

January 7, 2005

Mr. Gregory E. Davidowitch, President
 UA/AFA Master Executive Council
 Association of Flight Attendants
 1 O'Hare Center
 6250 North River Road, Suite 4020
 Rosemont, IL 60018

Re: Distribution Agreement

Dear Mr. Davidowitch:

This will confirm the agreement between the Company and the Association of Flight Attendants during the recent 1113(c) negotiations regarding the Distribution Agreement, Attachment F to the parties' 2005-2010 Restructuring Agreement. The parties have agreed as follows:

1. UAL, the Company, and AFA are committed to the principle that the employees represented by AFA should receive equity, securities, and/or other consideration under a plan of reorganization in an amount that fairly reflects the value of the AFA members' contribution to the reorganization of UAL and the Company.
2. In consideration for the Flight Attendant contract revisions under the Section 1113(c) Restructuring Agreement reached between UAL, the Company, and AFA-CWA effective May 1, 2003 (the "2003 Restructuring Agreement"), which modifies the parties' 1996 collective bargaining agreement ("1996 Agreement"), and in consideration of the Flight Attendant contract revisions under the revisions to the 2003 Flight Attendant Agreement effective in 2005 (the "2005 - 2010 Flight Attendant 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 Flight Attendant 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) \$775,995,145, representing the dollar value of 30 months of average cost reductions under the 2003 Restructuring Agreement as reasonably measured under Labor Model 1.1A FINAL, and (ii) \$216,667,000 - representing the dollar value of 20 months of average cost reductions under the 2005 - 2010 Flight Attendant Agreement as reasonably measured by the Final 2004 Labor Model (the "AFA Amount"); and

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

3. 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 \$216,667,000 amount described in paragraph 2 of this Distribution Agreement shall instead equal the product of (x) \$216,667,000 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.
4. If, for any reason, a confirmed plan of reorganization in UAL or the Company's Chapter 11 cases does not provide for both the Distribution and the Allocation, then the Association of Flight Attendants on behalf of the AFA members will be entitled to a stipulated and allowed nonpriority prepetition general unsecured claim equal to 110% of the AFA Amount (the "Alternative Distribution"). This Distribution Agreement in no way converts any such claim into an administrative claim or any other claim with priority superior to a prepetition general unsecured claim. AFA agrees that it will neither assert, support, nor solicit any assertion in any proceeding before the Bankruptcy Court or any other tribunal that any claims allegedly arising from this Distribution Agreement constitute administrative claims (or any other claims with priority superior to a prepetition general unsecured claim) under Sections 503, 507 or any other Section of the Bankruptcy Code.
5. Following approval of the Distribution Agreement, and prior to the effective date of the Plan, AFA (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 AFA members). The

Company (in consultation with AFA) will develop and implement a mechanism and timetable for issuing the Distribution or Alternative Distribution to the AFA members, which would take into account tax, legal, corporate liquidity and securities concerns as well as practical considerations.

6. The equities, securities and other consideration provided for, received and to be received under this Distribution Agreement and the other consideration provided for, received and to be received under this Restructuring Agreement, will be the sole and exclusive remedy for AFA for a claim arising under the bankruptcy code with respect to the modifications made to the 1996-2001 and 2001-2006 Collective Bargaining Agreement by the 2003-2009 Restructuring Agreement and the 2005-2010 Agreement.

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Vice President, Labor Relations

Accepted and agreed to this 10th day
of January, 2005.

Patricia Friend, International President
Association of Flight Attendants-CWA

Gregory E. Davidowitch, President
United Master Executive Council

October 2, 1997

Mr. Kevin D. Lum, President
UAL/AFA Master Executive Council
Association of Flight Attendants
6400 Shafer Court, Suite 250
Rosemont, IL 60018

Dear Mr. Lum:

During the course of discussions leading to the 1996-2001 and 2001-2006 Agreement, the Company and the Union agreed that priority would be given to providing a legal rest equal to, or greater than, those Domestic duty periods which exceed ten hours and thirty minutes (10:30), consistent with current practice.

Sincerely,

/s/ Sara Fields
Sara Fields
Senior Vice President
Onboard Service