Amount as such Other Participating Creditor's Claim Amount is compared to such Other Participating Creditors' Initial Claim Amount.

26. Binding Effect. The provisions of this Agreement, including without limitation the releases of the Parties, shall be binding upon and inure to the benefit of Settling Creditor, the Debtors and the Debtors' respective bankruptcy estates, any of their respective successors and assigns, and any trustee subsequently appointed in the Debtors' bankruptcy cases or any superseding Chapter 7 bankruptcy cases.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the Parties hereto execute this Settlement Agreement and Release through their duly authorized officers whose signatures appear below. This Agreement may be executed in one or more counterparts, each of which will be deemed an original once all parties have signed one of the counterparts.

TRANS WORLD AIRLINES, INC., on its own behalf and on behalf of the Debtors and Debtors in Possession

By: Michael J. Lichty
Its: President & CEO
Printed Name: MICHAEL J. LICHTY

AIRLINES REPORTING CORPORATION

By: John J. McHugh
Its: Assistant General Counsel
Printed Name: John J. McHugh

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
	)	
TRANS WORLD AIRLINES, INC., et al.[1]	)	Case No. 01-0056 (PJW)
	)	
	)	(Jointly Administered)
Debtors.		

In re	)	Chapter 11
	)	
TRANS WORLD AIRLINES, INC., et al.,	)	Case No. 01-0056 (PJW)
	)	
	)	(Jointly Administered)
Debtors.	)	
	)	
TWA AIRLINES, LLC.	)	
	)	
Plaintiff,	)	
	)	
v.	)	Adv. Pro No. 01-4785
	)	
AIR CANADA, AIRLINE TARIFF PUBLISHING COMPANY, AIR TRANSPORT ASSOCATION OF AMERICA, INC., AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A., CONTINENTAL AIRLINES, INC., DELTA AIRLINES, INC., GETTHERE L.P., HAWAIIAN AIRLINES, INC., INTERNATIONAL AIR	)	

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1 The Debtors are the following entities: Trans World Airlines, Inc., Ambassador Fuel Corporation, LAX Holding Company, Inc., Mega Advertising Inc., Northwest 112th Street Corporation, The TWA Ambassador Club, Inc., Trans World Computer Services, Inc., Transcontinental & Western Air, Inc., TWA Aviation, Inc., TWA Group Inc., TWA Standards & Controls, Inc., TWA Stock Holding Company, TWA-D.C. Gate Company, Inc., TWA-LAX Gate Company, Inc., TWA Logan Gate Co., Inc., TWA-NY/NJ Gate Company, Inc., TWA-Omnibus Gate Company, Inc., TWA-San Francisco Gate Company, Inc., TWA-Hangar 12 Holding Company, Inc., Ozark Group, Inc., TWA Nippon, Inc., TWA Employee Services, Inc., TWA Getaway Vacations, Inc., Trans World Express, Inc., International Aviation Security Inc., Getaway Management Services, Inc., The Getaway Group (U.K.) Inc.

TRANSPORT ASSOCIATION, INC., NORTHWEST AIRLINES, CORPORATION, SABRE INC., UNITED AIRLINES, INC., US AIRWAYS, INC.,	)
Defendants.	)

SETTLEMENT AGREEMENT BY AND AMONG THE DEBTORS AND AIR CANADA

This Settlement Agreement and Release (the "Agreement") is made by and among Trans World Airlines, Inc. ("TWA") and twenty-six of its direct and indirect subsidiaries, all of whom are currently debtors in possession in the above-captioned bankruptcy cases, (collectively and together with TWA, the "Debtors") and Air Canada ("Settling Creditor") (each a "Party," and collectively the "Parties").[2]

RECITALS

WHEREAS, on January 10, 2001, the Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"); and

WHEREAS, prior to April 9, 2001, Settling Creditor and TWA settled charges for certain transactions and services through the Airlines Clearing House ("ACH") or International Air Transport Association ("IATA") settlement process; and

WHEREAS, in connection with the closing of the court-approved sale (the "Closing") of substantially all its assets to TWA Airlines LLC ("LLC"), a wholly-owned subsidiary of American Airlines, Inc. ("American"), TWA assigned to LLC its agreements

[2] All capitalized terms not defined herein shall have the same meaning as in the Plan (as defined herein).

pertaining to participation in the ACH and/or IATA clearinghouses on April 9, 2001, and LLC began operating under TWA's former airline accounting/prefix code, TW-015, as of that date; and

WHEREAS, after April 9, 2001, LLC began invoking ACH and/or IATA rejection/chargeback and rebilling procedures to recover amounts billed to TW-015 by Settling Creditor through ACH and/or IATA with respect to obligations allegedly incurred on or before April 9, 2001; and

WHEREAS, Settling Creditor has filed an administrative expense claim in the above-captioned bankruptcy cases (the "Chapter 11 Cases") seeking payment, among other amounts, of amounts rejected by LLC or potentially subject to rejection by LLC, and allegedly due to Settling Creditor, with respect to obligations allegedly incurred by TWA-015 on or before April 9, 2001; and

WHEREAS, Settling Creditor is a defendant in the above-captioned adversary proceeding pertaining to ACH and/or IATA clearinghouse billings, entitled *TWA Airlines LLC v. Air Canada, et al.*, No. A-01-4785 (the "Adversary Proceeding"), and has asserted a counterclaim against LLC and/or a third-party claim against TWA in the Adversary Proceeding, both seeking amounts allegedly due to Settling Creditor as a result of LLC's rejections; and

WHEREAS, Settling Creditor has previously filed an objection (the "Objection") to the Third Amended Joint Liquidating Plan of Reorganization of the Debtors and the Official Committee of Unsecured Creditors Pursuant to Chapter 11 of the United States Bankruptcy Code (as amended, the "Plan"); and

WHEREAS, the Parties desire, among other things, to avoid the expense and delay of litigation, to settle the Adversary Proceeding, to resolve the Objection, and to resolve,

discharge and settle any and all rights, claims, liabilities, debts, accounts, damages, demands and causes of action between Settling Creditor on the one hand and American and LLC on the other hand that have been asserted, or could ever be asserted, arising from or relating to (i) Settling Creditor's billings against TW-015, through ACH and/or IATA, with respect to obligations incurred on or before April 9, 2001, and (ii) billings against Settling Creditor by TW-015 (whether such billings were submitted by TWA on or before April 9, 2001 or by LLC thereafter) with respect to obligations incurred on or before April 9, 2001 (the "Settled Claims"); and

WHEREAS, the Debtors anticipate entering into separate settlement agreements and mutual releases (the "Other ACH/IATA Settlements") with certain other participants in ACH (some of whom may have objected to the Plan) and with IATA (collectively, the "Other Participating Creditors"), for purposes of settling and discharging certain claims by and/or against the Participating Creditors corresponding to the Settled Claims (the "Other ACH/IATA Claims"); and

WHEREAS, certain of the Other ACH/IATA Settlements (each, an "Option 1 ACH/IATA Settlement") provide for, among other things, the reduction and expedited payment of the relevant Other ACH/IATA Claims, and certain of the Other ACH/IATA Settlements (each, an "Option 2 ACH/IATA Settlement") do not provide for such reduction and expedited payment; and

WHEREAS, the Debtors anticipate entering into a separate settlement agreement and release with LLC and American (the "TWA-American Settlement") for the purpose of settling and discharging certain claims, debts and obligations between American and LLC and the Debtors and their estates, including without limitation certain of American's and LLC's

alleged administrative expense claims arising in connection with the Settled Claims in the total settled amount of $32,724,150 (the "American/LLC Claims"); and

WHEREAS, the Parties believe implementation of this Agreement and confirmation of the Plan are in the best interest of the Debtors, and their estates and creditors;

NOW, THEREFORE, in mutual consideration of the foregoing and of the following representations and undertakings, the Parties agree as follows:

1. Administrative Claim. Settling Creditor shall be allowed an administrative expense claim relating to the Settled Claims against the TWA estate in the total amount of $540,561 (the "Initial Claim Amount"), which shall then be reduced and finally allowed in the amount of $432,449 (the "Claim Amount"). Payment of the Claim Amount by TWA shall constitute full and final satisfaction of any and all of Settling Creditor's rights, claims, liabilities, debts, accounts, damages, demands and/or causes of action against the Debtors and their estates that arise from or otherwise relate to the Settled Claims.

2. Payment of Administrative Expense Claim. Prior to ten (10) business days after the Effective Date of the Plan, Debtors shall pay the Claim Amount to Settling Creditor from the Executory Contract Cure Reserve (as such term is defined in the Plan) via wire transfer to the following account:

Air Canada
c/o Citibank - NA
399 Park Avenue
New York, NY
Account #38140287
ABA # 021000089

3. Amounts Retained By Settling Creditor. Except as set forth in Paragraph 9 below, Settling Creditor shall retain any and all amounts currently in its possession relating to billings by or against TW-015 through the ACH and/or IATA clearinghouses with respect to

obligations allegedly incurred on or before April 9, 2001, including, without limitation, all amounts that (i) Settling Creditor recovered from LLC through rejections/chargebacks, re-billings and/or protests within the ACH and/or IATA clearinghouses; and/or (ii) Settling Creditor credited to LLC through the ACH and/or IATA clearinghouses but recovered because LLC rejected the credits.

4. Releases of the Debtors, American and LLC. Upon the Effective Date of the Plan, and concurrently with the effectiveness of the release (i) of Settling Creditor by the Debtors and their estates pursuant to Paragraph 5 below and (ii) of Settling Creditor by American and LLC pursuant to the TWA-American Settlement (as contemplated in Paragraph 6 below), Settling Creditor, for itself and all of its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, agrees to, and hereby, releases and forever discharges each of the Debtors, their estates, American and LLC, and their respective successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims.

5. Release of Settling Creditor. Upon the Effective Date of the Plan, and concurrently with the effectiveness of the release (i) by Settling Creditor of the Debtors and their estates pursuant to Paragraph 4 above and (ii) of Settling Creditor by American and LLC pursuant to the TWA-American Settlement (as contemplated in Paragraph 6 below), the Debtors and their estates, on their own behalves and on behalf of all of their successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, agree to, and hereby, release

and forever discharge Settling Creditor and its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, including without limitation any claims or causes of action under Sections 541 through 553 of the Bankruptcy Code, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims.

6. Separate Release by American and LLC. This Agreement is subject to, and conditioned upon, execution by American and LLC of the American/LLC Settlement, in the form attached hereto as Exhibit A, in which American and LLC: (i) release and discharge Settling Creditor and its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims; (ii) agree not to reject, chargeback, re-bill, protest, or otherwise seek to recover, receive credit for, or cause payment (through ACH, IATA, or otherwise) of or with respect to the Settled Claims; (iii) agree to take all necessary steps to reverse any rejection, chargeback, or re-billing through ACH and/or IATA with respect to any Settled Claim that has been included in any ACH or IATA settlement subsequent to December 31, 2001; (iv) covenant not to sue, institute, cause to be instituted, or permit to be instituted on their behalf, against any of the Parties released herein, relating to the Settled Claims (a) any proceeding or action with or before any local, state and/or federal agency, court or other tribunal or (b) any binding arbitration

proceeding, proceeding before the ACH Committee on Differences, or other dispute resolution proceeding; and (v) agree to dismiss with prejudice all of American's and/or LLC's claims in the Adversary Proceeding against Settling Creditor.

7. Dismissal of the Adversary Proceeding. Settling Creditor shall take all steps necessary to dismiss with prejudice, effective upon American, LLC, and the Debtors having done the same with respect to Settling Creditor, all counterclaims, third-party claims, or other claims asserted by Settling Creditor in the Adversary Proceeding prior to five (5) business days after receiving the Claim Amount. Settling Creditor shall not object to, or take any action inconsistent with, the dismissal of claims asserted by other parties to the Adversary Proceeding.

8. Dismissal of Administrative Claim. Prior to ten (10) days after the Effective Date of the Plan, Settling Creditor shall file an amended proof of claim (the "Amended Non-Clearinghouse Claim") to include only those claims, if any, against the Debtor or their estates that do not arise from transactions or services for which Settling Creditor and TWA settled charges through the ACH or IATA settlement process. Effective at 5:00 p.m. local time in Wilmington, Delaware on the tenth (10th) day after the Effective Date of the Plan, each administrative claim request or other administrative expense claim previously filed by Settling Creditor (other than any Amended Non-Clearinghouse Claim) shall be dismissed in its entirety and expunged.

9. No Further Rejections or Re-billings. From the date hereof, the Parties, provided American and LLC likewise agree in the American/LLC Settlement, shall not reject, chargeback, re-bill, or otherwise seek to recover, receive credit for, or cause payment (through ACH, IATA, or otherwise) of or with respect to any of the Settled Claims. Upon the effectiveness of the releases provided for in Paragraphs 4, 5, and 6 above, the Parties, provided

American and LLC likewise agree in the American/LLC Settlement, shall further take all necessary steps to reverse any rejection, chargeback, or re-billing through ACH and/or IATA with respect to any Settled Claim, which rejection, chargeback, or re-billing has been (or may hereafter be) included in any ACH or IATA settlement subsequent to December 31, 2001. The Parties agree that the Bankruptcy Court (a) shall retain jurisdiction to resolve any disputes arising from the implementation of this Paragraph, and (b) shall retain sole jurisdiction to resolve any disputes with the Debtors arising from the implementation of this Paragraph.

10. Covenant Not to Sue or Institute Dispute Resolution Proceedings. Subject to the effectiveness of the releases provided for in Paragraphs 4, 5, and 6 above, the Parties covenant not to sue, institute, cause to be instituted, or permit to be instituted on their behalf, against any of the Parties released herein, relating to the Settled Claims, (a) any proceeding or action with or before any local, state and/or federal agency, court or other tribunal; or (b) any binding arbitration proceeding, proceeding before the ACH Committee on Differences, or other dispute resolution proceeding.

11. Support of Plan. Upon execution of this Agreement and conditioned upon approval of this Agreement by the Bankruptcy Court, Settling Creditor shall: (i) immediately withdraw any and all Objections to the Plan that it has asserted, including any Objections not related to the Settled Claims; (ii) use reasonable efforts to support confirmation of the Plan, provided, however, that in no event shall such efforts require Settling Creditor to incur any non-de minimis costs or expenses; and (iii) take no action that is inconsistent with or that would delay confirmation of the Plan.

12. Termination at Discretion of Debtors. The Debtors, in their sole discretion, may terminate this Agreement at any time before 10:00 p.m., Eastern Standard Time,

on the second day prior to a confirmation hearing on the Plan (or a separate hearing on confirmation objections based on 11 U.S.C. § 1129(a)(9)) held before the Bankruptcy Court in the Chapter 11 Cases; provided that: (a) the Debtors simultaneously terminate any Other ACH/IATA Settlements executed prior to said termination; and (b) the Debtors provide notice to the following counsel by e-mail at or prior to that time at the address below and by telephone or voicemail at the telephone number below:

Donna Culver
dculver@mnat.com
302-575-7208

In the event that the Debtors give such notice of termination of this Agreement, including, without limitation, the releases referenced in paragraph 4 hereof, this Agreement shall thereupon become null, void, and of no effect, and no further performance shall be due by either Party.

13. Court Approval of Settlements. In the event that the Bankruptcy Court in the above-captioned action has not approved (i) this Agreement, (ii) the TWA-American Settlement, and (iii) all of the Other ACH/IATA Settlements submitted for approval by the Debtors, on or before August 1, 2002, this Agreement, including without limitation the releases provided for in Paragraph 4 above and Paragraph 5 above and the compromise of claims provided for herein, shall become null, void, and of no effect, and no further performance shall be due by either Party.

14. Confirmation of the Plan. In the event that the Bankruptcy Court has not confirmed the Plan, or the Plan has otherwise not become effective, on or before August 1, 2002, this Agreement, including without limitation the releases provided for in Paragraph 4 above and Paragraph 5 above and the compromise of claims provided for herein, shall become null, void, and of no effect, and no further performance shall be due by either Party.

15. No Admission of Liability. The Parties represent and agree that this Agreement is made to compromise and settle certain claims among Settling Creditor, the Debtors, American, and LLC, without the delay and expense of further litigation and shall in no way be construed as an admission of liability, all such liability being denied. No Party, and no one in privity with them, may argue before any court, agency, or other forum that the Agreement shows or evidences in any way that the Debtors or their estates violated any contractual or other legal obligation, or were otherwise liable to Settling Creditor in relation to the claims resolved by this Agreement. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Settled Claim, or of any alleged wrongdoing or liability of the Debtors. Neither this Agreement nor any of the negotiations or proceedings connected with this Agreement may be offered or received in evidence for any purpose other than for purposes of obtaining approval of this Agreement and dismissal of the Adversary Proceeding, enforcement and implementation of the terms of this Agreement, and to support any defense or claims of the Debtors based on principles of res judicata, collateral estoppel, release, covenant not to sue or other defenses related to the Settled Claims.

16. Construction. This Agreement shall be deemed to have been mutually prepared by the Parties, and shall not be construed against any of them by reason of authorship.

17. Arms' Length Agreement. The Parties represent and agree that the terms of this Agreement were negotiated in good faith and at arms' length, with all the Parties represented by counsel.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without reference to principles of choice of law or conflicts of law.

19. Entire Agreement. This Agreement, together with the TWA-American Settlement (including the releases contained therein) represents the entire, fully integrated agreement between the Parties relating to the Settled Claims. No additional obligations or understandings shall be inferred from any of the terms of this Agreement, as all obligations, agreements, and understandings with respect to the subject matter hereof are solely and expressly set forth herein. No modification or waiver of, addition to, or deletion from the terms of this Agreement shall be effective unless first reduced to writing and signed by all Parties.

20. Changes in Fact. The Parties understand, acknowledge and agree that they may hereafter discover facts in addition to, or different from, those they now know or believe to be true with respect to the subject matter of this Agreement, including facts relating to the amount of the Claim Amount. Nevertheless, it is their intention to resolve their disputes pursuant to the terms of the Agreement and thus, in furtherance of their intentions, the Agreement shall remain in effect, notwithstanding the discovery or existence of any such additional facts, and this Agreement shall not be subject to rescission or modification by reason of any change or difference in facts.

21. No Appeal. The Parties expressly waive any right of appeal and agree not to appeal, and shall not appeal, the dismissal of any claims in the Adversary Proceeding and further agree not to contest the dismissal in any court, arbitration or other proceeding relating to the validity of this Agreement.

22. No Assignment. Settling Creditor specifically warrants and agrees that it has not made any assignment or transfer of any of the Settled Claims, excepting any collateral assignment under which Settling Creditor retains full authority to settle and compromise the Settled Claims as provided in this Agreement.

23. Authority. All parties hereto specifically represent and warrant that they are authorized to execute such documents and instruments and take such other steps as are necessary to implement the provisions of this Agreement, consistent with its terms.

24. Full Discharge. The Parties have fully read and understand this Agreement, and all of the terms, contents, and conditions thereof. The Parties understand that this Agreement is a full, complete, and final discharge of the Parties from any and all rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law or equity that arise from or otherwise relate to the Settled Claims, the consideration for which is the payment of the sums and the performance of the obligations set forth above, and the releases and covenants contained herein.

25. Settlements on More Favorable Terms. To the extent that the Debtors enter into an Option 1 Other ACH/IATA Settlement with an Other Participating Creditor that provides for such Other Participating Creditor to have a Claim Amount that is greater than 80% of such Other Participating Creditor's Initial Claim Amount, then Settling Creditor shall also be entitled to a Claim Amount that is the same percentage of the Settling Creditor's Initial Claim Amount as such Other Participating Creditor's Claim Amount is compared to such Other Participating Creditors' Initial Claim Amount.

26. Binding Effect. The provisions of this Agreement, including without limitation the releases of the Parties, shall be binding upon and inure to the benefit of Settling

Creditor, the Debtors and the Debtors' respective bankruptcy estates, any of their respective successors and assigns, and any trustee subsequently appointed in the Debtors' bankruptcy cases or any superseding chapter 7 bankruptcy case.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the Parties hereto execute this Settlement Agreement and Release through their duly authorized officers whose signatures appear below. This Agreement may be executed in one or more counterparts, each of which will be deemed an original once all parties have signed one of the counterparts.

TRANS WORLD AIRLINES, INC., on its own behalf and on behalf of the Debtors and Debtors in Possession

By: Michael J. Lichtz
Its: President & CEO
Printed Name: MICHAEL J. LICHTY

AIR CANADA

By: John M. Baker
Its: Senior Vice President & General Counsel
Printed Name: John M. Baker

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
	)	
TRANS WORLD AIRLINES, INC., et al.[1]	)	Case No. 01-0056 (PJW)
	)	
	)	(Jointly Administered)
Debtors.		

In re	)	Chapter 11
	)	
TRANS WORLD AIRLINES, INC., et al.,	)	Case No. 01-0056 (PJW)
	)	
	)	(Jointly Administered)
Debtors.	)	
	)	
TWA AIRLINES, LLC.	)	
	)	
Plaintiff,	)	
	)	
v.	)	Adv. Pro No. 01-4785
	)	
AIR CANADA, AIRLINE TARIFF PUBLISHING COMPANY, AIR TRANSPORT ASSOCATION OF AMERICA, INC., AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A., CONTINENTAL AIRLINES, INC., DELTA AIRLINES, INC., GETTHERE L.P., HAWAIIAN AIRLINES, INC., INTERNATIONAL AIR	)	

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1 The Debtors are the following entities: Trans World Airlines, Inc., Ambassador Fuel Corporation, LAX Holding Company, Inc., Mega Advertising Inc., Northwest 112th Street Corporation, The TWA Ambassador Club, Inc., Trans World Computer Services, Inc., Transcontinental & Western Air, Inc., TWA Aviation, Inc., TWA Group Inc., TWA Standards & Controls, Inc., TWA Stock Holding Company, TWA-D.C. Gate Company, Inc., TWA-LAX Gate Company, Inc., TWA Logan Gate Co., Inc., TWA-NY/NJ Gate Company, Inc., TWA-Omnibus Gate Company, Inc., TWA-San Francisco Gate Company, Inc., TWA-Hangar 12 Holding Company, Inc., Ozark Group, Inc., TWA Nippon, Inc., TWA Employee Services, Inc., TWA Getaway Vacations, Inc., Trans World Express, Inc., International Aviation Security Inc., Getaway Management Services, Inc., The Getaway Group (U.K.) Inc.

TRANSPORT ASSOCIATION, INC., NORTHWEST AIRLINES, CORPORATION, SABRE INC., UNITED AIRLINES, INC., US AIRWAYS, INC.,	)
Defendants.	)

SETTLEMENT AGREEMENT BY AND AMONG THE DEBTORS AND AIR JAMAICA LIMITED

This Settlement Agreement and Release (the "Agreement") is made by and among Trans World Airlines, Inc. ("TWA") and twenty-six of its direct and indirect subsidiaries, all of whom are currently debtors in possession in the above-captioned bankruptcy cases, (collectively and together with TWA, the "Debtors") and Air Jamaica Limited ("Settling Creditor") (each a "Party," and collectively the "Parties").[2]

RECITALS

WHEREAS, on January 10, 2001, the Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"); and

WHEREAS, prior to April 9, 2001, Settling Creditor and TWA settled charges for certain transactions and services through the Airlines Clearing House ("ACH") or International Air Transport Association ("IATA") settlement process; and

WHEREAS, in connection with the closing of the court-approved sale (the "Closing") of substantially all its assets to TWA Airlines LLC ("LLC"), a wholly-owned subsidiary of American Airlines, Inc. ("American"), TWA assigned its agreements pertaining to

[2] All capitalized terms not defined herein shall have the same meaning as in the Plan (as defined herein).

participation in the ACH and/or IATA to LLC on April 9, 2001, and LLC began operating under TWA's former airline accounting/prefix code, TW-015, as of that date; and

WHEREAS, after April 9, 2001, LLC began invoking ACH and/or IATA rejection/chargeback and rebilling procedures to recover amounts billed to TW-015 by Settling Creditor through ACH and/or IATA with respect to obligations allegedly incurred on or before April 9, 2001; and

WHEREAS, Settling Creditor has filed an administrative expense claim in the above-captioned bankruptcy cases (the "Chapter 11 Cases") seeking payment of amounts rejected by LLC or potentially subject to rejection by LLC, and allegedly due to Settling Creditor, with respect to obligations allegedly incurred on or before April 9, 2001; and

WHEREAS, Settling Creditor has previously filed an objection (the "Objection") to the Third Amended Joint Liquidating Plan of Reorganization of the Debtors and the Official Committee of Unsecured Creditors Pursuant to Chapter 11 of the United States Bankruptcy Code (as amended, the "Plan"); and

WHEREAS, the Parties desire, among other things, to avoid the expense and delay of litigation, to settle, to resolve Settling Creditor's administrative expense claim, to resolve the Objection, and to resolve, discharge and settle any and all rights, claims, liabilities, debts, accounts, damages, demands and causes of action between TWA, Settling Creditor, American and LLC that have been asserted, or could ever be asserted, arising from or relating to (i) Settling Creditor's billings against TW-015, through ACH and/or IATA, with respect to obligations incurred on or before April 9, 2001, and (ii) billings against Settling Creditor by TW-015 (whether such billings were submitted by TWA on or before April 9, 2001 or by LLC

thereafter) with respect to obligations incurred on or before April 9, 2001 (the "Settled Claims"); and

WHEREAS, the Debtors anticipate entering into separate settlement agreements and mutual releases (the "Other ACH/IATA Settlements") with certain other participants in ACH (some of whom may have objected to the Plan) and with IATA (collectively, the "Other Participating Creditors"), for purposes of settling and discharging certain claims by and/or against the Participating Creditors corresponding to the Settled Claims (the "Other ACH/IATA Claims"); and

WHEREAS, certain of the Other ACH/IATA Settlements (each, an "Option 1 ACH/IATA Settlement") provide for, among other things, the reduction and expedited payment of the relevant Other ACH/IATA Claims, and certain of the Other ACH/IATA Settlements (each, an "Option 2 ACH/IATA Settlement") do not provide for such reduction and expedited payment; and

WHEREAS, the Debtors anticipate entering into a separate settlement agreement and release with LLC and American (the "TWA-American Settlement") for the purpose of settling and discharging certain claims, debts and obligations between American and LLC and the Debtors and their estates, including without limitation certain of American's and LLC's alleged administrative expense claims arising in connection with the Settled Claims in the total settled amount of $32,724,150 (the "American/LLC Claims"); and

WHEREAS, the Parties believe implementation of this Agreement and confirmation of the Plan are in the best interest of the Debtors, and their estates and creditors;

NOW, THEREFORE, in mutual consideration of the foregoing and of the following representations and undertakings, the Parties agree as follows:

1. Administrative Claim. Settling Creditor shall be allowed an administrative expense claim against the TWA estate in the total amount of $27,281.42 (the "Initial Claim Amount"), which shall then be reduced and finally allowed in the amount of $21,825 (the "Claim Amount"); provided, however, that the Claim Amount shall be subject to modification as the parties reasonably agree as a result of further reconciliation. Payment of the Claim Amount by TWA shall constitute full and final satisfaction of any and all of Settling Creditor's rights, claims, liabilities, debts, accounts, damages, demands and/or causes of action against the Debtors and their estates that arise from or otherwise relate to the Settled Claims.

2. Payment of Administrative Expense Claim. Prior to ten (10) business days after the Effective Date of the Plan, Debtors shall pay the Claim Amount to Settling Creditor from the Executory Contract Cure Reserve (as such term is defined in the Plan).

3. Amounts Retained By Settling Creditor. Except as set forth in Paragraph 8 below, Settling Creditor shall retain any and all amounts currently in its possession relating to billings by or against TW-015 through the ACH and/or IATA clearinghouses with respect to obligations allegedly incurred on or before April 9, 2001, including without limitation all amounts that (i) Settling Creditor recovered from LLC through rejections/chargebacks, re-billings and/or protests within the ACH and/or IATA clearinghouses; and/or (ii) Settling Creditor credited to LLC through the ACH and/or IATA clearinghouses but recovered because LLC rejected the credits.

4. Releases of the Debtors, American and LLC. Upon the Effective Date of the Plan, and concurrently with the effectiveness of the release (i) of Settling Creditor by the Debtors and their estates pursuant to Paragraph 5 below and (ii) of Settling Creditor by American and LLC pursuant to the TWA-American Settlement (as contemplated in Paragraph 6 below),

Settling Creditor, for itself and all of its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, agrees to, and hereby, releases and forever discharges each of the Debtors, their estates, American and LLC, and their respective successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims.

5. Release of Settling Creditor. Upon the Effective Date of the Plan, and concurrently with the effectiveness of the release (i) by Settling Creditor of the Debtors and their estates pursuant to Paragraph 4 above and (ii) of Settling Creditor by American and LLC pursuant to the TWA-American Settlement (as contemplated in Paragraph 6 below), the Debtors and their estates, on their own behalves and on behalf of all of their successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, agree to, and hereby, release and forever discharge Settling Creditor and its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, including without limitation any claims or causes of action under Sections 541 through 553 of the Bankruptcy Code, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims.

6. Separate Release by American and LLC. This Agreement is subject to, and conditioned upon, execution by American and LLC of the American/LLC Settlement, in the

form attached hereto as Exhibit A, in which American and LLC: (i) release and discharge Settling Creditor and its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims; (ii) agree not to reject, chargeback, re-bill, protest, or otherwise seek to recover, receive credit for, or cause payment (through ACH, IATA, or otherwise) of or with respect to the Settled Claims; (iii) agree to take all necessary steps to reverse any rejection, chargeback, or re-billing through ACH and/or IATA with respect to any Settled Claim that has been included in any ACH or IATA settlement subsequent to December 31, 2001; and (iv) covenant not to sue, institute, cause to be instituted, or permit to be instituted on their behalf, against any of the Parties released herein, relating to the Settled Claims (a) any proceeding or action with or before any local, state and/or federal agency, court or other tribunal or (b) any binding arbitration proceeding, proceeding before the ACH Committee on Differences, or other dispute resolution proceeding.

7. Dismissal of Administrative Claim. Prior to ten (10) days after the Effective Date of the Plan, Settling Creditor shall file an amended proof of claim (the "Amended Non-Clearinghouse Claim") to include only those claims, if any, against the Debtor or their estates that do not arise from transactions or services for which Settling Creditor and TWA settled charges through the ACH or IATA settlement process. Effective at 5:00 p.m. local time in Wilmington, Delaware on the tenth (10th) day after the Effective Date of the Plan, each administrative claim request or other administrative expense claim previously filed by Settling

Creditor (other than any Amended Non-Clearinghouse Claim) shall be dismissed in its entirety and expunged.

8. No Further Rejections or Re-billings. From the date hereof, the Parties, provided American and LLC likewise agree in the American/LLC Settlement, shall not reject, chargeback, re-bill, or otherwise seek to recover, receive credit for, or cause payment (through ACH, IATA, or otherwise) of or with respect to any of the Settled Claims. Upon the effectiveness of the releases provided for in Paragraphs 4, 5, and 6 above, the Parties, provided American and LLC likewise agree in the American/LLC Settlement, shall further take all necessary steps to reverse any rejection, chargeback, or re-billing through ACH and/or IATA with respect to any Settled Claim, which rejection, chargeback, or re-billing has been (or may hereafter be) included in any ACH or IATA settlement subsequent to December 31, 2001. The Parties agree that the Bankruptcy Court (a) shall retain jurisdiction to resolve any disputes arising from the implementation of this Paragraph, and (b) shall retain sole jurisdiction to resolve any disputes with the Debtors arising from the implementation of this Paragraph.

9. Covenant Not to Sue or Institute Dispute Resolution Proceedings. Subject to the effectiveness of the releases provided for in Paragraphs 4, 5, and 6 above, the Parties covenant not to sue, institute, cause to be instituted, or permit to be instituted on their behalf, against any of the Parties released herein, relating to the Settled Claims, (a) any proceeding or action with or before any local, state and/or federal agency, court or other tribunal; or (b) any binding arbitration proceeding, proceeding before the ACH Committee on Differences, or other dispute resolution proceeding.

10. Support of Plan. Upon execution of this Agreement and conditioned upon approval of this Agreement by the Bankruptcy Court, Settling Creditor shall: (i) immediately

withdraw any and all Objections to the Plan that it has asserted, including any Objections not related to the Settled Claims; (ii) use reasonable efforts to support confirmation of the Plan; and (iii) take no action that is inconsistent with or that would delay confirmation of the Plan.

11. Termination at Discretion of Debtors. The Debtors, in their sole discretion, may terminate this Agreement at any time before 10:00 p.m., Eastern Standard Time, on the second day prior to a confirmation hearing on the Plan (or a separate hearing on confirmation objections based on 11 U.S.C. § 1129(a)(9)) held before the Bankruptcy Court in the Chapter 11 Cases; provided that: (a) the Debtors simultaneously terminate any Other ACH/IATA Settlements executed prior to said termination; and (b) the Debtors provide notice to the following counsel by e-mail at or prior to that time at the address below and by telephone or voicemail at the telephone number below:

Craig H. Ulman
chulman@hhlaw.com
202-637-5600

Jason Chipman
jcchipman@hhlaw.com
202-637-5600

In the event that the Debtors give such notice of termination of this Agreement, this Agreement shall thereupon become null, void, and of no effect, and no further performance shall be due by either Party.

12. Court Approval of Settlements. In the event that the Bankruptcy Court in the above-captioned action has not approved (i) this Agreement, (ii) the TWA-American Settlement, and (iii) all of the Other ACH/IATA Settlements submitted for approval by the Debtors, on or before August 1, 2002, this Agreement, including without limitation the releases provided for in Paragraph 4 above and Paragraph 5 above and the compromise of claims

provided for herein, shall become null, void, and of no effect, and no further performance shall be due by either Party.

13. Confirmation of the Plan. In the event that the Bankruptcy Court has not confirmed the Plan, or the Plan has otherwise not become effective, on or before August 1, 2002, this Agreement, including without limitation the releases provided for in Paragraph 4 above and Paragraph 5 above and the compromise of claims provided for herein, shall become null, void, and of no effect, and no further performance shall be due by either Party.

14. No Admission of Liability. The Parties represent and agree that this Agreement is made to compromise and settle certain claims among Settling Creditor, the Debtors, American, and LLC, without the delay and expense of further litigation and shall in no way be construed as an admission of liability, all such liability being denied. No Party, and no one in privity with them, may argue before any court, agency, or other forum that the Agreement shows or evidences in any way that the Debtors or their estates violated any contractual or other legal obligation, or were otherwise liable to Settling Creditor in relation to the claims resolved by this Agreement. Neither this Agreement, nor any act performed or document executed pursuant to or in furtherance of this Agreement, is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Settled Claim, or of any alleged wrongdoing or liability of the Debtors. Neither this Agreement nor any of the negotiations or proceedings connected with this Agreement may be offered or received in evidence for any purpose other than for purposes of obtaining approval of this Agreement and dismissal of the Adversary Proceeding, enforcement and implementation of the terms of this Agreement, and to support any defense or claims of the Debtors based on principles of res judicata, collateral estoppel, release, covenant not to sue or other defenses related to the Settled Claims.

15. Construction. This Agreement shall be deemed to have been mutually prepared by the Parties, and shall not be construed against any of them by reason of authorship.

16. Arms' Length Agreement. The Parties represent and agree that the terms of this Agreement were negotiated in good faith and at arms' length, with all the Parties represented by counsel.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without reference to principles of choice of law or conflicts of law.

18. Entire Agreement. This Agreement, together with the TWA-American Settlement (including the releases contained therein) represents the entire, fully integrated agreement between the Parties relating to the Settled Claims. No additional obligations or understandings shall be inferred from any of the terms of this Agreement, as all obligations, agreements, and understandings with respect to the subject matter hereof are solely and expressly set forth herein. No modification or waiver of, addition to, or deletion from the terms of this Agreement shall be effective unless first reduced to writing and signed by all Parties.

19. Changes in Fact. The Parties understand, acknowledge and agree that they may hereafter discover facts in addition to, or different from, those they now know or believe to be true with respect to the subject matter of this Agreement, including facts relating to the amount of the Claim Amount. Nevertheless, it is their intention to resolve their disputes pursuant to the terms of the Agreement and thus, in furtherance of their intentions, the Agreement shall remain in effect, notwithstanding the discovery or existence of any such additional facts, and this Agreement shall not be subject to rescission or modification by reason of any change or difference in facts.

20. No Appeal. The Parties expressly waive any right of appeal and agree not to appeal, and shall not appeal, the dismissal of any claims in the Adversary Proceeding or the Chapter 11 Cases and further agree not to contest the dismissal in any court, arbitration or other proceeding relating to the validity of this Agreement.

21. No Assignment. Settling Creditor specifically warrants and agrees that it has not made any assignment or transfer of any of the Settled Claims, excepting any collateral assignment under which Settling Creditor retains full authority to settle and compromise the Settled Claims as provided in this Agreement.

22. Authority. All parties hereto specifically represent and warrant that they are authorized to execute such documents and instruments and take such other steps as are necessary to implement the provisions of this Agreement, consistent with its terms.

23. Full Discharge. The Parties have fully read and understand this Agreement, and all of the terms, contents, and conditions thereof. The Parties understand that this Agreement is a full, complete, and final discharge of the Parties from any and all rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law or equity that arise from or otherwise relate to the Settled Claims, the consideration for which is the payment of the sums and the performance of the obligations set forth above, and the releases and covenants contained herein.

24. Settlements on More Favorable Terms. To the extent that the Debtors enter into an Option 1 Other ACH/IATA Settlement with an Other Participating Creditor that provides for such Other Participating Creditor to have a Claim Amount that is greater than 80% of such Other Participating Creditor's Initial Claim Amount, then Settling Creditor shall also be entitled to a Claim Amount that is the same percentage of the Settling Creditor's Initial Claim

Amount as such Other Participating Creditor's Claim Amount is compared to such Other Participating Creditors' Initial Claim Amount.

25. Binding Effect. The provisions of this Agreement, including without limitation the releases of the Parties, shall be binding upon and inure to the benefit of Settling Creditor, the Debtors and the Debtors' respective bankruptcy estates, any of their respective successors and assigns, and any trustee subsequently appointed in the Debtors' bankruptcy cases or any superseding chapter 7 bankruptcy case.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the Parties hereto execute this Settlement Agreement and Release through their duly authorized officers whose signatures appear below. This Agreement may be executed in one or more counterparts, each of which will be deemed an original once all parties have signed one of the counterparts.

TRANS WORLD AIRLINES, INC., on its own behalf and on behalf of the Debtors and Debtors in Possession

By: Michael J. Lichtig
Its: President & CEO
Printed Name: MICHAEL J. LICHTIG

AIR JAMAICA LIMITED

By: Director Revenue Accounting
Its:
Printed Name: Harold Richardson

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	)	Chapter 11
	)	
TRANS WORLD AIRLINES, INC., et al.[1]	)	Case No. 01-0056 (PJW)
	)	
	)	(Jointly Administered)
Debtors.		

In re	)	Chapter 11
	)	
TRANS WORLD AIRLINES, INC., et al.,	)	Case No. 01-0056 (PJW)
	)	
	)	(Jointly Administered)
Debtors.	)	
	)	
TWA AIRLINES, LLC.	)	
	)	
Plaintiff,	)	
	)	
v.	)	Adv. Pro No. 01-4785
	)	
AIR CANADA, AIRLINE TARIFF PUBLISHING COMPANY, AIR TRANSPORT ASSOCATION OF AMERICA, INC., AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A., CONTINENTAL AIRLINES, INC., DELTA AIRLINES, INC., GETTHERE L.P., HAWAIIAN AIRLINES, INC., INTERNATIONAL AIR	)	

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1 The Debtors are the following entities: Trans World Airlines, Inc., Ambassador Fuel Corporation, LAX Holding Company, Inc., Mega Advertising Inc., Northwest 112th Street Corporation, The TWA Ambassador Club, Inc., Trans World Computer Services, Inc., Transcontinental & Western Air, Inc., TWA Aviation, Inc., TWA Group Inc., TWA Standards & Controls, Inc., TWA Stock Holding Company, TWA-D.C. Gate Company, Inc., TWA-LAX Gate Company, Inc., TWA Logan Gate Co., Inc., TWA-NY/NJ Gate Company, Inc., TWA-Omnibus Gate Company, Inc., TWA-San Francisco Gate Company, Inc., TWA-Hangar 12 Holding Company, Inc., Ozark Group, Inc., TWA Nippon, Inc., TWA Employee Services, Inc., TWA Getaway Vacations, Inc., Trans World Express, Inc., International Aviation Security Inc., Getaway Management Services, Inc., The Getaway Group (U.K.) Inc.

TRANSPORT ASSOCIATION, INC., NORTHWEST AIRLINES, CORPORATION, SABRE INC., UNITED AIRLINES, INC., US AIRWAYS, INC.,	)
Defendants.	)

SETTLEMENT AGREEMENT BY AND AMONG THE DEBTORS AND AIR TRANSPORT ASSOCIATION OF AMERICA, INC.

This Settlement Agreement and Release (the "Agreement") is made by and among Trans World Airlines, Inc. ("TWA") and twenty-six of its direct and indirect subsidiaries, all of whom are currently debtors in possession in the above-captioned bankruptcy cases, (collectively and together with TWA, the "Debtors") and Air Transport Association of America, Inc. ("Settling Creditor") (each a "Party," and collectively the "Parties").[2]

RECITALS

WHEREAS, on January 10, 2001, the Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"); and

WHEREAS, prior to April 9, 2001, Settling Creditor and TWA settled charges for certain transactions and services through the Airlines Clearing House ("ACH") or International Air Transport Association ("IATA") settlement process; and

WHEREAS, in connection with the closing of the court-approved sale (the "Closing") of substantially all its assets to TWA Airlines LLC ("LLC"), a wholly-owned subsidiary of American Airlines, Inc. ("American"), TWA assigned its agreements pertaining to

[2] All capitalized terms not defined herein shall have the same meaning as in the Plan (as defined herein).

participation in the ACH and/or IATA to LLC on April 9, 2001, and LLC began operating under TWA's former airline accounting/prefix code, TW-015, as of that date; and

WHEREAS, after April 9, 2001, LLC began invoking ACH and/or IATA rejection/chargeback and rebilling procedures to recover amounts billed to TW-015 by Settling Creditor through ACH and/or IATA with respect to obligations allegedly incurred on or before April 9, 2001; and

WHEREAS, Settling Creditor has filed an administrative expense claim in the above-captioned bankruptcy cases (the "Chapter 11 Cases") seeking payment of amounts rejected by LLC or potentially subject to rejection by LLC, and allegedly due to Settling Creditor, with respect to obligations allegedly incurred on or before April 9, 2001; and

WHEREAS, Settling Creditor is a defendant in the above-captioned adversary proceeding pertaining to ACH and/or IATA clearinghouse billings, entitled *TWA Airlines LLC v. Air Canada, et al.*, No. A-01-4785 (the "Adversary Proceeding"), and has asserted a counterclaim against LLC and/or a third-party claim against TWA in the Adversary Proceeding, both seeking amounts allegedly due to Settling Creditor as a result of LLC's rejections; and

WHEREAS, Settling Creditor has previously filed an objection (the "Objection") to the Third Amended Joint Liquidating Plan of Reorganization of the Debtors and the Official Committee of Unsecured Creditors Pursuant to Chapter 11 of the United States Bankruptcy Code (as amended, the "Plan"); and

WHEREAS, the Parties desire, among other things, to avoid the expense and delay of litigation, to settle the Adversary Proceeding, to resolve Settling Creditor's administrative expense claim, to resolve the Objection, and to resolve, discharge and settle any and all rights, claims, liabilities, debts, accounts, damages, demands and causes of action

between TWA, Settling Creditor, American and LLC that have been asserted, or could ever be asserted, arising from or relating to (i) Settling Creditor's billings against TW-015, through ACH and/or IATA, with respect to obligations incurred on or before April 9, 2001, and (ii) billings against Settling Creditor by TW-015 (whether such billings were submitted by TWA on or before April 9, 2001 or by LLC thereafter) with respect to obligations incurred on or before April 9, 2001 (the "Settled Claims"); and

WHEREAS, the Debtors anticipate entering into separate settlement agreements and mutual releases (the "Other ACH/IATA Settlements") with certain other participants in ACH (some of whom may have objected to the Plan) and with IATA (collectively, the "Other Participating Creditors"), for purposes of settling and discharging certain claims by and/or against the Participating Creditors corresponding to the Settled Claims (the "Other ACH/IATA Claims"); and

WHEREAS, certain of the Other ACH/IATA Settlements (each, an "Option 1 ACH/IATA Settlement") provide for, among other things, the reduction and expedited payment of the relevant Other ACH/IATA Claims, and certain of the Other ACH/IATA Settlements (each, an "Option 2 ACH/IATA Settlement") do not provide for such reduction and expedited payment; and

WHEREAS, the Debtors anticipate entering into a separate settlement agreement and release with LLC and American (the "TWA-American Settlement") for the purpose of settling and discharging certain claims, debts and obligations between American and LLC and the Debtors and their estates, including without limitation certain of American's and LLC's alleged administrative expense claims arising in connection with the Settled Claims in the total settled amount of $32,724,150 (the "American/LLC Claims"); and

WHEREAS, the Parties believe implementation of this Agreement and confirmation of the Plan are in the best interest of the Debtors, and their estates and creditors;

NOW, THEREFORE, in mutual consideration of the foregoing and of the following representations and undertakings, the Parties agree as follows:

1. Administrative Claim. Settling Creditor shall be allowed an administrative expense claim against the TWA estate in the total amount of $21,157 (the "Initial Claim Amount"), which shall then be reduced and finally allowed in the amount of $16,926 (the "Claim Amount"). Payment of the Claim Amount by TWA shall constitute full and final satisfaction of any and all of Settling Creditor's rights, claims, liabilities, debts, accounts, damages, demands and/or causes of action against the Debtors and their estates that arise from or otherwise relate to the Settled Claims.

2. Payment of Administrative Expense Claim. Prior to ten (10) business days after the Effective Date of the Plan, Debtors shall pay the Claim Amount to Settling Creditor from the Executory Contract Cure Reserve (as such term is defined in the Plan).

3. Amounts Retained By Settling Creditor. Except as set forth in Paragraph 9 below, Settling Creditor shall retain any and all amounts currently in its possession relating to billings by or against TW-015 through the ACH and/or IATA clearinghouses with respect to obligations allegedly incurred on or before April 9, 2001, including without limitation all amounts that (i) Settling Creditor recovered from LLC through rejections/chargebacks, re-billings and/or protests within the ACH and/or IATA clearinghouses; and/or (ii) Settling Creditor credited to LLC through the ACH and/or IATA clearinghouses but recovered because LLC rejected the credits.

4. Releases of the Debtors, American and LLC. Upon the Effective Date of the Plan, and concurrently with the effectiveness of the release (i) of Settling Creditor by the Debtors and their estates pursuant to Paragraph 5 below and (ii) of Settling Creditor by American and LLC pursuant to the TWA-American Settlement (as contemplated in Paragraph 6 below), Settling Creditor, for itself and all of its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, agrees to, and hereby, releases and forever discharges each of the Debtors, their estates, American and LLC, and their respective successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims.

5. Release of Settling Creditor. Upon the Effective Date of the Plan, and concurrently with the effectiveness of the release (i) by Settling Creditor of the Debtors and their estates pursuant to Paragraph 4 above and (ii) of Settling Creditor by American and LLC pursuant to the TWA-American Settlement (as contemplated in Paragraph 6 below), the Debtors and their estates, on their own behalves and on behalf of all of their successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, agree to, and hereby, release and forever discharge Settling Creditor and its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, including without limitation any claims or causes of action under

Sections 541 through 553 of the Bankruptcy Code, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims.

6. Separate Release by American and LLC. This Agreement is subject to, and conditioned upon, execution by American and LLC of the American/LLC Settlement, in the form attached hereto as Exhibit A, in which American and LLC: (i) release and discharge Settling Creditor and its successors, assigns, past and present parents, subsidiaries, and other direct and indirect affiliates, and officers, directors, agents, attorneys, and employees, of and from all manner of rights, claims, liabilities, debts, accounts, damages, demands and causes of action whatsoever sounding in law, equity or otherwise, of any nature, whether known or unknown, to the extent (and solely to the extent) that they arise from or otherwise relate to the Settled Claims; (ii) agree not to reject, chargeback, re-bill, protest, or otherwise seek to recover, receive credit for, or cause payment (through ACH, IATA, or otherwise) of or with respect to the Settled Claims; (iii) agree to take all necessary steps to reverse any rejection, chargeback, or re-billing through ACH and/or IATA with respect to any Settled Claim that has been included in any ACH or IATA settlement subsequent to December 31, 2001; (iv) covenant not to sue, institute, cause to be instituted, or permit to be instituted on their behalf, against any of the Parties released herein, relating to the Settled Claims (a) any proceeding or action with or before any local, state and/or federal agency, court or other tribunal or (b) any binding arbitration proceeding, proceeding before the ACH Committee on Differences, or other dispute resolution proceeding; and (v) agree to dismiss with prejudice all of American's and/or LLC's claims in the Adversary Proceeding against Settling Creditor.

7. Dismissal of the Adversary Proceeding. Settling Creditor shall take all steps necessary to dismiss with prejudice, effective upon American, LLC, and the Debtors

having done the same with respect to Settling Creditor, all counterclaims, third-party claims, or other claims asserted by Settling Creditor in the Adversary Proceeding prior to five (5) business days after the Effective Date of the Plan. Settling Creditor shall not object to, or take any action inconsistent with, the dismissal of claims asserted by other parties to the Adversary Proceeding.

8. Dismissal of Administrative Claim. Prior to ten (10) days after the Effective Date of the Plan, Settling Creditor shall file an amended proof of claim (the "Amended Non-Clearinghouse Claim") to include only those claims, if any, against the Debtor or their estates that do not arise from transactions or services for which Settling Creditor and TWA settled charges through the ACH or IATA settlement process. Effective at 5:00 p.m. local time in Wilmington, Delaware on the tenth (10th) day after the Effective Date of the Plan, each administrative claim request or other administrative expense claim previously filed by Settling Creditor (other than any Amended Non-Clearinghouse Claim) shall be dismissed in its entirety and expunged.

9. No Further Rejections or Re-billings. From the date hereof, the Parties, provided American and LLC likewise agree in the American/LLC Settlement, shall not reject, chargeback, re-bill, or otherwise seek to recover, receive credit for, or cause payment (through ACH, IATA, or otherwise) of or with respect to any of the Settled Claims. Upon the effectiveness of the releases provided for in Paragraphs 4, 5, and 6 above, the Parties, provided American and LLC likewise agree in the American/LLC Settlement, shall further take all necessary steps to reverse any rejection, chargeback, or re-billing through ACH and/or IATA with respect to any Settled Claim, which rejection, chargeback, or re-billing has been (or may hereafter be) included in any ACH or IATA settlement subsequent to December 31, 2001. The Parties agree that the Bankruptcy Court (a) shall retain jurisdiction to resolve any disputes arising

from the implementation of this Paragraph, and (b) shall retain sole jurisdiction to resolve any disputes with the Debtors arising from the implementation of this Paragraph.

10. Covenant Not to Sue or Institute Dispute Resolution Proceedings. Subject to the effectiveness of the releases provided for in Paragraphs 4, 5, and 6 above, the Parties covenant not to sue, institute, cause to be instituted, or permit to be instituted on their behalf, against any of the Parties released herein, relating to the Settled Claims, (a) any proceeding or action with or before any local, state and/or federal agency, court or other tribunal; or (b) any binding arbitration proceeding, proceeding before the ACH Committee on Differences, or other dispute resolution proceeding.

11. Support of Plan. Upon execution of this Agreement and conditioned upon approval of this Agreement by the Bankruptcy Court, Settling Creditor shall: (i) immediately withdraw any and all Objections to the Plan that it has asserted, including any Objections not related to the Settled Claims; (ii) use reasonable efforts to support confirmation of the Plan; and (iii) take no action that is inconsistent with or that would delay confirmation of the Plan.

12. Termination at Discretion of Debtors. The Debtors, in their sole discretion, may terminate this Agreement at any time before 10:00 p.m., Eastern Standard Time, on the second day prior to a confirmation hearing on the Plan (or a separate hearing on confirmation objections based on 11 U.S.C. § 1129(a)(9)) held before the Bankruptcy Court in the Chapter 11 Cases; provided that: (a) the Debtors simultaneously terminate any Other ACH/IATA Settlements executed prior to said termination; and (b) the Debtors provide notice to the following counsel by e-mail at or prior to that time at the address below and by telephone or voicemail at the telephone number below:

Craig H. Ulman
chulman@hhlaw.com