AGREEMENT
Between
UAL CORPORATION, UNITED AIR LINES, INC., and the other
DEBTORS AND DEBTORS-IN-POSSESSION IN CASE No. 02-B-48191
and the
AUTHORIZED REPRESENTATIVES OF INDIVIDUALS WHO RETIRED FROM THE SERVICE OF UNITED AIR LINES, INC. BEFORE JULY 1, 2003 FROM A CLASSIFICATION THAT IS CURRENTLY COVERED BY THE FLIGHT ATTENDANTS AGREEMENT, DISPATCHERS' AGREEMENT, METEOROLOGISTS AGREEMENT, PUBLIC CONTACT EMPLOYEES' AGREEMENT, PILOTS' AGREEMENT, RAMP AND STORES AGREEMENT, SECURITY OFFICERS' AGREEMENT, FOOD SERVICES AGREEMENT, FLEET TECHNICAL INSTRUCTORS AGREEMENT, MAINTENANCE INSTRUCTORS AGREEMENT, AND INDIVIDUALS WHO RETIRED FROM A SALARIED OR MANAGEMENT CLASSIFICATION THAT IS NOT CURRENTLY REPRESENTED BY A UNION, AND WHO RETIRED FROM A CLASSIFICATION THAT IS CURRENTLY REPRESENTED BY THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS

THIS AGREEMENT is made and entered into in accordance with 11 U.S.C. §1114 by and between UAL CORPORATION, UNITED AIR LINES, INC., and the other DEBTORS AND DEBTORS-IN-POSSESSION (hereinafter referred to as "United") and the retiree group consisting of the Association of Flight Attendants – CWA, AFL-CIO, International Association of Machinists and Aerospace Workers, AFL-CIO, International Federation of Professional and Technical Engineers ("IFPTE"), Pilot Section 1114 Committee, Professional Airline Flight Control Association, Transport Workers Union of America, AFL-CIO, and Salaried and Management Section 1114 Committee (hereinafter referred to as "Retiree Coalition") on behalf of individuals who retired from United Air Lines, Inc. before July 1, 2003 from a classification that is currently covered by the Pilots', Flight Attendants, Ramp and Stores, Public Contact Employees', Food Services, Security Officers', Fleet Technical Instructors, Maintenance Instructors, Flight Dispatchers', and Meteorologists Agreements, and from a Salaried or Management classification that is not currently represented by a union, and a classification currently represented by the IFPTE ("Retiree Coalition Current Retirees").

WHEREAS, United has made a proposal to the Retiree Coalition to modify retiree benefits for all individuals who retired from United before July 1, 2003 who are Retiree Coalition Current Retirees; and

WHEREAS, United and the Retiree Coalition have engaged in good faith negotiations over the proposed modifications to retiree life and medical benefits for Retiree Coalition Current Retirees; and

WHEREAS, the Retiree Coalition and United have reached a consensual agreement on the terms and conditions of modifications to retiree life and medical benefits for Retiree Coalition Current Retirees;

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

1. The Parties agree that Retiree Coalition Current Retirees will be offered retiree medical benefits in accordance with Attachment A. An open enrollment will be offered to Retiree Coalition Current Retirees, with an effective date of September 1, 2004, or as soon thereafter as is administratively practical. Any covered expenses incurred in 2004 before the effective date, which were applied to the deductibles or out-of-pocket limits, will be applied to meet the 2004 deductibles and out-of-pocket limits of the Medical PPO.

2. The total projected costs of the pre-Medicare Medical PPO for any calendar year will be determined based on data for all company active employees and pre-Medicare retirees including Retiree Coalition Current Retirees. The projected costs for Retiree Coalition Current Retirees will be determined utilizing the same methodology as for future pre-Medicare retirees, except that the experience for any participants who are covered by prescription drug benefits that have co-payments that increase from year to year will be adjusted to reflect the experience as if the prescription drug co-payments were frozen at the $16/$48 level (the "Pre-Medicare Plan Cost"). The resulting premium equivalent rate will be used, as applicable, to determine Retiree Coalition Current Retirees monthly contribution amounts, COBRA rates, etc..

3. The total projected costs of the post-Medicare PPO option and any other post-Medicare options (excluding HMOs) offered by United will be determined as described in paragraph 2 above, except that only the experience for current and future post-Medicare retirees will be used (the "Post-Medicare Plan Costs").

4. Each Retiree Coalition Current Retiree shall continue to pay monthly contributions for medical benefits in accordance with the retiree contribution provisions currently applicable to the retiree in the absence of the changes contained in this Agreement (the "Base Contribution"). The Base Contribution shall, to the extent it is not a fixed rate, continue to vary according to the retiree contribution provisions referred to above utilizing the Pre-Medicare Plan Costs or Post-Medicare Plan costs, as applicable. Each Retiree Coalition Current Retiree and each surviving spouse shall also pay an additional contribution toward the cost of retiree medical benefit coverage ("Surcharges") as described in Attachment B. The Surcharges shall be subject to a two-person maximum per family and will be applied to coverage for the retiree, spouse, domestic partner, and surviving spouse, but not dependent children. Beginning in 2011, the Surcharges for both pre- and post-Medicare participants shall increase consistent with the percentage increase in Pre-Medicare Plan Costs or Post-Medicare Plan Costs, as applicable, but not to exceed 4.5% annually. Beginning in 2011, Base Contributions for pre- and post-Medicare Retiree Coalition Current Retirees that are expressed as a percent of Pre-Medicare Plan Costs or Post-Medicare Plan

Costs shall escalate with the percentage increase in total Pre-Medicare Plan Costs or Post-Medicare Plan Costs, as applicable, but subject to an annual limit of 4.5%.

5. The Parties hereto have agreed to terminate the retiree life insurance benefits of those Retiree Coalition Current Retirees who are enrolled in the current retiree medical plans on July 1, 2004 (the "Participants"). The termination shall be effective January 1, 2005 but shall be subject to the following conditions being satisfied (the "Termination Conditions"): (i) United has complied with the procedures set forth in this paragraph 5; (ii) the amount of Allocated Funds (as defined in 5(a) below) has been finally determined pursuant to the procedures set forth in paragraph 5(a) and (b) herein; (iii) United has received the approval of the Bankruptcy Court, and if necessary, the Internal Revenue Service or other governmental agency that claims jurisdiction, to use the funds in the Deposit Administration Fund (DAF) to pay for retiree medical benefits and such approvals are final and no longer subject to further review on appeal; and (iv) the Retiree Coalition has not elected to reinstate life insurance benefits in accordance with the procedures set forth in paragraph 5(d). The date on which all such conditions are met shall be the "Final Approval Date". United's obligation to pay the death benefits to the beneficiaries of any Participant who dies after January 1, 2005 but before such conditions are met, shall be suspended and no amounts shall be due to such Participant's beneficiaries unless it is subsequently determined that the retiree life insurance benefits shall be reinstated. In the event that the life insurance benefits are reinstated retroactively to January 1, 2005, United shall retroactively pay such death benefits, without interest, to each such Participant's beneficiaries.

(a) Determination of Allocated Funds

The assets in the DAF, which funds the United Retiree Life benefit, will be allocated into two amounts. The allocation will be based on the retiree life benefit Expected Postretirement Benefit Obligation ("EPBO") for two populations. The EPBO will be determined using the same actuarial assumptions with the exception of the discount rate, as those used in United's post retirement benefit plans December 31, 2003 year-end disclosures. The discount rate used in this calculation will be the expected rate of return on assets shown in these same year-end disclosures. The first population will be the Retiree Coalition Current Retirees who are Participants. The second population will include retirees who retired on or after July 1, 2003, other current retirees who are not included in the first population, and all active employees. The allocation of the DAF for Participants will be the EPBO of the first population (assuming their life benefits were not terminated on January 1, 2005) divided by the total EPBO (for both the first and second population) multiplied by the market value of the assets of the DAF (the "Preliminary Allocated Funds"). Both the EPBO and the DAF will be measured as of July 1, 2004. The Preliminary Allocated Funds will be reduced by any adjustment required by CIGNA (CIGNA Adjustment) for withdrawing these funds from the DAF ("Allocated Funds"). If the IRS or other governmental agency requires that more than the market value of the DAF minus the Preliminary Allocated Funds (i.e., before the CIGNA Adjustment) be retained in the DAF, the Allocated Funds will equal the market value of DAF minus the amount required to be retained in the DAF minus the CIGNA Adjustment.

(b) Approval Process and Review Process

(i) Approval Procedure

United will promptly use its best efforts to secure approval of the use of the Allocated Funds to provide retiree medical benefits, and, if necessary, to modify the DAF so that the Allocated Funds may be so used. Upon entry of the Section 1114 Order modifying retiree benefits, United and the Retiree Coalition Representative, identified in paragraph 5.b.(iii) below, will meet and confer regarding the most appropriate method to secure approval to modify the DAF expeditiously and economically. United, will jointly file with the Retiree Coalition, by August 6, 2004, a motion or other pleadings seeking approval to use the monies in the DAF which is brought under 11 U.S.C. §§ 505 or 1114 or other applicable sections of the Bankruptcy Code and will schedule the hearing on such motion no later than the August omnibus hearing date, or by August 6, 2004, United will file a request for a Private Letter Ruling from the Internal Revenue Service ("IRS"). United will consult with the Retiree Coalition Representative in connection with the preparation and submission of the request for a private letter ruling, if such request is made.

(ii) Negotiations with CIGNA

United will use its best efforts to: (i) commence negotiations with CIGNA (the holder of the DAF) as soon as possible, but no later than the August 6, 2004 motion filing date; (ii) to include the Retiree Coalition Representative, as hereinafter defined, in such negotiations; and (iii) to use its best efforts to conduct negotiations to maximize the Allocated Funds.

(iii) Review Process

The Retiree Coalition shall select a designee as the Retiree Coalition Representative to review and verify United's determination as to the amount of the Allocated Funds. The Retiree Coalition Representative shall be allowed to use the services of a professional(s). United and the Retiree Coalition Representative will mutually agree on the reasonable fees and expenses of the Retiree Coalition Representative and such professional(s), which shall be reimbursed by United subject to United's billing guidelines for professional fees. United and the Retiree Coalition Representative and such professional(s) agree to cooperate throughout the process. United agrees that if the Final Approval Date has not occurred prior to the effective date of any plan of reorganization for United, then such plan of reorganization and any confirmation order shall provide that the Retiree Coalition Representative and any professionals shall continue to exist for the purposes of performing such duties under this Agreement. United shall report its determination of the amount of the Allocated Funds to the Retiree Coalition Representative as soon as such determination is made. The Retiree Coalition Representative shall notify United of the election set forth in paragraph 5(d) within ten (10) business days after he or she is told the amount of the Allocated Funds (the "Allocated Funds Determination Date").

(c) Supplemental Surcharge

(i) Allocated Funds Below $60 Million

In the event that the Allocated Funds as determined in paragraphs 5(a) and (b) are less than $60.0 million (the "Shortfall"), the Retiree Coalition Current Retirees and each surviving spouse enrolled in the United Retiree Medical Plan shall pay an additional surcharge amount (the "Supplemental Surcharge"). The Supplemental Surcharge shall be subject to a two person maximum per family and will be applied to coverage for the retiree, spouse, domestic partner, and surviving spouse, but not dependent children. The amount of the monthly Supplemental Surcharge for 2006 shall be determined by dividing one-half (1/2) of the total Shortfall by the total number of Participants projected to be enrolled in the United Retiree Medical Plan based on enrollment data from the open enrollment period immediately preceding January 1, 2006 and dividing the result by twelve (12). The Supplemental Surcharge for 2007 will be calculated in the same manner using the remaining Shortfall and the enrollment data from the open enrollment period immediately preceding January 1, 2007. In the event that the Supplemental Surcharge is projected to be less than $10.00 per month in either 2006 or 2007, then the Supplemental Surcharge will equal $10.00 per month until the Shortfall is recovered.

(ii) Allocated Funds Above $60 Million

In the event that the Allocated Funds as determined in paragraphs 5(a) and (b) exceeds $60.0 million, the amount of Allocated Funds that exceeds $60 million (the "Excess") shall be rebated to the Participants as soon as administratively feasible. The Excess shall be returned to the Retiree Coalition Current Retirees by rebating the Surcharges previously paid beginning with the Surcharges in September 2004 and for each succeeding month thereafter until the Excess is exhausted.

(iii) Delayed Receipt of Allocated Funds

In the event that the Final Approval Date has not occurred by January 1, 2006, then the Supplemental Surcharge shall be determined by substituting $30.0 million for the Shortfall. Such Supplemental Surcharge shall continue to be paid each month until the Allocated Funds have been received by United. Upon receipt of the Allocated Funds, United shall rebate to Participants an amount equal to the sum of the Supplemental Surcharges collected from Participants plus the Allocated Funds less $60 million (the "Delayed Funds Rebate"). The Delayed Funds Rebate shall be rebated to Retiree Coalition Current Retirees or their surviving spouses as soon as administratively practical in accordance with the procedure set forth in paragraph 5(c)(ii). In the event that the sum of the Supplemental Surcharges and the Allocated Funds is less than $60 million, then United shall continue the assessment of Supplemental Surcharges pursuant to the procedure set forth in paragraph 5(c)(i) until the amount of Supplemental Surcharges collected plus the Allocated Funds is equal to $60 million.

(d) Election To Reinstate Life Insurance Benefit or Failure to Obtain Approval

On the Allocated Funds Determination Date, the Retiree Coalition may elect to reinstate effective as of January 1, 2005 the life insurance benefit for Participants by serving written notice upon United. In the event that the Retiree Coalition makes the decision to reinstate the life insurance benefit for Participants, then the Retiree Coalition Current Retirees shall reimburse United for its actual fees and expenses incurred through the date such determination is made that have been incurred in performing United's obligations under this paragraph 5 subject to a cap of One Million ($1,000,000) Dollars (the "Reimbursed Fees"). United shall collect the Reimbursed Fees through the imposition of a Supplemental Surcharge calculated consistent with the methodology set forth in paragraph 5(c) and paid to United over the first twelve (12) month period Supplemental Surcharges are applied. If any of the Termination Conditions are not satisfied, then the life insurance benefit shall not be terminated and shall be reinstated effective as of January 1, 2005. In the event that the Retiree Coalition elects to reinstate the life insurance benefits, the Supplemental Surcharge provision of paragraph 5(c)(i) shall be in the total amount of $60 million. Such Supplemental Surcharge shall become effective as soon as administratively feasible following receipt by United of written notification from the Retiree Coalition Representative that they have elected to reinstate the life insurance benefit and continuing for a period of thirty (30) months. In the event the Termination Conditions are not satisfied (other than paragraph 5(iv)), the Supplemental Surcharge provision of paragraph 5(c)(i) shall be in the total amount of $60 million and shall be paid $30 million per year in 2006 and 2007.

6. United agrees that it will not terminate retiree medical benefits for Retiree Coalition Current Retirees, except pursuant to an order entered on a motion brought under 11 U.S.C. § 1114 in a bankruptcy case, and any language in any plan, summary plan description or other document to the contrary shall be unenforceable against the Retiree Coalition Current Retirees.

7. United agrees that it will meet with pilot retirees selected by the Retiree Coalition to discuss their interests relative to the discontinuance of the Comprehensive Option for pilot post-Medicare retirees. United will consider continuing the Comprehensive Option if, in its good faith view, the Comprehensive Option can be offered to retired pilots without any additional cost to United including, but not limited to, all aspects of fees and expenses. All meetings, discussions, investigations, and decisions regarding the possible continuation of the Comprehensive Option must be finalized by June 18, 2004.

8. United and the Retiree Coalition Current Retirees reserve all of their rights under 11 U.S.C. § 1114, including the right to seek further modifications of retiree health and welfare benefits as modified by this Agreement during United's presently pending chapter 11 cases (Case No. 02 B 48191 and related cases). This Agreement shall not restrict or in any way limit the rights of the Debtors or the Authorized Representatives to seek further relief under Section 1114, or any other section of the Bankruptcy Code, provided, however, that the rights of all Parties to this Agreement to object to and be heard upon any request seeking such further relief shall be fully preserved.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement.

FOR UNITED AIR LINES, INC., UAL CORP., and the Debtors and Debtors in Possession:

____________________ Paul R. Lovejoy Senior Vice President General Counsel and Secretary Dated this 9th day of June 2004	____________________ Sara A. Fields Senior Vice President People Dated this 9th day of June 2004

ON BEHALF OF THE RETIREE COALITION AND THE RETIREE COALITION CURRENT RETIREES:

Gregory Davidowitch Association of Flight Attendants – CWA, AFL-CIO, Dated this 9th day of June 2004	S. R. Canale International Association of Machinists and Aerospace Workers, AFL-CIO Dated this 9th day of June 2004
Marlayne Morgan International Federation of Professional and Technical Engineers Dated this 9th day of June 2004	L. P. Briggs, Jr. Professional Airline Flight Control Association Dated this 9th day of June 2004
Roger D. Hall, Sr. Pilot Retirees Dated this 9th day of June 2004	Charles F. McErlean, Jr. Salaried and Management Retirees Dated this 9th day of June 2004
David Durkin Transport Workers Union of America, AFL-CIO, Dated this 9th day of June 2004	

Attachment A

Retiree Medical Benefits For Employees Who Retired Before July 1, 2003

Pre Medicare Retired Employees	
Medical **Preferred Provider Option (PPO)**	
In-network	$250 single/$500 family deductible
	80/20 co-insurance
	$1,500 single/$3,000 family out-of-pocket limit, including deductibles
	Out patient mental health and substance abuse treatment payable at 80% after the deductible and the employee share does not apply to out-of-pocket limits.
	Unlimited lifetime maximum
Out-of-network	Deductibles and out of pocket limits are the same as In-Network amounts
	60/40 co-insurance. Retired employees or their dependents who receive pre-approved covered treatment will receive in-network benefits for those expenses if within 30 miles of where they seek care there is no in-network specialist or in-network primary care physician as applicable to the treatment in question. A 6 month transition plan will be provided for those individuals who as of the Effective Date are receiving treatment from an out-of-network provider for scheduled surgery, inpatient treatment in a hospital, dialysis, chemotherapy, treatment as a follow-up to an accident or injury occurring before the Effective Date, terminal illness, or as a follow-up to a surgery performed before the Effective Date.
	All covered expenses limited to Reasonable and Customary as currently defined in the Medical Plan
	Inpatient mental health and substance abuse treatment limited to 30 days per calendar year per person, out patient payable at 50% after the deductible and the employee share is not applied to the out-of-pocket limit.
	$500,000 lifetime maximum for expenses incurred on or after the Effective Date.

♦ Covered expenses would include medically necessary care and treatment of illness, injury, and pregnancy as well as expenses for certain preventive care, e.g., pap smears, PSA tests and certain routine physicals. ♦ Expenses incurred in October, November or December will no longer "carry-over" to satisfy the following year's deductible. ♦ Expenses for in-network home health care, extended care facilities, hospice care, pap smears, PSA tests and pre-admission tests and second surgical opinions will be covered at 80% after the deductible has been met. ♦ Claims must be submitted within 12 months of the date of service. ♦ The PPO Incentive check will be discontinued.
Prescription drugs at retail subject to deductible and co-insurance as described above for in-network. Mandatory use of mail after 3 fills at retail. Mail order prescription drug retiree co-payment $16 for generic medication for up to 90 day supply and $48 for brand medication for up to a 90 day supply. These co-payments are fixed and will not increase. Strong management to ensure consistency with medical necessity and generally accepted practice.
Maintenance of Benefits for employees with other group coverage or Medicare rather than Coordination of Benefits.
Full right of reimbursement.
Offer HMO options as appropriate. Retired employee contribution will be the cost of the HMO option less the Company contribution to the cost of the PPO option.

Post-Medicare Retired Employees
Retired employees who are (i) currently covered by the post-Medicare retiree medical coverage or (ii) who satisfy the current eligibility requirements for post-Medicare retiree medical coverage and who later become Medicare eligible will be offered one or more supplemental plans to Medicare. Currently, continuation of the pre-Medicare PPO will be provided except that the co-payments for prescription drugs purchased through the home delivery service are fixed and will not increase and a prescription drug only option will be provided, except the prescription drug only option will not be offered to those Retiree Coalition Current Retirees who have a $6, $12, $35, or $40 fixed base monthly contribution rate. The prescription drug only option provides coverage for prescriptions purchased through the home delivery service or at retail pharmacies. Prescription medication continues to be available through the home delivery service on the same basis as for active employees. Mail order prescription drug retiree co-payment will be $16 for generic medication for up to a 90-day supply and $48 for brand medication for up to a 90-day supply. These co-payments are fixed and will not increase. For medications purchased at retail pharmacies, retirees pay 10% (minimum $5) of the cost of generic medications and 30% (minimum $10) of the cost of brand name medications. No out-of-pocket limit or deductible will apply. There is a $150,000 maximum lifetime benefit per person under the prescription drug only option. The utilization management program applies to drugs purchased through the home delivery service and through retail pharmacies. The retired employee's contribution will be the cost of the drug only option less the Company contribution to the cost of the PPO option. The Company will offer HMO options as appropriate. The retired employee's contribution will be the cost of the HMO option less the Company contribution to the cost of the PPO option.

Attachment B

($ Millions, unless noted)

	2004	2005	2006	2007	2008	2009	2010
Life Insurance Allocated Funds[1]	$ -	$ -	$ 30.0	$ 30.0	$ -	$ -	$ -
Total Coalition Participants - Except Ramp, FS, SO, DISP							
Additional Contribution							
Pre-65 ($ per month)	$ 22.00	$ 23.98	$ 25.90	$ 27.71	$ 29.37	$ 30.84	$ 32.23
Post-65 ($ per month)	$ 16.00	$ 17.44	$ 18.84	$ 20.15	$ 21.36	$ 22.43	$ 23.44
Total Coalition Participants - Ramp, FS, SO, DISP							
Additional Contribution							
Pre-65 ($ per month)	$ 35.00	$ 38.15	$ 41.20	$ 44.09	$ 46.73	$ 49.07	$ 51.28
Post-65 ($ per month)	$ 24.00	$ 26.16	$ 28.25	$ 30.23	$ 32.04	$ 33.65	$ 35.16

[1] See Agreement at paragraph 5(a).