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

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

**ORDER AUTHORIZING AND APPROVING AN OMNIBUS PROCEDURE FOR
SETTLING AND ALLOWING CERTAIN CLAIMS AND CAUSES OF ACTION
BROUGHT BY OR AGAINST THE DEBTORS IN A JUDICIAL, ADMINISTRATIVE,
ARBITRAL OR OTHER ACTION OR PROCEEDING**

Upon the Motion¹ of the Debtors in the above-captioned Chapter 11 cases seeking entry of an order authorizing and approving an omnibus procedure for settling and allowing certain claims and causes of action threatened or brought by or against the Debtors in judicial, administrative, arbitral or other actions or proceedings; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and it appearing that the relief requested is essential to the continued operation of the Debtors' businesses; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and it appearing that venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED THAT:

1. The Motion is granted.

¹ All capitalized terms not defined herein shall be as defined in the Motion.

2. The Debtors are authorized, but not directed, to settle claims and causes of action filed in judicial, administrative, arbitral or other actions or proceedings by (a) the Settling Parties against any of the Debtors or (b) any of the Debtors against the Settling Parties, as well any cross-claims and counter-claims asserted against any of the Debtors by Settling Parties (or against the Settling Parties by any of the Debtors) in connection with such claims and causes of action, without obtaining a specific order from this Court authorizing the settlement, in accordance with the following procedures:

- a. With respect to any claim or cause of action held by any of the Debtors against any Settling Party that does not exceed \$2,000,000, or any claim or cause of action held by any Settling Party against any of the Debtors that is settled for an amount that does not exceed \$2,000,000, the Debtors, in their discretion, may agree to settle such claim or cause of action only if (i) they provide written notice of the terms of the settlement to the United States Trustee, counsel to any statutory committees appointed in the Debtors' Chapter 11 cases, counsel to the debtor in possession lender, parties who have requested papers in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002, and any relevant party in interest (collectively, the "Notice Parties") and (ii) such terms are not objected to by written objection filed with the Court and served on the Debtors by any of the Notice Parties within ten (10) days after the date of such written notice; and in the absence of any such objection, the Debtors may enter into, execute and consummate a written agreement of settlement that will be binding on them and their estates without further action by this Court.

3. Any compromise or settlement that is not authorized pursuant to the Settlement Procedures will be authorized only upon separate order of this Court upon a motion of the Debtors which shall be served on any entity that is a party to such compromise or settlement or who may be directly adversely affected thereby.

4. In no event will any compromise or settlement pursuant to the Settlement Procedures provide for any monetary payment to be made by the Debtors from property of their estates to or on behalf of the Settling Parties, except with respect to claims deemed to be administrative expense claims in accordance with the terms of the settlement and under 11

U.S.C. §§ 503 and 507; provided, however, that with respect to cross-claims and counter-claims, the settlement may provide for offsets in favor of the Settling Parties against, and up to but not exceeding, the amount of any monetary payments to be otherwise made by the Settling Parties to, or on behalf of, the Debtors.

5. Notwithstanding anything to the contrary contained herein, this Order shall not affect, impair, impede or otherwise alter the right of Debtors to resolve any postpetition controversy arising in the ordinary course of the Debtors' businesses, or resolve any controversy authorized by any other order of the Court.

6. Notwithstanding anything to the contrary contained herein, any settlement or compromise that involves an "insider," as defined in Section 101(31) of the Bankruptcy Code, shall require separate approval as prescribed by Bankruptcy Rule 9019(a).

7. Notwithstanding anything to the contrary contained herein, nothing in the Settlement Procedures shall negate or expand the Debtors' or the Debtors' successors' duties under any applicable insurance policies to which the Debtors may be a party (the "Policies").

8. The Debtors' duty to cooperate in the defense and/or settlement of any claim made under such Policies, to the extent such cooperation is required by such Policies, shall be unaffected by this Order.

9. The Debtors are authorized but not required to agree to the modification of the automatic stay of Section 362 of the Bankruptcy Code (the "Modification") to allow a Movant² to continue prosecuting litigation on account of which the Debtors have potential

² "Movant" shall include all parties that have contracted the Debtors and indicated that such party wishes to have the Court lift the automatic stay whether or not such parties have formally filed a motion with the Court seeking to do so.

insurance coverage without further Court approval; provided, however, that the Debtors (a) provide 10 days written notice of their intent to enter into such Modification to all carriers that are the provider of any applicable insurance coverage and (b) provide a copy of what they believe to be the applicable insurance Policy to the Movant and, at minimum, each Movant; (y) waives all related claims against the Debtors and their estates; and (z) agrees to enforce any claim (and any judgment on account of such claim) solely with respect to applicable insurance proceeds, if any; provided that, if the Debtors and the Movant negotiate such an agreement to modify the automatic stay, the Debtors shall file an executed stipulation evidencing such agreement, which shall be effective immediately upon the filing thereof.

10. Nothing in this Order shall be construed to alter the rights or obligations of any insurer of the Debtors under any Policy, including but not limited to, the applicable insurers' rights and claims against the Debtors, if any, for reimbursement of defense costs or indemnity payments, or other claims that such insurer may have against the Debtors under applicable law; provided, however, that in all instances where an insurer has a right to receive notice, participate in the resolution of a controversy, or decide upon or approve the resolution of a controversy, that right is preserved, and nothing in this Order by itself shall be construed to authorize the Debtors to act on behalf of or as an agent for any insurer of the Debtors.

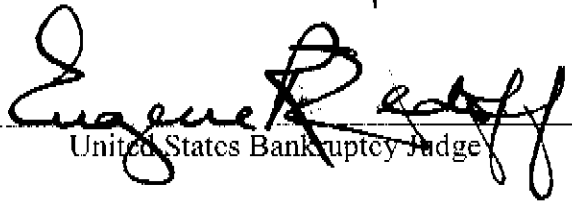
11. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

12. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

13. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

Chicago, Illinois

Dated: _____, 2002


United States Bankruptcy Judge

15 JAN 2003