travel following separation, as follows:

(a) for the first two (2) years following separation, unlimited space-available travel. Employee will be responsible for all applicable service charges, taxes and fees. Service charges will be set by the Company using a formula designed to recover the cost of providing NRSA travel to an individual, and can be changed - either in amount or approach – at the Company’s discretion. This is the approach and methodology that is in place today for active employees.

(b) for the following three (3) years, unlimited space-available travel. Employee will be responsible for all applicable service charges, taxes (including taxes assessed on the imputed income arising from the assessed value of the travel) and fees. Service charges will be set by the Company using a formula designed to recover the cost of providing NRSA travel to an individual, and can be changed - either in amount or approach – at the Company’s discretion. Furthermore, the value of the travel will be considered income (i.e., the employee shall be issued a W-2 on the imputed value of the travel) and all applicable Federal, State, FICA, and local taxes must also be paid to the Company. This is the approach and methodology that is in place today for domestic partners of active employees.

c. An employee who retires pursuant to Paragraph 2 (a) and who accepts benefits pursuant to Paragraph 2(b) will be considered to have retired from active service. Employees who are eligible for Retiree Medical Insurance in accordance with Article XXIV, Paragraph E, will not also qualify for Insurance coverage under 2.b.(i), above.

3. Covered Employees (Computer Technicians or Utility employees) who have been selected for involuntary furlough and who do not meet retirement age eligibility requirement on their date of furlough but will meet that requirement within three (3) years of their furlough date may elect to be placed on a Special Leave of Absence equal to the number of months from their furlough date until they satisfy the age requirement for retirement eligibility. This Special Leave of Absence may not exceed thirty-six (36) months from the date of furlough. On the last day of the month in which they meet the age eligibility requirement for retirement, their Special Leave of Absence would end, and employees must then retire.

a. Employees who elect this Special Leave of Absence in lieu of layoff are not eligible to receive any severance pay.

b. Employees will not be eligible for re-employment by United during the Special Leave of Absence.

c. The Special Leave of Absence must end on the last day of the month in which the employees would meet the eligibility requirements for retirement.

d. Employees may accept other outside employment while on a Special Leave of Absence.

e. Employees on Special Leave of Absence are eligible for medical, dental, company-paid life insurance and on-line travel benefits on the same basis as active employees.

f. Employees on this Special Leave of Absence must retire once they have met the age and service requirements for retirement. Seniority accrues for the entire duration of the leave. Employees will not receive participation credit for pension benefit calculation purposes during the Special Leave of Absence.

g. Employees who are interested in this option must identify themselves by returning a form to their manager or supervisor within five (5) business days of when they are informed of their furlough. Once an employee submits a request for this option, he or she may not withdraw his or her election.

4. The Company will use reasonable efforts to place furloughed Computer Technicians with the vendor(s) to which Computer Technician work is outsourced. Employees who accept such employment will not be eligible for the benefits described herein.

5. The foregoing provisions of this Letter of Agreement do not apply under the following circumstances:

- a. to temporary employees;
- b. to employees who are being laid-off as a direct result of:
 - (i) an act of nature;
 - (ii) a strike or labor dispute;
 - (iii) a reduction of the Company's operations because of a decrease in available fuel supply or other critical materials due to either governmental action or commercial supplier being unable to meet the Company's demands;
 - (iv) a revocation of the Company's operating certificate(s) or the grounding of a substantial number of the Company's aircraft by government action;
 - (v) a declared or undeclared war or national emergency;
 - (vi) compulsion by a government agency, legislative or court action.

Sincerely,

Peter B. Kain

Vice President - Labor Relations

Accepted and Agreed to this
___ day of May, 2005

Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

O.V. Delle Femine
National Director
Aircraft Mechanics Fraternal Association

Exhibit H
Letter 02-03M

Revised, July 14, 2004
Revised May __, 2005

Jim Seitz
AMFA-UA Airline Contract Administration Coordinator
1250 Bayhill Drive, Suite 201
San Bruno, CA 94066

Dear Jim:

The Company and the Union have recognized that there are certain provisions of Letter 02-03 that are so restrictive as to render it unworkable. To that end, we have agreed that it is in our mutual best interest to recognize that productivity, performance and quality of work-life can be consistently recognized across the system.

“At the option of the Company, management may offer a modification to the standard work week in a work area or shift. Such modification may consist of four (4) ten (10) hour work days, in a work week as defined in Article VI. All regular days off will be scheduled consecutively”.

In order to increase the viability of the four (4) day, ten (10) hour schedule, the following has been agreed upon:

- After implementation, productivity and performance standards of a station or work group will be reviewed every ninety (90) days on mandatory basis between the Company and Local AMFA representatives. AMFA and the Company agree to cooperate to insure the continued viability of the local ten-hour schedule. The continuation of a four (4) day, ten (10) hour schedule will be based upon maintenance schedules and/or the Company’s business requirements. Should it become necessary to cancel the (4) day 10 (ten) hour schedule a minimum of 10 (ten) days notice will be provided; if practical to do so, greater notice shall be provided.
- Upon membership ratification, this Letter of Agreement will supersede all local Letters of Agreement currently in effect regarding 10 (ten) hour schedule.
- All employees in a work area on a four (4) day, ten (10) hour shift will have the same shift starting time.
- A lead mechanic may be required to lead and direct employees in addition to his own work group for a period not to exceed two (2) hours in order to accommodate employees on the four (4) day, ten (10) hour shift, without restriction of the normal lead to mechanic ratio defined in Article V, Paragraph A.

- The four (4) day, ten (10) hour shifts will be scheduled in order to provide for level staffing within the location.
- Assignment to a four (4) day, ten hour (10) shift will be governed by seniority in accordance with Article X, Paragraphs B and P.
- Overtime, holiday, vacation and training will be paid in accordance with the Agreement as follows:
 1. Overtime rate of time and one-half computed on an actual minute or one-hundredth (1/100th) of an hour basis with a minimum of one (1) hour overtime shall be paid for all work performed in excess of ten (10) hours in any one day, for all work performed either in advance of or after regularly scheduled hours, and for all time worked on one of the three (3) regularly scheduled days off each work week.
 2. Ten (10) hours of sick leave pay and vacation pay will be granted for a full scheduled day absence due to illness or vacation.
 - Each hour of occupational or non-occupational sick leave charged to the employee's bank will be paid at seventy-five percent (75%) of the employee's hourly rate.
 - a. Employees whose sick leave lasts 40 consecutive work hours or more may, at their option, surrender full vacation day(s) to alleviate income loss.
 - b. In the event of illness or injury requiring absence of 56 consecutive work hours or more, sick time will be paid at one hundred percent (100%) of the employee's hourly rate commencing with the 57th consecutive work hour.
 3. Holiday pay shall be:
 - Ten hours for a normal scheduled day if the holiday is worked.
 - Ten hours for a scheduled day which is not worked.
 - Eight hours on a scheduled day off.
 4. Employees assigned to training will follow the schedule employed at the training location. This will usually require reverting to a five day, eight hour schedule. Normal pay rules will apply while so assigned.
 - The Company will continue to determine whether a ten-hour shift schedule will be offered in a work group and implementation of such schedule will only be with the concurrence of the Local Committee.

It is anticipated that, with the adjustments noted above, the four (4) day, ten (10) hour shift schedule will become productive and will remain an integral part of our scheduling process.

Sincerely,

Alan R. Koehler
Director Labor Relations

Accepted and Agreed to this ____ day of _____, 2005

Louie Key, AMFA Region I Director

Jim Seitz, AMFA-UA ACAC

Exhibit I

Base Contributions: 4%

Additional Transition Contributions: Average 1% of Pay

<u>Points</u>	<u>Mechanics</u>	<u>Utility</u>
25	0.00%	0.00%
26	0.00%	0.00%
27	0.00%	0.00%
28	0.00%	0.00%
29	0.00%	0.00%
30	0.15%	0.20%
31	0.15%	0.20%
32	0.15%	0.20%
33	0.15%	0.20%
34	0.15%	0.20%
35	0.20%	0.30%
36	0.20%	0.30%
37	0.20%	0.30%
38	0.20%	0.30%
39	0.20%	0.30%
40	0.25%	0.40%
41	0.25%	0.40%
42	0.25%	0.40%
43	0.25%	0.40%
44	0.25%	0.40%
45	0.30%	0.45%
46	0.30%	0.45%
47	0.30%	0.45%
48	0.30%	0.45%
49	0.30%	0.45%
50	0.40%	0.55%
51	0.40%	0.55%
52	0.45%	0.65%
53	0.45%	0.65%
54	0.50%	0.75%
55	0.50%	0.75%
56	0.55%	0.85%
57	0.55%	0.85%
58	0.65%	0.95%
59	0.65%	0.95%
60	0.70%	1.05%
61	0.75%	1.15%
62	0.80%	1.20%
63	0.90%	1.30%
64	0.95%	1.40%

65	1.00%	1.50%
66	1.05%	1.60%
67	1.15%	1.70%
68	1.20%	1.80%
69	1.25%	1.90%
70	1.30%	1.95%
71	1.40%	2.05%
72	1.45%	2.15%
73	1.50%	2.25%
74	1.55%	2.35%
75	1.65%	2.45%
76	1.70%	2.55%
77	1.75%	2.65%
78	1.80%	2.70%
79	1.90%	2.80%
80	1.95%	2.90%
81	2.00%	3.00%
82	2.05%	3.10%
83	2.15%	3.20%
84	2.20%	3.30%
85+	2.25%	3.40%

Exhibit J
Convertible Notes

Issuer:	Reorganized UAL Corp.
Guarantor:	United Air Lines, Inc.
Issue:	[__]% ¹ Senior Subordinated Convertible Notes Due 2021 (the “Notes”) to be issued no later than 180 days following the Exit Date (the “Issuance Date”).
Initial Holder:	A trust or similar non-permanent vehicle for the benefit of eligible United employees represented by AMFA; the Notes or the value of the Notes to be distributed to such employees or their retirement accounts as soon as reasonably practicable given tax, accounting, securities and market considerations; all rights of the Notes to be exercised by individual employees while the notes remain in the trust. Distribution mechanics, eligibility and allocation among such employees to be reasonably determined by AMFA.
Principal Amount:	\$40,000,000 in denominations of \$1,000.
Term:	15 years from the Issuance Date.
Amortization:	None prior to maturity; full principal to be repaid at the maturity date except to the extent converted or prepaid.
Interest Rate:	Semi-annually in arrears, in cash, at an annual rate of [__]% ¹ ; provided, however, that (i) the first full year of interest from the Issuance Date may be paid in cash or in kind at the option of the Issuer; (ii) if such interest is paid in kind, it will be in Common Stock, but only to the extent there exists Common Stock that is exempt from registration under 11 U.S.C. § 1145; and (iii) if such interest is paid in kind, it shall be delivered to the Holders under applicable market terms at issuance for public convertible debt securities of this type (e.g., any notice period and stock payment premium).
Security:	None.
Ranking:	Junior to the Reorganized UAL exit facility, customary secured

¹ .The parties shall work together to set an interest rate for the Notes no later than thirty (30) days prior to the Issuance Date which shall ensure that the Notes will trade at par value or better on Issuance (the “Par Value Interest Rate”). Failing agreement on the Par Value Interest Rate, the parties shall solicit rate recommendation from two national trading firms and shall adopt the average of the two suggested rates

	indebtedness, indebtedness contemplated under a plan of reorganization, and other mutually agreed-upon indebtedness; pari passu to all current and future UAL or United Airlines senior unsecured debt; senior to all current and future subordinated debt.
Conversion Rights	The Holder may convert any number of the Notes into the Issuer's common stock (the "Common Stock"), at any time, at the Conversion Price.
Conversion Price:	The product of (x) 125% and (y) the average closing price of the Common Stock for the sixty consecutive trading days following the Exit Date.
Transferability:	To the greatest extent feasible under applicable law, the Notes and the Common Stock shall be issued under 11 U.S.C. §1145, and the Notes and the Common Stock into which they shall be convertible shall be freely transferable by the Holders without registration under the Securities Act of 1933.
Common Stock:	When delivered, the Common Stock into which Notes may convert shall be fully paid and non-assessable. Issuer shall use its best efforts to list the Common Stock on a national stock exchange or NASDAQ prior to the Issuance Date.
Call Rights:	No call for five years from the Issuance Date; thereafter, callable in cash or Common Stock if the Common Stock has traded at no less than 125% of the Conversion Price for the sixty (60) consecutive trading days prior to the call date.
Put Rights:	Soft put right on the fifth and tenth anniversary of the Issuance Date for all principal and accrued interest as of such date; payable in cash or shares of Common Stock.
Mandatory Prepayments:	Mandatory prepayment upon a "fundamental change" with a customary make whole premium, if any, for public convertible debt securities of this type; no prepayment obligations for mergers in which the Issuer is the surviving entity; no make whole premium in other mergers.
Anti-Dilution Protections:	The Conversion Price will be subject to customary anti-dilution adjustments, ² including upon (i) stock or extraordinary cash dividends, (ii) reclassifications, subdivisions or combinations of the Common Stock, (iii) the issuance of rights or warrants to all holders of Common Stock convertible into or exercisable for Common Stock

² Anti-dilution adjustments shall not be applicable to securities issued or assets distributed under the Plan of Reorganization.

	at less than the then-current market price, (iv) distribution of the capital stock of an Issuer subsidiary to holders of the Common Stock and (v) any other distributions of assets by the Issuer to holders of the Common Stock.
Mergers and Business Combinations:	The Notes will enjoy customary adjustments and protections in the event the Common Stock is converted into, reclassified into or exchanged for cash, other assets or securities.
Other Terms and Conditions:	The Notes are intended to be public market securities and to trade at par value. The documentation of the Notes shall include such other terms and conditions as are customarily found in public market convertible securities of this type.
Implementation:	Implementing documentation reasonably acceptable to AMFA and the Company.
Distribution:	AMFA and the Company will coordinate any distribution of the Notes so that such distribution does not unreasonably interfere with capital markets activities of UAL or the Company.

Exhibit K

Letter 05-2M
May __, 2005
(new)

Mr. Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association
1150 Bayhill Drive Suite 121
San Bruno, CA 94066

Dear Jim:

This letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company on the subjects addressed below.

1. Indemnification.

UAL and the Company (collectively, "United") hereby indemnify and hold harmless AMFA, its members, officers, committee members, agents, employees, counsel, financial advisors and representatives (each, an "Indemnified Person") from any and all losses, damages, fines, penalties, taxes, expenses, claims, lawsuits, or administrative charges of any sort whatsoever (including reasonable attorney's fees and costs arising in connection with the investigation and defense of any such matter) relating to, concerning or connected with the negotiation or implementation of this Letter of Agreement (any such event, a "Claim"), except to the extent that a Claim against an Indemnified Person is finally determined by a court of competent jurisdiction to have resulted from the gross negligence, fraud or willful misconduct of such Indemnified Person.

2. Indemnification Procedure.

a. An Indemnified Person must give prompt notice to the Company of the facts and circumstances that may constitute a Claim under this Indemnity Agreement; provided, however, that any delay by an Indemnified Person in giving such notice shall not relieve United of its obligations under this Indemnity Agreement except to the extent that such delay causes material damage or prejudice to United.

b. United shall be entitled to participate in judicial, administrative proceeding concerning an actual or potential Claim (an "Action") and, upon ten (10) days notice to the applicable Indemnified Person, may assume the defense of such Claim with counsel reasonably satisfactory to the Indemnified Person. Following any assumption of the defense of an Action by United, United shall not be liable for any subsequent fees of legal counsel or other expenses incurred by the Indemnified Person in connection with the defense of such Action, subject to reimbursement for actual out-of-pocket expenses incurred by the Indemnified Person as the result of a request for cooperation or assistance by United; provided, however, that if, in the reasonable opinion of outside counsel to the Indemnified Person, there exists an actual, material conflict of interest

between the United and the Indemnified Person, United shall be liable for the legal fees and expenses of separate counsel to the Indemnified Person; provided, further, that the Indemnified Person shall have the right to participate in the defense of an Action with its own counsel at its own expense.

c. No compromise or settlement of any Action shall be binding on United for purposes of United's obligations under this Indemnity Agreement without United's express written consent, which consent shall not be unreasonably withheld. United shall not compromise or settle any Action or otherwise admit to any liability for any Claim on a basis that would reasonably be expected to adversely affect the future activity or conduct of the Indemnified Person without the prior written consent of the Indemnified Person, which consent shall not be unreasonably withheld.

d. In the event United assumes the defense of any Action under this Indemnity Agreement, United shall (i) keep the AMFA and the applicable Indemnified Person informed of material developments in the Action, (ii) promptly provide AMFA and such Indemnified Person with copies of all pleadings, responsive pleadings, motions and other similar legal documents and papers received in connection with the Action, (iii) permit AMFA and such Indemnified Person and their counsel, to the extent practicable, to confer on the defense of the Action, and (iv) permit AMFA and such Indemnified Person and their counsel, to the extent practicable, an opportunity to review all legal papers to be submitted prior to their submission. The parties shall provide to each others such assistance as may be reasonably required to insure the proper and adequate defense of the Action, and each party shall use its good faith efforts and cooperate with each other party to avoid the waiver of any privilege of another party.

3. Plan of Reorganization; Survival.

This indemnity agreement shall be assumed under the Plan of Reorganization and shall continue in full force and effect thereafter without regard to the terms of Section XXVII of the 2005 Mechanics' Agreement.

Sincerely,

Peter B. Kain
Vice President - Labor Relations

Accepted and Agreed to this
___ day of May, 2005

Jim Seitz
Airline Contract Administration Coordinator
Aircraft Mechanics Fraternal Association

O.V. Delle Femine
National Director
Aircraft Mechanics Fraternal Association