

Exhibit A

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made as of this 20th day of March, 2008 by and between C8 Airlines, Inc., formerly named Chicago Express Airlines, Inc. ("C8"), and Hamilton Sundstrand Corporation ("HAMILTON"). C8 and HAMILTON are referred to collectively herein as the "Parties."

RECITALS

WHEREAS, C8 filed with the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the "Bankruptcy Court"), its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* as amended (the "Bankruptcy Code") on October 25, 2004 (the "Petition Date"). The Second Amended Plan of Liquidation of C8 Airlines, Inc. f/k/a Chicago Express Airlines, Inc. (the "Plan") was confirmed on June 12, 2006 and became effective that day (the "Effective Date").

WHEREAS, on or about October 25, 2006, C8 filed its Complaint Under §§ 502, 546, 547 and 550 of the Bankruptcy Code to Avoid and Recover Preferential Transfers and Disallow Claims of HAMILTON (the "Complaint"), seeking to avoid and recover \$155,985.48 in alleged preferential transfers made by C8 to HAMILTON during the ninety (90) days before the Petition Date.

WHEREAS, HAMILTON denies that it received any recoverable transfers from C8.

WHEREAS, the Parties have conducted negotiations in an attempt to resolve this matter without further cost and litigation.

WHEREAS, the Parties now desire to settle their disputes in accordance with the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

A. As consideration for the full and complete releases contained in this Agreement, HAMILTON shall pay to C8 the sum of \$3,500.00 (the "Settlement Payment"). In addition, HAMILTON shall also withdraw the proof of claim it filed in this matter, case number 04-19874, in the amount of \$138,726.30. Within 10 days of receiving the Settlement Payment and notice of the withdrawal of the proof of claim by HAMILTON, the Debtor shall file a Stipulation of Dismissal of Adversary Proceeding No. 06-50592, with prejudice.

B. In full consideration of the above, C8 hereby expressly waives, releases and forever discharges HAMILTON, its agents, representatives, employees, predecessors, parent

corporations, subsidiaries (whether or not wholly-owned), affiliates, officers, principals, directors, attorneys, successors, and assigns (collectively, the "HAMILTON Affiliates") and each of them, in any and all capacities, from any and all claims, liabilities, demands, and obligations, damages, actions and causes of action, of whatever kind or nature, whether known or unknown, fixed or contingent, arising out of or in any way related to avoidance claims or avoidance actions arising under the United States Bankruptcy Code or the confirmed Plan, except for the obligations of the Parties under this Agreement. C8 agrees that it shall not make, assert, or maintain against HAMILTON or against any of the HAMILTON Affiliates any claim, demand, action, suit, or proceeding arising out of or in connection with the avoidance matters released herein.

C. HAMILTON, for itself, its directors, officers, employees, agents, representatives and attorneys, as well as its predecessors, successors and assigns, hereby expressly waives, releases and forever discharges C8, its agents, representatives, employees, predecessors, parent corporations, subsidiaries (whether or not wholly-owned), affiliates, officers, principals, directors, attorneys, successors, and assigns (collectively, "C8 Affiliates") and each of them, in any and all capacities, from any and all claims, liabilities, demands, and obligations, damages, actions and causes of action, of whatever kind or nature, whether known or unknown, fixed or contingent, arising out of or in any way related to avoidance claims or avoidance actions arising under the United States Bankruptcy Code or the confirmed Plan, including the scheduled claim of \$49,691.00 and the \$138,726.30 proof of claim filed in case number 04-19874, and HAMILTON agrees that it shall not make, assert, or maintain against C8 or against any C8 Affiliates any claim, demand, action, suit, or proceeding arising out of or in connection with the avoidance matters released herein. Nothing herein shall constitute a release or waiver of any scheduled claims in favor of or proofs of claim filed by HAMILTON in connection with the bankruptcy case of any C8 Affiliate. Moreover, nothing herein shall constitute a release or waiver of any scheduled claims in favor of or proofs of claim filed by any HAMILTON Affiliate against C8 or any C8 Affiliate.

D. Each of the Parties hereby expressly represents and warrants that it is the sole owner of all claims released by this Agreement and that each is authorized to enter into this Agreement.

E. No provision of this Agreement may be changed except by a written instrument executed by the Parties.

F. All of the terms and provisions of this Agreement shall be binding in all respects upon and inure to the benefit of the Parties and their respective successors and assigns.

G. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana in effect on the date of the execution of this Agreement.

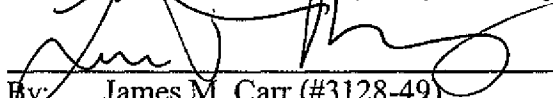
H. If any provision of this Agreement, or any part thereof, is held invalid, void or voidable against public policy or otherwise, the invalidity thereof shall not affect any other provisions, or parts hereof, which shall be given effect without the invalid provision or part.

I. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same agreement. Signatures may be exchanged by telecopy and the original signatures shall be exchanged by overnight mail. Each party agrees that it will be bound by its telecopied signature and that it accepts the telecopied signature of the other party.

J. The Parties agree that the Bankruptcy Court shall have sole and exclusive jurisdiction, sitting without a jury, to hear and determine any disputes that arise under or on account of this Agreement.

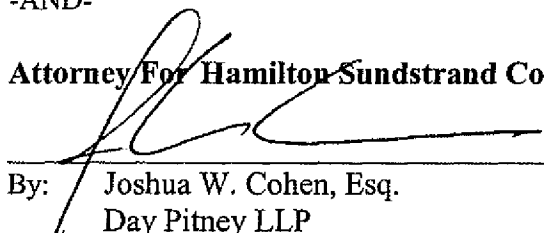
SO AGREED:

Attorneys for C8 Airlines, Inc., formerly named Chicago Express Airlines, Inc.


By: James M. Carr (#3128-49)
Terry E. Hall (#22041-49)
Stephen A. Claffey (#3233-98)
Jeffrey C. Nelson (#25173-49)
Louis T. Perry (#25736-49)
BAKER & DANIELS LLP
300 North Meridian St., Suite 2700
Indianapolis, IN 46204
Telephone: (317) 237-0300

-AND-

Attorney For Hamilton Sundstrand Corporation


By: Joshua W. Cohen, Esq.
Day Pitney LLP
One Audubon Street
New Haven CT 06511
Telephone (203) 752 5008