

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

In re

**UAL CORPORATION, et al.,

Debtors.**

Chapter 11

**Case No. 02-B-48191
(Jointly Administered)**

Honorable Eugene R. Wedoff

NOTICE OF FILING

PLEASE TAKE NOTICE that on the 12th day of January, 2006, the undersigned caused to be filed with the Clerk of the United States Bankruptcy Court for the Northern District of Illinois **NOTICE OF WITHDRAWAL OF CONFIRMATION OBJECTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS AS PART OF SETTLEMENT [Related Docket Nos. 13277 and 13970]**, a copy of which is attached hereto and hereby served upon you.

Dated: January 12, 2006

Respectfully Submitted,
By: /s/ Fruman Jacobson

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*Attorneys for the Official Committee
of Unsecured Creditors*

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

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

**NOTICE OF WITHDRAWAL OF CONFIRMATION OBJECTION OF
OFFICIAL COMMITTEE OF UNSECURED CREDITORS
AS PART OF SETTLEMENT**

Related Docket Nos.: 13277 and 13970

The Official Committee of Unsecured Creditors (the “Committee”) and the Debtors have reached an agreement set forth in the term sheet attached as Exhibit A hereto which resolves the Committee’s Objection to Plan Confirmation and Approval of Related Plan Supplement Documents (the “Confirmation Objection”). As a result, upon definitive documentation reasonably satisfactory to the Committee being agreed to and approved as part of confirmation of the Debtors’ First Amended Plan of Reorganization (revised to reflect the settlement) by this Court, the Committee withdraws its Confirmation Objection.

[SIGNATURE PAGE TO FOLLOW]

Dated: January 12, 2006

Respectfully Submitted,

SONNENSCHN NATH & ROSENTHAL, LLP

By: /s/Fruman Jacobson

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*Attorneys for the Official Committee of Unsecured
Creditors*

CERTIFICATE OF SERVICE

I, Fruman Jacobson, an attorney, certify that on the 12th day of January 2006, I caused to be served, a true and correct copy of the foregoing **NOTICE OF WITHDRAWAL OF CONFIRMATION OBJECTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS AS PART OF SETTLEMENT [Related Docket No., 13277 and 13970]**, on: (i) the Core Group by facsimile and electronic mail; and (ii) the 2002 Service List by electronic mail.

Dated: January 12, 2006

/s/ Fruman Jacobson
Fruman Jacobson

Fruman Jacobson, Esq. (ARDC No. 1315846)
SONNENSCHN EINH NATH & ROSENTHAL LLP
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NOTICE REGARDING THE SERVICE LIST

Section C.6.i(1) of the Third Amended Notice, Case Management and Administrative Procedures provides that when a document is filed and served in In re UAL Corporation, et al., the service lists representing the recipients to whom such a filing is addressed are required to be filed with the Court, but they are not required to be served when serving the Certificate of Service on the recipients. Therefore, we have not attached the service lists to this Certificate of Service.

The Third Amended Notice, Case Management and Administrative Procedures and all other pleadings filed in these bankruptcy cases are available at the web site of the U.S. Bankruptcy Court for the Northern District of Illinois, <http://www.ilnb.uscourts.gov/> (“Case Image Viewing”).

EXHIBIT A

Plan Issues

United's Plan of Reorganization will be amended to include the following provisions in this Term Sheet:

Corporate Governance

- 12 member Board of Directors:
 - two will be the union designees
 - five will be designated by OCUC
 - five will be designated by the Company
- Company's CEO and lead director will meet with OCUC designees prior to the final designation of the Board; the Company and OCUC will cooperate on future diligence; no preemptory challenge for OCUC or Company designees by other group
- Board will not be expanded for two years (this provision will be included in the Restated Certificate of Incorporation)
- No committee of the Board will have the authority to: issue dividends, distributions or securities, except for issuances pursuant to employee benefit plans; to approve a fundamental change or business combination, except as may be required in the exercise of fiduciary duties; or to take any action that would require shareholder approval. This provision will be included in the bylaws and may not be amended without shareholder approval.
- Prior to exit two current independent directors and two OCUC designees shall collaborate regarding the composition of Board committees, consistent with the directors' qualifications and good corporate governance policies.

Rights Policy

The bylaw set forth in Exhibit A shall be included in the Company's bylaws at exit.

Serial Preferred

Except as required by law or approved by the Stockholders, no new preferred stock will have voting rights unless convertible into common stock (in which case it must vote with the common stock on an as-converted basis). This provision will be included in the Restated Certificate of Incorporation.

PBGC Preferred

The PBGC Preferred will have limited voting rights (minimum rights permitted under Delaware law) but, in any event, will not be permitted to vote as a separate class on any matter except Charter amendments that adversely affect the rights of the PBGC Preferred; PBGC Preferred only entitled to redemption on Fundamental Change or Change in Ownership

Additional Consideration

- Pursuant to Paragraph 3 of Exhibit 2 to the May 11, 2005 Order Approving the United-PBGC Settlement, United shall direct PBGC to assign the unassigned portion of 45% of its unfunded benefit liability claim (“45% UBL Claim”) as follows:
 - (a) the first 50% of the 45% UBL Claim, net of the Claim Conveyance, shall be assigned to the Unsecured Creditor Body (excluding Class 2E-3 and 2E-5 creditors). “Unsecured Creditor Body” includes all Holders of “Unsecured Claims” (as defined in the Plan) and recipients of the “Employee Distributions” (as defined in the Plan). “Claim Conveyance” is as defined on Page 34, Paragraph N of that certain Term Sheet in connection with the September 27, 2005 Order Approving Settlement and Term Sheet with Trustees and Controlling Holders For Public Debt Aircraft.
 - (b) the second 50% of the 45% UBL Claim, net of those certain UBL Claim assignments to the “MB Indenture Trustees” and the USA identified in that certain letter dated January 8, 2005 from Debtors’ counsel to OCUC counsel (in amounts approximated to be \$35 million in distributions, but such limitation shall not limit whatever separate settlement obligations United may have to the MB Indenture Trustees or the USA), shall be assigned to the unsecured creditor body (excluding Class 2E-5 creditors).
- The distributions based on the Unsecured Debentures (as defined in the Plan) shall be assigned to the Unsecured Creditor Body (excluding Class 2E-3 creditors).

SAM Notes

New UAL Employee Convertible Notes to be distributed to SAM employees as provided in United’s Plan of Reorganization.

SAM Distribution

SAM Distribution to be distributed as provided in United’s Plan of Reorganization; provided, however that the SAM Distribution shall be reduced by the amount that otherwise would have been distributed thereunder to MEIP participants, who shall not share in the SAM Distribution, as follows: The amount by which the SAM Distribution shall be reduced shall equal the SAM Distribution multiplied by a fraction, the numerator of which shall be the salaries and success sharing payments of all MEIP participants for 2005 and the denominator of which shall be the salaries and success sharing payments of all SAM employees for 2005.

Plan Oversight

As described on Exhibit B.

DEIP

As proposed by the Company

MEIP	As described on Exhibit C
PBGC UBL Claim	Fixed and allowed at \$10.2 billion; concurrent with entry of the Confirmation Order, OCUC to withdraw its objection to claim and pending appeals in connection therewith, with prejudice, in accordance with the agreement with PBGC attached hereto as Exhibit D.
OCUC's Plan Objection	OCUC shall withdraw its objection to the Plan's confirmation
Final Documentation	The provisions of this Term Sheet will be reflected in the amended Plan of Reorganization. This Term Sheet and all attached exhibits override all contrary prior Plan of Reorganization and other documents existing as of this date, including without limitation the Disclosure Statement, and to the extent this Term Sheet is inconsistent with such documents, this Term Sheet shall govern.

This Term Sheet is agreed to by the Parties hereto and dated as of January 11,
2006.

UNITED AIR LINES, INC.

By: FS
Its: CHIEF FINANCIAL OFFICER

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS

By: Dana S. Eckhardt
Its: CHAIRMAN

EXHIBIT A

BYLAW ON POISON PILLS

“*Rights Plan*” means an arrangement for distribution to Stockholders of Common Stock or Preferred Stock purchase rights that provide all Stockholders, other than persons who meet certain criteria specified in the arrangement, with the right to purchase Common Stocks or Preferred Stock at less than the prevailing market price (sometimes referred to as a “poison pill”).

The Board shall not adopt a Rights Plan without the approval of the Stockholders; provided that the Board may determine to adopt a Rights Plan without first submitting it to a vote of the Stockholders if, under the circumstances then existing, the Board, including a majority of the independent Directors (as determined in accordance with NASDAQ listing standards), in the exercise of its fiduciary responsibilities, determines that it is in the best interest of the Stockholders to adopt a Rights Plan without the delay in adoption that would come from the time reasonably anticipated to seek Stockholder approval. In the event that the Board adopts a Rights Plan as contemplated by the foregoing sentence, the Board shall submit such Rights Plan to the Stockholders for ratification within 365 days of the date of adoption by the Board and, if such ratification is not obtained within such 365 day period, such Rights Plan will automatically expire. Any such Rights Plan so adopted by the Board, notwithstanding its ratification by the Stockholders, shall include a provision requiring a committee of the Board comprised solely of independent Directors to review the Rights Plan at least every three years and report to the Board as to whether it recommends that the Board modify or terminate such Rights Plans, which review will be supported by a report and recommendation from investment bankers and attorneys engaged by the Committee, based on an evaluation of the Corporation’s performance, markets and developments in relevant corporate law. This [provision/section] shall automatically sunset and be deemed to be of no further force and effect on the date that is two years after the Effective Date (“Sunset Date”). This [provision/section] may not be amended prior to the Sunset Date without approval of the Stockholders.

EXHIBIT B

ARTICLE XV. [OF PLAN] MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect: Subject to Article XII.B of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(g) or 7062, or otherwise, immediately upon the entry of the Confirmation Order, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are impaired under the Plan or whether the Holders of such Claims or Interests accepted or are deemed to have accepted the Plan), all entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan or herein, each Person acquiring property under the Plan, and any and all non-Debtor parties to executory contracts and unexpired leases with the Debtors.

B. Additional Documents: On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors, Reorganized Debtors, and all Holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees: All fees payable pursuant to Section 1930(a) of Title 28 of the United States Code, as determined by the Bankruptcy Court at the hearing pursuant to Section 1128 of the Bankruptcy Code, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first.

D. Post-Effective Date Committees

1. Dissolution of Committees: Upon the Effective Date, all statutory committees appointed in the Chapter 11 Cases shall dissolve automatically, except with respect to applications for Professional Claims, and members shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code.

2. Plan Oversight Committee

a. Plan Oversight Committee Existence: On the Effective Date, the Creditors' Committee shall be dissolved, all existing members of the Creditors' Committee shall be released and discharged from office, and there shall be created the Plan Oversight Committee, which shall be deemed a successor-in-interest to the Creditors' Committee for all purposes and which shall be subject to the jurisdiction of the Bankruptcy Court.

b. Plan Oversight Committee Membership

(i) The Plan Oversight Committee shall consist of three members, who previously were members of the Creditors' Committee, selected by the Creditors' Committee. The Creditors' Committee shall notify the Debtors, in writing, of the identities of the three members of the Plan Oversight Committee at least five (5) business days prior to the Confirmation Hearing.

(ii) In the event any member of the Plan Oversight Committee assigns all or substantially all of its Claim or releases the Debtors from any further distribution on its Claim, such assignment or release shall constitute the resignation by such member from the Plan Oversight Committee, unless otherwise agreed to by the Reorganized Debtors and each remaining member of the Plan Oversight Committee. In the event of a resignation or removal of a member of the Plan Oversight Committee for any reason, a replacement shall be designated by the remaining members of the Plan Oversight Committee. If the Reorganized Debtors object to the selection of the initial or replacement members of the Plan Oversight Committee, they may apply to the Bankruptcy Court for appropriate relief, and pending a determination by the Bankruptcy Court, the proposed members shall not be given access to additional confidential or proprietary information concerning the Reorganized Debtors.

c. Plan Oversight Committee Governance: The Plan Oversight Committee shall have the power to adopt rules of procedure and may choose one of its members to act as chairman. The Plan Oversight Committee shall act by majority vote of its members.

d. Plan Oversight Committee Standing in the Bankruptcy Case: The Plan Oversight Committee, post-Effective Date, has standing to participate in the following Bankruptcy Court proceedings:

- (i) any appeal from or motion related to the Confirmation Order;
- (ii) matters related to proposed modifications or amendments to the Plan;
- (iii) all applications for allowance of compensation to professional persons;
- (iv) any action to enforce, implement or interpret the Plan, to compel the Debtors to make distributions under the Plan, or to adjust the New UAL Stock Reserve;
- (v) any appeal from a material matter in the Chapter 11 Cases, to the extent that (A) the Plan Oversight Committee has moved to estimate or objected to such Claim pursuant to ARTICLE XV.D.2.e(ii) below, or (B) the Committee has moved to estimate or objected to such Claim prior to the Confirmation date, and the Plan Oversight Committee's position in such estimation or objection proceeding is materially different from the position of the Reorganized Debtors;

(vi) any Avoidance Actions, to the extent that the Plan Oversight Committee's position is materially different from the position of the Reorganized Debtors;

(vii) the following claim objections:

(A) claim objections by the Plan Oversight Committee pursuant to ARTICLE XV.D.2.e(ii) below; and

(B) any claim objections originally filed by the Committee before the Confirmation Date to the extent that (1) the Plan Oversight Committee's position in such proceeding is materially different from the position of the Reorganized Debtors and (2) the claim objection would satisfy the requirements of ARTICLE XV.D.2.e(ii) below if brought by the Plan Oversight Committee after the Effective Date.

(viii) an objection to the Reorganized Debtors' assumption of an executory contract or unexpired lease after the Effective Date that had previously been rejected pursuant to the Plan, to the extent that the cure associated with such decision is inconsistent with the Debtors' business plan; and

(ix) such other matters as may be agreed upon in advance and in writing by the Reorganized Debtors in their reasonable discretion and the Plan Oversight Committee.

e. Claims Objections, Avoidance Actions, Plan Dates, and Other Matters

(i) Every month for the first six months after the Effective Date and periodically as appropriate thereafter (but no less than quarterly for the twelve month period beginning on the seventh month after the Effective Date), the Reorganized Debtors shall report to and consult with the Plan Oversight Committee concerning:

(A) the status of reconciliations, estimations, objections, resolutions, allowance, and settlement of Claims (including without limitation administrative and cure claims) and procedures therefor, and any distributions on account of disputed Claims;

(B) reserves established on account of such Claims;

(C) distributions on account of such Claims;

(D) administration and planned sales of stock in connection with distributions to Holders of Convenience Class Claims;

(E) payment of withholding taxes, if any, in connection with distributions under the Plan;

(F) the status of any Avoidance Actions; and

(G) appeals of material matters in the Chapter 11 Cases.

(ii) The Plan Oversight Committee may request that the Debtors or Reorganized Debtors, as appropriate, estimate or object to any particular Claim (or category of similar types of claims) with an estimated or with a face amount in excess of \$1,000,000, failing which the Plan Oversight Committee, for good cause shown and after giving the Debtors or Reorganized Debtors a reasonable period of time and opportunity, but in no event less than thirty (30) days, object to such Claim, may file a motion seeking to commence such an objection or estimation on behalf of the estate, and the Debtors or Reorganized Debtors shall cooperate in all reasonable respects in connection with the foregoing; provided, however, that the Plan Oversight Committee shall not object to any Claim (A) previously settled between the Debtors or Reorganized Debtors and the respective Creditor pursuant to Court order, or (B) to which the Reorganized Debtors, in their reasonable business judgment, have determined that it is not appropriate to object. The Plan Oversight Committee shall have no liability to any party for any action or omission to act with respect to Claims.

(iii) The Debtors or Reorganized Debtors, as appropriate, shall report to and consult with the Plan Oversight Committee regarding their decision to (A) alter the treatment (i.e., from assume to reject and vice versa) of an executory contract or unexpired lease (or category of related or similar contracts) after the Confirmation Date, or (B) pay a late asserted cure claim, in either event if the cure Claim or rejection damage Claim exceeds \$1,000,000.

(iv) The Debtors or the Reorganized Debtors, as appropriate, shall give the Committee advance notice if the Effective Date is later than sixty (60) days after the Confirmation Date.

(v) The Debtors or the Reorganized Debtors, as appropriate, shall give the Plan Oversight Committee advance notice if the Distribution Date is later than sixty (60) days after the Effective Date.

f. Plan Oversight Committee Compensation, Expense Reimbursement, and Professional Representation

(i) Plan Oversight Committee Member Expense Reimbursement: The members of the Plan Oversight Committee shall serve without compensation, but they shall be reimbursed by the Reorganized Debtors for their reasonable and necessary out of pocket expenses incident to the performance of their duties within thirty (30) days of their submission of a detailed invoice, without further order of Court. In the event that the Reorganized Debtors or the Plan Oversight Committee objects to the amount of expenses requested by a member to be reimbursed, the Reorganized Debtors shall pay any undisputed portion and the objecting party shall file an objection to the balance with the Bankruptcy Court, which shall determine the amount to be paid.

(ii) Professional Compensation: The Plan Oversight Committee may retain such attorneys, accountants and other professionals as are reasonable and necessary

to assist the Plan Oversight Committee in the performance of its duties; provided, however, that the Plan Oversight Committee shall provide the Reorganized Debtors with five (5) business days advance notice of any such retention. Such professionals shall be compensated and reimbursed by the Reorganized Debtors for their reasonable fees and necessary out of pocket expenses on written invoice within thirty days of submission of such invoice, without further order of Court. In the event that the Reorganized Debtors or the Plan Oversight Committee objects to the amount of fees and/or expenses sought by Committee's professionals, the Reorganized Debtors shall pay any undisputed portion and the objecting party shall file an objection to the balance with the Bankruptcy Court, which shall determine the amount to be paid.

g. Exculpation of Post Confirmation Committee: Except for their own gross negligence or willful misconduct, the members of the Post Confirmation Committee shall not be liable to, and shall be exculpated under the Plan for any liability to, any person or entity for any act taken or omitted by them and may, in good faith, exercise or fail to exercise any of their rights, duties, obligations or powers, nor shall the Committee's agents (in their capacity as such) be responsible for any recitals, representations or warranties contained in, or for the execution, validity, genuineness, effectiveness or enforceability of the Plan, the Disclosure Statement or any exhibit thereto or be liable to any person or entity for any action taken or omitted by them in the Chapter 11 Cases or otherwise in connection with their duties.

h. Plan Oversight Committee Duration: The Plan Oversight Committee shall be dissolved and its members discharged and released by order of the Bankruptcy Court at the earliest of (a) upon completion of the functions assigned the Plan Oversight Committee, (b) upon approval of its own application to the Bankruptcy Court, or (c) once 80% of the total equity reserved for the unsecured creditor body under the Plan has been distributed to such creditors; provided, however, that notwithstanding the foregoing, upon notice to the Plan Oversight Committee and a hearing at any time after the First Distribution Date, the Reorganized Debtors may apply to the Bankruptcy Court for the dissolution of the Plan Oversight Committee for good cause shown.

i. Rights and Powers of the Plan Oversight Committee:

(i) Notwithstanding anything contained in the Plan to the contrary, the rights and powers of the Plan Oversight Committee are strictly limited to those matters expressly enumerated in ARTICLE XV.D.2.2, and such rights and powers may only be exercised in a manner consistent with the terms and conditions set forth therein. Accordingly, nothing in ARTICLE XV.D.2.2 of the Plan (nor in any other section of the Plan) shall confer on the Plan Oversight Committee the right to intervene in the claims objection, avoidance action, or other proceedings in any way related to the Plan or the administration of the Post-Confirmation Estate under Section 1109 of the Bankruptcy Code, Bankruptcy Rule 7024, or otherwise. The Plan Oversight Committee may not seek leave of court to expand its role beyond that set forth in ARTICLE XV.D.2 of the Plan without the prior written consent of the Reorganized Debtors, which may be withheld in the Reorganized Debtors' sole and absolute discretion.

(ii) Except as otherwise expressly and specifically provided in the Plan or as agreed to by the Reorganized Debtors, (A) the Plan Oversight Committee is bound by the terms of the Plan and cannot seek to modify, terminate, alter, or amend any terms of the Plan, and (B) the Plan Oversight Committee is bound by any and all order(s) entered in the Chapter 11 Cases and cannot seek to modify, terminate, alter, amend, appeal, or vacate any such orders.

EXHIBIT C

Management Equity Incentive Plan (“MEIP”)

Common Shares Issued	125,000,000
% Reserved for MEIP:	8% percent
Shares reserved for MEIP:	10,000,000 shares
Emergence grant:	Up to 8 percentage points
Award type:	<ul style="list-style-type: none">• No equity grant from the 8% pool shall be other than restricted stock or stock options.• Emergence grant of restricted stock and stock options shall be allocated on the same basis as the allocation in Section I.D. of Exhibit B of Debtors’ Disclosure Pursuant to 11 U.S.C. Section 1129(a)(5)(B) dated January 10, 2006 (“Section I.D. of Exhibit B”).• Future grants of restricted stock and stock options shall be allocated in the aggregate over time in the same ratio as the emergence grant allocation in Section I.D. of Exhibit B referenced in the bullet point above.
Vesting Period:	20 percent after six months, twenty percent after one year, 20 percent after two years, 20 percent after three years, and 20 percent after four years.
Vesting Type:	For emergence grant, time vested only. No performance conditions mandated.

EXHIBIT D

Pursuant to an overall settlement among the Debtors, the Committee and the PBGC, which is incorporated in the second Amended Joint Plan of Reorganization, the Committee withdraws its objection to the PBGC claim. Based upon the settlement and for the reasons stated on the record at the hearings on 12/16/05 and 12/30/05, the transcripts of which are attached hereto and incorporated herein, the PBGC statutory claim for pension plan termination liability is allowed as filed and as calculated in accordance with ERISA and PBGC regulations.